

Executive Summary:

- In West Bengal, total storage for this year was approximately 53 lakh ton compared to previous year's 59 lakh ton. So far approximately 13 lakh potatoes have been released. Major demand is coming from North East, A.P, Bihar, Jharkhand and Tamil Nadu.
- In U.P, approximately 20 Lakh potatoes have been released by June end from a total storage of 90 Lakh ton. Further prices are expected to remain firm and also depend on Kharif crop from Hasan.
- Government has imposed Minimum Export Price (MEP) of \$450/ton to curb down rising prices in domestic market.
- In Karnataka, potato sowing has started and completed in 18148 hectares of the total targeted area of 29783 hectares.
- In Hasan (Karnataka), major kharif potato growing region where approximately 18004 hectares of area is sown of the total targeted area of 20267 hectares.
- Forward Market commission (FMC) has directed MCX that no fresh positions should be allowed in July, August and September 2014 contracts of potato with immediate effect from June 18, 2014. Also, 25% special (Cash) margin is imposed on long (Buy) side for all contracts of potato with effect from June 23, 2014 as to curb down rising prices.

Monthly Wholesale Price Trend in different Producing & Consuming Centers:

Market	June 2014 Avg. Wholesale Price (Rs/Qtl)- (Fresh Potato)	May 2014 Avg. Wholesale Price (Rs/Qtl)- (Fresh Potato)	June 2013 Avg. Wholesale Price (Rs/Qtl)	Absolute Change over Prev. Month (Rs./Qtl)	% Change over Prev. Month	% Change over Prev. Year
Delhi	1419	1316	899	103	7.83	57.84
Khandauli (Agra)	1504	1397	839	107	7.66	79.26
Farrukhabad	1349	1277	815	72	5.64	65.52
Ludhiana	1294	980	800	314	32.04	61.75
Kolkata	1431	1344	843	87	6.47	69.75
Jaipur	1326	1127	804	199	17.66	64.93
Mumbai	1776	1655	1188	121	7.31	49.49
Bangalore	1900	1785	1442	115	6.44	31.76
Tarkeshwar	1386	1347	785	39	2.90	76.56

(Source: AGRWATCH, 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 Ludhiana by 32% followed by Jaipur and Delhi by 17.66% and 7.83% respectively.



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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 storage in cold storages of major producing regions. 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- June 2014 (Fresh crop)	Average Retail Price- May 2014 (Fresh crop)	Previous year Avg. Retail Price- June 2013	% Change in Price Over Prev. Month	% Change in Price Over Prev. year	Total Arrivals in June 2014 (in Qtl)#	Total Arrivals in May 2014 (in Qtl)#	Total Arrivals in June 2013 (in Qtl)#
Bangalore	2884	2336	2096	23.46	37.60	227550	191650	278380
Chennai	3008	2848	2400	5.62	25.33	47850	58600	56400
Delhi	2058	1909	1344	7.81	53.13	361400	470000	481600
Guwahati	2083	1950	1358	6.82	53.39	47900	36901	39600
Hyderabad	1920	1900	2560	1.05	-25.00	19920	14440	19020
Mumbai	2489	2404	2008	3.54	23.95	258750	249050	294150
Ranchi	1767	1712	1179	3.21	49.87	52650	52800	58570

(Source: NHB, #Agriwatch)

Retail prices have increased in almost all the markets 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. But in Hyderabad, prices are less by approximately 25%.

Potato storage Comparison in Major States

States	2014 Total Storage (Lakh Ton)	2014 June End release from cold storages(Lakh Ton)	2013 Total Storage (Lakh Ton)	2013 June End release from cold storages(Lakh Ton)
U.P	90	20	100	22
West Bengal	53	13	59	15
Bihar	19	5	34	10

(Source: Trade Sources)



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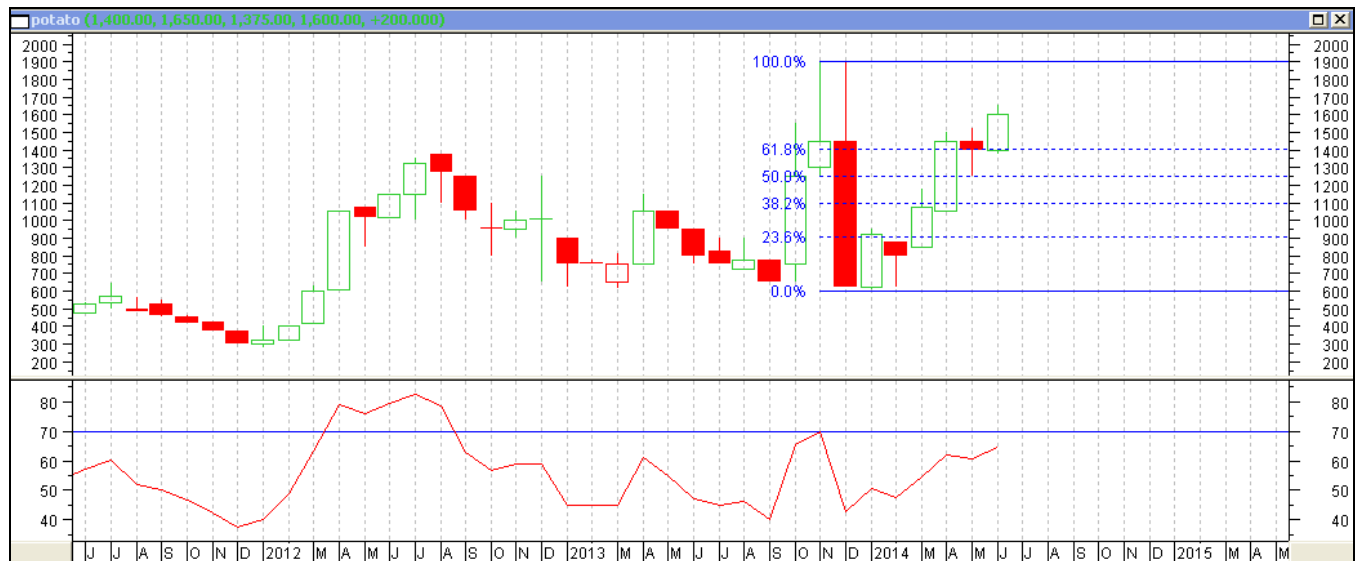
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The above table shows the cold storage situation compared to previous year in major producing regions. This year storage is less because of crop damage at later in U.P and West Bengal due to heavy rains and late blight disease respectively. Due to this less storage,, potato prices are expected to remain firm throughout season.

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. 1504/quintal. On the higher side prices may find resistance at a level of 1900/ quintal and on the lower side prices may find support at a level of Rs 1200/ quintal. Relative strength Indicator (RSI) oscillator is hovering upward in neutral zone which suggest that prices may be firm for this month. Fibonacci retracement shows that prices may remain firm and range bounded between Rs 1400- Rs 1900/ quintal in coming months.

Monthly Potato Futures (Agra Delivery) Analysis:

July, 2014

Exchange	Expiry Date	Closing price on 30th June 2014	Closing price on 31st May 2013	% Change in Price over previous month	Open Interest as on 30th June 2014	Open Interest as on 31st May 2013	Change in Open Interest
MCX	30-Jun-14	1264.7	1316.7	-52	45	23085	-23040
MCX	31-Jul-14	1293.1	1345.4	-52.3	10800	20475	-9675
MCX	28-Aug-14	1299.9	1387.7	-87.8	3270	2925	2925
MCX	30-Sep-14	1308	1402.4	-94.4	900	1395	-495

(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.

Disclaimer

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