Market Intelligence System

Monthly Potato Report

May, 2014

Executive Summary:

- All India potato production could be in the range of 40-42 million ton against last year's estimate of 45 million tons. This is mainly due to crop damage in UP because of unseasonal rains and blight disease in West Bengal.
- In West Bengal, cold storages are filled with approximately 84%-86% of the total capacity which is approximately 60.84 lakh ton. So far, approximately 50% of cold storages are opened and rest is expected to open after May 16 as election will be over by that time.
- In U.P, cold storages are expected to be filled by approximately 80-85% of total capacity which is approximately 110 lakh ton.
- In West Bengal, total production last year was approximately 1.10 crore MT compared to this year 93 lakh MT comparatively in Uttar Pradesh, total production is approximately 13.5 million tons, compared with 15 million tons last year because at later stage rains which spoiled the crop
- Potatoes from cold stores are sold at higher price due to cold store rent (approx Rs. 120/Qtl in WB and Rs. 180/Qtl in UP), loading & unloading expenses and weight loss etc.
- Prices of potato are expected to increase ahead across the country due to less cold storage in U.P and West Bengal which are major producing states.

Monthly Wholesale Price Trend in different Producing & Consuming Centers:

Market	April 2014 Avg. Wholesale Price (Rs/Qtl)-(Fresh Potato)	March 2014 Avg. Wholesale Price (Rs/Qtl)-(Fresh Potato)	April 2013 Avg. Wholesale Price (Rs/Qtl)	Absolute Change over Prev. Month (Rs./Qtl)	% Change over Prev. Month	% Change over Prev. Year
Delhi	1237	953	858	**284**	**29.80**	**44.17**
Khandauli (Agra)	1258	1004	977	**254**	**25.30**	**28.76**
Farrukhabad	1171	938	678	**233**	**24.84**	**72.71**
Ludhiana	832	729	668	**103**	**14.13**	**24.55**
Kolkata	1143	910	728	**233**	**25.60**	**57.01**
Jaipur	1152	918	889	**234**	**25.49**	**29.58**
Mumbai	1594	1244	1200	**350**	**28.14**	**32.83**
Bangalore	1752	1324	1393	**428**	**32.33**	**25.77**
Tarkeshwar	1129	901	724	**228**	**25.31**	**55.94**

(Source: AGRIWATCH, NHB)

The above table shows the monthly average prices and corresponding change in major markets. Prices have increased in almost all the markets. Maximum prices have increased in Bangalore by 32% followed by Delhi and Mumbai by 30% and 28% respectively.

If we compare the prices with previous year during same time it is observed that prices are comparatively higher than last year because of less production and less stored I cold storages. Prices are getting support because of this lower storage of potato crop and may expect to remain firm ahead.

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

Market	Average Retail Price- April 2014 (Fresh crop)	Average Retail Price- March 2014 (Fresh crop)	Previous year Avg. Retail Price- April 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. year	Total Arrivals in April 2014 (in Qtl)	Total Arrivals in March 2014 (in Qtl)	Total Arrivals in April 2013 (in Qtl)
Bangalore	2341	1871	1952	25.12	19.93	6886	5731	8469
Chennai	2818	2232	2183	26.25	29.09	2132	2688	2495
Delhi	1773	1468	1346	20.78	31.72	22243	23736	22736
Guwahati	1609	1239	1288	29.86	24.92	1941	2568	2440
Hyderabad	1756	1757	1826	-0.06	-3.83	1185	1172	1911
Mumbai	1882	1579	1500	19.19	25.47	11489	12061	12394
Ranchi	1641	1300	983	26.23	66.94	1984	2456	2172

(Source: NHB)

Retail prices have increased in almost all the markets except Hyderabad where prices have fallen marginally. Prices have increased due to less storage of potato crop in cold storages and crop loss in major producing regions.

If we compare on a year on year basis prices are comparatively higher than last year because of less production estimate this year compared to previous year.

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. Modal prices are trading above Rs. 1000/quintal. On the higher side prices may find resistance at a level of 1200/ quintal and then Rs. 1350/Qtl and on the lower side prices may find support at a level of Rs 850/ quintal. Relative strength Indicator (RSI) oscillator is hovering upward in neutral zone which suggest that prices may be firm for this month.

Monthly Potato Futures (Agra Delivery) Analysis:

Exchange	Expiry Date	Closing price on 3oth April 2014	Closing price on 31st March 2013	% Change in Price over previous month	Open Interest as on 3oth April 2014	Open Interest as on 31st March 2013	Change in Open Interest
MCX	30-May-14	1369.1	1298.1	**5.47**	14160	28890	**-14730**
MCX	30-Jun-14	1457.3	1344.5	**8.39**	30150	23880	**6270**
MCX	31-Jul-14	1547.9	1389.5	**11.40**	15915	3945	**11970**
MCX	28-Aug-14	1430.3	1573.6	**-9.11**	1005	1515	**-510**

(Source: MCX)

The above table shows the monthly price change of different month contract in MCX exchange. Prices have increased in almost all the contracts except August month contract where prices have fallen slightly. In MCX, May month contract prices are increasing and open interest is falling which suggest market participants are short covering their positions.

In June and July month contract both prices and open interest are increasing which suggest that market participants are building long positions. In August month contract market participants are liquidating their long positions with decrease in both prices and open interest.