

Executive Summary:

- In Sirsaganj and Shikohabad region of U.P, cold storage potatoes are still left and expected to remain available by this week. Prices for cold store potato are hovering in the range of Rs 900- Rs 1000/ quintal. These regions are supplying potato to Mumbai and southern cities.
- In Agra, prices have increased to 1300/ quintal from 975/ quintal because of unfavorable weather condition for harvesting (fog) in last 2-3 days. If this fog happens to continue, prices may rise ahead as it is obstacle for harvesting new crop.
- In Bangalore, potato is coming from U.P, local region and Indore. According to trade sources, U.P is contributing approximately 70% whereas local region and Indore are contributing 10% and 20% respectively. Local Fresh potato is expected to come in a couple of weeks from Kollar district.
- In Hyderabad, potatoes are coming from local region and Agra which are contributing approximately 25% and 75% to the total arrival. According to trade sources, potatoes from Agra are able to fetch maximum prices of Rs 1300/ quintal.
- 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 Futures market, potato prices for March delivery at Agra are trading in the range of Rs. 700-740/Qtl from last few weeks. Volumes are also low due to lack of active participants from traders and investors. April and May contracts are trading below Rs. 700 as these are the peak arrival months from UP region.

Weekly Wholesale Potato Prices Analysis for 17th December – 22nd December 2012

Market	State	Avg. Prices 17th Dec -22 Dec 2012	Avg. Prices 10th Dec-15th Dec 2012	Avg. Prices 3rd Dec 8th Dec 2012	% Change over Prev. Week	% Change over Prev. to Prev. Week
Delhi	Delhi	560	815	866	-31.29	-35.33
Agra	UP	1020	920	775	10.87	31.61
Kanpur	UP	537	745	770	-27.92	-30.26
Farrukhabad	UP	495	679	666	-27.10	-25.68
Hathras	UP	704	795	808	-11.45	-12.87
Burdwan	W. Bengal	656	832	980	-21.15	-33.06
Tarkeshwar	W. Bengal	666	843	1000	-21.00	-33.40
Ludhiana	Punjab	415	585	566	-29.06	-26.68
Indore	MP	850	940	933	-9.57	-8.90
Mumbai	Maharashtra	1041	1262	1237	-17.51	-15.84
Bangalore	Karnataka	1275	1380	1400	-7.61	-8.93
Ahmedabad	Gujarat	882	818	912	7.82	-3.29
Hyderabad	AP	1133	1380	1345	-17.90	-15.76
Bhubaneswar	Orissa	900	1150	1215	-21.74	-25.93

(Source: AGRIWATCH)

The above table shows the prices of potatoes in last 3 weeks across different markets. Modal prices have decreased in most of the markets because of availability of fresh crop which is arriving in market in full swing. Fresh potatoes are mainly arriving in market from Punjab, Himachal Pradesh, Madhya Pradesh 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 710 levels whereas immediate resistance is level of 730 from last two weeks. Prices are expected to increase ahead as Relative Strength Index (RSI) indicator is also indicating bullishness in market.

MCX- Potato Futures Weekly Analysis: (17th Dec-22nd 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 in Open Interest
POTATO	AGRA	15-Mar-13	715.6	722	-0.89	16080	14370	11.90
POTATO	AGRA	15-Apr-13	676.2	688.6	-1.80	10740	11340	-5.29
POTATO	AGRA	15-May-12	673.5	685.7	-1.78	13530	11550	17.14
				Total				

(Source: MCX)

During the week, MCX, March and May contract are 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. In MCX, April contract both prices and open interest are decreasing which indicates long liquidation in markets. According to derivative data, weakness still persists in potato prices.

Disclaimer

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