

Potato price forecast for the year 2021-22

Potato is a major food crop that is grown in more than hundred countries across the world. Asia alone accounts for half of the world's potato production, with China and India accounting nearly 38% of that production. India ranks third in potato cultivated area and second in production in the world after China. Uttar Pradesh, West Bengal, Bihar, Punjab and Gujarat are the major producing states in India. In India annual domestic consumption varies between 32-35 million tonnes, depending upon prices and availability.

During 2020-21 in India, potato occupied about 22.50 lakh hectare area and production was about 542.30 lakh MT against 20.51 lakh hectare area and 485.62 lakh MT production in 2019-20.

In Gujarat, the area under potato is reported 1.25 lakh hectare in the year 2020-21 (Fourth Advance Estimate, Directorate of Agriculture, Gujarat) as against 1.18 lakh hectare in the year 2019-20 (Final Advance Estimate, Directorate of Agriculture, Gujarat). Production was estimated to be 39.13 lakh MT in the year 2020-21 as against 35.78 lakh MT in 2019-20.

In the markets of Gujarat, price of potato was prevailing around Rs. 1105 to 1250 per quintal during February to March, 2020 that has reduced to Rs. 760 to 890 per quintal in February to March, 2021.

The pandemic and the related fears have also led to a spike in potato prices in the year 2020. Demand for potato, a staple for Indian kitchens, rose during the pandemic as the potato can be stored longer than other vegetables. But due to excess production in major producing states such as Uttar Pradesh, West Bengal, and Gujarat, potato prices in Gujarat have plunged. Potato prices stabilizing around ₹600-700 a quintal across various agricultural markets in the country, growers are now opting to store the potato in cold storages in view of lower returns.

Enough rain this year before sowing season of *rabi* season, farmers may be encouraged to grow more in anticipating higher prices. Because of this and stock in cold storage, arrivals would be higher in markets at the time of harvest. Thus, potato over production is expected to lower prices even further this year, putting farmers at a difficulty.

Considering this all and traders reviews, the research team of NAHEP-CAAST, IABMI, Anand Agricultural University, Anand analyzed the previous years monthly price data of potato collected from major markets of Gujarat. The econometric analysis revealed that the prices of potato during **February – March, 2022** may remained in the range of **Rs. 130 to 150 per 20 kg. (Rs. 650 to 750 per quintal)**.

Therefore, farmers can take their own decision to allocate their land in sowing of potato during the year 2021-22.

Note: There may be some deviation of the actual prices from the predicted prices due to new developments in the commodity markets such as change in international prices, export or import restrictions, etc and these price forecasts are based on past market price data & different econometric models and that actual market price may not remain to be the same as forecasted.