18 November, 2013

**Executive Summary:**

- In U.P, approximately 80% of sowing has completed whereas sowing in Bengal and Bihar is completed by 5% and 40% respectively
- In **West Bengal**, approximately 16.5 lakh ton potato is remaining in the cold storages whereas total demand till fresh potato arrivals in the State is expected to be 11.5 lakh ton. According to traders, remaining potato is expected to be wasted if not sold to other states. Again, state government has asked cold store owners to vacate the cold store by 15th December so that potatoes keep coming into the local market.
- According to news sources, **West Bengal** government has not removed the ban on export completely but they have asked traders to take prior permission before sell to other states.
- Fresh potato arrivals have started from Punjab regions to north Indian cities which have impacted the store potato. The life of store potato is coming to end which has pushed the prices down.
- According to trade sources in **Bihar**, So far 40% of rabi crop sowing is completed. It is expected that crop area will be almost similar to last year because of high cost of seeds.
- In Karnataka, potato rabi crop sowing has started and total targeted area for this year is approximately 10205 hectares. So far 15% of sowing has been completed. Major growing areas are Bangalore, Chikkaballapura with targeted area of 1580 ha, 2848 ha and 4358 hectares respectively.

**Weekly Wholesale Potato Prices Analysis for 9 November– 16th November 2013**

| Market | State | Avg. Price (9 November - 16 November) | Avg. Price (2 November - 9 November) | Avg. Price (9 November - 16 November) 2012 | % Change over Prev. Week | % Change over prev. Year |
|---|---|---|---|---|---|---|
| Delhi | Delhi | 1543 | 1535 | 1135 | 0.52 | 35.95 |
| Agra (Khandauli) | UP | 1625 | 1600 | 992 | 1.56 | 63.81 |
| Kanpur | UP | 1400 | 1490 | 881 | -6.04 | 58.91 |
| Kolkata | W. Bengal | 1113 | 1160 | 1223 | -4.05 | -8.99 |
| Ludhiana | Punjab | 1400 | 1238 | 833 | 13.09 | 68.07 |
| Indore | MP | 1390 | 1160 | 663 | 19.83 | 109.65 |
| Mumbai | Maharashtra | 1850 | 1980 | 1150 | -6.57 | 60.87 |
| Bangalore | Karnataka | 1514 | 1323 | 1400 | 14.44 | 8.14 |
| Ahmedabad | Gujarat | 1745 | 1705 | 1071 | 2.35 | 62.93 |
| Hyderabad | AP | 1488 | 1550 | 1350 | -4.00 | 10.22 |
| Chennai | Tamil Nadu | 2671 | 1660 | 1900 | 60.90 | 40.58 |

**(Source: AGRIWATCH,* AGMARKNET)**

The above table shows the weekly wholesale price movement of different markets across the country. Prices have increased in almost all the markets except Kolkata, Kanpur, Mumbai and Hyderabad. Prices have soared up because of lower stock in cold storages of major producing regions. The other reason is higher restriction on supply of potato from West Bengal to Other States.

In Delhi, 'Surya' variety from U.P is able to fetch highest prices of Rs 2200/ quintal and Chipsona at Rs 2000/ quintal. Fresh crop from Punjab is fetching in the range of Rs 1300- Rs 1600/ quintal.

**Potato Rabi Sowing Progress and farmer's intention on harvesting:-**

| SL No. | Name of States | Area sown in ('000 hectare) As on 16.11.2013 |
|---|---|---|
| 1 | **U.P** | 472.6 |
| 2 | **West Bengal** | 18-20 |
| 3 | **Bihar** | 157.64 |

**(Source: Agriwatch Research)**

The potato area in all the major growing areas is expected to be similar like last year because of higher prices of seeds. Potato sowing is delayed in UP and Bengal state.

In West Bengal, sowing percentage of " Kaccha Aalo" which is harvested early and consumed immediately will be less. Farmers harvest two types of potato, one is "Kaccha" and another is "Pakka". This " Kaccha" type potato are sown early and harvested early and sold in markets for immediate consumption. The remaining potato in field which is harvested late, go to cold store as their shelf life is increased. This year since the sowing is delayed by 15-20 days, farmers will not harvest "Kaccha" aalo unless they get good price and prefer to wait for "Pakka" aalo which they can store in cold storage.

**Weekly Retail Potato Prices Analysis for 9 November– 16th November 2013**

| Market | State | Price as on 16/11/2013 | Price as on 9/11/2013 | Price one year ago- 16/11/2012 | % Change in Price Over Prev. Week | % Change in Price Over Prev. year |
|---|---|---|---|---|---|---|
| Bangalore | Karnataka | 2867 | 2417 | 1967 | **18.62** | **45.75** |
| Bhubaneswar | Orissa | 3325 | 2900 | 1425 | **14.66** | **133.33** |
| Chennai | Tamilnadu | 3867 | 3042 | 2400 | **27.12** | **61.13** |
| Delhi | Delhi | 2450 | 2320 | 1600 | **5.63** | **53.15** |
| Guwahati | Assam | 2540 | 2400 | 1800 | **5.83** | **41.11** |
| Kolkata | W. Bengal | 1300 | 1367 | 1458 | **-4.90** | **-10.84** |
| Mumbai | Maharashtra | 3000 | 3500 | 2200 | **-14.29** | **36.36** |
| Patna | Bihar | 2160 | 2167 | 1700 | **-0.32** | **27.06** |

**(Source: NHB)**

In Retail market, prices have increased in almost all the markets except Kolkata and Mumbai. Maximum prices have increased in Delhi by 47% followed by Chennai and Bangalore. In Kolkata, prices are low because of intervention of State government which has stopped supplying potato crop to other States which led the potato prices to fall down in West Bengal.

**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 Khandauli (Agra). In Agra, modal prices are trading around Rs 1600/ quintal. On the lower side prices may find a strong support at a level of Rs 1300/ quintal whereas on the higher side prices may find resistance at a level of Rs 1900/ quintal. Relative Strength Indicator (RSI) is moving downward which suggest that prices may fall further in coming days.

**Potato Futures Weekly Analysis: (11th November – 16th November 2013)**

| Symbol | Exchange | Expiry Date | This week Close Price | Previous week Close Price | Net Change | This week Open Interest | Previous week Open Interest | Change |
|---|---|---|---|---|---|---|---|---|
| POTATO | MCX | 31-Mar-14 | 893.4 | 915.7 | -22.3 | 9825 | 10035 | -210 |
| POTATO | MCX | 30-Apr-14 | 864.5 | 887.4 | -22.9 | 5535 | 4335 | 1200 |

**(Source: MCX, NCDEX)**

In MCX, March month contract market participants are liquidating long positions decrease in prices and decrease in open interest. In MCX, April month contract market participants are building short positions with decrease in prices and increase in open interest. This is due to harvesting time of Rabi crop in month of March and April.