

Executive Summary:

- In **West Bengal**, State government has put a cap on the prices to control rising prices. State government has also restricted export of potato outside the state to ensure availability of potato at cheaper rates in the State. Traders and cold store owners are unhappy with this move as they are not able to realize higher price by sending potatoes outside the state.
- In **West Bengal**, approximately 20-25% of cold storage potatoes are remaining from which 7% is kept for sowing which is in progress. Lower price during sowing and state government strict actions against price rise in the state may discourage farmers to sow potato.
- In **U.P**, approximately 10-12% of potatoes are left in cold storages which in quantity terms become 10-12 lakh tons. Rabi sowing is completed by 60-65% and it is expected that area would remain same due to higher cost of seeds at this time.
- In **Bihar**, approximately 20-25 % sowing is completed. This delay in sowing was due to rains at later stage. It is expected that Rabi area may increase this year compared to previous year.
- Across the country potato prices are rising and expected to increase further because supply of potatoes from West Bengal has stopped which will create additional demand for UP potatoes as eastern states are looking for alternate option to bring potato to their states. It is expected that new crop from Punjab may start arriving in market within next fortnight.

Monthly Wholesale Price Trend in different Producing & Consuming Centers:

Market	October 2013 Avg. Wholesale Price (Rs/Qtl)	September 2013 Avg. Wholesale Price (Rs/Qtl)	October 2012 Avg. Wholesale Price (Rs/Qtl)	Absolute Change over Prev. Month (Rs./Qtl)	% Change over Prev. Month	% Change over Prev. Year
Delhi	1240	859	874	381	44.35	41.88
Khandauli (Agra)	1113	719	885	394	54.8	25.76
Farrukhabad	1030	751	992	279	37.15	3.83
Ludhiana	837	559	649	278	49.73	28.97
Kolkata	1011	817	1124	194	23.75	-10.05
Hyderabad	1221	1014	1408	207	20.41	-13.28
Jaipur	1043	652	812	391	59.97	28.45
Mumbai	1386	1051	1160	335	31.87	19.48
Bangalore	1460	936	1319	524	55.98	10.69
Tarkeshwar	1041	755	1106	286	37.88	-5.88

(Source: AGRIWATCH, NHB)

The above table shows the monthly prices change in major markets. Prices have increased in almost all the markets. Prices have increased because of higher demand as prices of green vegetables are very high so potato

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is the best substitute. The other reason is lower stock of potatoes in U.P which is majorly supplying to different part of countries. Supply from West Bengal has stopped which has also led prices to increase.

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

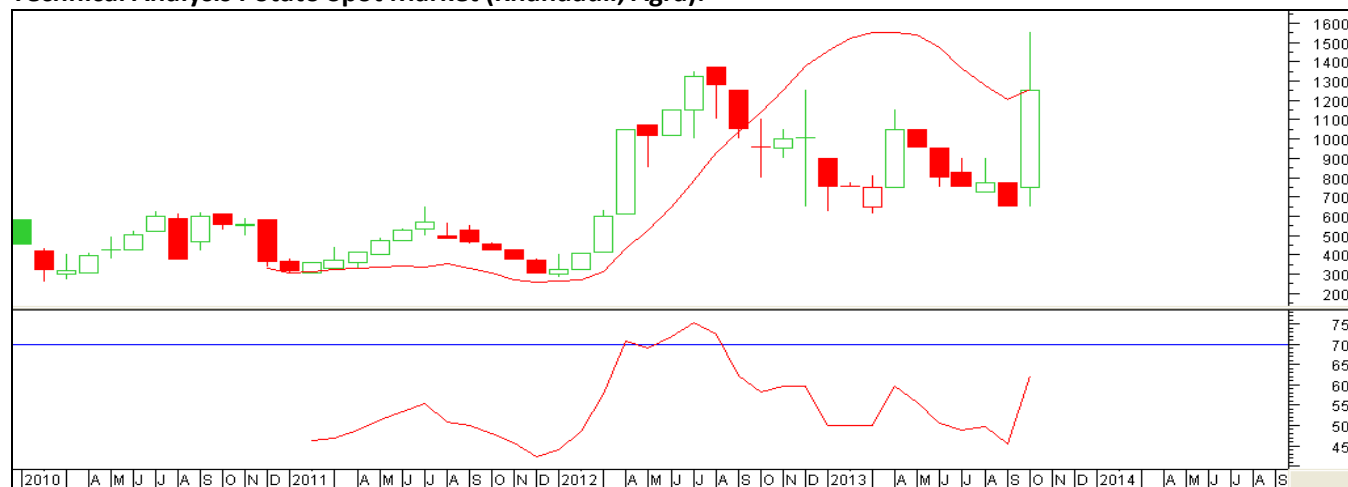
Market	Average Retail Price-October 2013	Average Retail Price-September 2013	Previous year Avg. Retail Price-October 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. year	Total Arrivals in October 2013 (in Tons)	Total Arrivals in September 2013 (in Tons)	Total Arrivals in October 2012 (in Tons)
Bangalore	2114	1409	2030	50.04	4.14	28020	43020	19590
Chennai	2388	1984	2504	20.36	-4.63	5850	6140	5480
Delhi	2088	1240	1685	68.39	23.92	4093	1344	1710
Guwahati	1696	1353	1708	25.35	-0.7	2730	3182	3310
Hyderabad	1780	1588	1780	12.09	0	3142	3242	10486
Mumbai	2196	2000	2150	9.8	2.14	21944	27821	32919
Ranchi	1375	1000	1775	37.5	-22.54	2424	5031	5930

(Source: NHB)

Retail prices have increased in almost all the markets. Prices have increased because of lower sock of potatoes in U.P which is supplying to different parts. The other reason for rise in prices is due to ban on supply of potatoes from West Bengal State.

Maximum arrivals were seen in Delhi because crop is arriving from different producing regions like U.P, Haryana, Karnataka and Shimla (H.P).

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 have increased sharply to Rs. 1600/Qtl in month of October and currently trading near Rs. 1200-1400/Qtl. On the higher side prices may find resistance near Rs 1600/ quintal whereas on lower side prices may found long term support at a level of Rs 1000/ quintal. Overall market seems to be firm for next couple of weeks.

Monthly Potato Futures (Agra Delivery) Analysis:

Exchange	Expiry Date	Closing price on 31st October 2013	Closing price on 30th September 2013	% Change in Price over previous month	Open Interest as on October 2013	Open Interest as on September 2013	Change in Open Interest
MCX	31-Mar-14	881.3	827	6.57	7710	8325	-615
MCX	30-Apr-14	848.2	795	53.2	3390	1755	1635

(Source: MCX, NCDEX)

In March month contracts, prices are increasing and open interest is falling which suggest that market participants are short covering their positions. In April month contract, market participants are building long positions with increase in price and open interest after sharp increase in spot prices and delay in sowing for next rabi season.

Disclaimer

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