

Executive Summary:

- Across the country in major markets, supply of potato has affected due to foggy weather in producing regions (U.P, Punjab and M.P) which is making harvesting and transportation difficult.
- Fresh potato arrivals from Farruqabad and Agra region have also started though in small quantity
- In West Bengal, still 1%-2% of potatoes are still left in cold storages. Fresh Potato crop from local region has started arriving in market and it is expected that it will pick up pace in a couple of weeks.
- As per news reports, farmers in West Bengal are going for contract farming option as it give them assured return rather taking price volatility risk. The number of farmers engaged in contract farming of "Atlanta" variety of potatoes for Pepsico in Bengal has increased from just about 1,800 in 2008 to around 13,000 in 2012.
- According to trade sources in Khandauli (U.P), cold storage potatoes which are about to over are fetching highest price because of their high demand from Karnataka region.
- In Sirsaganj and Shikohabad region of U.P, cold storage potatoes are still left and expected to get over by end of this week. Prices are hovering in the range of Rs 900- Rs 1000/ quintal.
- 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.

Weekly Wholesale Potato Prices Analysis for 23rd December – 29th December 2012

Market	State	Avg. Prices 24th Dec - 29 Dec 2012#	Avg. Prices 17th Dec - 22 Dec 2012#	Avg. Prices 24th Dec -29 Dec 2011 (Last Year)*	% Change over Prev. Week	% Change over Last Year
Delhi	Delhi	565	560	430	0.89	31.40
Agra	UP	550	600	320	-8.33	71.88
Kanpur	UP	613	537	400	14.15	53.25
Farrukhabad	UP	425	495	230	-14.14	84.78
Kolkata	W. Bengal	890	1200	390	-25.83	128.21
Ludhiana	Punjab	438	415	320	5.54	36.88
Indore	MP	840	850	525	-1.18	60.00
Mumbai	Maharashtra	1130	1041	480	8.55	135.42
Bangalore	Karnataka	1550	1275	840	21.57	84.52
Ahmedabad	Gujarat	940	882	600	6.58	56.67
Hyderabad	AP	1350	1133	1040	19.15	29.81
Chennai	Tamil Nadu	1866	1900	1100	-1.79	69.64

(Source: #AGRIWATCH,* DCA)

The above table shows the mixed price variation across different markets in the country. Prices have decreased in the producing region as a fresh arrival of potato has started. Other cities like Bangalore,

31 December, 2012

Hyderabad, Mumbai and Ahmedabad have witnessed increase in prices due to their dependence on cold store potato which are still coming from some region of UP and West Bengal. On yearly basis, prices are much high in all cities.

Prices are expected to decline ahead as arrivals are expected to pick up pace once weather is clear.

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 in last two weeks due to supply disruption from producing region. Prices touched high of Rs. 770 but it retraced from this level due to profit booking at higher level. On the upper side resistance is at a level of 780 whereas on the lower side support is seen at a level of 740.

MCX- Potato Futures Weekly Analysis: (24th Dec-29th 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	753.2	715.6	37.6	18810	16080	2730
POTATO	AGRA	15-Apr-13	710.9	676.2	34.7	10980	10740	240
POTATO	AGRA	15-May-12	710.1	673.5	36.6	20550	13530	7020
				Total				

(Source: MCX)

In MCX, March, April and May future contracts prices and open interest, both have increased week on week basis which suggests long build up in futures market. March contract had touched high of Rs. 770 during week but due to profit taking during weekend it closed near Rs. 753. Next week, profit booking could be seen once arrivals increase in spot market and prices are expected to come down.

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