

Executive Summary:

- In West Bengal, this year stockists have retained lower stock (around 85 percent) at this point of time as prices are ruling higher in comparison to corresponding period last year. Stockists had retained around 95 percent stock last year in the month of March. Lower retention of stock is expected to encourage price in the second quarter of this year. Pressure of crop arrival has started declining and price may move up further from current level.
- Higher demand reported in the West Bengal market from UP, Jharkhand etc. Lower production expected current year likely to support Potato prices in coming days.
- In M.P, potato production is almost similar to last year but storage capacity has increased whereas in few parts of Punjab and Bihar production is marginally less as compared to previous year.
- According to trade sources in Bihar, cold storages are already filled by 50% of their total capacity.
- In MCX, all months contracts, prices are comparatively higher than last year due to news in market of crop loss which expected to be 15- 20% compared to last year's production.

Weekly Wholesale Potato Price Analysis (17 March – 22 March 2014)

Market	State	Avg. Price (17 March – 22 March) 2014	Avg. Price (10 March – 15 March) 2014	Avg. Price (17 March – 22 March) 2013	% Change over Prev. Week	% Change over prev. Year
Delhi	Delhi	960	917	695	4.69	31.94
Agra (Khandauli)	UP	1069	950	783	12.53	21.33
Kanpur	UP	963	954	650	0.94	46.77
Kolkata	W. Bengal	977	893	522	9.41	71.07
Ludhiana	Punjab	687	727	478	-5.50	52.09
Indore	MP	800	808	775	-0.99	4.26
Mumbai	Maharashtra	1240	1187	975	4.47	21.74
Bangalore	Karnataka	1330	1233	1146	7.87	7.59
Ahmadabad	Gujarat	845	900	781	-6.11	15.24
Chennai	Tamil Nadu	1520	1500	1300	1.33	15.38

(Source: AGRIWATCH, * AGMARKNET)

The above table depicts the weekly wholesale price movement of different markets across the country. Prices have increased in almost all the markets except Ludhiana, Indore and Ahmadabad where prices have fallen by 5.50%, 0.99% and 6.11% respectively.

If we compare on a year on year basis, prices of potatoes have increased this year due to crop loss in West Bengal and U.P. All India production has also estimated to be lower which has also led to rise in prices this year.

Weekly Retail Potato Prices Analysis for 17 March – 22 March 2014

Market	State	Retail Avg. Price (17 March – 22 March 2014)	Retail Avg. Price (10 March – 15 March 2014)	Retail Avg. Price (17 March – 22 March 2013)	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	1840	1866	1683	-1.39	10.87
Bhubaneswar	Orissa	1170	1145	795	2.18	44.03
Chennai	Tamil Nadu	2200	2200	2000	Unch	10.00
Delhi	Delhi	1560	1340	1100	16.42	21.82
Guwahati	Assam	1260	1150	800	9.57	43.75
Kolkata	W. Bengal	1262	1233	783	2.35	57.47
Mumbai	Maharashtra	1500	1750	1500	-14.29	16.67
Patna	Bihar	1650	1483	817	11.26	81.52

(Source: NHB)

In Retail market, prices have reported mixed sentiment during the period. Maximum prices have increased in Delhi and Guwahati by approximately 16.42 % and 9.57% respectively. Retail prices are also higher than last year because last year production was higher and harvesting was on time.

Technical Analysis Potato weekly Price Chart (Spot Market Khandauli)



(Note: Each bar or "candle" in the chart shows the price movement in a particular week. The green candle signifies prices increased and red candle signifies prices decreased in that week. The length of the "candle" shows the upper and lower end of the price range for the week.)

The above chart shows the weekly price movement of Potato prices in spot market of Khandauli (Agra). In Agra, modal prices are trading around Rs 850/ quintal which are continuously increasing from last four weeks. On the lower side prices may find a strong support at a level of Rs 600/ quintal whereas on the higher side prices may find a resistance at a level of Rs 1150/ quintal. Relative Strength Indicator (RSI) oscillator is moving up in neutral region and indicates prices may remain firm for next couple of weeks.

Potato Futures Weekly Analysis: (17 March - 22 March 2014)

Symbol	Exchange	Expiry Date	This week Close Price	Previous week Close Price	Net Change	This week Open Interest	Previous week Open Interest	Change
POTATO	MCX	31-Mar-14	1220.7	1182	38.7	6225	11580	-5355
POTATO	MCX	30-Apr-14	1248.5	1200.8	47.7	12735	11055	1680
POTATO	MCX	30-May-14	1313	1259	54.0	31560	34665	-3105
POTATO	MCX	30-Jun-14	1366	1312.3	53.7	19785	17880	1905

(Source: MCX)

In March and May month contract of MCX, prices are increasing and open interest is falling which suggest market participants are short covering their positions. In April and June month contract, market participants are building up their long positions.

Disclaimer

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