

CHAPTER - IV

CHAPTER – IV**PROGRESS OF GADHINGLAJ MARKET YARD**

- 4.1 **PROGRESS IN THE ARRIVAL OF AGRICULTURAL
COMMODITIES**
- 4.1.1 **Compound Growth Rate**
- 4.2 **PROGRESS IN THE VALUE TRANSACTION OF
AGRICULTURAL COMMODITIES**
- 4.2.1 **Compound Growth Rate**
- 4.3 **PRICES OF AGRICULTURAL COMMODITIES**
- 4.3.1 **Significance of Agricultural Prices**
- 4.3.2 **Realised Agricultural Prices in the Market**
- 4.3.3 **Compound Growth Rate**
- 4.3.4 **Variation in Agricultural Prices**
- 4.4. **CONCLUSION**

CHAPTER – IV

PROGRESS OF GADHINGLAJ MARKET YARD

This chapter deals with progress of Gadhinglaj Market Yard in terms of transaction of agricultural commodities and other economic activities being carried out during 1980-81 to 1999-2000.

4.1 PROGRESS IN THE ARRIVAL OF AGRICULTURAL COMMODITIES

Jaggery, groundnut and chillie, are major corps being transacted in the Market Yard. There are other corps such as paddy, rice, tobacco, cashew nut, tamarind, maize, jowar, bajra, nachna, green gram, black gram, red gram, kulthi, potato, sweet potato and onion also play signification role in economic activity of Market Yard.

It is observed from the Table No. 4.1 that Gadhinglaj Market Yard has been making progress in the arrival of agricultural commodities over a period of time. Thus, it reflects the fact that agricultural producers in the region prefer to sale agricultural commodities in the Market Yard. Because it ensure the reasonable price to their product. The actual arrival of jaggery was recorded 58470 quintals in 1981-82, which raised 81177 quintals in 1991-92 and further increased to 128460 quintals in 1998-99. Thus in relative term, it showed arrival of jaggery increased by 38.84 percent during 1981-91, which further rose by 58.25 percent during 1991-99 and overall change

was 119.07 percent during 1981-99. Thus, arrival of jaggery has increased in the yard, thus it reflect good sign of progress of the market yard. In case of groundnut progress seemed not to be satisfactory. During 1981-82, 27909 quintals of groundnut were arrived in the market, which slightly declined to 27437 quintals in 1991-92 and further increased to 30679 quintals in 1998-99. During 1981-91, arrival of groundnut was recorded to slightly decline by 1.69 percent, during 1991-99 the percentage change increased by 11.82 percent and overall change was 9.93 percent during 1981-99. In 1981-82, 10918 quintals chillie were arrived in the market which rose to 15182 quintals in 1991-92 and reduced to 42469 quintals in 1998-99. In fact reduction in the arrival of chillie in the yard is serious concern, because agricultural products might have preferred to sale chillie in the open market rather than in the market yard. Percentage change in case of chillie during 1981-91 increased by 39.05 percent but in the period of 1991-2000 percentage decreased by 71.81 percent and overall change was decreased by 60.85 percent. In case of other agricultural commodities like paddy, rice, cashew nut, maize, jowar, bajra, green gram, black gram, etc. are actual arrival were recorded 33181 quintals in 1981-82, which raised to 76193 quintals and decreased to 49032 quintals in 1998-99. The percentage change was recorded increased by 129.63 percent during 1981-91, which reduced by 35.65 percent and overall change was recorded 47.77 percent during 1981-99.

