

24 December, 2013

Executive Summary:

- In West Bengal, approximately 2-3% of potatoes are left in cold storages which were filled with 64 lakh tons of potatoes this year. State government has completely banned on supply of potatoes to other States including Orissa where earlier supply was allowed.
- According to news sources fresh crop in West Bengal is expected to arrive from mid of January. This is approximately delayed by 1 month due to late sowing this year compared to normal time.
- In West Bengal, targeted area for this year is approximately 4 lakh hectares compared to previous year 3.9 lakh hectares. So far, 3.6 lakh hectare of area is sown. It is expected that sowing will continue for next few weeks.
- In U.P, prices have fallen in most of the markets with increase in arrivals from producing regions and expected that prices may fall further in coming days.
- In Bihar, sowing is completed with 3, 16492 hectare of area which is higher than last year total sown area of 3, 15290 hectares. This year sowing was delayed due to heavy rains at later stage.
- Across the country, fresh potatoes in North India are arriving in market from U.P, Punjab and M.P. Prices in wholesale market have fallen and expected to fall further as arrivals are picking up pace.
- In Karnataka, Rabi sowing is almost completed in 3964 hectares of the total targeted area of 10205 hectares. In Kolar which is major producing region, approximately 70% of sowing is completed.

Weekly Wholesale Potato Prices Analysis for 16 December– 21 December 2013

Market	State	Avg. Price (16 December- 21 December)	Avg. Price (09 December- 14 December)	Avg. Price (16 December- 21 December) 2012	% Change over Prev. Week	% Change over prev. Year
Delhi	Delhi	1004	1200	985	-16.33	1.93
Agra (Khandauli)	UP	1517	1725	562	-12.06	169.93
Kanpur	UP	983	1117	535	-12.00	83.74
Kolkata	W. Bengal	1480	1740	1100	-14.94	34.55
Ludhiana	Punjab	850	1008	422	-15.67	101.42
Indore	MP	1208	1367	863	-11.63	39.98
Mumbai	Maharashtra	1683	1804	1050	-6.71	60.29
Bangalore	Karnataka	996	1079	1290	-7.69	-22.79
Ahmedabad	Gujarat	1568	1663	890	-5.71	76.18
Hyderabad	AP	1290	1390	1130	-7.19	14.16
Chennai	Tamil Nadu	2083	2200	2300	-5.32	-9.43

(Source: AGRIWATCH,* AGMARKNET)

The above table shows the weekly wholesale price movement of different markets across the country. Prices have decreased because of increase in fresh crop arrivals from producing regions like Punjab and U.P.

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In **Delhi**, prices of cold storage crop from U.P and Punjab is hovering in the range of Rs 1040-Rs 1340/ quintal. Prices of new crop from Punjab, Haryana and U.P are hovering in the range of Rs 900-Rs 1430/ quintal.

In U.P, sowing is almost completed and area is expected to be similar like last year. In Bihar, area is almost similar to last year. Sowing in West Bengal is expected to complete in next few weeks.

Weekly Retail Potato Prices Analysis for 16 December– 21 December 2013

Market	State	Price as on 21/12/2013	Price as on 14/12/2013	Price one year ago- 21/12/2012	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	2817	3200	1933	-11.97	65.55
Bhubaneswar	Orissa	1780	1613	1400	10.35	15.21
Chennai	Tamilnadu	3233	3360	2450	-3.78	37.14
Delhi	Delhi	2000	2080	1240	-3.85	67.74
Guwahati	Assam	2033	2560	1500	-20.59	70.67
Kolkata	W. Bengal	1940	2325	1360	-16.56	70.96
Mumbai	Maharashtra	2500	2800	2000	-10.71	40.00
Patna	Bihar	2017	2320	1300	-13.06	78.46

(Source: NHB)

In Retail market, prices have fallen in almost all the markets except Bhubaneswar. Maximum prices have fallen in Guwahati by approximately 20% followed by Kolkata and Patna by 16% and 13% respectively. Prices have fallen because of continuous supply of potatoes from producing regions.

If we compare prices on a year on year basis it is predicted that prices are comparatively higher than previous year during same time because of delayed sowing this year.

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 Khandauli (Agra). In Agra, modal prices are trading around Rs 1500/ quintal. On the lower side prices may find a strong support at a level of Rs 1200/ quintal whereas on the higher side prices may find resistance at a level of Rs 1600/ quintal. Relative Strength Indicator (RSI) is moving downward in neutral zone which indicates that prices may fall further in coming days.

Potato Futures Weekly Analysis: (14th December – 21st December 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	996	918.2	77.8	20820	16860	3960
POTATO	MCX	30-Apr-14	986.4	904.2	82.2	12285	6645	5640
POTATO	MCX	30-May-14	1000.7	919.5	81.2	5250	4515	735
POTATO	MCX	30-Jun-14	1012	931.3	80.7	345	150	195

(Source: MCX, NCDEX)

In MCX, March, April, May and June month contract both prices and open interest are continuously increasing which suggest that market participants are building long positions.

Disclaimer

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