

## **Price Forecasting of Potato for Feb-March 2022**

Potato is a major food crop grown in more than hundred countries across the world. Asia alone accounts for half of the world's potato production, of this China and India accounting for nearly 38% of that production. India ranks third in potato cultivated area and second in production in the world after China. During 2020-21, world's potato production has increased from 354.8 million tons to 359.07 million tons.

In terms of export, Netherlands (18.7%), France (16%), Germany (8.8%), Canada (6.9%) and China (6.8%) are the major countries since last two years. India ranked 11<sup>th</sup> in terms of export during the year of 2020. The value of export was around 1.67% of total world export.

Most of the Indian farmers sow potato in the rabi season, during October to November. During 2020-21, potato cultivation in India was 22.48 lakh ha and production was 542.3 lakh tons, while the same was 20.51 lakh ha and 485.62 lakh tons during 2019-20. In India annual domestic consumption varies between 32-35 million tons, depending upon prices and availability. In India, Uttar Pradesh, West Bengal, Bihar, Punjab and Gujarat are the major producing states.

Gujarat is the major potato producing state in the country and it contributes about 25 % of country's export. In Gujarat, the area under potato is reported 1.26 lakh ha in the year 2021-22 (Second Advance Estimate, Directorate of Agriculture, Gujarat) as against 1.25 lakh ha in the year 2020-21 (Final Advance Estimate, Directorate of Agriculture, Gujarat). Production was estimated to be 38.30 lakh tons in the year 2021-22 as against 39.13 lakh tons in 2020-21.

During the last year, pandemic related fear caused price rise in the potato and at the same time demand arose as potato is the staple food for the country. Last year there was bumper production in the country, hence, some of the last year's produce is still lying in the cold storages. Now, early growers will start coming with their fresh produce in the market. In addition, this year the temperature was favorable for the potato growers which may result in bumper production in some of the parts of Gujarat. Nevertheless, unseasonal rain and hailstorms in the northern states of the country has damaged potato. This may cause delay in the harvest of crop by few days in the states like Punjab. This heavy rainfall has damaged 10-15% of potato sowing area in Punjab & UP. Adding to that rain and the waterlogged condition led to disease like blight, and that might affect the yield of potato.

In January 2020 the prices of potato in markets of Gujarat were around Rs 1531 per quintal, which were decreased to Rs 1105 in February and in March around Rs 1250. While in the year 2021, prices were Rs 1350 per quintal in January and Rs 889 and Rs 760 in February and March, respectively. In the current year, potato prices touched Rs 1210 per quintal in the month of January.

Considering available information and traders views, the research team of NAHEP-CAAST, IABMI, Anand Agricultural University, Anand analyzed the weekly price data of 17 years of potato collected from Ahmedabad market of Gujarat. The econometric analysis revealed that the prices of potato during **February - March 2022 i.e. at harvest** may remain in the range of **Rs 165 to 205 per 20 kg (Rs 825 to 1025 per quintal)**. In view of this, farmers can take their own decision to sell or to store their potatoes 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.*