

Executive Summary:

- In August contract of **MCX and NCDEX**, market participants are liquidating their long positions as these contracts are near to expiry date (14th Aug and 20th Aug respectively) whereas in MCX-September contract, market participants are building short positions in expectation of weak market ahead.
- In **Hassan (Karnataka)**, total sown area under potato this year is 20150 hectare which is normal in last three year. According to State Horticulture Department, this year 4900 hectare of area is affected by late blight disease and it may increase further due to continuous rain. Hassan supplies potato to South India during this time. So, it is expected that it may push the demand for UP side potato and prices in coming weeks.
- In **U.P** total number of cold storages is 1555 with storage capacity of 110 lakh tons compared to last year's total capacity of approximately 98 lakh ton.
- In **West Bengal**, approximately 36.5% of cold storage potatoes have been released by July end as compared to previous year's total release of 32% during same time.
- In **Bihar**, release from cold storage is approximately 25 % compared to previous year's release of 35% during same time. Potato market ahead seems to be sluggish due to higher stock.
- In **Delhi**, potato prices are comparatively low as compared to previous year in both wholesale and retail by approximately 30% and 5% respectively. Potatoes are mainly arriving in market from M.P, U.P, Haryana and Uttarakhand. Among these, fresh potato from Uttarakhand is able to fetch a maximum price of Rs 1800-Rs 2000/ quintal.

Monthly Wholesale Price Trend in different Producing & Consuming Centers:

Market	July 2013 Avg. Wholesale Price (Rs/Qtl)	June 2013 Avg. Wholesale Price (Rs/Qtl)	July 2012 Avg. Wholesale Price (Rs/Qtl)	Absolute Change over Prev. Month (Rs./Qtl)	% Change over Prev. Month	% Change over Prev. Year
Delhi	809	898	1167	-89	-9.91	-30.68
Khandauli (Agra)	792	839	1286	-47	-5.60	-38.41
Farrukhabad	777	816	1166	-39	-4.78	-33.36
Ludhiana	825	800	897	25	3.13	-8.03
Kolkata	824	844	1171	-20	-2.37	-29.63
Hyderabad	1204	1450	1623	-254	-17.50	-25.82
Jaipur	849	804	1225	45	5.60	-30.69
Mumbai	1075	1188	1513	-113	-9.51	-28.95
Bangalore	1271	1441	1592	-170	-11.80	-20.16
Tarkeshwar	774	785	1140	-11	-1.40	-32.11

(Source: AGRIWATCH, NHB)



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The above table shows the monthly prices change in major markets. Prices have fallen in most of the markets except Ludhiana and Jaipur. 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 rising due to damage by rains which may result into higher demand of potatoes.

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

Market	Average Retail Price- July 2013	Average Retail Price- June 2013	Previous year Avg. Retail Price- June 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. year	Total Arrivals in July- 2013 (in Tons)	Total Arrivals in June- 2013 (in Tons)	Total Arrivals in July- 2012 (in Tons)
Bangalore	1805	2000	2252	-9.75	-19.85	26441	14690	20665
Chennai	2341	2400	2462	-2.46	-4.91	6410	5410	4790
Delhi	1626	1342	1577	21.16	3.11	49024	23031	40800
Guwahati	1625	1357	1878	19.75	-13.47	4031	4440	4410
Hyderabad	1800	2560	2000	-29.69	-10.00	1932	1688	3972
Mumbai	1900	2008	2384	-5.38	-20.30	31143	27135	28933
Ranchi	1007	1179	1596	-14.59	-36.90	6710	5640	6710

(Source: NHB)

Retail prices have decreased in almost all the markets except Delhi and Guwahati. Retail prices have fallen due to higher release of potato from major producing regions like U.P and West Bengal. Prices are expected to increase in coming month as potatoes are available in cold storages only and green vegetable prices are soaring up.

Technical Analysis Potato Spot Market (Khandauli, Agra):



(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 potato for Agra (Khandauli) market. Prices are trading in the range of Rs. 700-800/ctl. Relative Strength Indicator is also stable which suggest prices may remain range bounded for next month. 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 600.

Monthly Potato Futures (Agra Delivery) Analysis:

Exchange	Expiry Date	Closing price on 31st July 2013	Previous month Closing Price-June 30th 2013	% Change in Price over previous month	Open Interest as on July 2013	Open Interest as on June 2013	Change in Open Interest
MCX	14-Aug-13	744	784.2	-40.2	9420	13200	-3780
MCX	14-Sep-13	697.1	732	-34.9	23400	8280	15120
NCDEX	20-Aug-13	700	706	-6	770	9400	-8630
NCDEX	20-Sep-13	694	646	48	3120	2400	720

(Source: MCX, NCDEX)

In MCX and NCDEX August contract, prices and open interest are decreasing which suggest that market participants are liquidating their long positions in fear of weak market ahead. In MCX, September contract prices are decreasing and open interest is increasing which suggest that market participants are building short positions.

Disclaimer

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