Table 4.1
Progress of Arrival of Agricultural Commodities
(Three year Average)

(Fig. in quintals)

Sr. No.	Commodities	1981-82	1991-92	1998-99	Percentage changes		
					1981-91	1991-90	1991-99
1	Jaggery	58470	81177	128460	38.84	58.25	119.70
2	Groundnut	27909	27437	30679	-1.69	11.82	9.93
3	Chillie	10918	15182	4274	39.05	-71.85	-60.85
4	Others*	33181	76193	49032	129.63	-35.65	47.77
	Total (1 to 4)	151578	199990	212447	31.94	6.23	40.16

Source: Annual Reports of APMC, Gadhinglaj

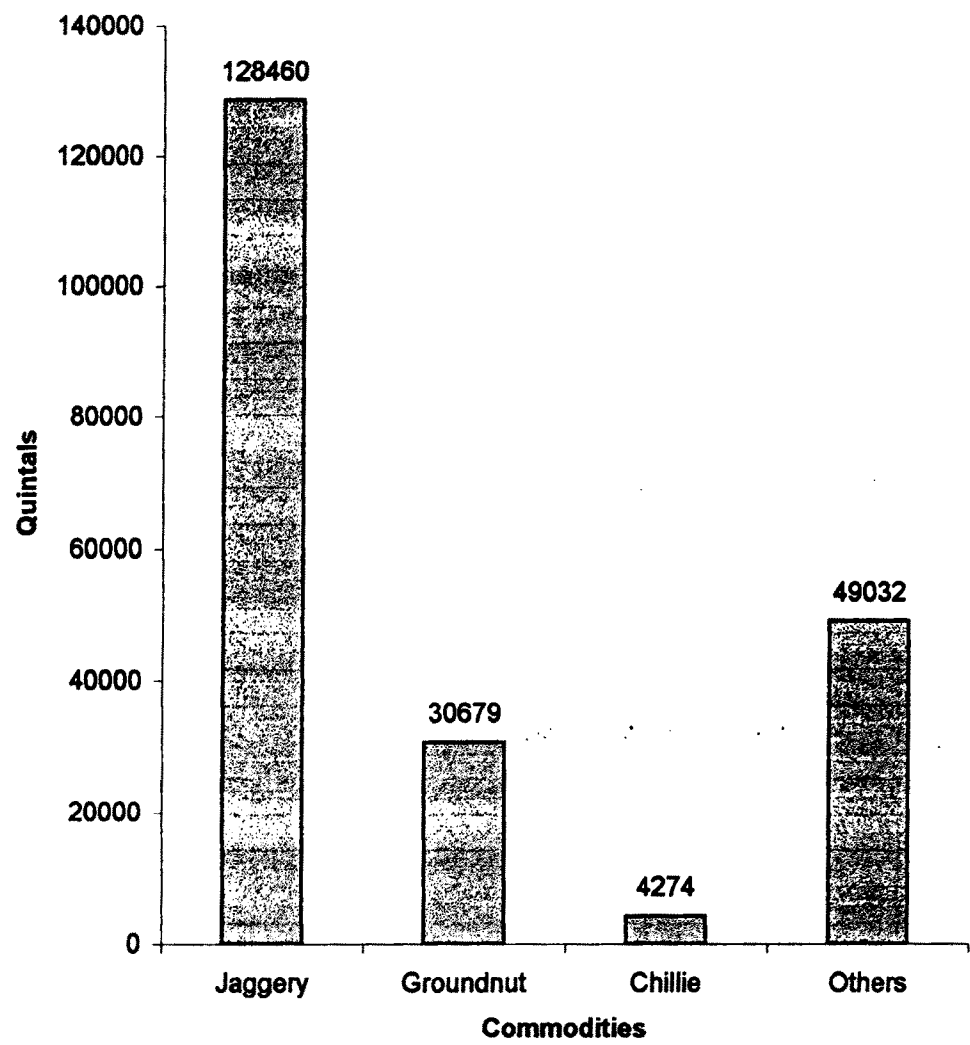
* Others includes paddy, rice, bajra, jawar, cashew nut, green gram, etc.

Taking together all major crops, it is observed that arrival of these crops was 151.57 thousand quintals in 1981-82, which increased to 199.99 thousand quintals and further increased to 212.44 thousand quintals in 1998-99. The arrival of these crops increased by 40.16 percent during 1981-99.

