Market Intelligence System

Monthly Potato Report
Aug, 2015

Executive Summary:

- In benchmark market Agra (khandauli), prices are expected to remain range bound between Rs 400-Rs 600/ quintal for coming month due to higher production this year.
- In U.P, Approximately 32% potato has been released from the cold storages compared to last year release of 35% by July end. Last year cold storage capacity utilization was 70% and this year it is 95% with a total storage capacity of 119 Lakh ton.
- In West Bengal, so far approximately 35 % potatoes have been released compared to last year release of 40% during July end. Traders are expecting higher release in coming months due to higher demand from local region.
- In Bihar, approximately 28% potatoes have been released so far compared to last year release of 35% by July end.
- In Karnataka, total sown area for kharif season is approximately 22779 hectares compared to last year's area of 22649 hectares as on 03-8-2015.
- In Hassan, 15460 hectares of area is sown compared to last year area of 18004 hectares during same time. Fresh crop has started arriving in market and expected to arrive full fledge in next one week.
- Across the country, prices of potatoes are on lower side and expected to remain low in coming months due to higher production and storage this year in major producing regions.

Monthly Wholesale Price Trend in different Producing & Consuming Centers:

Market	July 2015 Avg. Wholesale Price (Rs/Qtl)	June 2015 Avg. Wholesale Price (Rs/Qtl)	July 2014 Avg. Wholesale Price (Rs/Qtl)	Absolute Change over Prev. Month (Rs./Qtl)	% Change over Prev. Month	% Change over Prev. Year
Delhi	805	723	1536	**82**	**11.34**	**-47.91**
Khandauli (Agra)	636	731	1617	**-95**	**-13**	**-60.67**
Farrukhabad	516	591	1516	**-75**	**-12.69**	**-65.96**
Ludhiana	415	500	1392	**-85**	**-17**	**-70.19**
Kolkata	719	690	1463	**29**	**4.2**	**-50.85**
Jaipur	530	588	1519	**-58**	**-9.86**	**-65.11**
Mumbai	782	842	1863	**-60**	**-7.13**	**-58.02**
Bangalore	1040	1033	2024	**7**	**0.68**	**-48.62**
Tarkeshwar	596	632	1408	**-36**	**-5.7**	**-57.67**

(Source: AGRIWATCH)

The above table shows monthly price trend of potato in wholesale markets. Prices have declined in most of the markets because of higher production and lower demand. Prices in Kolkata, Delhi and Bangalore have marginally increased. In Kolkata supply was disrupted due to heavy rains which led t rise in prices.

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

Market	July 2015 Avg. Retail Price (Rs/Qtl)	June 2015 Avg. Retail Price (Rs/Qtl)-	Previous year Avg. Retail Price-July 2014	% Change in Price Over Prev. Month	% Change in Price Over Prev. year	Total Arrivals in July 2015 (in Qtl)*	Total Arrivals in June 2015 (in Qtl)*	Total Arrivals in July 2014 (in Qtl)*
Bangalore	1800	1900	2800	-5.26	-35.71	215500	235250	191250
Chennai	1900	2000	2400	-5.00	-20.83	61700	63500	53800
Delhi	1900	1600	2800	18.75	-32.14	627800	564000	462800
Guwahati	NR	1100	2100	-	-	53000	50900	37850
Hyderabad	2200	2200	2900	Unch	-24.14	22320	20590	18560
Mumbai	2000	2100	2700	-4.76	-25.93	299250	293450	274350
Ranchi	1100	1100	1900	Unch	-42.11	57400	64400	61330

(Source: #Consumer Affairs,* Agriwatch)

In retail market, mixed variation of prices was seen. In Delhi retail prices has increased due to fresh arrivals from from Himanchal Pradesh and Uttarakhand whose prices are trading above than Chipsona, Surya and 3797 variety. Prices are comparatively lower if compared to previous year.

Arrivals are also comparatively higher than last year during July end which indicated higher release from cold storages as farmers/traders are looking a bearish market in coming months. Potato prices are expected to remain on lower side this year because of higher production.

Potato Storage and Release Comparison:

State	Storage Capacity (in Lakh Tons)*	Potato Storage in 2015 (in Lakh Tons)#	Potato Storage in 2014 (in Lakh Tons)*	Expected Release by End of July 2015 (Lakh Tons)	Release by End of July 2014 (Lakh Tons)	Release by End of June 2015 (Lakh Tons)	Release by End of June 2014 (Lakh Tons)
U.P	119.49	115	83.44	35.84	29.2	17.85	20
West Bengal	62.52	67	54.36	20.1	21.74	10.72	13
Bihar	11.12	10.5	7.5	2.94	2.62	1.68	1.73

(Source: Agriwatch Research)

Above table shows a comparison between storage capacity and release from cold storages comparative to previous year. This year Storage was higher but release is slower compared to previous year during same time. Prices are expected to remain weak throughout the 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. Average Modal prices during July month were Rs 636/quintal. On the higher side prices may find long term resistance at a level of 900/ quintal. On the lower side prices may find long term support at a level of Rs 300/ quintal. Relative strength Indicator (RSI) oscillator is moving in downward region indicates bearishness in market. 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. 900-950 in coming two months. Overall potato market is expected to be range bounded this year due to higher production.

Disclaimer

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