

Executive Summary:

- Uttar Pradesh is expected to produce approximately 13.5 million tons, compared with 13.5-14 million tons last year because at later stage late sown crop was damaged because of heavy rains and fog.
- In U.P, total cold storage capacity is approximately 110-113 lakh MT. This year total potato to be stored is estimated to be approximately 85% compared to previous year capacity utilization of 81% of total cold storage capacity.
- West Bengal's production is estimated at 9.5 million tons, against 8.5 million tons last year. In West Bengal, cold storages are filled by approximately 95-97% whose total capacity is approximately 64 lakh ton. According to trade sources market is expected firm as prices in West Bengal are comparatively lower than prices In U.P which is the advantage to West Bengal
- According to trade sources, production in Gujarat is expected remain at last year's level. There would be a marginal jump in the output in Madhya Pradesh, Bihar and Punjab in 2012-13.
- In Punjab, area under potato crop this year was 85,000 hectares, which produced 21 lakh metric tons of potato as compared to 84,000 hectares under potato cultivation last year which produced 20 lakh metric tons of the crop.
- In the event of rising prices & volatility in futures market, MCX has levied 15% of additional cash special margins on both sides (long and short or buy and sell) of running potato contracts. Further, no fresh buy/sell positions shall be allowed during last seven working days prior to the expiry date of the running contracts.

Monthly Wholesale Price Trend in different Producing & Consuming Centers:

Market	March 2013 Avg. Wholesale Price (Rs/Qtl)	February 2013 Avg. Wholesale Price (Rs/Qtl)	March 2012 Avg. Wholesale Price (Rs/Qtl)	Absolute Change over Prev. Month (Rs./Qtl)	% Change over Prev. Month	% Change over Prev. Year
Delhi	688	646	596	42	6.50	15.44
Agra	537	561	547	-24	-4.28	-1.83
Farrukhabad	449	502	359	-53	-10.56	25.07
Ludhiana	488.2	534	770	-45.8	-8.58	-36.60
Kolkata	518	633	657	-115	-18.17	-21.16
Hyderabad	1047	1162	955	-115	-9.90	9.63
Jaipur	712	627	615	85	13.56	15.77
Mumbai	924	1083	824	-159	-14.68	12.14
Bangalore	1172	1293	780	-121	-9.36	50.26

(Source: AGRIWATCH, NHB)

April, 2013

The above table shows the monthly prices change in major markets. Prices in consumption centers have decreased with higher supply from producing regions. Potato prices have decreased in almost all the markets except Delhi and Jaipur because of peak harvesting month and arrivals were also high compared to previous month. Prices in producing region have come lower than previous year but in consuming centers it is still higher than last year. This may be due to higher transportation cost and middle man margins.

Monthly Retail Price (Rs/Qtl) and arrivals (Tons) trend in different Consuming Centers:

Market	Average Retail Price- March 2013	Average Retail Price- Feb 2013	Previous year Avg. Retail Price- March 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. year	Total Arrivals in March- 2013 (in Tons)	Total Arrivals in Feb - 2013 (in Tons)	Total Arrivals in March- 2012 (in Tons)
Bangalore	1700	1909	1361	-10.95	24.91	9675	9063	11061
Chennai	1922	2100	1600	-8.48	20.13	6398	6500	6220
Delhi	1142	1150	923	-0.7	23.73	29801	28783	33534
Guwahati	808	885	928	-8.7	-12.93	9280	6410	6190
Hyderabad	1705	1933	1475	-11.8	15.59	4244	4994	3098
Mumbai	1696	2000	1150	-15.2	47.48	27348	26404	84727
Ranchi	1000	1025	852	-2.44	17.37	4543	4906	4405

(Source: NHB)

Retail prices have fallen in most of the above markets following higher arrivals of fresh potato in the wholesale markets. It is expected that retail prices are expected to go up further as traders from Khandauli (U.P) are expecting that potatoes from cold storage are likely to fetch a starting price of Rs 1100/ quintal.

Technical Analysis of MCX- Potato Futures (Monthly Continuous Chart):



(Note: Each bar or "candle" in the chart shows the price movement in a particular month. The green candle signifies prices increased and red candle signifies prices decreased in that week. The length of the "candle" shows the upper and lower end of the price range for the week.)

The above chart shows the monthly price movement of MCX-Potato contract for Agra delivery. Prices are trading above its 4-month, 9-month and 18-month exponential moving averages indicating firmness in market. The candlestick pattern suggests prices are expected to find support in the range of Rs. 950/quintal. On the higher side, prices could find resistance at a level of 1050 and if this resistance is breached prices may go above Rs 1100/ quintal.

Monthly Potato Futures (Agra Delivery) Analysis:

Symbol	Exchange	Expiry Date	Closing price on 28 March 2013	Previous month Closing Price- Feb 2013	% Change in Price over previous month	Open Interest as on 28 March 2013	Open Interest as on Feb 2013	Change
POTATO	MCX	15-Apr-13	967.9	770	25.70	6720	10620	-3900
POTATO	MCX	15-May-12	968.7	747.8	29.54	16950	27630	-10680
POTATO	MCX	15-Jun-12	976.7	-	-	11970	-	-

(Source: MCX, Agriwatch research)
*June contract started from 16th March

In monthly analysis of futures data, it indicates that market participants are short covering their positions as prices are increasing and open interest is falling. Potato Prices have increased 25-30% in futures market in last one month.

Disclaimer

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