4.1.1 Compound Growth Rates in Arrival of Agricultural Commodities

Percentage changes based on these point of time as we have seen in the earlier section, such as 1981-82, 1991-92 and 1998-99 do not reflect the trend behaviour accurately, because intermediates years are omitted. Therefore, in this section compound growth rates are calculated based on three year average data. The data consist of 18 years beginning from 1981-82 and ended with 1998-99. Moreover, entire data further subdivided into two periods. Period – I consists of 1981-82 to 1991-92 and Period – II consist of 1991-92 to 1998-99. Compound growth rates give the direction and the

**Graph 4.1 Arrival of Agricultural Commodities during
1998-99**



magnitude of change in the arrival of agricultural commodities in the Market.

Table 4.2
Compound Growth Rates in Arrival of Agricultural Commodities
(Three Year Average)

Sr. No.	Commodities	Period-I (1981-82 to 1991-92)	Period -II (1991-92 to 1998-99)	Period -III (1981-82 to 1998-99)
1	Jaggery	3.03	5.90	4.47
2	Groundnut	-0.16	1.40	0.53
3	Chillie	3.04	-14.65	-5.08
4	Others*	7.85	-5.36	2.19
	Total	2.55	0.75	1.89

* Others include black gram, red gram, cashew nut, tamarind, potato, paddy, rice, cashew nut, jawar, bajra etc..

Table No. 4.2 gives compound growth rates in arrival of agricultural commodities. It is observed from the Table 4.2 that the arrival of jaggery, groundnut increased by 4.47 percent, 0.53 percent, respectively during 1981-82 to 1998-99, followed by other agricultural commodities like black gram, green gram, red gram, jawar, bajra, cashew nut, potato etc. 2.19 percent, but chillies compound growth rates decreased by 5.08 during 1981-82 to 1998-99. Thus, it showed that of the total number of arrival of agricultural commodities showed positive trend during the 1981-99.

Sub periodwise position indicated that Period-I showed that arrival of jaggery, chillie and other crops has increased at varying rates during 1981-82 to 1991-92. These crops showed positive growth rates while groundnut have registered negative growth rates during 1981-82

to 1991-92. The position of arrival of agricultural commodities during Period – II showed improvement in respect of jaggery and groundnut i. e. 3.03 percent to 5.90 percent and – 0.16 percent to 1.40 percent, respectively. But chillie and other crops had positive growth rates during Period – I and Period – II showed negative growth rate i. e. 3.04 to – 14.65 percent and 7.85 to – 5.36 percent, respectively.

4.2 PROGRESS IN THE VALUE TRANSACTION OF AGRICULTURAL COMMODITIES

In this section an attempt is made to examine the progress in the value transaction of agricultural commodities. Value transaction ultimately takes care of the prices of agricultural commodities realised to produces in the Market Yard. In fact there is a positive relationship between arrival of agricultural commodities and the prices of commodities. Higher prices of agricultural commodities create incentive in the mind of agricultural producers to sale larger quantities of agricultural commodities in the Market Yards. Higher quantities accompanied with higher prices ultimately reflect the economic prosperity of agricultural producers. Value transaction of commodities takes into account the quantities of commodities being transacted and prices of commodities realised in the Market Yard.

It is observed from Table 4.3 that total value transaction of all commodities was recorded to the extent of 290.47 lakh in 1981-82, which rose to 1697.90 lakh in 1991-92 and further to Rs. 2155.72 lakh

in 1998-99, which indicates 642.15 percent change between 1981-99. Cropwise position showed that transaction of jaggery was done to the extent 161.60 lakhs, followed by groundnut 118.05 lakhs, chillie 45.55 lakhs and other crops 57.987 lakhs in 1981-82.

