

## Temporal variations in the prices and arrivals of maize in north Karnataka, India

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### ABSTRACT

In the present study, an attempt has been made to document the dynamic behaviour of arrivals and prices of maize in Karnataka state of India. Both primary and secondary data were collected to evaluate the objective of the study. The results showed that, the annual increase in the arrivals of maize in Ranebennur and Saundatti market was found to be 11691 qtls and 9047.65 qtls, respectively. In both the markets, highest market arrivals were seen during the month of December *i.e.* 219.57 and 196.75, respectively. The prices were found to be high during the months when the arrivals was low and *vice versa*. The highest price seasonal indices in Ranebennur and Saundatti market were 109.88 and 109.83, respectively during the month of August and July. Maize markets have a strong association between the prices of maize, thereby influencing the prices from one market to other market.

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The area under maize is continuously increasing over the years. The US has the largest harvested area of corn and contributes one fifth of the world corn harvested area. China, Brazil, Mexico, India and Indonesia are the countries which contribute significantly to the world harvested area. India is the fifth largest producer of maize in the world contributing 3 per cent of the global production. In India, maize is grown in all the seasons *i.e.*, *Kharif*, *Rabi* and Summer. Of these three seasons, nearly 90 per cent of the production is from *Kharif* season, 7-8 per cent during *Rabi* season and remaining 1- 2 per cent during Summer season.

Area, production and yield of maize in India have seen a phenomenal growth over the last five decades and India has emerged from being a net importer to levels of self-sufficiency. In the last five decades, India's maize production has increased from less than 3 million tons to 15 million tons today. This is because of growth in technology coupled with rising demand for the produce. Diversified uses of maize also prompted higher production

in the country. Maize, like any other cereal is grown across all the states in India and in many states it is one of the important staple foods. Karnataka and Uttar Pradesh are the leading producers of maize in India.

Because of its worldwide distribution and relatively lower price, maize has wider range of uses. It is used directly for human consumption, in industrially processing foods, as live-stock feed and in industrially non-food products such as starches, acids and alcohols. Recently, there has been interest in using maize for production of ethanol, a substitute for petroleum based fuels.

Prices play a vital role in predominantly agricultural economies like India. It determines not only what shall be produced but also how much to be produced. The price system is a powerful tool to transmit essential economic information and stimulate appropriate decision by producers and consumers. The study of relationship between market arrivals and prices is very useful. Larger production and larger arrivals reflect adversely on the prices. As a result the prices go down at a given level of demand. This control mechanism of the market forces may aim in regulating market supplies or consumption or both, particularly in the case of commodities in the short reaction among the sellers and buyers and effect of this reaction at once are reflected in supply and price position.

In order to device appropriate ways and means for reducing price fluctuations of agricultural commodities, there is a need to have a thorough understanding of price

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