

11 March, 2013

## Executive Summary:

- Uttar Pradesh is expected to produce 14-15 million tons, compared with 13.5-14 million tons last year. West Bengal's production is estimated at 9.5 million tons, against 8.5 million tons last year.
- According to trade sources, production in Gujarat is expected remain at last year's level. There would be a marginal jump in the output in Madhya Pradesh, Bihar and Punjab in 2012-13.
- There is ongoing unrest among the cold store owners of west Bengal as the cold store rent is much lower than actual cost incurred for storing potato in the season. Cold store rent in West Bengal is regulated by State government. Cold store rent in West Bengal is Rs. 101/Qtl where as in UP it is in the range of Rs. 150-170/Qtl.
- Due to ongoing harvesting period in UP, West Bengal and Bihar fresh arrivals are coming to the market which is pressurizing the prices.
- In U.P, prices are still hovering between Rs 425 to Rs 650/Qtl. Lowest prices were reported in Farrukhabad between Rs 400 to 540/Qtl in last one week.
- According to trade sources in Samastipur (Bihar), harvesting of potatoes is picking up pace and produce is directly going to cold storages. Cold store rent in Bihar for current year is Rs. 210/Qtl.
- In West Bengal, potatoes are hit by late blight disease. But it is expected that it would not affect the overall production much as acreage and productivity is higher this year.

## Weekly Wholesale Potato Prices Analysis for 2<sup>nd</sup> March- 9<sup>th</sup> March 2013

Market	State	Avg. Prices 2nd March- 9th March 2013#	Avg. Prices 25th Feb - 1st March 2013#	Avg. Prices 2nd March- 9th March 2012 *	% Change over Prev. Week	% Change over prev. Year
Delhi	Delhi	632	690	538	-8.41	17.47
Agra	UP	515	520	300	-0.96	71.67
Kanpur	UP	579	670	500	-13.58	15.80
Farrukhabad	UP	406	451	360	-9.98	12.78
Kolkata	W. Bengal	554	738	470	-24.93	17.87
Ludhiana	Punjab	481	570	700	-15.61	-31.29
Indore	MP	743	730	525	1.78	41.52
Mumbai	Maharashtra	843	1010	700	-16.53	20.43
Bangalore	Karnataka	1115	1130	1500	-1.33	-25.67
Ahmedabad	Gujarat	592	580	600	2.07	-1.33
Hyderabad	AP	1000	1080	850	-7.41	17.65
Chennai	Tamil Nadu	1315	1285	800	2.33	64.38

(Source: #AGRIWATCH,\* NHB)

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The above table shows the weekly wholesale price variation across different markets in the country. Prices have declined in almost all the markets as arrivals are in full swing. Maximum prices have fallen in Kolkata, Ludhiana and Mumbai by 24%, 15% and 16% respectively.

## Weekly Retail Potato Prices Analysis for 2<sup>nd</sup> March- 9<sup>th</sup> March 2013

Market	State	Price as on 9/03/2013	Price as on 1/03/2013	Price one year ago- 9/03/2012	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	1700	2200	1400	-22.73	21.43
Bhubaneswar	Odisha	900	900	750	0.00	20.00
Chennai	Tamilnadu	1800	2000	1600	-10.00	12.50
Delhi	Delhi	1000	1200	900	-16.67	11.11
Guwahati	Assam	800	800	900	0.00	-11.11
Hyderabad	Andhra Pradesh	1400	1400	1300	0.00	7.69
Kolkata	W. Bengal	700	900	750	-22.22	-6.67
Mumbai	Maharashtra	2200	2000	1200	10.00	83.33
Patna	Bihar	900	900	900	0.00	0.00

(Source: NHB)

In Retail prices, a mixed variation is seen. Retail prices have decreased in almost all the markets. Maximum prices were decreased in Bangalore, Kolkata and Delhi by 22.73%, 22.22% and 16.67% respectively. Prices in most of the markets remain unchanged because increase in arrival and stable demand in market. According to NCAER, prices of potato are expected to come down after April 2013.

## Technical Analysis – Weekly Spot Price Chart of Potato- Khandauli, 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.)

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The above chart shows the weekly price movement of Potato prices in spot market of Agra. In Agra, prices were trading between Rs 600-750 from last two weeks. Prices have fallen this week as harvesting from producing region is picking up pace. On the lower side prices may find a support at a level of 600 whereas on higher side prices may find resistance at level of 750-800. Relative Strength Indicator (RSI) is sloping downward and it is expected that prices may fall in coming days.

**MCX- Potato Futures Weekly Analysis: (2<sup>nd</sup> March-9<sup>th</sup> March 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	782.3	781.5	0.8	4470	8370	-3900
POTATO	AGRA	15-Apr-13	749.9	741.4	8.5	15270	11010	4260
POTATO	AGRA	15-May-12	731.4	722.9	8.5	33360	29820	3540
				Total			49200	3900

(Source: MCX)

In futures markets potato prices are trading below Rs. 800/Qtl. March futures closed at 782.3/Qtl, which is almost similar to previous week. In MCX, April and May contract both prices and open interest are increasing which suggest long build up in market. In March contract, market participants are short covering their positions as contract is nearing to expiry date of 15<sup>th</sup> March.

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