Table 4.3
Progress of Arrival of Agricultural Commodities (in value)
(Three Year Average)

(Rs. in lakh)

Sr. No.	Commodities	1981-82	1991-92	1998-99	Percentage changes		
					1981-91	1991-99	1981-99
1	Jaggery	161.60	488.75	1088.13	202.44	122.64	573.35
2	Groundnut	118.05	263.41	275.35	123.13	4.53	133.25
3	Chillie	45.55	389.7	129.17	755.54	-66.85	183.78
4	Others*	57.87	555.96	661.61	880.71	19.00	1043.26
	Total (1 to 4)	290.47	1697.80	2155.72	484.50	26.97	642.15

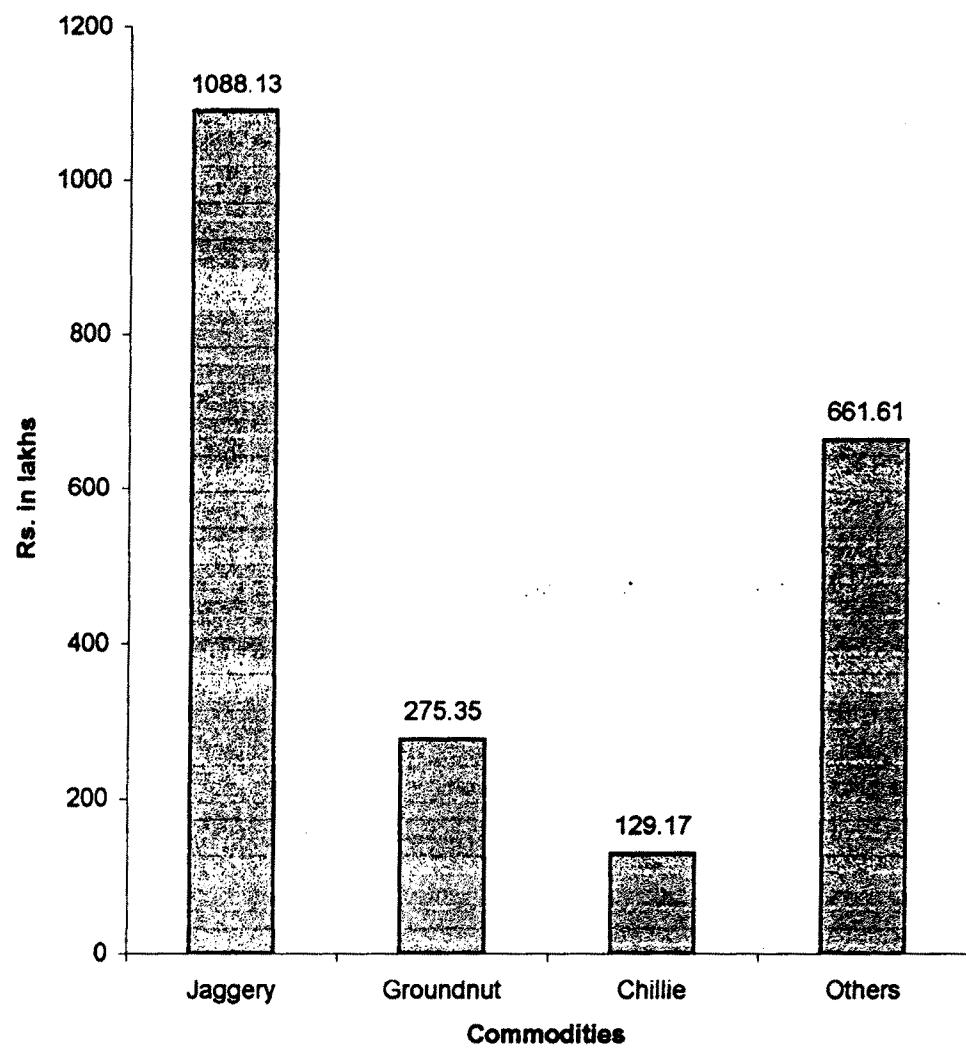
Source: Annual Reports of the APMC, Gadhinglaj

*Other includes Black gram, green gram, cashew nut, potato, jawar, bajra, etc.

