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Research
Paper

An economic analysis of safflower arrivals and price behaviour in Solapur market of Maharashtra

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ABSTRACT

Agriculture supply is uncertain and this uncertainty in supply leads to fluctuations in prices by two ways: seasonal effects and cyclical effects. The broad objective of study was to examine price behaviour of important agricultural commodity like safflower in Solapur market. The data on arrivals and prices of safflower crop under study pertained for the period of 20 years *i.e.* from 1987 to 2006. The data were collected from the records of Solapur APMC. The results indicated that compound growth rate of production and arrival were found to be positively associated in period I (1987-96) of study and negatively associated in period II (1997-2006) of study for Solapur APMC. Despite pronounced seasonality in arrivals, there were negligible variations in seasonal prices of safflower. Cyclical fluctuations were found to be more pronounced than seasonal fluctuations in prices. This showed that when maximum production is there, prices decreased and increased during the pre harvest month. The C.V. was seen lowest for safflower crop.

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Key words : Economic analysis, Safflower price behaviour

INTRODUCTION

The price of oilseeds assumes great significance for producers as well as consumers point of view. It is said that prices are mirror of economy of the country. The wild fluctuations affect the farmer's capacity of making sustained efforts for increasing production. This fluctuation in prices of agricultural commodity is greatest obstacle in the way of agricultural development. Agricultural arrivals and prices, therefore exercise a dominant influence on agricultural economy of our country. The purpose of the present study is to examine the behaviour and pattern of fluctuations in prices and arrivals of safflower for the study in Agriculture Produce Market Committee in Solapur District. The present study has been undertaken with the following objectives: to study the year wise production of safflower crop, to study the market arrivals of safflower crop and to study the seasonal variation, cyclical variation and trends in arrivals and prices of safflower crop.

MATERIALS AND METHODS

The present study has taken into consideration the

arrivals and prices of safflower from APMC of Solapur district for the period of 20 years *i.e.* 1987 to 2006. Data were analyzed statistically to achieve the objectives of the study.

Compound growth rate:

The growth rates were computed by fitting the exponential function of kind.

$$Y = abt \quad \text{in log linear form } i.e. \log y = \log a + t \log b$$

where, t is the time variable y is variable for which growth rate is calculated.

$$b = (1 + r) \quad \text{and } r = b - 1$$

where, r is the compound growth rate. The significance of compound growth rate was tested by applying 't' test of significance.

General model used for analysis :

Multiplicative model used for analysis:

$$Y = T \times S \times C \times I$$