

18 March, 2013

## Executive Summary:

- In Bihar, approximately 20-30% of cold storages have already filled. According to trade sources, this year cold storages are expected to get filled 15-25% less compared to previous year storages because of less potato sown area.
- Across the country, prices of potatoes have increased because potatoes from producing regions are directly going to cold storages because of which arrivals in spot market are lower.
- In Begusarai (Bihar), cold storages are expected to get filled by 12 lakh packets (1 packet=50kg) compared to previous year 16 lakh packets.
- In West Bengal, potato area is 10% more compared to previous year. According to trade sources, early sown potatoes productivity was less but later stage sown potato crop has shown improvement in productivity.
- According to trade sources, in West Bengal total cold storage capacity is expected to be filled by 58 lakh ton compared to previous year's 64 lakh ton. This decline is mainly due to less rent of cold storages because of which few cold storages suffered losses and are closed this year.
- In West Bengal, State government has decided to procure Rs 27 crore potatoes from farmers in order to help farmers as prices are low and farmers are not even able to get back cost of cultivation.

## Weekly Wholesale Potato Prices Analysis for 11<sup>th</sup> March- 16<sup>th</sup> March 2013

Market	State	Avg. Prices 11th March- 16th March 2013#	Avg. Prices 2nd March- 9th March 2013#	Avg. Prices 11th March- 16th March 2012*	% Change over Prev. Week	% Change over prev. Year
Delhi	Delhi	694	632	575	9.81	20.70
Agra	UP	537	515	375	4.27	43.20
Kanpur	UP	646	579	500	11.57	29.20
Farrukhabad	UP	452	406	435	11.33	3.91
Kolkata	W. Bengal	504	554	550	-9.03	-8.36
Ludhiana	Punjab	475	481	700	-1.25	-32.14
Indore	MP	796	743	515	7.13	54.56
Mumbai	Maharashtra	917	843	850	8.78	7.88
Bangalore	Karnataka	1238	1115	1300	11.03	-4.77
Ahmedabad	Gujarat	630	592	600	6.42	5.00
Hyderabad	AP	1000	1000	1100	0.00	-9.09
Chennai	Tamil Nadu	1317	1315	800	0.15	64.63

(Source: #AGRIWATCH,\* NHB)

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 9% and 1% respectively.

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## Weekly Retail Potato Prices Analysis for 11<sup>th</sup> March- 16<sup>th</sup> March 2013

Market	State	Price as on 16/03/2013	Price as on 9/03/2013	Price one year ago- 16/03/2012	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	1684	1700	1280	-0.94	31.56
Bhubaneswar	Odisha	775	900	890	-13.89	-12.92
Chennai	Tamilnadu	1900	1800	1600	5.56	18.75
Delhi	Delhi	1200	1000	900	20.00	33.33
Guwahati	Assam	800	800	900	0.00	-11.11
Hyderabad	AP	1634	1400	1600	16.71	2.13
Kolkata	W. Bengal	720	700	850	2.86	-15.29
Mumbai	Maharashtra	1584	2200	1200	-28.00	32.00
Patna	Bihar	817	900	920	-9.22	-11.20

(Source: NHB)

In Retail prices, a mixed variation is seen. Retail prices were declined in Mumbai and Bhubaneswar by 28% and 13% respectively. Prices have increased in Delhi and Hyderabad by 20% and 17% respectively. The increase in prices is due to lower supply to market as potato from producing regions is directly going to cold storages.

## 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.)

The above chart shows the weekly price movement of Potato prices in spot market of Agra. In Agra, prices were trading between Rs 600-800 from last two weeks. Prices have increased this week as harvesting from producing region has picked up pace but produce is directly going to cold storages rather than in market. On the lower side prices may found a support at a level of 600 whereas on higher side prices may found resistance at level of 750-800. Relative Strength Indicator (RSI) is sloping upward and it is expected that prices may further rise for a couple of weeks.

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**MCX- Potato Futures Weekly Analysis: (11<sup>th</sup> March-16<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-Apr-13	849.9	749.9	100	13860	15270	-1410
POTATO	AGRA	15-May-12	840.9	731.4	109.5	36750	33360	3390
POTATO	AGRA	16-Jun-12	922	823	99	8310	-	-
				Total			48630	1980

(Source: MCX)

In futures markets potato prices are trading above Rs. 800/Qtl. In MCX, April contract short covering was seen with increase in prices and decreased in open interest. In MCX, May contract long build up was seen with increase in open interest and prices. In MCX, June contract has opened which is currently trading at Rs 922/ quintal.

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