Moreover, over a period of time value transaction of all commodities under consideration has increased. In case of jaggery transaction increased from 161.60 lakh in 1981-82 to 1088.13 lakhs in 1998-99 indicating substantial improvement during this period. Groundnut also improved in value transaction from 118.05 lakhs in 1981-82 to 275.35 lakhs in 1998-99. Value transaction of chillie rose from 45.55 lakhs in 1981-82 to 129.17 lakhs in 1998-99. Similarly other crops increased from 57.87 lakhs in 1981-82 to 661.61 lakhs in 1998-99.

Thus, value transaction of all commodities has increased during 1998-99, as compared to 1991-92 and 1981-82 at varying rates.

**Graph 4.2 Arrival of Agricultural Commodities
(in value) during 1998-99**



The most prominent change observed in value transaction was of other crops (1043.26 percent) between 1998-99, followed by jaggery (573.35 percent), chillie (183.78 percent), groundnut (133.25 percent). Thus, overall performance of Gadhinglaj Market Yard showed satisfactory trend between 1981-82 and 1998-99

4.2.1 Periodwise Compound Growth Rates in the Value Transaction of Agricultural Commodities

Table 4.4 gives temporal compound growth rates in sales of major agricultural commodities for the entire period 1981-82 to 1998-99. Further entire period is subdivided into two periods. Period – I covered 1981-82 to 1991-92 and Period – II spanned 1991-92 to 1998-99.

Period – I (1981-82 to 1991-92)

In case of most of the major agricultural, this period was generally characterised as positive growth rates in sales of agricultural commodities. Sale of jaggery increased by 10.58 percent, groundnut was next to jaggery with 7.57 percent. It is observed that sales of chillie and other corps had highest growth rates 21.55 and 22.84 percent, respectively among the major agricultural commodities.

Table 4.4
Compound Growth Rate in Sales of Agricultural Commodities
(Three Year Average)

Sr. No.	Commodities	Period – I (1981-82 to 1991-92)	Period – II (1991-92 to 1998-99)	Period – III (1981-82 to 1998-99)
1	Jaggery	10.58	10.52	11.18
2	Groundnut	7.57	1.06	4.82
3	Chillie	21.55	-12.89	5.96
4	Other*	22.84	2.19	14.49
	Total	17.41	3.02	11.78

*Other includes black gram, green gram, potato, jawar, bajra, cashew nut, etc.

Period – II (1991-92 to 1998-99)

In case of major agricultural commodities, this period was generally characterised positive growth rate in sales of agricultural commodities except chillie (-12.89 percent)

In Period – II compound growth rates of jaggery was recorded 10.52 percent, followed in groundnut 1.06 percent and other crops 2.19 percent that is jaggery, groundnut, chillie and other crops recorded lower growth rates than earlier period.

Period – III (1981-82 to 1998-99)

The third period (entire period) was also generally characterised as positive growth rates in sales of agricultural commodities. Sale of jaggery increased by 11.18 percent, it is observed that sale of groundnut increased by 4.82 percent during 1981 to 1999, followed by chillie increased by 5.96 percent during 1981-99. In case of other crops compound growth rates increase by 14.49 percent during 1981-99.

4.3 PRICES OF AGRICULTURAL COMMODITIES.

In this section an attempt is made to examine the prices of agricultural commodities realised to the producers in the Market Yard. Agricultural price plays very important role in the process of agricultural development as well as the development of Market Yard.

4.3.1 Significance of Agricultural Prices

1. It directs the consumption of products and services, it helps a consumer in deciding what to buy and how much to spend on each product, taking into account the relative prices of the products and services and the amount of satisfaction expected to be derived from them.
2. It also directs the use of resources in production. It helps the farmer-producer in deciding what to produce, how to produce and how much to produce. These decisions are based upon relative prices of product and inputs, along with the information on physical input output relationships.
3. It helps to distribute income among the owners of productive resources. Price variations result in the redistribution of income and property values among owners of productive agents. Thus we find that the knowledge of pricing is of vital importance to the farmer-producer.

