

Executive Summary:

- In **MCX and NCDEX**, future prices have increased in the range of 10-15% in last one week, following news of 20-25% crop damage in Hassan (Karnataka) due to surplus rain. Hassan supplies potato to South India during this time. Higher prices of other green vegetables also increasing demand for potato.
- In **West Bengal**, approximately 36.5% of cold storage potatoes have been released by July end as compared to previous year's total release of 32% during same time.
- In **Bihar**, release from cold storage is approximately 25 % compared to previous year's release of 35% during same time. Potato market ahead seems to be sluggish due to higher stock.
- According to trade sources in **Samastipur (Bihar)**, releases from cold storages have declined to 40-50% compared to previous year during same time.
- In **Delhi**, potatoes are arriving in market from M.P, U.P, Haryana and Uttarakhand. Among these, fresh potato from Uttarakhand is able to fetch a maximum price of Rs 1800-Rs 2000/ quintal.
- In **Delhi**, potato prices are comparatively low as compared to previous year in both domestic and retail by approximately 40% and 10% respectively.

Weekly Wholesale Potato Prices Analysis for 29th July -3rd August 2013

Market	State	Avg. Price 29 July -3 August	Avg. Price 22 July -27 July	Avg. Price 29 July – 3 August 2012 *	% Change over Prev. Week	% Change over prev. Year
Delhi	Delhi	750	750	1233	0.00	-39.17
Agra (Khandauli)	UP	741	750	1366	-1.20	-45.75
Kanpur	UP	658	659	1200	-0.15	-45.17
Kolkata	W. Bengal	798	805	1190	-0.87	-32.94
Ludhiana	Punjab	787	740	900	6.35	-12.56
Indore	MP	758	755	984	0.40	-22.97
Mumbai	Maharashtra	1165	1008	1626	15.58	-28.35
Bangalore	Karnataka	1217	1250	1758	-2.64	-30.77
Ahmedabad	Gujarat	936	906	1208	3.31	-22.52
Hyderabad	AP	1225	1220	1691	0.41	-27.56
Chennai	Tamil Nadu	1641	1650	2033	-0.55	-19.28

(Source: AGRIWATCH, * AGMARKNET)

The above table shows the weekly wholesale price movement of different markets across the country. The above table shows a mixed variation of prices. Prices in consumption center have increased but in

producing regions it is either remain same or decreased marginally. Higher prices in consumption centers could be due to supply constrains during rains and “Kanwad” festival.

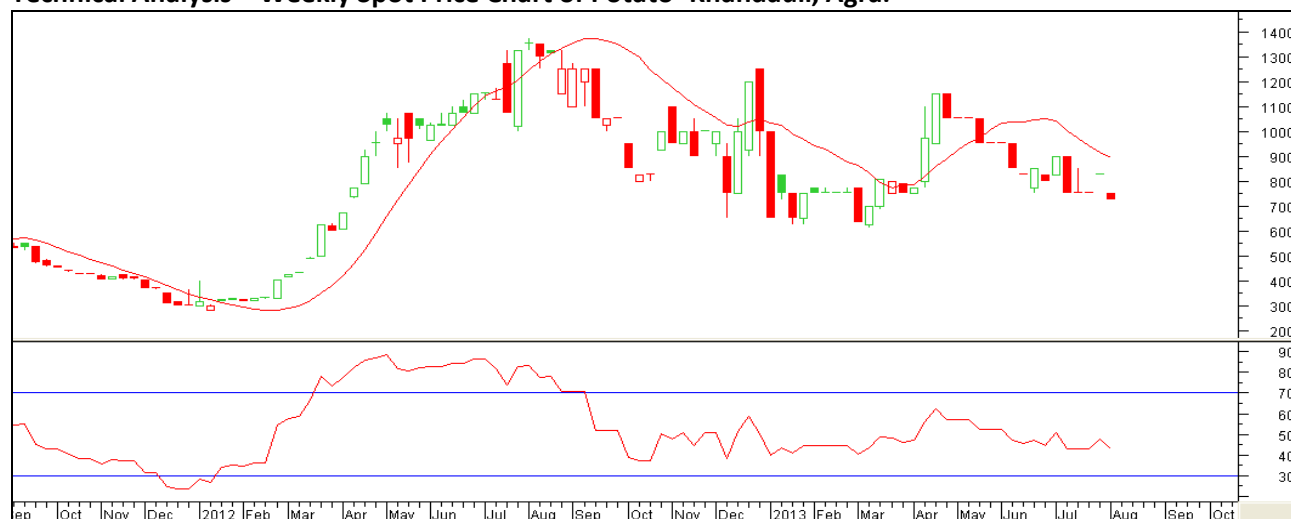
Weekly Retail Potato Prices Analysis for 29th July -3rd August 2013

Market	State	Price as on 03/08/2013	Price as on 27/07/2013	Price one year ago- 03/08/2012	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	1800	1800	2300	0.00	-21.74
Bhubaneswar	Orissa	1150	1200	1400	-4.17	-17.86
Chennai	Tamilnadu	2400	2334	2733	2.83	-12.18
Delhi	Delhi	1600	1500	1750	6.67	-8.57
Guwahati	Assam	1800	1750	2000	2.86	-10.00
Kolkata	W. Bengal	1025	1100	1400	-6.82	-26.79
Mumbai	Maharashtra	2000	2100	2200	-4.76	-9.09
Patna	Bihar	1366	1300	1800	5.08	-24.11

(Source NHB)

In Retail market, prices have increased in most of the markets except Bhubaneswar, Kolkata and Mumbai. Prices have increased as other green vegetables are costlier, so consumers are left with limited option and potato prices starts rising. 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 because of higher production and cold storage capacities has increased in most of the 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.)

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

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Rs 700 whereas on higher side resistance is in the range of Rs 900/ quintal. Relative Strength Indicator (RSI) indicates prices may move further downward. However overall, it is likely that prices may remain range bound for next couple of weeks.

Potato Futures Weekly Analysis: (27th July -3rd August 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	768.7	694	74.7	6510	12870	-6360
MCX	14-Sep-13	759.9	650.7	109.2	24300	21120	3180
NCDEX	20-Aug-13	717.00	654	63	500	960	-460
NCDEX	20-Sep-13	742.00	624	118	1920	2080	-160

(Source: MCX, NCDEX)

In MCX, September contract long build up was seen with increase in prices and increase in open interest whereas in other contracts of MCX and NCDEX prices are increasing and open interest is falling which suggest that market participants are covering their short positions to book profit from their sell positions created earlier. They might be expecting that prices have fallen much and there could be further increase in prices.

Disclaimer

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