



Chapter 3

Agriculture Prices

Exchange value of Agricultural Crops Expressive about Money.

Producers and farmers are trying to find out the **prices** for making decisions about agricultural production and farm space.

Types of Demand for Agricultural Products

1. **Final consumer demand**(food).

2. **Speculative demand** (Mediators): The purchase of certain agricultural commodities and look for a certain period, while high prices and then sells it (Wholesaler).

3. **Demand store**: There are many storage of Goods and Private Goods strategy for the purpose of food security of the Country.

For Example, Wheat, Chicken Meat.

4. **Demand farms**: A demand for Agricultural crops by the Farmer for the purpose of feeding the Animals

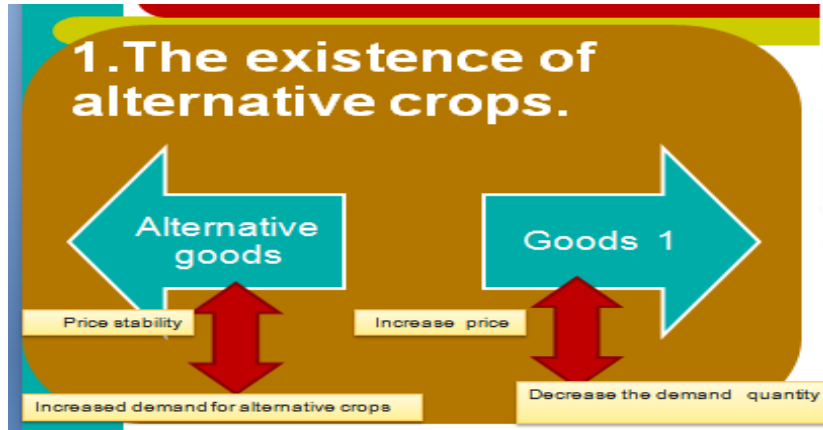
(livestock and Poultry).

5. **Demand Factories**: The introduction of Agricultural crops as raw Materials in the Industry (Sunflower, Wheat, Tomatoes, Milk ... etc).

Elasticity:

It is a variable degree of Response Continued Change in Independent Variable.

Factors affecting the elasticity of demand



2.The number of uses of agricultural products:

When increasing use of agricultural item be more elasticity.

3. Agricultural product price for consumers income.

4. The necessary products and luxury products.

Fluctuations in Prices of Agricultural Crops

1.**Daily Fluctuations:** These fluctuations Event several times one day in the grain market and fruits.

Factors that affect the daily fluctuations:

1.Difference in the amount of crops sent to the market.

2.Political changes in the country's circumstances.

2. Fluctuations unusual (abnormal): These fluctuations occur abnormally and cannot be predictable (drought), snowfall) and agricultural pests affecting a particular crop.

3. Quarterly fluctuations: These fluctuations occurred during any season of the year there are some crop increase prices in certain seasons, but in



other season decrease prices. Fish hunting as prices come down, but in another season rising prices.

4. Long-term fluctuations:

These fluctuations occur because:

1. Increase in population
2. Changes in the technological level.
3. customs and traditions.
4. Change in income

The Role of Government in Regulating Agricultural Prices

1. Import Restrict:

- A. Imposition of customs taxes for the purpose of
- B. strengthening the goods-producing center in the country
- C. Quotas

2. Price-fixing policy:

- The lowest price (Stored in refrigerated Warehouses. **Farms loss**
- Higher price (Remodeling crop) **Consumer loss.**

Methods used to Determine Prices

1. It Determines the Price based on the Real Cost difficulty here is how to determine the Real cost.
2. It Determines the Price by the Government on the basis of Supply and Demand for the crop.