

28 January, 2013

## Executive Summary:

- According to trade sources, Rabi crop area is expected to be lower by 5-7% in U.P. as compared to last year. However, expectations are that productivity may increase over previous year due to good rains at later stages of the crop and better crop practices. Due to better yields, U.P. may produce approximately 135-140 lakh tons of potatoes as compared to approx 140 lakh tonnes last year.
- According to trade sources in Khandauli (Agra), arrivals are low because of slow harvesting due to cold and foggy weather. They expect prices to increase from February onwards. Prices are currently hovering in the range of Rs 600 to Rs 700/ quintal.
- In Pune market, potatoes are arriving from local regions, Agra and Indore. Prices are hovering in the range of Rs 1000 to Rs 1400 / quintal. Maximum prices are being fetched by local region potatoes.
- In Belgaum (Karnataka), potato is arriving from local regions and Indore and they contribute approximately 20% and 80% respectively to the total arrivals.
- In M.P, potato is coming only from local / neighbouring regions. Prices are hovering between Rs 800 to Rs 900/ quintal for the last one week. Prices are expected to remain range-bound for a couple of days.
- In Bangalore, potatoes are arriving in the market from Hyderabad, Indore and local regions. Among these, local region potatoes are able to fetch highest price of Rs 1400 to Rs 1600/ quintal.

## Weekly Wholesale Potato Prices Analysis for 21<sup>st</sup> Jan 2013 – 26th Jan 2013

Market	State	Avg. Prices 21st Jan - 26th Jan 2013#	Avg. Prices 14th Jan - 19th Jan 2013#	Avg. Prices 21st Jan - 26th Jan 2012*	% Change over Prev. Week	% Change over Last Year
Delhi	Delhi	735	616	450	19.32	63.3
Agra	UP	600	598	350	0.33	71.4
Kanpur	UP	630	650	400	-3.08	57.5
Farrukhabad	UP	483	465	250	3.87	93.2
Kolkata	W. Bengal	726	867	350	-16.26	107.4
Ludhiana	Punjab	571	500	600	14.20	-4.8
Indore	MP	800	825	525	-3.03	52.4
Mumbai	Maharashtra	1338	1184	600	13.01	123.0
Bangalore	Karnataka	1400	1570	1000	-10.83	40.0
Ahmedabad	Gujarat	723	875	600	-17.37	20.5
Hyderabad	AP	950	1000	970	-5.00	-2.1
Chennai	Tamil Nadu	1880	1860	1000	1.08	88.0

(Source: #AGRIWATCH,\* DCA)

The above table shows the weekly wholesale price variation across different markets in the country. A mixed trend was observed. Prices have increased in Delhi, Ludhiana and Mumbai because of decrease in harvesting of fresh crop due to unfavorable weather condition (fog) in Punjab and U.P. The other reason for increase in prices is due to transportation which is being getting affected by the foggy weather. Prices

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are expected to decline ahead due to increase in arrivals in a couple of weeks. Weather is likely to turn conducive to harvesting by then.

## Weekly Retail Potato Prices Analysis for 19<sup>th</sup> Jan – 24<sup>th</sup> January 2013:

Market	State	Price as on 24/01/2013	Price as on 19/01/2013	Price one year ago- 24/01/2012	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	2000	2000	1200	0	66.67
Bhubaneswar	Odisha	1400	1200	700	16.67	100.00
Chennai	Tamilnadu	2000	2000	1200	0	66.67
Delhi	Delhi	1200	1000	700	20.0	71.43
Guwahati	Assam	1200	1200	800	0	50.00
Hyderabad	A.P	1800	1800	1200	0	50.00
Kolkata	W. Bengal	1000	1000	500	0	100.00
Mumbai	Maharashtra	2000	1800	1300	0	53.85
Patna	Bihar	1300	1300	800	0	62.50

(Source: NHB, DCA)

Retail prices across different cities are higher by 50-100% when compared to previous year price during the same time. However, on a week-on-week basis, prices remained unchanged except in Delhi and Bhubaneswar where prices have increased by 15% to 20%. Prices are expected to come down further in Kolkata and eastern states with harvesting set to pick up pace in West Bengal and Uttar Pradesh once the extreme cold situation is over and temperature rises.

## 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

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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 prices in spot market of Agra. In Agra, prices traded between Rs 650-750 during the week. Prices are now trading at approximately 40-week lows and are persistently trading below the 12-week moving average, indicating a downward trend. The next support level is at Rs 600 as shown in the chart. On the upper side, resistance is likely in the 750-800 range. Prices are likely to trade with a weak bias during the next few weeks with selling pressure (arrivals) increasing whenever prices move towards resistance.

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

In futures markets potato prices are trading above Rs. 800/Qtl. At the end of the week, the March contract closed at Rs 818.7, lower by Rs 18.6 as compared to previous week's closing price.

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	818.7	837.3	-18.6	17010	17520	-510
POTATO	AGRA	15-Apr-13	806.3	831.8	-25.5	10530	9030	1500
POTATO	AGRA	15-May-12	806.2	836.8	-30.6	19410	18330	1080
				Total			58980	

(Source: MCX)

In MCX, futures market long liquidation is seen in March contract with decrease in open interest and prices whereas in April and May contract market participants are building sell positions which is visible from decrease in prices and increase in open interest. It indicates market players are expecting lower levels in April and May contracts.

### Disclaimer

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