4.3.2 Realised Agricultural Prices in the Market

As we have seen earlier significance of agricultural prices, now we shall discuss the prices of agricultural commodities, realised to agricultural producer and changes therein in the Gadhinglaj Market Yard during 1980-81 to 1999-2000. It can be observed from the Table No. 4.5 that three major crops under consideration chillie has realised maximum price i. e. Rs. 4500 per quintal during 1998-99, followed by groundnut (Rs. 1450) and jaggery (Rs. 1000) during 1998-99.

Over a period of time it could be observed that prices of major three crops have increased during 1981-82 to 1998-99, at varying level. Price of jaggery increased by 120.57 percent between 1981-91, which further raised 70.16 percent during 1991-99 and overall change was 274.99 percent during 1981-99. In case of groundnut price increased by 148.43 percent during 1981-91 and 37.88 percent during 1991-99 and 242.52 percent during entire period 1981-99. The price of chillie increased by very highly i. e. 335.89 percent during 1981-91 and 58.82 percent during 1991-99 and overall change was 592.31 percent during 1981-99. Thus, overall position of prices of agricultural commodities under consideration showed the prices have increase during 1981-82 to 1998-99.

Table 4.5
Prices of Agricultural Commodities (Average for Three Year)
 (Rs. per Quintal)

Sr. No.	Commodities	1981-82	1991-92	1998-99	Percentage changes		
					1981-91	1991-99	1981-99
1	Jaggery	266.67	587.67	1000	120.37	70.16	274.99
2	Groundnut	423.33	1051.67	1450	148.43	37.88	242.52
3	Chillie	650	2833.33	4500	335.89	58.82	592.31

Source: Annual Reports of the APMC, Gadhinglaj

4.3.3 Periodwise Compound Growth Rate in Agricultural Prices

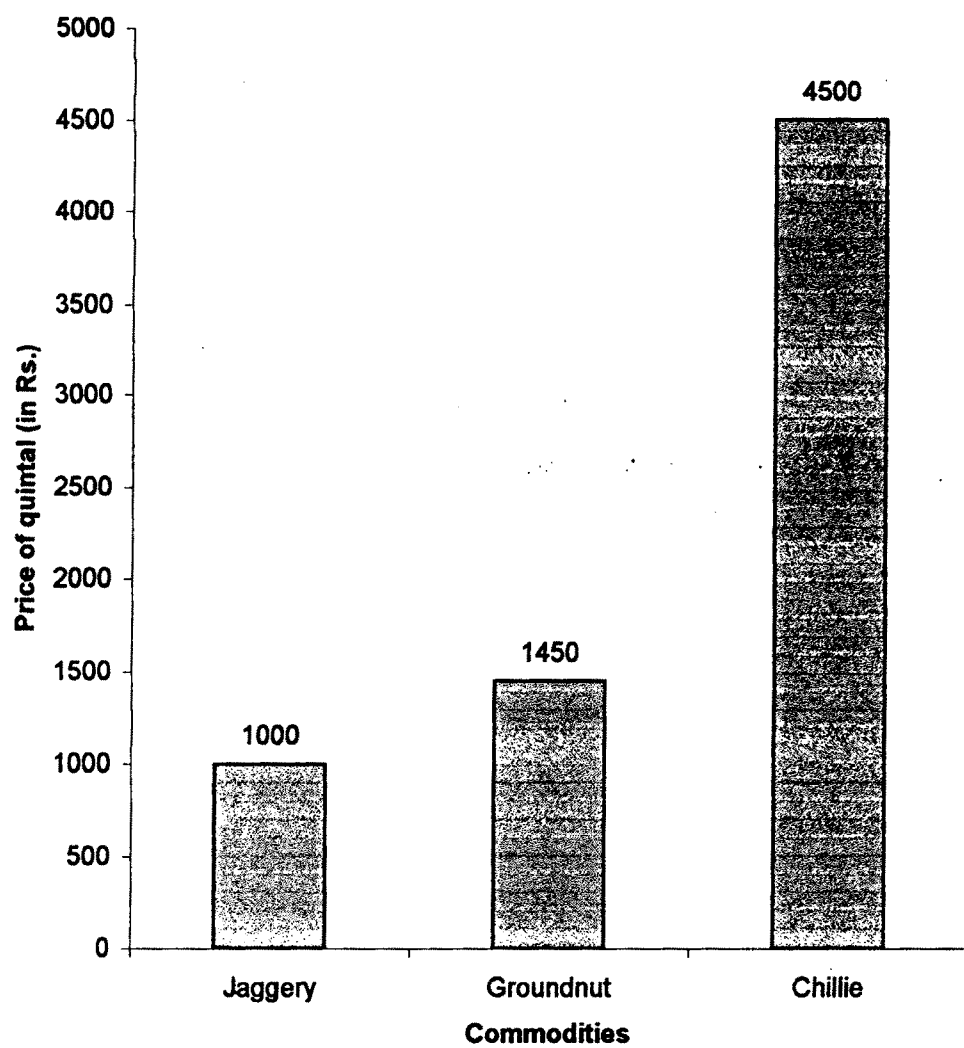
This section examines the growth profile of price of major agricultural commodities in the Gadhinglaj Market Yard for the entire period 1981-82 to 1998-99. Further whole time period (1981-99) is subdivided into two sub period. Period – I covered 1981-82 to 1991-92 and Period – II spanned 1991-92 to 1998-99. Table No. 4.6 gives the compound growth rates in the price of agricultural commodities. It could be observed from Table 4.6 that prices of commodities have increased during each successive period.

