

### Executive Summary:

- In West Bengal, approximately 54% of potatoes have been released from a total storage capacity of 53 lakh ton compared to last year release of 49% by August end. Prices are expected to be firm throughout the season.
- In U.P, approximately 50% potatoes has been released by August end from a total storage of 83.4 lakh tons (Agriwatch Estimate). In U.P, average yield was down by approximately 20%-25% due to untimely rains during harvest time but potato acreage was similar to last year.
- In Bihar, pace of release is higher than last year because of higher price. Approximately 50% of total stored potato has been released by August end.
- In Bangalore, 95% of total arrivals are from 'Hassan' region and rest 5% is coming from U.P. According to trade sources, crop from Hassan (Karnataka) is less by approximately 30-40% due to continuous rains at later stage.
- MCX issued a circular on 6<sup>th</sup> August in which August 2014 and September 2014 contracts were discontinued with immediate effect. Earlier FMC banned fresh positions in potato future market to curb down the rising price.

### Monthly Wholesale Price Trend in different Producing & Consuming Centers:

Market	August 2014 Avg. Wholesale Price (Rs/Qtl)- (Store Potato)	July 2014 Avg. Wholesale Price (Rs/Qtl)- (Store Potato)	August 2013 Avg. Wholesale Price (Rs/Qtl)	Absolute Change over Prev. Month (Rs./Qtl)	% Change over Prev. Month	% Change over Prev. Year
Delhi	1783	1538	807	245	15.93	120.94
Khandauli (Agra)	1931	1626	800	305	18.76	141.38
Farrukhabad	1965	1521	729	444	29.19	169.55
Ludhiana	1523	1394	648	129	9.25	135.03
Kolkata	1752	1468	817	284	19.35	114.44
Jaipur	1806	1524	774	282	18.50	133.33
Mumbai	2063	1874	1152	189	10.09	79.08
Bangalore	2102	2035	950	67	3.29	121.26
Tarkeshwar (WB)	1697	1411	786	286	20.27	115.90

(Source: AGRIWATCH)

The above table shows the monthly average prices of major markets and variation of prices with previous month and year. In most of the markets, prices have increased because supply of potatoes from West Bengal is restricted to other States and news of crop damage in "Hassan" region of Karnataka which supply to southern states during this time.

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 storage in U.P, West Bengal and Bihar. Prices are expected to increase ahead because of higher demand and less stored crop.



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

Market	Average Retail Price- August 2014#	Average Retail Price- July 2014#	Previous year Avg. Retail Price- August 2013 #	% Change in Price Over Prev. Month	% Change in Price Over Prev. year	Total Arrivals in August 2014 (in Qtl )*	Total Arrivals in July 2014 (in Qtl )*	Total Arrivals in August 2013 (in Qtl )*
Bangalore	2800	2800	1600	Unch	75	132900	191250	355488
Chennai	2700	2400	1600	12.50	68.75	51600	53800	54800
Delhi	3000	2800	2000	7.14	50.00	488000	462800	399800
Guwahati	2400	2100	1400	14.29	71.43	33100	37850	33200
Hyderabad	3100	2900	2200	6.90	40.91	27320	18560	52540
Mumbai	2800	2700	2000	3.70	40.00	305250	274350	238260
Ranchi	2200	1900	1200	15.79	83.33	53500	61330	40000

(Source: #Consumer Affairs,\* Agriwatch)

Retail prices have increased in almost all the markets except Bangalore where local produced crop from Hasan is arriving in market. Prices have increased this year due to less storage of potato crop in cold storages 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 1931/quintal. On the higher side prices may find resistance at a level of 2250/

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quintal which was also the maximum price this August month. On the lower side prices may find long term support at a level of Rs 1800/ quintal. As per Fibonacci retracement indicator prices have touched the highest point of 2250/ quintal and may trade below this but if prices breached the level of Rs 2250 and it may rise further. Relative strength Indicator (RSI) oscillator is hovering stable in neutral zone which suggest that prices may trade range bounded for next coming month between Rs 1800 to Rs 2250/ quintal.

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