Market Intelligence System

Monthly Potato Report

June, 2014

Executive Summary:

- In West Bengal, cold storages are filled with approximately 52 lakh tons out of the total capacity available of 60.84 lakh ton. In U.P, cold storage are filled with approximately 90 lakh ton out of the total capacity of 110 lakh ton.
- In West Bengal, so far approximately 13%-14% of cold storage potatoes compared to last year release of 7-8% during same time. Market is looking bearish until or unless potato prices don't breach a level of Rs 1350/ quintal on upper side in benchmark market of Tarkeshwar.
- According to news sources, approximately 5 lakh bags (50 kg each) have been exported to Pakistan in month of May as Pakistan have made imports of potatoes duty free till 31st July.
- In U.P, as of now 15% of potatoes have been released from total storage of 90 lakh ton. Prices are approximately 10%-15% higher than last year because of low production and less storage this year. Potato market is expected to be firm ahead.
- In Gujarat, production is expected to be 15-20% more compared to last year. In M.P, potato production is almost similar to last year but storage capacity has increased whereas in few parts of Punjab and Bihar production is marginally less as compared to previous year.

Monthly Wholesale Price Trend in different Producing & Consuming Centers:

Market	May 2014 Avg. Wholesale Price (Rs/Qtl)-(Fresh Potato)	April 2014 Avg. Wholesale Price (Rs/Qtl)-(Fresh Potato)	May 2013 Avg. Wholesale Price (Rs/Qtl)	Absolute Change over Prev. Month (Rs./Qtl)	% Change over Prev. Month	% Change over Prev. Year
Delhi	1316	1237	938	79	6.39	40.30
Khandauli (Agra)	1397	1258	1000	139	11.05	39.70
Farrukhabad	1277	1171	772	106	9.05	65.41
Ludhiana	980	832	727	148	17.79	34.80
Kolkata	1344	1143	895	201	17.59	50.17
Jaipur	1127	1152	933	-25	-2.17	20.79
Mumbai	1655	1594	1230	61	3.83	34.55
Bangalore	1785	1752	1411	33	1.88	26.51
Tarkeshwar	1347	1129	832	218	19.31	61.90

(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 except Jaipur. Maximum prices have increased in Tarkeshwar by 19% followed by Ludhiana and Kolkata by 17.79% and 17.59% respectively.

In Bangalore, potato is arriving in market from U.P, Indore and Kolkata in the ratio of approximately 65%, 20% and 15% 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 storage this year. Because of this less storage and production prices are getting support and market is expected to remain firm ahead.

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

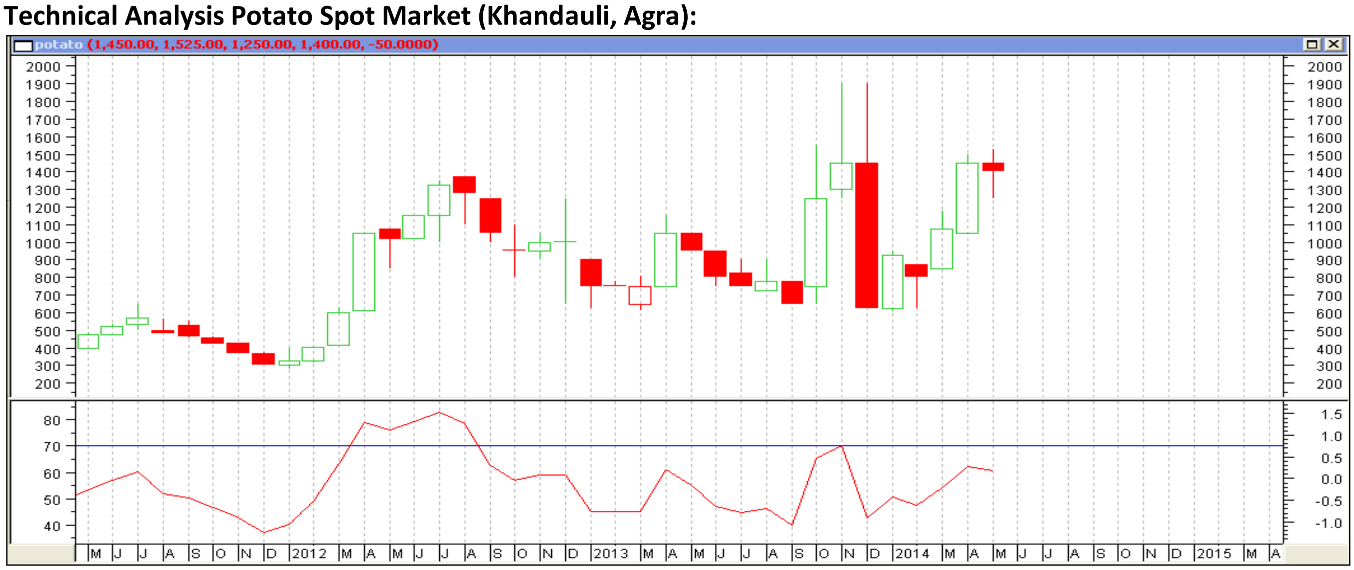
Market	Average Retail Price- May 2014 (Fresh crop)	Average Retail Price- April 2014 (Fresh crop)	Previous year Avg. Retail Price- May 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. year	Total Arrivals in May 2014 (in Qtl)	Total Arrivals in April 2014 (in Qtl)	Total Arrivals in May 2013 (in Qtl)
Bangalore	2336	2341	2004	-0.21	16.57	8430	6886	4340
Chennai	2848	2818	2369	1.06	20.22	2230	2132	2340
Delhi	1909	1773	1348	7.67	41.62	8910	22243	9980
Guwahati	1950	1609	1085	21.19	79.72	1420	1941	1510
Hyderabad	1900	1756	1976	8.20	-3.85	1390	1185	1210
Mumbai	2404	1882	2000	27.74	20.20	10740	11489	10250
Ranchi	1712	1641	1092	4.33	56.78	2040	1984	2360

(Source: NHB)

Retail prices have increased in almost all the markets except Bangalore 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 around Rs. 1397/quintal. On the higher side prices may find resistance at a level of 1600/ quintal and then Rs. 1500/Qtl and on the lower side prices may find support at a level of Rs 1000/ quintal. Relative strength Indicator (RSI) oscillator is moving downward but expected that prices may correct after a short time and may remain firm in coming days.

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-Jun-14	1316.7	1457.3	**-140.6**	23085	30150	**-7065**
MCX	31-Jul-14	1345.4	1547.9	**-202.5**	20475	15915	**4560**
MCX	28-Aug-14	1387.7	1430.3	**-42.6**	2925	1005	**1920**
MCX	30-Sep-14	1402	1633	**-231**	1380	1140	**240**

(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. In June month price and open interest are decreasing which suggest long liquidation by market participants.

In MCX, July, August and September month contract, prices are decreasing and open interest is increasing which suggest market participants are building short positions.