# Potato Seasonal Outlook

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## Potato Seasonal Report

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<th>Potato</th>
<th>Outlook</th>
<th>Reasons</th>
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| Supply | ↑       | • Good crop in Hasan  
|        |         | • 30-35% available stocks |
| Demand | -       | • No significant increase |
| Price  | August-September – Rs.450 - 480 | • Increased supply for short term |
Potato is the world’s fourth important food crop after wheat, rice and maize because of its great yield potential and high nutritive value. It constitutes nearly half of the world’s annual output of all root and tuber crops. With an annual global production of about 300 million tonnes, potato is an economically important staple crop in both developed and developing countries.

**Season**

In India, more than 80% of the potato crop is raised in the winter season (Rabi) under assured irrigation during short winter days from October to March. About 8% area lies in the hills during long summer days from April to October. Rainy season (Kharif) potato production is taken in Karnataka, Maharashtra, HP, J&K and Uttranchal. In major parts of China (which is one of the leading producers) potato is harvested in the month of October to December and in few regions it is harvested in month of May –July.

- Summer crop- March- April---------------------August-September
- Autumn crop- August-September-----------------December- January
- Spring crop- January - February-------------------May-June

**In Plains**

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**In Hills**

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- Sowing  
- Growth Stage  
- Harvesting
International Scenario

Potatoes are grown in about 150 countries throughout the world and more than a billion people worldwide eat potato. About 328.87 million tonnes of potato are produced in the world over an area of about 19.13 million hectare.

Area under potato cultivation is almost constant and same is the case with production. However, there is a slight decline in the yield. The top ten producers in the world are China, Russia, USA, Ukraine, Poland, Germany, Belarus, Netherlands and France. These together contribute about 70% of the total production. India ranks third contributing around 7.5% to the world’s production. Production wise India has always remained in the top ten since last twenty years. Europe is the largest per capita consumer, followed by North America and Latin America.
However, there is a slight decrease in area under cultivation in China but there is increment in production. Same is the case with other major countries.

**Indian scenario**

India ranks 4th in area and it is the 3rd largest country in world in production of potato after China and Russian Federation. Potato is produced in an area of 14.00 lakh ha with a production of 250 lakh tonnes and productivity of 17.86 ton per ha.
Potato is grown almost in all states of India. Major potato growing states are Himachal Pradesh, Punjab, Uttar Pradesh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, West Bengal, Bihar and Assam. UP, West Bengal, Bihar and Punjab together account for about 86% of India’s production. However, potato consumption per capita in India (14.8 kg/head/year) is one of the lowest in the world and hardly 1% of the potato is processed. 90% of the potato crop in India is cultivated on Indo-Gangetic plain from October until February-March.

Uses of Potato

- Potato flour
- Potato chips
- French Fries
- Frozen potato
- Potato starch
- Tapioca of potato

In India, processed potatoes currently constitute less than 0.5% of annual production. While the consumption of processed potato products is anticipated to increase, at present, the processing sector is largely comprised of various kinds of dehydrated potato products, starch etc.
Netherlands (ninth in production and the highest exporter and importer) exports around 22-28% of its production. Whereas, India being the third largest producer exports hardly 0.45%. This is because Netherlands has the comparative advantage of weather that allows it to grow varieties that are suitable for further value addition like chips and French fries. The same is the case with Germany and Belgium. But in India the climate required to grow varieties for French fries and chips is not so conducive. But now some varieties like ChipsonaI and ChipsonaII are being developed by ICAR especially. Once these varieties are fully developed they will give a good competition to the European value added potato varieties.
The world’s import and export price have gone hand in hand. After 1995 both the import and export prices of world had started falling. But India’s export and import prices have never been close to each other. There is a significant gap between India and world’s price. But both the price has a direct correlation. With rise in world’s export price India’s export price has also increased. After liberalization India’s import price has also moved closer to world import price.

**India’s export share to major countries:**

The major countries to which India exports are Nepal followed by Srilanka, Mauritious, Maldives and USA. Nepal shares almost 82% of total exported quantity.
Liberalization was having a great impact on the trade of potatoes as free trade was allowed after that. The pre liberalization and post liberalization trends are quite clear. After liberalization there was almost a four-fold increase in the export. Not only there was an increase in quantity but there was also an increase in terms of value.

**India’s Import**
India basically imports starch from other countries. Starch is used in noodles and other value added food items. Since 2004-05 the starch import has come down because some Indian industries have also started manufacturing potato starch. The government is also planning to set up a potato starch unit in Faizabad (UP).

**Price trends:**

![Trend in prices in Kanpur Market](image)

Over the years price has remain at the top during October - November. This is because of lean season with limited availability of supplies from cold storages during these months. The only source is produce from Karnataka which is not able to meet the high demand. Most of the harvest starts November onwards. As more and more produce start arriving in the market prices start coming down. This is evident from December to April when price has remained lower. By April harvesting stops and Potato from cold storage is utilized and by October cold storage is almost empty. This trend is almost similar in all the major potato markets in India.
Market Influencing Factors

- Change in acreage depending on yield and price realization
- Weather condition during tuber formation
- Demand of potato from food processing industries
- Comparative price with other vegetables in the domestic market
- Transportation charges have also great impact on prices
- Hoarding of potatoes by growers and traders before selling in expectation of better prices

Current status (2006)

Generally production of potatoes is about 25 million tones which is the normal requirement also for the consumption including requirement for seed bulbs, processing industries, export, waste and storage losses etc. Present estimated production is about 24.51 million tones which is little less to meet the demand, which could be compensated by the restrictions on export and also by increasing area under kharif potato production. Presently, In Agra region almost 45-50% of the stocks are already used and only 30% is there for seed purpose. Altogether, taking into account Agra and near by area, stocks remained for coming months for consumption purpose is only 30-35%.
Potato Seasonal Outlook

Prices in the month of Aug-Sep will be governed by arrivals from Hasan market (District in Karnataka) which will start from 15th Aug. Rain in Hassan which is one of the major producing centers will also have impact on the potatoes prices. For this year crop is expected to be in good condition and there will be increase in supply in southern market which will pressurize the prices. The produce from Hasan will cater the market till the end of September after which in the month of Oct – Nov there will be again dearth of supply and prices will go up till November. In Northern region, harvesting will start in the month of Nov and fresh Rabi produce will come in the market which will drive the market down in the months of December and January.

Price target

Keeping into view the above mentioned factors it is expected that prices of potatoes will come down in the month of August - September to the level of Rs.450 -480 on account of increase in arrivals in the market. From October onwards there will be some increment in prices because of tight supply and prices may again go to Rs.550- 580 levels till November end.

August – September – Rs. 450 -480

November – Rs. 550- 580