

Chapter 21

FARM PRICES

Farm Prices of All Crops to be Collected

21.1. I. As a part of general scheme for the improvement of agricultural statistics it is imperative to collect and publish the farm prices of all crops. The following instructions in this connection should be followed.

II. A. Farm prices of a commodity may be defined as the average wholesale price at which the commodity is disposed off by the producer to the trader at the village site during the specified harvest period.

B. (i) Certain number of representative villages may be selected in each district at the rate of one, two or three villages for each tehsil, depending upon the extent to which the crop is grown in the tehsil. The total number of villages to be selected in each district should, however, be not less than ten.

(ii) In each selected village, the prices at which the commodity is sold by the producer may be recorded in the specified form attached, on every Friday during the harvest time. If no sales take place on that day, the price at which the commodity was sold last during the week may be recorded instead.

(iii) In cases where village site transactions do not take place, the prices reported should relate to what the farmer receives, for his produce and should be obtained by subtracting transport and other marketing charges from the wholesale prices quoted at the Mandi where the produce is disposed off.

(iv) The price recorded should be the wholesale price of the specified variety in terms of rupees, per quintal.

III. The existence of different varieties and quantities with a wide range in price variation makes the task of giving a single harvest price for a commodity for the whole district difficult. In each district, however, it is possible to determine a particular variety which is grown to the largest extent and that variety may be specified for the purpose of quoting the farm price. In some cases, it may be necessary to give the farm prices of two varieties separately if the difference in prices is great, as for instance, in the case of prices of American and Desi Cottons.

IV. It is also necessary to fix the period of harvest for each crop, as it varies widely depending upon the variety of the crop and the nature of cultivation. In some cases, it is even difficult to define strictly the harvest period as for instance in the case of cotton where there are more than four picking in a year. These periods, however, may be fixed in respect of each crop and each district by the district authorities having due regard to the local conditions. Usually in case of most commodities six to eight weeks after the commencement of the harvest may be taken to be the harvest period during which farmers are generally expected to dispose off their produce.

V. Farm prices when they are viewed as an integral part of agricultural statistics may best be collected through the agency employed for the collection of statistics of area and yield. It is proposed that the

conventional estimates are made should be shown such areas separately from those areas for which regular forecasts are made.

(iii) *Col. (3)*: Column 3 should give the total area under the crop in the current year, double cropped area being counted twice.

(iv) *Cols. (4) to (7)*: In these columns the figures for the previous year and for the five years average should relate to the corresponding forecasts. In order to have a correct picture at the crop conditions, it is necessary to compare the current and previous year's figures with the normal. The normal being the average of the previous five years ending with the previous year. States that have been set-up recently and hence do not possess the necessary data for the previous five years may give average for the years for which data is available with them, the fact being stated in foot-note.

(v) *Col. (8)*: Percentage of area irrigated under the crop to the total area under the crop in each district should be given for the current year in the final forecast only. This information may be given for such crop at least that have considerable irrigated area under them and for which irrigation statistics are available. Crops having negligible irrigated area under them need not be shown here.

(vi) *Cols. (9) to (13)*: Same remarks as given under para (iv) above apply to these columns. These columns may be left blank for the earlier forecasts for which information on yield is not to be given.

(vii) *Col. (14)*: The district condition factors expressing the yield per hectare of the crop in the current year as percentage of the normal yield should be given.

(viii) *Col. (15)*: District-wise farm harvest prices should be given in the final forecasts only.

(ix) *Col. (16)*: The reasons for difference of magnitude over and above 10 per cent between the current and previous year's figures may be explained in this column.

(x) The date fixed for the submission of the forecast returns and the date on which the forecast return is actually despatched should be given in the space provided for the purpose at the bottom of the return. The reasons for delay, if any, should be explained.

(xi) The production of rice is to be given in terms of cleaned rice, of sugarcane in terms of gur, of groundnuts in terms of nuts-in-shell, of cotton in terms of cotton lint in bales of 170kg. each of Ginger and chillies in terms of dry ginger and chillies respectively and of Tobacco in term of cured leaf.

(xii) If data in respect of "Farm Prices" and percentage of irrigated area, etc. do not become available by the due date of the final forecast, the State Government should not hold up the forecast report for filling in these data. The final forecast returns should be despatched in time missing particulars may, however, be separately furnished as soon as they become available.

Kanungos and patwaris who are generally employed for the collection of statistics of area and yield may be entrusted with the task of collecting these statistics also. It is also proposed that if circumstances permit the services of primary teachers may be utilized for this purpose. The reporters should visit the selected villages on the appointed dates, enquire personally the prices at which the commodity has been sold by the cultivator and record them on the specified form.

VI. The method of striking the average price for the district as a whole should be the method of weighed average, with the tehsil production figures for the current year as weights. The average price for district for each week maybe obtained as the simple arithmetic average of the tehsil prices, which are in turn the simple arithmetic averages of village prices. The average price for the season is the simple arithmetic average of the district prices for each week. The computation of the district average may be done at the district headquarters while the prices for the state will be worked out in the office of the Director of Land Records Himachal Pradesh.

VII. It is suggested that the farm prices should be collected in respect of all the important crops and in any case they should be given for all the forecast crops. As the final estimate of every crop is published at least one month after the completion of harvesting; it may be feasible to get the farm prices ready by the time of the final estimate in such case these prices also may be included in the final estimate. Timely publication of these statistics will enhance their value.

VIII. The farm prices multiplied by the production figures of different crops will give an estimate of the income of the producers of the commodity which is the same thing as the contribution of that particular commodity to the National Agricultural income. This can be illustrated as under:-

Let p_1, p_2, p_3 and p_4 be the district average farm prices of the commodity in the four districts and P_1, P_2, P_3 and P_4 the production of the commodity in the respective districts.

$$\text{then } A = \frac{P_1 \times p_1 + P_2 \times p_2 + P_3 \times p_3 + P_4 \times p_4}{P_1 + P_2 + P_3 + P_4}$$

Where A represents the "weighted average" farm price for the state.

FORM P.C. 4

Village:

Circle:

Tehsil:

District

Prices prevailing on 19 .

Commodity	Quality	Wholesale farm price per quintal	Remarks
1.			
2.			
3.			

Name of the Reporter:

Due date:

Reasons for delay

Designation:

Date of despatch

Signature of Reporter

Date of Receipt at District Headquarters.