

## Executive Summary:

- In futures market of **MCX and NCDEX**, prices are in backwardation which means near month contract is higher and far month contract are trading at lower prices. This signifies that market is not looking much appreciation in potato prices in coming months.
- In **Khandauli (Agra)**, approximately 15-20% of potatoes are released from the cold storages compared to previous year release of approximately 30% during same time. According to trade sources, potato market ahead seems to be sluggish.
- In **Bihar**, 10% of potatoes are released from the cold storages compared to previous year 25% release during same time last year.
- According to trade sources, crop from **Hassan (Karnataka)** is expected to arrive in market in a couple of weeks. It is expected that potato crop is in good condition compared to previous two year as monsoon and rains were on time.
- In **Delhi**, potato is arriving in market from U.P, Uttarakhand and Himanchal Pradesh. According to trade sources maximum prices are being fetched by Haldwani and Shimla potato which are able to fetch a price of Rs 1600 to R1700/ quintal.
- In **Bangalore**, potatoes are arriving in market from U.P, Kolkata and Indore which are contributing approximately 65%, 25% and 10% respectively. According to trades sources maximum prices are being fetched by 'Laukar' variety from Indore region.

## Weekly Wholesale Potato Prices Analysis for 15<sup>th</sup> July -20<sup>th</sup> July 2013

Market	State	Avg. Price 15 July -20 July	Avg. Price 8 July -13 July	Avg. Price 8 July -13 July 2012 *	% Change over Prev. Week	% Change over prev. Year
Delhi	Delhi	808	842	1275	-4.04	-36.63
Agra (Khandauli)	UP	783	780	1294	0.38	-39.49
Kanpur	UP	745	788	1158	-5.46	-35.66
Kolkata	W. Bengal	854	823	1186	3.77	-27.99
Ludhiana	Punjab	735	853	950	-13.83	-22.63
Indore	MP	791	808	920	-2.10	-14.02
Mumbai	Maharashtra	1230	1012.5	1466	21.48	-16.10
Bangalore	Karnataka	1258	1208	1584	4.14	-20.58
Ahmedabad	Gujarat	927	932	1222	-0.54	-24.14
Hyderabad	AP	1000	1260	1562	-20.63	-35.98
Chennai	Tamil Nadu	1550	1675	1700	-7.46	-8.82

(Source: AGRIWATCH,\* AGMARKNET)

The above table shows the weekly wholesale price movement of different markets across the country. The above table shows that prices have fallen in most of the markets except Agra, Indore, Bangalore and

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Mumbai. The reason being higher supply from cold storages as fresh crop is expected to start from Hasan in few weeks. Stockiest and farmers are releasing their stock very actively. Maximum prices have fallen in Hyderabad by 20% followed by Ludhiana and Chennai by 13% and 7 % respectively.

## Weekly Retail Potato Prices Analysis for 15<sup>th</sup> July -20<sup>th</sup> July 2013

Market	State	Price as on 20/07/2013	Price as on 13/07/2013	Price one year ago- 20/07/2012	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	1707	1900	2200	-10.16	-22.41
Bhubaneswar	Orissa	1142	1085	1380	5.25	-17.25
Chennai	Tamilnadu	2200	2400	2400	-8.33	-8.33
Delhi	Delhi	1500	1516	1566	-1.06	-4.21
Guwahati	Assam	1700	1600	1916	6.25	-11.27
Kolkata	W. Bengal	1163	1125	1384	3.38	-15.97
Mumbai	Maharashtra	2500	2416	2400	3.48	4.17
Patna	Bihar	1428	1440	1800	-0.83	-20.67

(Source NHB)

In Retail market, prices have shown mixed variation. If we compare on a year on year basis, prices are down in most of the markets. Potato stored in cold storages is higher compared to previous years in producing regions.

## 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 are trading between Rs 700- Rs 800/ quintal. On the lower side prices may find a strong support at a level of Rs 700 whereas on higher side resistance is in the range of Rs 900/ quintal. Relative Strength Indicator (RSI) indicates prices to move further downward but it is expected that prices may remain range bounded for next couple of weeks

#### Potato Futures Weekly Analysis: (15<sup>th</sup> July -20<sup>th</sup> July 2013)

Exchange	Expiry Date	Today's Close Price	Previous Week Close Price	Net Change	This week Open Interest	Previous Week Open Interest	Change in Open Interest
MCX	14-Aug-13	655.4	784.2	-128.8	14550	13200	1350
MCX	14-Sep-13	601.5	732	-130.5	18570	8280	10290
NCDEX	20-Aug-13	648	706	-58	1080	1000	80
NCDEX	20-Sep-13	622	646	-24	2670	2400	270

(Source: MCX, NCDEX)

In MCX and NCDEX contracts, prices are continuously decreasing on weekly basis and open interest is rising in all the running contracts which suggest that market participants are building short positions. Retail investors are also exiting from their buy positions created earlier in expectation of making profit as prices have fallen much which is also putting pressure on the prices.

#### Disclaimer

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