

## Executive Summary:

- **In West Bengal**, approximately 23% of potatoes have been released from cold storage. According to trade sources, prices are not increasing because release from cold storage is at higher pace.
- According to trade sources , **agriculture marketing minister of West Bengal** has stated that pace of release from cold storage should be reduced otherwise there will be shortage ahead. The release of cold storage potatoes in West Bengal is almost 1.5 times compared to previous year.
- **In Samastipur (Bihar)**, release from cold storages is low by approximately 50% compared to previous year during same time. The reason is less demand in market and higher quantity stored in cold storages compared to last year.
- Potato crop in Hassan district of Karnataka is in good condition as compared to previous year because of timely and proper rainfall. It contributes approximately 2.5% of country's total potato production.
- **In Kanpur**, approximately 15% of cold storage potato has been released compared to 35% same time last year. Prices are hovering in the range of Rs 800 to 850/ quintal which are 20% lesser than last year.
- **In M.P**, release from cold storage is approximately 15% compared to previous year 20% at the same time. According to trade sources, prices are less by Rs 2/kg compared to previous year.
- According to NHRDF, total area under potato during 2012-13 estimated around 2% more i.e. 19.40 lakh ha compared to last year's area of 19.07 lakh ha. Total production of potato in the current year estimated less by around 1% i.e. 410.92 lakh MT compared to last year's production of 414.83 lakh MT.

## Monthly Wholesale Price Trend in different Producing & Consuming Centers:

| Market              | June 2013<br>Avg.<br>Wholesale<br>Price<br>(Rs/Qtl) | May 2013<br>Avg.<br>Wholesale<br>Price<br>(Rs/Qtl) | June 2012<br>Avg.<br>Wholesale<br>Price<br>(Rs/Qtl) | Absolute<br>Change<br>over Prev.<br>Month<br>(Rs./Qtl) | % Change<br>over Prev.<br>Month | % Change<br>over Prev.<br>Year |
|---------------------|---|--|---|--|---------------------------------|--------------------------------|
| Delhi               | 898   | 930  | 1157  | -32  | -3.44                           | -22.39                         |
| Khandauli<br>(Agra) | 839   | 966  | 1072  | -127   | -13.15                          | -21.74                         |
| Farrukhabad         | 816   | 771  | 1055  | 45   | 5.84                            | -22.65                         |
| Ludhiana            | 800   | 744  | 920   | 56   | 7.53                            | -13.04                         |
| Kolkata             | 844   | 896  | 1124  | -52  | -5.80                           | -24.91                         |
| Hyderabad           | 1509  | 1308   | 1350  | 201  | 15.37                           | 11.78                          |
| Jaipur              | 804   | 931  | 1022  | -127   | -13.64                          | -21.33                         |
| Mumbai              | 1188  | 1231   | 1264  | -43  | -3.49                           | -6.01                          |
| Bangalore           | 1441  | 1408   | 1460  | 33   | 2.34                            | -1.30                          |
| Tarkeshwar          | 785   | 832  | 1127  | -47  | -5.65                           | -30.35                         |

(Source: AGRIWATCH, NHB)

July, 2013

The above table shows the monthly prices change in major markets. Mixed variation of potato prices was seen. Prices are less when compared to last year during the same time. But, It is expected that prices may rise marginally as prices are green vegetables are skyrocketing due to damage by rains and recent monsoon which may result into higher demand of potato and onion.

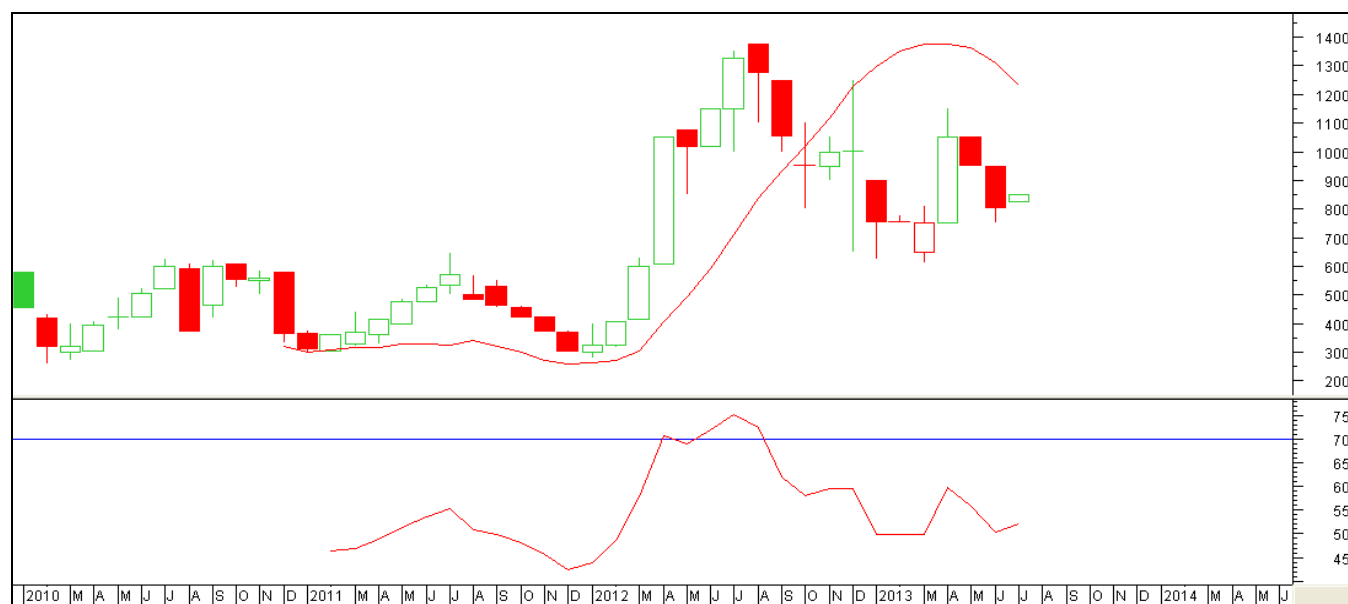
## Monthly Retail Price (Rs/Qtl) and arrivals (Tons) trend in different Consuming Centers:

| Market    | Average Retail Price- June 2013 | Average Retail Price- May 2013 | Previous year Avg. Retail Price- June 2012 | % Change in Price Over Prev. Month | % Change in Price Over Prev. year | Total Arrivals in June- 2013 (in Tons) | Total Arrivals in May- 2013 (in Tons) | Total Arrivals in June- 2012 (in Tons) |
|-----------|---------------------------------|--------------------------------|--|------------------------------------|-----------------------------------|--|---------------------------------------|--|
| Bangalore | 2000                            | 2004                           | 1750                                       | -0.20                              | 14.29                             | 14690                                  | 10413                                 | 11450                                  |
| Chennai   | 2400                            | 2354                           | 2150                                       | 1.95                               | 11.63                             | 5410                                   | 6090                                  | 5860                                   |
| Delhi     | 1342                            | 1548                           | 1412                                       | -13.31                             | -4.96                             | 23031                                  | 27649                                 | 23388                                  |
| Guwahati  | 1357                            | 1300                           | 1619                                       | 4.38                               | -16.18                            | 4440                                   | 5056                                  | 7035                                   |
| Hyderabad | 2560                            | 1976                           | 1664                                       | 29.55                              | 53.85                             | 1688                                   | 3020                                  | 1742                                   |
| Mumbai    | 2008                            | 1500                           | 1967                                       | 33.87                              | 2.08                              | 27135                                  | 19461                                 | 25346                                  |
| Ranchi    | 1179                            | 1000                           | 1479                                       | 17.90                              | -20.28                            | 5640                                   | 4125                                  | 5617                                   |

(Source: NHB)

Retail prices have increased in almost all the markets except Bangalore and Delhi. Prices are expected to increase further as potatoes are available in cold storages only and prices may increase ahead because of higher demand as during this time green vegetable prices rises

## 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 blue candle signifies prices increased and red candle signifies prices decreased in that month. 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 (Khandauli) delivery. Relative Strength Indicator is also moving upward which shows short term firmness in market. On the higher side, prices are expected to find resistance at a level of Rs 900. On the lower side prices may found support at a level of Rs 750. The candlestick pattern suggests prices are expected to increase for short term and may remain stable after that.

## Monthly Potato Futures (Agra Delivery) Analysis:

| Exchange | Expiry Date | Closing price on 29 <sup>th</sup> June 2013 | Previous month Closing Price-May 30th 2013 | % Change in Price over previous month | Open Interest as on June 2013 | Open Interest as on May 2013 | Change |
|----------|-------------|---|--|---------------------------------------|-------------------------------|------------------------------|--------|
| MCX      | 15-Jul-13   | 834   | 857.50                                     | -2.74                                 | 3810                          | 5730                         | -1920  |
| MCX      | 14-Aug-13   | 784.20                                      | 746  | 5.12                                  | 13200                         | 14040                        | -840   |
| MCX      | 14-Sep-13   | 732   | 706.10                                     | 3.67                                  | 8280                          | 14700                        | -6420  |
| NCDEX    | 19-Jul-13   | 776   | 792  | -2.02                                 | 1800                          | 7200                         | -5400  |
| NCDEX    | 20-Aug-13   | 706   | 773  | -8.67                                 | 9400                          | 11600                        | -2200  |
| NCDEX    | 20-Sep-13   | 646   | 761  | -15.11                                | 2400                          | 15700                        | -13300 |

(Source: MCX, NCDEX)

In all the contracts of MCX and NCDEX except MCX, August and September, prices and open interest are falling which suggest that market participants are liquidating their long positions in expectation of weak market ahead. In MCX, August and September, prices are increasing and open interest are falling which suggest that market participants are short covering their positions.

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