Market Intelligence System

Executive Summary:

- In UP, so far approximately 35% of potatoes have been released from cold storages compared to last year 33% release by July end. This year release from cold storages is at higher pace compared to previous year.
- In U.P, total storage in cold store this year was approximately 90 lakh ton compared to previous year
- In West Bengal, cold storage were filled with a capacity of approximately 52 lakh ton. As per trade sources, nearly 40% of potatoes have been released from cold storages by the end of July month.
- Across the country prices are expected to increase ahead because supply of potato from West Bengal to other States has banned. This situation may increase prices and demand of potatoes from other states like UP.
- In Bihar, release from cold storage is at higher pace compared to previous year due to higher prices this year. Potato yield in Bihar producing regions were down by 30 – 40% due to heavy rainfall at the time of harvesting period.
- In Hasan total sown area for this year is 18004 hectares of the total targeted area of 20267 hectares. According to trade sources, Hasan crop is expected to be damaged by 30% due to continuous rains at later stage.
- In Futures market restricted trading is taking place. Commodity Exchange, after direction from FMC had banned fresh positions in all contracts in order to curb down rising prices.

Monthly Wholesale Price Trend in different Producing & Consuming Centers:

Market	July 2014 Avg. Wholesale Price (Rs/Qtl)- (Fresh Potato)	June 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	1538	1419	807	119	8.39	90.58
Khandauli (Agra)	1626	1504	792	122	8.11	89.89
Farrukhabad	1521	1349	776	172	12.75	96.01
Ludhiana	1394	1294	600	100	7.73	132.33
Kolkata	1468	1431	825	37	2.59	77.94
Jaipur	1524	1326	849	198	14.93	79.51
Mumbai	1874	1776	1075	98	5.52	74.33
Bangalore	2035	1900	1271	135	7.11	60.11
Tarkeshwar	1411	1386	774	25	1.80	82.30

(Source: AGRIWATCH)

The above table shows the monthly average prices of major markets and variation of prices with previous month and year. In U.P, prices have increased because of higher demand as West Bengal government has seized the borders in order to control the prices in West Bengal state.

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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 production and storages. Prices are expected to increase ahead because of higher pace of release from cold storages and higher demand.

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

Market	Average Retail Price- July 2014 (Fresh crop)#	Average Retail Price- June 2014 (Fresh crop)#	Previous year Avg. Retail Price- July 2013 #	% Change in Price Over Prev. Month	% Change in Price Over Prev. year	Total Arrivals in July 2014 (in Qtl)*	Total Arrivals in June 2014 (in Qtl)*	Total Arrivals in July 2013 (in Qtl)*
Bangalore	2800	2884	1900	-2.91	47.37	191250	227550	258750
Chennai	2400	3008	1900	-20.21	26.32	53800	47850	64100
Delhi	2800	2058	2100	36.05	33.33	462800	361400	490240
Guwahati	2100	2083	1300	0.82	61.54	37850	47900	40315
Hyderabad	2900	1920	1800	51.04	61.11	18560	19920	19325
Mumbai	2700	2489	2300	8.48	17.39	274350	258750	311430
Ranchi	1900	1767	1300	7.53	46.15	61330	52650	67100

(Source: #Consumer Affairs,* Agriwatch)

Retail prices have increased in almost all the markets except Bangalore and Chennai 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 storage and production 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 approximately Rs 1626/quintal. On the higher side prices may find resistance at a level of 1950/ quintal which was also the maximum price this month. On the lower side prices may find long term support at a level of Rs 1550/ quintal. Relative strength Indicator (RSI) oscillator is hovering upward in neutral zone which suggest that prices may be range bound for next coming month between Rs 1550 to Rs 1950/ quintal.

Monthly Potato Futures (Agra Delivery) Analysis:

Exchange	Expiry Date	Closing price on 31st July 2014	Closing price on 31st June 2013	% Change in Price over previous month	Open Interest as on 3oth July 2014	Open Interest as on 3oth June 2013	Change in Open Interest
MCX	31-Jul-14	1347.8	1265	6.55	150	10800	-10650
MCX	28-Aug-14	1485	1299.8	14.25	405	3270	-2865
MCX	30-Sep-14	1580	1310.6	20.56	60	900	-840

(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 whereas open interest have fallen sharply as FMC had restricted to take fresh positions to curb down rising prices.

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