Market Intelligence System

Monthly Potato Report
June, 2015

Executive Summary:

- Across the country, potato release from cold storages has started and prices are comparatively lower than last year during same time due to higher production.
- In U.P, so far 7% potato has been released from the cold storages. According to traders, pace of release is similar to previous year.
- In South Bengal approximately 5% potato has been released compared to last year 8% during same time. It indicates lower demand in market.
- In North Bengal which contributes approximately 20% of total production of west bengal, cold storages are still closed and expected to open in next few days.
- In Bihar approximately 2% potato has been released compared to 4% of last year during same time. This year capacity utilization was 95% compared to last year 67% of total capacity which is 11 lakh ton.
- As per IBIS (International Business Information Services) around 1483tons of Potato has been exported during 25th May – 30th May 2015 as compared to the last week 1735 tons.
- According to news sources Odisha government had launched potato mission from this year to overcome potato scarcity after West Bengal government stopped interstate supply. Under the mission, government had planned to maintain buffer stock and provide capital subsidy for new cold storages but failed to do it which led to huge loss of farmers and potato started rotting in open in absence of cold storages.

Monthly Wholesale Price Trend in different Producing & Consuming Centers:

Market	May 2015 Avg. Wholesale Price (Rs/Qtl)-(Fresh Potato)	April 2015 Avg. Wholesale Price (Rs/Qtl)-(Fresh Potato)	May 2014 Avg. Wholesale Price (Rs/Qtl)	Absolute Change over Prev. Month (Rs./Qtl)	% Change over Prev. Month	% Change over Prev. Year
Delhi	402	372	1316	30	8.06	-69.45
Khandauli (Agra)	527	302	1397	225	74.5	-62.28
Farrukhabad	374	389	1277	-15	-3.86	-70.71
Ludhiana	237	220	980	17	7.73	-75.82
Kolkata	642	578	1344	64	11.07	-52.23
Jaipur	500	434	1127	66	15.21	-55.63
Mumbai	802	731	1655	71	9.71	-51.54
Bangalore	1062	975	1785	87	8.92	-40.5
Tarkeshwar	607	500	1347	107	21.4	-54.94

(Source: AGRIWATCH)

The above table shows monthly price trend of potato in wholesale markets. Prices are relatively much lower than last year during May month. This year, cold stores are opened little late in UP following higher stocks with farmers in open space. Last year, release from cold stores had started during early May and prices were also high due to higher loading price and less production.

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

Market	May 2015 Avg. Retail Price (Rs/Qtl)-(Fresh Potato)	April 2015 Avg. Retail Price (Rs/Qtl)-(Fresh Potato)	Previous year Avg. Retail Price-May 2014	% Change in Price Over Prev. Month	% Change in Price Over Prev. year	Total Arrivals in May 2015 (in Qtl)*	Total Arrivals in April 2015 (in Qtl)*	Total Arrivals in May 2014 (in Qtl)*
Bangalore	2000	1900	2600	5.26	-23.08	229500	222000	191650
Chennai	1800	1600	2200	12.5	-18.18	59500	65700	58600
Delhi	1300	1200	2400	8.33	-45.83	577000	579000	470000
Guwahati	800	800	1900	0	-57.89	89900	91900	36901
Hyderabad	2200	2200	2400	0	-8.33	29550	25450	14440
Mumbai	2000	2000	3100	0	-35.48	265350	279150	249050
Ranchi	900	900	2000	0	-55	72350	85050	52800

(Source: #Consumer Affairs,* Agriwatch)

Retail prices have also increased in almost all the markets compared to previous month. Prices are comparatively lower if compared to previous year. Potato prices are expected to remain on lower side this year because of higher production .Release of potatoes from cold storages is at a slower pace compared to previous year.

Potato Exports:

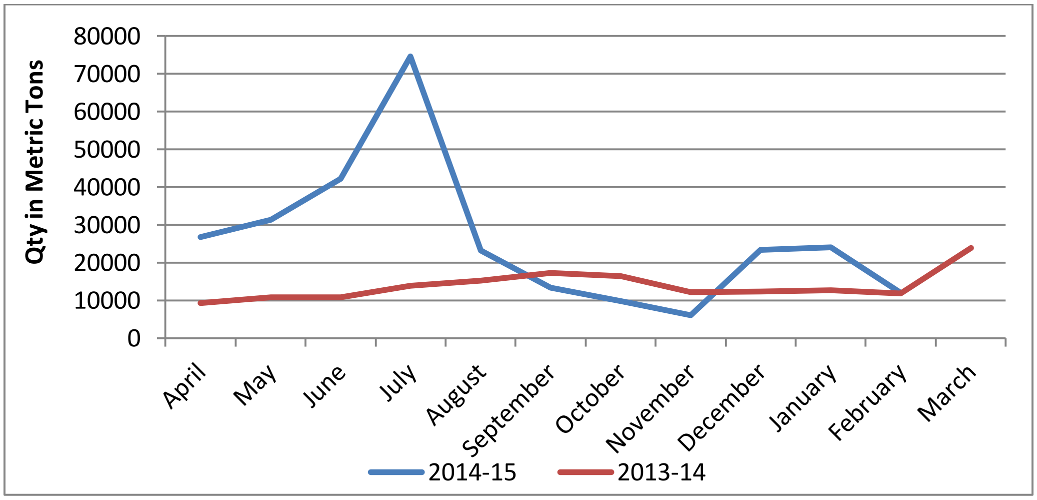
Potato export from India is very negligible as compared to its production. Usually, India exports 1-1.5 lakh tons of potato but last year (2014-15) it had exported nearly 3 lakh tons to its neighboring countries with additional demand from Pakistan. Year wise fresh potato export from India is:

Year	Potato Exports (Qty in MT)	Potato Exports (Value in Lakh)	Average Export price (Rs/Kg)
2014-15	286825 (till Feb)	69796	24.70
2013-14	166642	20931	12.56
2012-13	114246	10853	9.50
2011-12	171314	11476	6.70

(Source: DGCIS)

Our traditional buyers are Pakistan, Nepal, Srilanka, Bangladesh and UAE, whose demand depends on their domestic production and local prices. In year 2014-15, Pakistan demand had gone up during May-July after it made duty free import of potato till July 2014 due to lower domestic production. Potato exports sharply falls after July when this duty free import was over. As per trade estimate, 40000-50000 tons of potato exported during this time to Pakistan. Monthly potato export from India is shown in following chart:

Month wise Potato exports:



(Source: DGCIS)

Potato Export Policy:

From 19th Feb, 2015, potato export is without any MEP. Earlier, MEP of $450/Ton was imposed on 26th June, 2014 when additional demand was coming from neighbor countries and our domestic prices were also high.

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. Average Modal prices during May month were Rs 527/quintal. On the higher side prices may find long term resistance at a level of 850/ quintal. On the lower side prices may find long term support at a level of Rs 300/ quintal. Relative strength Indicator (RSI) oscillator has turned upward from over-sold region. Though prices will move upward during next two month but at very slow pace. On higher side, wholesale prices in Agra could go up to Rs. 800-850 in coming two months. Overall potato market is expected to be range bounded this year due to higher production.