

Executive Summary:

- In West Bengal, so far approximately 26% of cold storage potatoes have been released from total storage of approximately 52 lakh tons.
- In West Bengal, government has fixed wholesale and retail prices at Rs 1200/ quintal and Rs 1400/ quintal. Major demand is coming from North East, A.P, Bihar, Jharkhand and T.N.
- In U.P, approximately 20-22% potatoes have been released from cold storages out of the total storage of 90 Lakh ton. Further prices are expected to be proportionally related to Kharif crop from Hasan.
- Government has imposed Minimum Export PRICE (MEP) of \$450/ton to curb down rising prices in domestic market. This step was taken after restriction on new positions in future market and increase in margin money for running contracts.
- In Karnataka, potato sowing has started and completed in 18148 hectares of the total targeted area of 29783 hectares.
- In Hasan (Karnataka), major kharif potato growing region where approximately 18004 hectares of area is sown of the total targeted area of 20267 hectares.

Weekly Wholesale Potato Price Analysis for (23 Jun –28 Jun 2014)

Chennai	State	Avg. Price (23 Jun- 28 Jun) 2014	Avg. Price (16 Jun- 21 Jun) 2014	Avg. Price (23 Jun- 28 Jun) 2013	% Change over Prev. Week	% Change over prev. Year
Delhi	Delhi	1500	1428	867	5.04	64.71
Agra (Khandauli)	UP	1592	1542	825	3.24	86.91
Kanpur	UP	1433	1425	779	0.56	82.93
Kolkata	W. Bengal	1433	1450	820	-1.17	76.83
Ludhiana	Punjab	1292	1283	800	0.70	60.38
Indore	MP	1058	1000	846	5.80	18.20
Mumbai	Maharashtra	1783	1833	1167	-2.73	57.07
Bangalore	Karnataka	1950	1908	1400	2.20	36.29
Ahmadabad	Gujarat	1383	1442	950	-4.09	51.79
Chennai	Tamil Nadu	2317	2100	1683	10.33	24.78

(Source: AGRIWATCH)

The above table depicts the weekly wholesale price movement of different markets across the country. Prices have increased in almost all the markets except Kolkata and Mumbai. Maximum prices have increased in Chennai and Delhi by approximately 10% and 5% 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. The other reason behind rising prices is less storage in cold storages of U.P and Bengal.

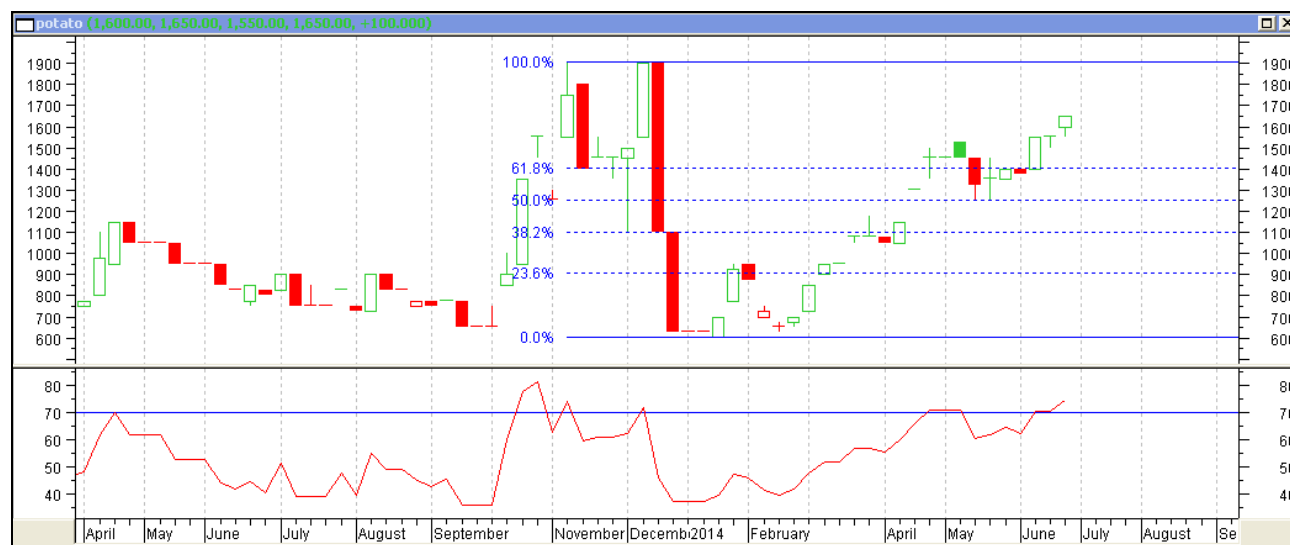
Weekly Retail Potato Prices Analysis for (23 Jun – 28 Jun 2014)

Market	State	Retail Avg. Price (23 Jun- 28 Jun)2014)	Retail Avg. Price (16 Jun- 21 Jun)2014)	Retail Avg. Price (24 Jun- 29 Jun) 2013)	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	3040	3167	1967	-4.01	61.01
Bhubaneswar	Orissa	1900	1730	1090	9.83	58.72
Chennai	Tamil Nadu	3133	3000	2400	4.43	25.00
Delhi	Delhi	2480	2167	1500	14.44	44.47
Kolkata	W. Bengal	1760	1730	1125	1.73	53.78
Mumbai	Maharashtra	2500	2500	2000	0.00	25.00
Patna	Bihar	2267	2183	1400	3.85	55.93

(Source: NHB)

In Retail market, prices have reported firm in almost all the major markets except Bangalore. Maximum prices have increased in Delhi market by 14%. Retail prices are also higher than last year because of less production and less storage of potato crop. Prices are expected to remain range bounded or may fall down slightly after few days because of strict decisions taken by Government or State government.

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 1592/ quintal which have increased from previous week by Rs 86/quintal. On the lower side prices may find a strong support at a level of Rs 1400/ quintal whereas on the higher side prices may find a resistance at a level of Rs 1800/ quintal. Relative Strength Indicator (RSI)

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oscillator is in overbought region so prices are expected to increase ahead. Fibonacci retracement indicator also shows that prices may touch a level of Rs 1900/ quintal in coming days which is 100% retracement.

Potato Futures Weekly Analysis: (23 June – 28 June 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	30-Jun-14	1287.4	1219.1	68.3	1785	5115	-3330
POTATO	MCX	31-Jul-14	1265	1253.9	11.1	11040	25545	-14505
POTATO	MCX	28-Aug-14	1250	1319.7	-69.7	3450	8970	-5520
POTATO	MCX	30-Sep-14	1308	1381.1	-73.1	1155	2025	-870

(Source: MCX)

In MCX, June and July month contract market participants are building short positions with increase in prices and decrease in open interest.

In MCX, August and September month contract of MCX, market participants are liquidating long positions due to impositions of special margins of 25% on long side and no fresh positions allowed by the Exchange.

Disclaimer

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