

22 January, 2013

## Executive Summary:

- In Bangalore, arrivals are coming from Indore, Hyderabad and local region which are contributing approximately 30%, 50% and 20% respectively. According to trade sources, maximum prices are being fetched by local region potato at Rs 1600 to Rs 1800/ quintal.
- In Indore market potatoes are arriving in market from local region only. Arrivals are continuously increasing from last 3-4 days.
- In Delhi, potatoes are coming from Punjab, Haryana and U.P. According to trade sources, Punjab and Haryana which are contributing approximately 85% together and U.P alone contributing 15% to the total arrivals.
- McCain Foods India Pvt.ltd will invest another \$69 million at its potato processing plant in Mehsana, Gujarat. This investment will be done to expand capacities to meet increasing market demand for frozen snacks. To meet the enhanced plant capacity, McCain Foods will be working with contracted farmers to double the acreage under potato cultivation.
- Potato area in West Bengal is higher this year by 6-7% as farmers have shifted paddy to potato. But as per market sources, yield won't be good this year as Bengal farmers have mostly used their local seed instead of Jyoti and Pukhraj variety which came from Punjab.

## Weekly Wholesale Potato Prices Analysis for 14<sup>th</sup> Jan 2013 – 19<sup>th</sup> Jan 2013

Market	State	Avg. Prices 14th Jan -19th Jan 2013#	Avg. Prices 5th Jan -11th Jan 2013#	Avg. Prices 14th Jan -19th Jan 2012*	% Change over Prev. Week	% Change over Last Year
Delhi	Delhi	616	560	470	10.00	31.1
Agra	UP	598	544	325	9.93	84.0
Kanpur	UP	650	660	310	-1.52	109.7
Farrukhabad	UP	465	480	255	-3.13	82.4
Kolkata	W. Bengal	867	880	420	-1.48	106.4
Ludhiana	Punjab	500	462	400	8.23	25.0
Indore	MP	825	783	400	5.36	106.3
Mumbai	Maharashtra	1184	1300	610	-8.92	94.1
Bangalore	Karnataka	1570	1408	900	11.51	74.4
Ahmedabad	Gujarat	875	956	600	-8.47	45.8
Hyderabad	AP	1000	1065	800	-6.10	25.0
Chennai	Tamil Nadu	1860	2000	950	-7.00	95.8

(Source: #AGRIWATCH,\* DCA)

The above table shows the weekly wholesale price variation across different markets in the country. Mixed variation of prices is visible in different markets. Prices have increased in Delhi, Agra, Ludhiana, Indore and Bangalore because of decrease in harvesting of fresh crop as of unfavorable weather condition (fog). The other reason for increase in prices is due to transportation which is being getting effected by the foggy

22 January, 2013

weather. Prices are expected to decline ahead as of increase in arrivals in a couple of weeks. Maximum prices have increased in Bangalore by 11% because of lower arrivals in markets from producing regions like Punjab and M.P.

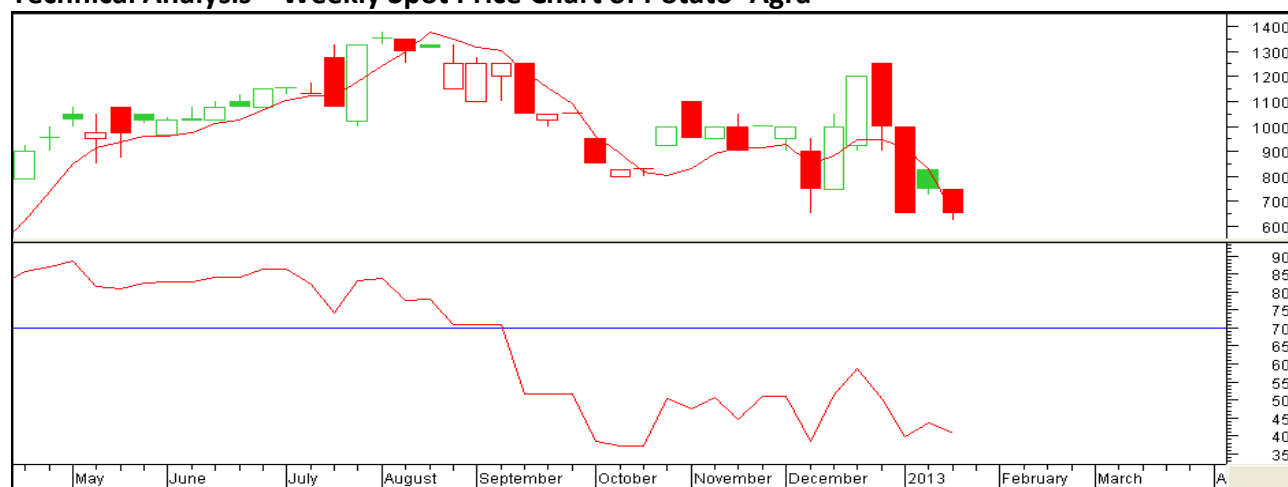
## Weekly Retail Potato Prices Analysis for 14<sup>th</sup> Jan – 19<sup>th</sup> January 2013:

Market	State	Price as on 19/01/2013	Price as on 11/01/2013	Price one year ago- 19/01/2012	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	2000	1900	1100	5.26	81.82
Bhubaneswar	Odisha	1200	1150	500	4.35	140
Chennai	Tamilnadu	2000	2400	1400	-16.67	42.86
Delhi	Delhi	1000	1200	800	-16.67	25
Guwahati	Assam	1200	1200	800	0	50
Hyderabad	Andhra Pradesh	1800	1800	1100	0	63.64
Kolkata	W. Bengal	1000	1000	500	0	100
Mumbai	Maharashtra	1800	2000	1400	-10	28.57
Patna	Bihar	1300	1200	750	8.33	73.33

(Source: NHB, DCA)

Retail prices across different cities are higher by 50-140% when compared to previous year price during the same time. Week on week, there is no major changes in prices except in Delhi and Chennai where prices have come down by 15-17%. Prices are expected to come down further in Kolkata and eastern states with harvesting gain momentum in West Bengal and Uttar Pradesh.

## Technical Analysis – Weekly Spot Price Chart of Potato- Agra



(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.)

22 January, 2013

The above chart shows the weekly price movement of Potato prices in spot market of Agra. In Agra, prices are trading near Rs 650-750 level as arrivals of fresh crop has started in different parts of the country. On lower side, prices would find support near 600 levels and on upper side Rs. 800-850 will be strong resistance zone for coming weeks.

However, in futures markets potato prices are trading above Rs. 800/Qtl. At the end of the week the March contract was closed at Rs 837.3 which is up by Rs 11.3 as compared to previous week closing price. The below table shows the potato futures data:

## MCX- Potato Futures Weekly Analysis: (14th-19th Jan 2013)

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	837.3	826	11.3	17520	20700	-3180
POTATO	AGRA	15-Apr-13	831.8	828.4	3.4	9030	13170	-4140
POTATO	AGRA	15-May-12	836.8	842.7	-5.9	18330	25110	-6780
				Total			58980	

(Source: MCX)

In futures market, March and April contract prices are increasing and open interest is decreasing which suggest short covering by market participants. Whereas in May contract prices and open interest is decreasing which suggest long liquidation by market participants.

### Disclaimer

The information contained in this document has been compiled by Agriwatch from sources believed to be reliable, such as NHB, Agmarknet, etc. and directly from traders in mandis. However, users of this data are requested to use the information with due caution and crosscheck with other sources. This document is not, and should not be construed as an offer to sell or buy any commodities. This document may not be reproduced, distributed or published without the express consent of SFAC