

PRICE ANALYSIS OF SELECTED LOW COUNTRY VEGETABLES

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The rationale of the study is to probe the price variation within the year and over the years, from 1985 to 2014 by using monthly wholesale and retail prices of six low country vegetables (Ladies finger, Brinjal, Pumpkin, Cucumber, Snake gourd and Green chilli). Trend analysis shows that, both wholesale and retail prices of selected low country vegetables in real terms have increased by 8-10% during the period concerned. Increase of real price over the years reveal that vegetable prices increased above the inflation rate, leading to inadequate supplies to meet the annual demand. This increasing trend affects the cost of living of the people, because an average consumer annually spends 8.8% of total expenditure on vegetables, the second highest after rice. Seasonal price analysis indicates that vegetable prices were high in November - January and May - July with a peak in either June or December. Crop-wise analysis shows that red pumpkin price remains above the annual average only in four months of a year as a result of longer shelf life. According to the amplitude analysis, green chilli reported a high price fluctuation within the year as indicated by 66.36% increase against the lowest. Values of the coefficient of variation (CV) fluctuate significantly over time, indicating high price instability resulting in hindering the development of vegetable industry. Study concludes that the prices of low country vegetables are on the increase in real terms and prices fluctuate vastly inter and intra years. Study recommends increasing annual production by developing vegetable zones such as Thambuttegama, Bandaragama and Wellavaya by providing all the obligatory supports such as extension, credit and planting materials to reduce the real price rise and development of off-season farming by supporting micro-irrigation facilities to reduce price fluctuations.

Keywords: Low country vegetables, Price fluctuation, Price trend, Real price, Seasonal analysis