

19 November, 2012

## Executive Summary:

- The West Bengal cold storage association has decided to cease work on Monday ie 19-11-2012 as the State government is not increasing the cold storage rent despite hike in electricity tariff. According to trade sources, rent in producing regions like Punjab, U.P, Haryana, Madhya Pradesh is Rs 150-200/ quintal whereas rent in west Bengal is Rs 100- 110/ quintal.
- In U.P sowing is almost completed and in few parts of Agra potato is in germination stage with a 4-6 inch average height of the plants.
- In West Bengal, approximately 20-25% of sowing is completed. According to trade sources, rabi area is expected to increase but exact increased area can be estimated once sowing is completed.
- In Hathras (U.P), approximately 85-90% of potato sowing is completed. According to trade sources, sowing area is expected to be 20% less compared to previous year. The reason for decline in area is high cost of inputs and better price realization in other crops like mustard.
- In Bangalore, potatoes are arriving in market from U.P and local region which are contributing approximately 85% and 15% to the total arrival
- In Kanpur, early rabi crop has started arriving from Sambhal (U.P) which is contributing approximately 10-15% to the total arrival. So far, rabi sowing is completed by 60-65% and rest is expected to complete by end of this month. Rabi crop area is expected to increase by 10-15% compared to last year's area.
- According to news sources, Uttar Pradesh Government is considering an export scheme for potato farmers. In this regard the government is providing hybrid seeds of potato to the farmers.
- Harvesting of early rabi crop from Ropar region of Punjab started reaching in Delhi market.

## Weekly Wholesale Potato Prices Analysis for 12<sup>th</sup> Nov– 17<sup>th</sup> Nov 2012

Market	State	Avg. Prices 12th Nov- 17th Nov 2012	Avg. Prices 5 Nov-10 Nov 2012	Avg. Prices 29thOct- 2nd Nov 2012	% Change over Prev. Week	% Change over Prev. to Prev. Week
Delhi	Delhi	1263	1220	942	3.52	34.08
Agra	UP	980	967	984	1.34	-0.41
Kanpur	UP	916	900	946	1.78	-3.17
Farrukhabad	UP	1010	975	1034	3.59	-2.32
Hathras	UP	920	917	1000	0.33	-8.00
Burdwan	W. Bengal	1122	1153	1138	-2.69	-1.41
Tarkeshwar	W. Bengal	1134	1166	1154	-2.74	-1.73
Ludhiana	Punjab	875	681	635	28.49	37.80
Indore	MP	770	684	815	12.57	-5.52
Mumbai	Maharashtra	1216	1154	1150	5.37	5.74
Bangalore	Karnataka	1362	1525	1440	-10.69	-5.42
Ahmedabad	Gujarat	1082	1070	1104	1.12	-1.99
Hyderabad	AP	1350	1375	1570	-1.82	-14.01
Bhubaneswar	Orissa	1171	1160	1135	0.95	3.17

(Source: AGRIWATCH)

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The above table shows price movement during last week. Modal Prices have increased in all the major markets except Hyderabad, Bangalore, Tarkeshwar and Burdwan. Prices have increased because of lower arrivals in markets. Fresh potato from Punjab has also started arriving in market and from few parts of U.P.

## Technical Analysis – Weekly Price Chart of MCX- March Contract



The above chart shows the weekly price movement of Potato futures contract for March delivery at the MCX exchange. Prices are stable from last few weeks and are hovering in the range of Rs 720- Rs740/ quintal. For March contract, on the higher side resistance is in the range of 735- 745 and immediate support is in the range of 710 to 720. Once the exact sowing figures are in market, futures price are expected to move further because March and April are the peak arrivals month for U.P potato.

## Potato Futures Weekly Analysis: (12<sup>th</sup> Nov- 17<sup>th</sup> Nov 2012)

Symbol	Exchange	Expiry Date	Weekly Close Price	Previous Week Close Price	Net Change	This Week Open Interest	Previous Week Open Interest	Change
POTATO	MCX	15-Mar-13	730.6	726.3	4.3	14370	14280	90
POTATO	MCX	15-Apr-13	703.7	693.9	9.8	10650	10110	540
POTATO	MCX	15-May-12	720.6	719.3	1.3	3360	2610	750
				Total	15.4			1380

(Source: MCX)

During the week ended, long build up was seen in the entire futures contract with increase in prices and open interest. This suggests that market participants are taking buy position on a weekly basis. Prices have increased in a very narrow range of Rs 4- Rs10/ quintal.

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