

22 October, 2012

Executive Summary:

- In Agra sowing of potato has started and is completed in 10-15% of total area. According to pre-sowing intention and trade sources, approximately 15-20% of total potato area in Agra may shift towards wheat and mustard because prices of potato were not stable in last two years.
- According to trade sources, approximately 30-35% of potatoes are left in cold storages of Begusarai (Bihar). From the remaining potatoes 20-25% potatoes will be used for seeds. Prices are hovering in the range of Rs 850- Rs 950 / quintal and expected to remain stable for a couple of weeks.
- In West Bengal Potato sowing season usually begins by October end or early November but this year sowing is expected to begin in the middle of November as the harvesting of kharif crop has been delayed by a month due to late rains.
- According to news sources, West Bengal imports approximately 30% of its total requirement seed from Punjab. But this year Punjab is not getting any orders of seeds as State government of West Bengal is planning something else which is not known yet.
- Arrivals have increased in all markets across the country and prices are stable because of higher stocks in the markets. In U.P and West Bengal approximately 35%-45% of potatoes are still stored in cold storages.
- In Bangalore, potato is mainly coming from Hassan and U.P which are contributing approximately 85% and 15% of the total arrival. According to trade sources, according to trade sources, potato from Hassan is already harvested by 70% and rest is expected to last till Diwali festival.

Weekly Wholesale Potato Prices Analysis for 15th Oct – 20th Oct 2012

Market	State	Avg. Prices 15th Oct- 20th Oct 2012	Avg. Prices 8 th Oct- 13 th Oct 2012	Avg. Prices 1st Oct- 6th Oct 2012	% Change over Prev. Week	% Change over Prev. to Prev. Week
Delhi	Delhi	960	800	910	20	5.49
Agra	UP	815	816	890	-0.12	-8.43
Kanpur	UP	913	1016	890	-10.14	2.58
Farrukhabad	UP	850	1020	1188	-16.67	-28.45
Hathras	UP	860	730	990	17.81	-13.13
Burdwan	W. Bengal	1075	1072	1090	0.28	-1.38
Tarkeshwar	W. Bengal	1090	1087	1118	0.28	-2.50
Ludhiana	Punjab	640	616	700	3.90	-8.57
Indore	MP	730	700	690	4.29	5.80
Mumbai	Maharashtra	1088	1170	1194	-7.01	-8.88
Bangalore	Karnataka	1270	1308	1319	-2.91	-3.71
Ahmedabad	Gujarat	1065	1060	1082	0.47	-1.57
Bhubaneswar	Orissa	1090	1084	1110	0.55	-1.80

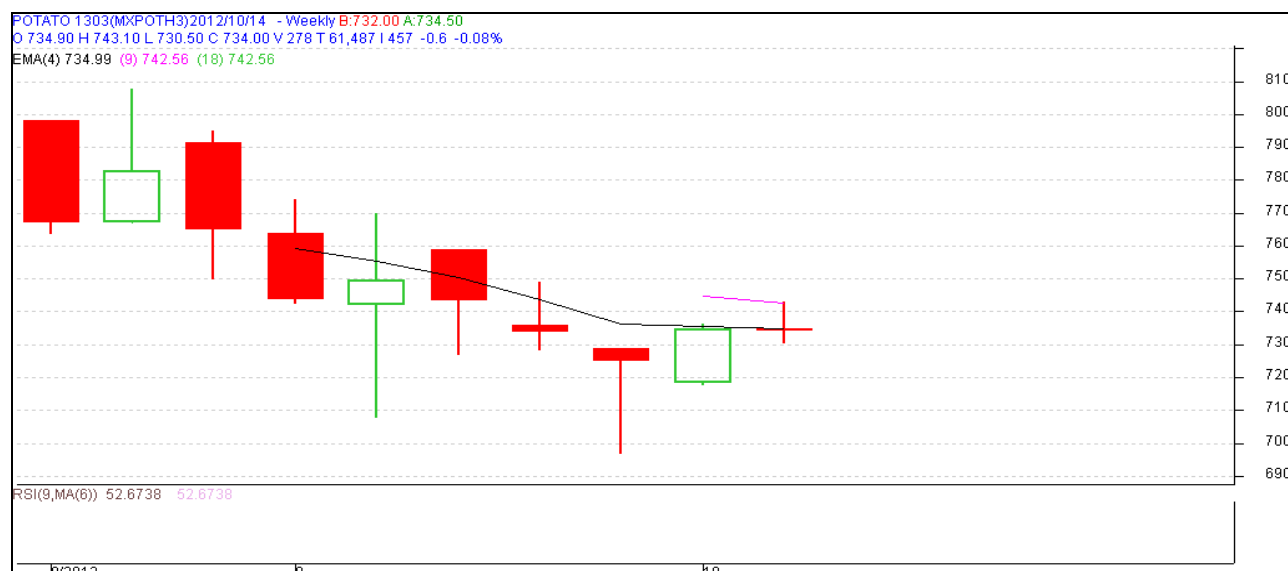
(Source: AGRIWATCH)

The above table shows a mixed pattern of prices across the country. Prices have increased marginally in most of the markets due to festive season of 'Navaratri' as the consumption increases during this time. In Hathras prices have increased because farmers are buying potatoes for seed purpose which are being sold at a higher price, Price of 'white' variety seed is Rs 500- Rs 600/ quintal whereas prices of 'Red' variety seed

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are around Rs 700-Rs 850 / quintal. In Tarkeshwar and Bardwan release from cold storage has increased and prices have increased by Rs 20-Rs 30/ quintal because from Saturday onward market will be closed for 4- days on the occasion of Durga Puja. So, wholesalers are stocking almost double to triple of normal arrival. Prices are expected to decline further because of high large stock in cold storages.

Technical Analysis – Weekly Price Chart of Agra-March Contract at MCX



The above chart shows the weekly price movement of Potato futures contract for March 2013 delivery at the MCX exchange. Prices are still in a downtrend though it recovered compared to last week. Prices are almost same like last week highest prices. On higher side resistance could be seen at 745-50 levels. Immediate support for the contract is near 720 levels.

Potato Futures Weekly Analysis: (15th Oct – 20th Oct 2012)

Symbol	Exchange	Expiry Date	Today's Close Price	Previous Week Close Price	Net Change	Today's Open Interest	Previous Week Open Interest	Change
POTATO	MCX	15-Mar-13	734	732.5	1.50	13710	14100	-390
POTATO	MCX	15-Apr-13	706.9	699.6	7.30	8580	8100	480
POTATO	MCX	15-May-12	733.1	724.7	8.40	1200	180	1020
				Total				1110

(Source: NCDEX, MCX)

In the futures market, some buying is seen in April and May contract with increase in price and open interest. In March contract some short covering is seen as open interest has fallen.

Disclaimer

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