

## Executive Summary:

- In Punjab, Rabi crop area is 10-15% less as compared to previous year. Farmers have shifted to wheat and sugarcane because of overproduction and low demand in last three seasons. The other reason for shifting from potato crop is increase in cost of production because of hike in fertilizers. Potato crop needs 3 times more fertilizers compared to wheat and sugarcane.
- Yield for early rabi which is sown during early September in Punjab is also estimated to be down by 8-10% due to extra growth of potato plants.
- In West Bengal, sowing is almost completed and it is expected that area may increase by 2%-4% because of higher prices at the time of sowing.
- In West Bengal, approximately 4% of cold storage potatoes are still left in cold storages. According to trade sources, fresh crop is expected to arrive in market from December last.
- In Kanpur, fresh potatoes are arriving in market from local region (Kannauj and Farrukhabad) which are able to fetch a prices of Rs 1200 to Rs 1350/ quintal. Stored potato is fetching price of Rs 800 to Rs 1300/ quintal.
- In Indore, potatoes are coming from local region only. Fresh potatoes are contributing approximately 65% to the total arrival. Average prices are hovering in the range of Rs 850 to Rs 1200/ quintal.

## Weekly Wholesale Potato Prices Analysis for 10<sup>th</sup> December – 17<sup>th</sup> December 2012

Market	State	Avg. Prices 10th Dec 17th Dec 2012	Avg. Prices 3 Dec 8th Dec 2012	Avg. Prices 26th Nov 1st Dec 2012	% Change over Prev. Week	% Change over Prev. to Prev. Week
Delhi	Delhi	815	866	1160	-5.89	-29.74
Agra	UP	920	775	950	18.71	-3.16
Kanpur	UP	745	770	900	-3.25	-17.22
Farrukhabad	UP	679	666	925	1.95	-26.59
Hathras	UP	795	808	1019	-1.61	-21.98
Burdwan	W. Bengal	832	980	1168	-15.10	-28.77
Tarkeshwar	W. Bengal	843	1000	1177	-15.70	-28.38
Ludhiana	Punjab	585	566	844	3.36	-30.69
Indore	MP	940	933	920	0.75	2.17
Mumbai	Maharashtra	1262	1237	1244	2.02	1.45
Bangalore	Karnataka	1380	1400	1350	-1.43	2.22
Ahmedabad	Gujarat	818	912	956	-10.31	-14.44
Hyderabad	AP	1380	1345	1380	2.60	0.00
Bhubaneswar	Orissa	1150	1215	1215	-5.35	-5.35

(Source: AGRIWATCH)

The above table shows the mixed price movement during last week. The reason for increase in prices is availability of fresh crops in markets which is able to fetch higher prices. Cold storage potatoes are almost over. Fresh potatoes are mainly arriving in market from Punjab and Uttar Pradesh.

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



(Note: Each bar or “candle” in the chart shows the price movement in a particular week. The green candle signifies prices increased and red candle signifies prices decreased in that week. The length of the “candle” shows the upper and lower end of the price range for the week.)

The above chart shows the weekly price movement of Potato futures contract for March delivery at the MCX exchange. Prices have increased from last week prices. Immediate support is near 708-710 levels whereas immediate resistance is Rs. 730. The new direction to prices will emerge only once this trading range of 715-740 is broken.

### MCX- Potato Futures Weekly Analysis: (10<sup>th</sup> Dec-15<sup>th</sup> Dec 2012)

Symbol	Delivery Center	Expiry Date	Weekly Close Price	Previous Week Close Price	Net Change	This Week Open Interest	Previous Week Open Interest	Change
POTATO	AGRA	15-Mar-13	722	718.5	3.5	14370	16320	-1950
POTATO	AGRA	15-Apr-13	688.6	691.9	-3.3	11340	11610	-270
POTATO	AGRA	15-May-12	685.7	693.2	-7.5	11550	9150	2400
				Total				

(Source: MCX)

During the week, Short covering was seen in March contract with increase in price and decrease in open interest. In MCX, April contract long liquidation is seen with decrease in both open interest and prices. May contract is showing short position build up (speculative selling with the intention of buying back when prices are lower). This is indicated by the decrease in prices and increase in open interest.

#### Disclaimer

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