

25 March, 2013

Executive Summary:

- In Chandausi, Farrukhabad and Khandauli region of U.P, cold storages are already filled by 25%, 40% and 60% respectively of total storage capacity.
- According to trade sources in West Bengal already 65-75% of potatoes have made their way to cold storages. Prices have increased in Tarkeshwar and Burdwan as potatoes are going to cold storages.
- According to news sources, West Bengal State government has postponed the plan of procurement of potatoes from farmers as prices have picked up to a range of Rs 550 - 600/ quintal from Rs 420/ quintal.
- Last week, In the event of rising prices & volatility in futures market, MCX has levied 15% of additional cash special margins on both sides (long and short or buy and sell) of running potato contracts. Further, no fresh buy/sell positions shall be allowed during last seven working days prior to the expiry date of the running contracts.
- State government of M.P and Department of Horticulture in Mau region (Indore) has taken a decision to develop a cluster for large-scale cultivation of potato especially for chips. So that farmers can fetch maximum prices. M.P is sixth largest producer of potatoes in the country.
- In Bihar, approximately 40% 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.

Weekly Wholesale Potato Prices Analysis for 18th March- 23rd March 2013

Market	State	Avg. Prices 18th March- 23 March 2013#	Avg. Prices 11th March- 16th March 2013#	Avg. Prices 18th March- 23 March 2012 *	% Change over Prev. Week	% Change over prev. Year
Delhi	Delhi	695	694	646	0.14	7.59
Agra	UP	550	537	560	2.42	-1.79
Kanpur	UP	650	646	500	0.62	30.00
Farrukhabad	UP	490	452	434	8.41	12.90
Kolkata	W. Bengal	552	504	755	9.52	-26.89
Ludhiana	Punjab	478	475	900	0.63	-46.89
Indore	MP	775	796	600	-2.64	29.17
Mumbai	Maharashtra	975	917	850	6.32	14.71
Bangalore	Karnataka	1146	1238	780	-7.43	46.92
Ahmedabad	Gujarat	781	630	512	23.97	52.54
Hyderabad	AP	1158	1000	900	15.80	28.67
Chennai	Tamil Nadu	1300	1317	1050	-1.29	23.81

(Source: #AGRIWATCH,* NHB)

The above table shows the weekly wholesale price variation across different markets in the country. Prices have increased in maximum places because harvesting is in full swing and maximum of potatoes are taken to cold storages directly from farm because of which arrivals are less in mandi. Prices have also increased

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compared to previous year because of high input cost this year. In Kolkata and Ludhiana, prices are rulling lower than previous year prices during the same time.

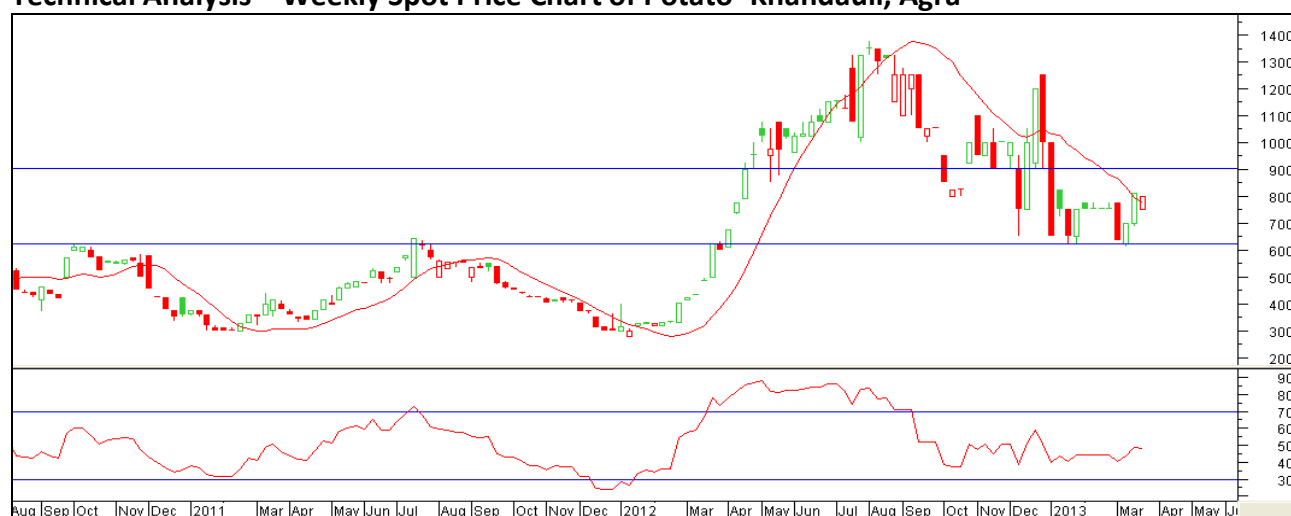
Weekly Retail Potato Prices Analysis for 18th March- 23rd March 2013

Market	State	Price as on 23/03/2013	Price as on 16/03/2013	Price one year ago- 23/03/2012	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	1684	1684	1375	0.00	22.47
Bhubaneswar	Odisha	795	775	910	2.58	-12.64
Chennai	Tamilnadu	2000	1900	1600	5.26	25.00
Delhi	Delhi	1100	1200	1000	-8.33	10.00
Guwahati	Assam	800	800	934	0.00	-14.35
Hyderabad	AP	1800	1634	1475	10.16	22.03
Kolkata	W. Bengal	784	720	934	8.89	-16.06
Mumbai	Maharashtra	1500	1584	1200	-5.30	25.00
Patna	Bihar	817	817	917	0.00	-10.91

(Source: NHB)

In Retail prices, a mixed variation is seen. Retail prices were declined in Delhi and Mumbai by 8.33% and 5.30% respectively. Maximum prices have increased Hyderabad and Kolkata by 10.16% and 8.89% respectively. The increase in prices is due to lower supply to market as potato from producing regions is directly going to cold storages. In some cities, prices have come below previous year level.

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 750-800/ quintal. Prices are same as last week though they fallen marginally. On

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the lower side prices may found a support at a level of 630-50 whereas on higher side prices may found long term resistance at level of Rs 900/ quintal. Relative Strength Indicator (RSI) is sloping upward and it is expected that prices may further rise for a couple of weeks.

MCX- Potato Futures Weekly Analysis: (18th March-23rd 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	913.2	849.9	63.3	8070	13860	-5790
POTATO	AGRA	15-May-12	912.9	840.9	72	22740	36750	-14010
POTATO	AGRA	16-Jun-12	907.5	922	-14.5	10020	8310	1710
				Total	120.8			-18090

(Source: MCX)

In futures markets potato prices are trading above Rs. 900/Qtl. In MCX, April and May contract short covering was seen with increase in prices and decreased in open interest. In MCX, June contract short build up was seen with decrease in prices and increase in open interest. This week speculation was higher as compared to previous week because of which lower and upper circuits were hit many times.

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