

Executive Summary:

- According to sources, potato in West Bengal has affected from “Blight” disease mainly in Midnapur and Bankura regions. It is difficult to make the exact estimations but expected that Blight disease is under control because of good weather condition.
- In West Bengal, total area for Rabi crop is approximately 4 lakh hectares which is similar to previous year’s area of 3.9 lakh hectares. Similarly in U.P, total sown area for Rabi crop is similar to last year which is approximately 5.91 lakh hectares.
- In Agra (U.P) mandal, potato crop harvesting is expected to be less by 15-20% ahead though the area is similar to last year. The reason is farmer harvested premature crop when West Bengal Government seized the borders in addition to fetch higher prices.
- According to trade sources in Farrukhabad, potato crop is affected by blight disease whereas in Gujarat and M.P crop condition is normal.
- In Karnataka, Rabi sowing is almost completed in 5636 hectares of the total targeted area of 10205 hectares as on 20.01.2014. In Kolar and Chikballapura districts which are major producing region, so far approximately 76% and 34% of sowing has been completed respectively.

Monthly Wholesale Price Trend in different Producing & Consuming Centers:

Market	January 2014 Avg. Wholesale Price (Rs/Qtl)- (Fresh Potato)	December 2013 Avg. Wholesale Price (Rs/Qtl)- (Fresh Potato)	January 2013 Avg. Wholesale Price (Rs/Qtl)	Absolute Change over Prev. Month (Rs./Qtl)	% Change over Prev. Month	% Change over Prev. Year
Delhi	766	1088	624	-322	-29.60	22.76
Khandauli (Agra)	784	1384	742	-600	-43.35	5.66
Farrukhabad	610	1028	472	-418	-40.66	29.24
Ludhiana	694	926	503	-232	-25.05	37.97
Kolkata	1089	1625	808	-536	-32.98	34.78
Hyderabad	1075	1292	1013	-217	-16.80	6.12
Jaipur	864	1164	675	-300	-25.77	28.00
Mumbai	1099	1652	1291	-553	-33.47	-14.87
Bangalore	1392	1016	1498	376	37.01	-7.08
Tarkeshwar	1124	1295	749	-171	-13.20	50.07

(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 when compared to previous month. However, prices are high when it is compared with previous year during same time. The reason for high price this year seems to be high input cost and delayed harvesting.

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

Market	Average Retail Price- January 2014 (Fresh crop)	Average Retail Price- December 2013 (Fresh crop)	Previous year Avg. Retail Price- January 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. year	Arrivals in January 2014 (in Tons)	Arrivals in December 2013 (in Tons)	Total Arrivals in January 2013 (in Tons)
Bangalore	2036	2852	2154	-28.61	-5.48	23404	19569	8255
Chennai	2479	3260	3752	-23.96	-33.93	6540	6730	5270
Delhi	1608	2008	1208	-19.92	33.11	31861	34299	33099
Guwahati	1386	2342	1144	-40.82	21.15	4850	2494	6260
Hyderabad	1716	2060	1865	-16.70	-7.99	3205	3456	3396
Mumbai	1864	2520	2000	-26.03	-6.80	32199	34152	31740
Ranchi	1560	2216	1056	-29.60	47.73	5800	4330	5360

(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 stable at these levels with demand from cold store. Prices are expected to increase from next month as fresh potato will stop coming and store potato will be available.

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. 900/quintal. On the higher side prices may find resistance at a level of

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1100/ quintal and on the lower side prices may find support at a level of Rs 600/ quintal. Relative strength Indicator (RSI) oscillator is moving upward which suggest that prices may increase further in this month.

Monthly Potato Futures (Agra Delivery) Analysis:

Exchange	Expiry Date	Closing price on 31st January 2013	Closing price on 30 th December 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	1061.3	978.4	8.47	20220	21030	-810
MCX	30-Apr-14	1094.7	966.5	13.26	11790	12405	-615
MCX	31-May-14	1115.8	982	13.63	22905	8430	14475
MCX	30-Jun-14	1147.3	999.2	14.82	2700	360	2340

(Source: MCX, NCDEX)

In 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 increase in spot. With decrease in fresh crop arrivals and potato going into store, prices are expected to increase.

Disclaimer

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