

Executive Summary:

- In West Bengal, Rabi sowing is almost completed. Targeted area for this year is approximately 4 lakh hectares compared to previous year 3.9 lakh hectares.
- In West Bengal, local crop has started arriving in market in small quantity and expected to pick up pace in coming weeks. This year harvesting is delayed by approximately one month compared to normal time due to delayed sowing.
- In Bihar and U.P Rabi sowing is completed with almost similar area compared to previous Year which was approximately 5.91 lakh hectare and 3.16 lakh hectares respectively. This year sowing was delayed due to heavy rains at later stage.
- 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 Karnataka, Rabi sowing is almost completed by 50% of the total targeted area of 10205 hectares. Maximum area is in Kolar and Chikkaballapura districts where approximately 74% and 24% of area has been covered.
- Across the country prices have fallen in almost all the markets because of continuous supply of potatoes from major producing regions like U.P, Punjab and less quantity from W.B.

Monthly Wholesale Price Trend in different Producing & Consuming Centers:

| Market | December 2013 Avg. Wholesale Price (Rs/Qtl)- (Fresh Potato) | November 2013 Avg. Wholesale Price (Rs/Qtl)- (Fresh Potato) | December 2012 Avg. Wholesale Price (Rs/Qtl) | Absolute Change over Prev. Month (Rs./Qtl) | % Change over Prev. Month | % Change over Prev. Year |
|------------------|---|---|---|--|---------------------------|--------------------------|
| Delhi | 1088 | 1418 | 713 | -330 | -23.27 | 52.59 |
| Khandauli (Agra) | 1384 | 1504 | 939 | -120 | -7.98 | 47.39 |
| Farrukhabad | 1028 | 1426 | 574 | -398 | -27.91 | 79.09 |
| Ludhiana | 926 | 1210 | 511 | -284 | -23.47 | 81.21 |
| Kolkata | 1625 | 1213 | 1212 | 412 | 33.97 | 34.08 |
| Hyderabad | 1292 | 1478 | 1301 | -186 | -12.58 | -0.69 |
| Jaipur | 1164 | 1376 | 741 | -212 | -15.41 | 57.09 |
| Mumbai | 1652 | 1741 | 1160 | -89 | -5.11 | 42.41 |
| Bangalore | 1016 | 1703 | 1402 | -687 | -40.34 | -27.53 |
| Tarkeshwar | 1295 | 1142 | 842 | 153 | 13.40 | 53.80 |

(Source: AGRIWATCH, NHB)

The above table shows the monthly average prices and corresponding change in major markets. Prices have decreased in almost all the markets except Kolkata and Tarkeshwar. The reason for high prices in both markets is due to fewer stocks available in market and delayed in harvesting of crop. Meanwhile, demand in West Bengal is being meet up by supply from Punjab though local crop is available in market in fewer quantity and expected to pick up pace in coming days.

January, 2013

If we compare the prices with previous year during same time it is observed that prices are comparatively higher than last year because of delayed in harvesting of crop from major producing regions like U.P and West Bengal.

Monthly Retail Price (Rs/Qtl) and arrivals (Tons) trend in different Consuming Centers:

| Market | Average Retail Price- December 2013 (Fresh crop) | Average Retail Price- November 2013 (Fresh crop) | Previous year Avg. Retail Price- December 2012 | % Change in Price Over Prev. Month | % Change in Price Over Prev. year | Arrivals in December 2013 (in Tons) | Total Arrivals in November 2013 (in Tons) | Total Arrivals in December 2012 (in Tons) |
|-----------|--|--|--|------------------------------------|-----------------------------------|-------------------------------------|---|---|
| Bangalore | 2852 | 2943 | 2027 | -3.09 | 40.7 | 19569 | 9738 | 10125 |
| Chennai | 3260 | 3608 | 2447 | -9.65 | 33.22 | 6730 | 3570 | 4290 |
| Delhi | 2008 | 2229 | 1335 | -9.91 | 50.41 | 34299 | 32501 | 34503 |
| Guwahati | 2342 | 2396 | 1571 | -2.25 | 49.08 | 2494 | 3395 | 1186 |
| Hyderabad | 2060 | 2279 | 1757 | -9.61 | 17.25 | 3456 | 4213 | 3166 |
| Mumbai | 2520 | 3875 | 2000 | -34.97 | 26 | 34152 | 32510 | 21250 |
| Ranchi | 2216 | 1992 | 1460 | 11.24 | 51.78 | 4330 | 4850 | 3543 |

(Source: NHB)

Retail prices have decreased in almost all the markets due to increase in arrivals from producing regions like Punjab and U.P.

If we compare on a year on year basis arrivals have increased this year due to delayed harvesting compared to previous year. Overall market is expected to be weak further as potato from West Bengal will pick up pace in next couple of weeks.

Technical Analysis Potato Spot Market (Khandauli, Agra):



(Note: Each bar or "candle" in the chart shows the price movement in a particular month. The blue candle signifies prices increased and red candle signifies prices decreased in that month. The length of the "candle" shows the upper and lower end of the price range for the week.)

The above chart shows the monthly price movement of potato for Agra (Khandauli) market. Prices have decreased sharply to Rs. 650/quintal in month of December from a high of Rs 1800/ quintal. But currently modal prices are trading near Rs. 1350/quintal. On the higher side prices may find resistance at a level of 1400/ quintal and on the lower side prices may find support at a level of Rs 600/ quintal. Relative strength Indicator (RSI) oscillator is moving downward which suggest that prices may be downside for next couple of weeks.

Monthly Potato Futures (Agra Delivery) Analysis:

| Exchange | Expiry Date | Closing price on 31st December 2013 | Closing price on 30th November 2013 | % Change in Price over previous month | Open Interest as on December 2013 | Open Interest as on November 2013 | Change in Open Interest |
|----------|-------------|-------------------------------------|-------------------------------------|---------------------------------------|-----------------------------------|-----------------------------------|-------------------------|
| MCX | 31-Mar-14 | 978.4 | 885 | 10.55 | 21030 | 11580 | 9450 |
| MCX | 30-Apr-14 | 966.5 | 863.6 | 11.92 | 12405 | 5370 | 7035 |
| MCX | 31-May-14 | 982 | 890 | 10.34 | 8025 | 3285 | 4740 |
| MCX | 30-Jun-14 | 999.2 | 900 | 11.02 | 360 | 0 | 360 |

(Source: MCX, NCDEX)

In MCX, March April , May and June contract month contract both prices and open interest are increasing which suggest that market participants are building long positions after sharp increase in spot prices and delay in sowing for next rabi season.

Disclaimer

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