Table 4.6
Compound Growth Rates of the Prices of Agricultural Commodities (Average for Three Years)

Sr. No.	Commodities	Period – I (1981-82 to 1991-92)	Period – II (1991-92 to 1998-99)	Period – III (1981-82 to 1998-99)
1	Jaggery	7.44	6.87	7.62
2	Groundnut	8.39	4.09	6.94
3	Chillie	14.32	5.95	11.35

Source: Annual Reports of the APMC, Gadhinglaj

Graph 4.3 Prices of Agricultural Commodities during 1998-99



Period –I (1981-82 to 1991-92)

It can be noticed that prices of all commodities have increased positively during 1981-82 to 1991-92. Among these crops, prices of chillie was increased by 14.32 percent, followed by groundnut 8.39 percent and jaggery 7.44 percent, during 1981-91.

Period – II (1991-92 to 1998-99)

Period – II indicates that prices of agricultural commodities increased positively during 1991 to 1998 at varying rates. Prices of jaggery was increased by 6.87 percent, followed by chillie 5.95 percent and groundnut 4.09 percent during 1991 to 1998.

Period – III (1981-82 to 1998-99)

In this period (1981 to 1999) among all major agricultural commodities, growth rate in price of chillies was higher 11.35 percent followed by jaggery 7.62 percent and groundnut 6.94 percent, during 1981-99.

4.3.4 Variations in the Prices of Agricultural Commodities

Table No. 4.7 gives the coefficient of variation in the prices of major agricultural commodities during the whole period. It is observed from the Table 4.7 that the coefficient of variation in price of chillie was 49.35 percent. It was higher than all major agricultural commodities, followed by groundnut with 47.92 percent and jaggery 41.15 percent, during 1980-81 to 1999-2000.

