ABSTRACT

The marketable surplus of agricultural products grown over different places in the state is not only negligible but also suffers from variation from district to district. Again some districts of the state are to depend heavily on supply from other state and on inter-district movement of the commodities. Under such situations spatial variation in prices of such commodities is an obvious consequence. Moreover in certain seasons, more particularly in festive seasons, the demand of certain commodities grows up which in turn plays a crucial role in increasing the price causing seasonal variation in prices of such commodities in different places.

The Present Study was undertaken with a view to studying the seasonal and spatial variation of prices of important agricultural commodities in Assam viz. rice (both common and fine), mustard, potato, onion, lentil, green gram, black gram and sugar. The study is entirely based on secondary data on wholesale monthly price from 1980-1999 (twenty years) for the ten districts of Assam and Assam as a whole (which is the average of the ten districts). The yearly production of the crop in different districts and the data for cost of cultivation of some crops were also collected from different government agencies.

The present study has been carried out with the objectives.

1. to construct the monthly price index of each commodity for each district and the State as a whole,

2. to study the trend in prices of each commodity for each district and for the state as a whole and to examine the relation between the cost of production and the price of different commodities,

3. to test the spatial variation of prices using analysis of covariance technique with yearly production as the covariate,

4. to test the seasonal variation of prices by analysis of variance technique and

5. to study the consistency of price variation of different commodities over time and space by calculating stability index.

Analyzing the monthly average prices during the period of study, the distribution of different commodities according to different levels of price rise and price variation during a year in different districts of Assam reveals that except for potato the price rise for all other commodities remained within 50 per cent during a year considering January as the base month. As regard the variation, it was found that except potato, mustard and onion the prices of all other commodities remained more or less uniform during the year in different districts. Also
it was found that sugar and onion were the only commodities, which
suffered least and most respectively from price variation in the state over
the years during 1980–1999 taking 1980 as base year. Further, it was
evident from the result that price variation was sharper during
1990–1999 in different districts and Assam as a whole for different
commodities under consideration.

The functional form of the trend of prices for all the
commodities included in the study was found to be exponential and the
extent of variation of observed prices from trend prices over the years
varied from district to district.

The analysis of seasonal indices of price of different
commodities under consideration during the period 1980–1999, showed
that for majority of commodities such as rice (common), mustard, potato,
onion, lentil and black gram, sowing season was the season of price rise.
However, testing the variation between seasonal indices of price of
different commodities in different districts no significant difference was
found in prices between the seasons of the year for rice (common) and
rice (fine). Similar situation was observed for green gram, black gram and
sugar also. For potato, onion, mustard and lentil a significant price
variation was noticed between the seasons.

An almost perfect correlation between the price and the cost of
cultivation in both types of rice and mustard was observed.

The analysis on the effect of the total production of a
commodity in the district in its price revealed no significant effect except
in the case of rice. Eliminating the effect of the production of the district
in the price, variation in prices of both types of rice was found to exist
between the districts of the state. The stability indices of price on
different commodities show that it were the three types of pulses – lentil,
green gram and black gram along with onion that suffered from
instability in prices over the years in different districts. Similar was the
situation for potato, onion and mustard over the months of a year in
majority of the districts.