Table 4.7
Coefficient of Variations in the Prices of Agricultural Commodities

Sr. No.	Crops	Minimum Price			Maximum Price		
		Average Price	Standard Deviation	Coefficient of Variation	Average Price	Standard Deviation	Coefficient of Variation
1	Jaggery	338.6	139.36	41.15	998.9	453.05	45.35
2	Groundnut	667	319.63	47.92	1094.42	453.91	41.47
3	Chillie	445.5	219.85	49.35	4783.4	2655.02	55.50

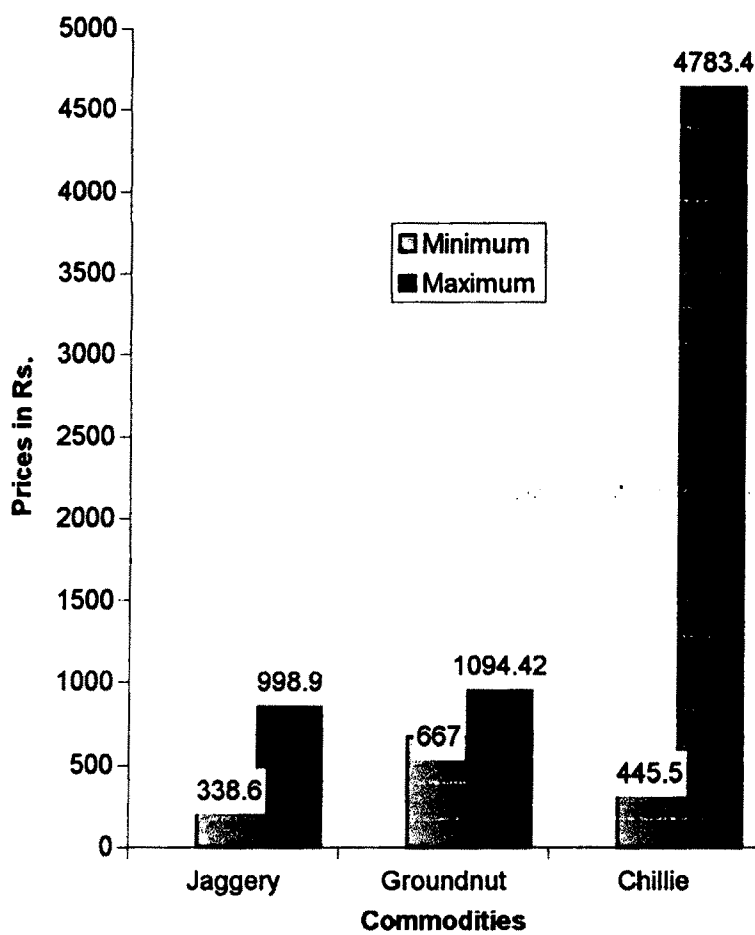
Source: Annual Report of APMC, Gadhinglaj

It was also observed that the coefficient of variation in maximum prices of chillies 55.50 percent. It was higher than all major agricultural commodities, followed by jaggery with 45.35 percent. Groundnut was next to jaggery with 41.47 percent. Thus, it can be observed that prices of agricultural commodities were subject to higher degree of the fluctuations over the entire period (1980-2000) realised to producers in the Gadhinglaj Market Yard.

4.4 CONCLUSION

Jaggery, groundnut and chillie are major crops being transacted in Gadhinglaj Market Yard. There is other crops also play significant role in economic activity of Market Yard. The arrival of jaggery, groundnut and other crops positively increased during 1981-82 to 1998-99, but chillies arrival decreased during the same period. Because agricultural producers might have preferred to sale chillie in the open market rather than the Market Yard.

Graph 4.4 Coefficient of Variations in the Prices of Agricultural Commodities



In case of value transaction of agricultural commodities the total value transaction of all commodities was continuously increased during 1981-82 to 1998-99. The entire period was also generally characterized as positive growth rates in the sales of agricultural commodities.

Agricultural price plays very important role in the process of agricultural development, as well as development of Market Yard. In major crops under consideration chillie has realised maximum price, then followed by groundnut and jaggery per quintal. Moreover over a period of time it could be observed that the prices of all crops have increased during 1981-82 to 1998-99, at varying level. In the entire period, among all major agricultural commodities, compound growth rate in the price of chillie was higher than all crops. The coefficient of variation of chillie was higher than all agricultural commodities. The prices of agricultural commodities were subject to fluctuate to some extent over the entire period realised to producers in the Gadhinglaj Market Yard.