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Working Paper No.19

THE BEHAVIOUR OF FARM PRODUCT PRICES IN TAMIL NADU

An Investigation into the Demands of the Farmers' Movement

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(An Investigation into the Demands of the Farmers' Movement)

BARBARA HARRISS

1. Introduction

This paper has two aims : firstly to make available in as detailed a form as time has permitted some standardised and comparable information on farm and non farm wholesale prices in Tamil Nadu. Secondly, it investigates two hypotheses about these prices. A major policy plank of the Agriculturalists' Movement is that there has been a secular deterioration against agriculture in the agricultural/non-agricultural terms of trade. An alternative assertion (Jha, Financial Express 16 December 1980) is that the present agriculturalists' agitations stem from a crisis of commercialisation. "The root cause ... is the shift from low risk predominantly subsistence cultivation to high risk cultivation mainly for the market and the consequent vulnerability of the farmers to market forces over which they have little or no control!" Supplies of newly commercialised crops are thus facing new or expanded monopolistic markets. Data on agricultural prices are necessary to flesh out these somewhat skeletal statements.

A very significant fact is that data has not been collected by the Tamil Nadu Government in a form amenable to a long term study of this important subject. It is unlikely that it has been collected adequately anywhere in India. While useful disaggregated farm price data exists from the beginning of the Annual Season and Crop Reports, commodity specific data for non agricultural products is only available from 1975 onwards for the State as a whole from the Department of Statistics. Going

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*This study was conducted by Dr.Harriss when she was a Visiting Fellow in the Institute.

back to 1947 however, is the Consumer Price Index for Agricultural Labour disaggregated into agricultural and non agricultural components and published in the monthly Statistical Supplement to the Fort St. George Gazette. Of a similar age are consumer price indices for the industrial labour force in 7 major towns and cities of Tamil Nadu. The Government's major concern with respect to price parities has clearly been with the rural and urban, non-asset-owning workforces, not with classes of producers exchanging commodities on the market.

This paper consists of brief commentaries on 13 Tables made available here in the hope that they will inform debate and decisions on the subject of agricultural price policy in Tamil Nadu.

Detailed notes setting out the sources, methods of compilation strengths and weaknesses of the price information computed and presented here is appended to these Tables.

We have taken as a base line the year 1958 since Season and Crop Report data existed back to this date in the library of Madras Institute of Development Studies. It is also an unexceptionable year in terms of both rainfall and production, a fact important in the choice of base lines. We have extended price indices through very nearly two decades to 1977 which was also an unexceptionable year. Published data after this year was not generally available in 1980. Where possible, data for the State as a whole has been disaggregated for 4 Districts representative of 4 distinct agro-ecological zones within Tamil Nadu:

(i) Thanjavur (normal rainfall 1143 mm) a paddy growing, canal-irrigated region

(ii) North Arcot (normal rainfall 966 mm) a paddy and groundnut growing region irrigated by tanks and wells

(iii) Tirunelveli (normal rainfall 809 mm) a dry district

(iv) Coimbatore (normal rainfall 694 mm) a very dry district with a long history of well irrigated commercialised agriculture.

We present basic data for:

(i) assessments of the terms of trade: free market wholesale prices of agricultural commodities in Table 1-3, interdistrict indices of agricultural production (Table 4) and wholesale prices of non agricultural commodities (Table 5-7);

(ii) variability in the behaviour throughout the State of free market wholesale prices of agricultural commodities (Tables 8-13).

2. Wholesale price indices for agricultural commodities (Tables 1 - 3)

There are significant and consistent differences between groups of agricultural commodities with respect to rises in their wholesale prices.

Amongst the grains free market wholesale prices in the four districts for which data is presented rose least (3.3 times between 1958 and 1977) for cumbu and ragi. They rose 3.4 times for cholam and most, 3.5 times, for rice.

For vegetables we have data for onions (a 2.5 times price rise) and chillies (3.6). As with grains these are amongst the lowest price rises over the period.

Producer prices for pulses rose more than for grains and vegetables. Prices for Bengal and Horse gram rose 4 times, for black gram 4.2 times and for green and red gram 4.3 times.

Producer prices for commercial crops rose most of all: gingelly 4.4 times; tobacco 4.7 times; sugar cane (gur) and groundnut 5 times; and cotton 6 times.

The last three crops whose free market prices have risen most are precisely those crops whose current prices least satisfy members of the Farmers' Associations in the State.

But the coefficient of variation of average wholesale prices in these broad commodity groups has remained constant over time.

The price indices appear to fluctuate in different ways, though a rigorous analysis of their deviations from their respective trend lines (where price indices are regressed against time as the independent variable) can only be attempted later.

i) Certain crops register almost continual inflationary rises through time, for instance cotton, green gram and groundnut (in two districts).

ii) In other cases droughts - extreme events - provoke a peaking of prices which act as a ratchet hoisting post drought prices to higher levels than those pre drought. This is characteristic of the foodgrains. Monopoly procurement at fixed prices has generally been initiated after the incidence of drought, and has resulted in an upwards hike and ratcheting of most cereals wholesale prices when procurement restrictions were lifted afterwards. In the case of some minor grains however (korra, varagu, samai) procurement itself was the extremest event. The procurement price calculated for and made standard for all grains was itself the primary cause of an upwards ratchet from very low pre drought price levels, rather than drought itself.

iii) Many crop prices are marked by cyclical rises and slumps usually around a secularly rising trend line. Tobacco appears to have a 2 year cycle. Red gram and Bengal gram

2 to 3 years; groundnut in 2 districts a 3 - 4 year cycle; sugar cane 4 - 5 years; black gram 6 - 8 years. Additionally some crops exhibit composite cycles differing in amplitude according to the region. Onions have a 2 - 3 year cycle in North Arcot but behave irregularly in Coimbatore and Tirunelveli. Gingelly has a 3 - 4 year cycle in North Arcot but in Thanjavur and Tirunelveli there are two 8 year runs of continual price rises (pattern (i)). Chillies seem to have a 6 year cycle in North Arcot but 3 year cycles in Coimbatore and Tirunelveli.

These "hog cycles" indicate sensitive responses in terms of farm production decisions to relative prices in preceding years. They characterise a commercialising agricultural economy. They result in considerable price instability. To what extent they result in income instability in the agricultural sector is a separate question. That the "hog cycles" evidently developing for certain crops in Tamil Nadu behave very irregularly over space is suggestive of imperfections in the marketing systems.

3. The "Terms of Production" between districts of Tamil Nadu

Table 4 gives indices for changes in the value of agricultural production using prices specific to each of the 4 districts taken for case study. Using Value Index B, calculated with the average value of production of the 4 districts as base, so that the performance of different ecological regions is directly comparable, it can be seen that in 20 years the value of production of the dry district (Tirunelveli) has increased three times in terms of current prices, that of the well and tank irrigated district (NA) 4 times, that of the canal irrigated district (Th) 5 times and that of the well irrigated very dry district (Cbe) 8 times. The difference in total value between the richest and poorest districts has widened by a factor of three over this score

of years. Index B for the value per hectare shows that the value of production in N. Arcot has quadrupled, that in Thanjavur and Tirunelveli has increased by 4.4 and that in Coimbatore by 7. The difference in value per hectare between richest and poorest districts has widened by a factor of 7 over these years. These changes reflect four factors: change of yield, changes in crop mixes, changes in acreages and changes in prices. Here we can only note:

i) that rises in the indices of value of production generally exceed those of commodity prices,

ii) that the income terms of trade will thus be less adverse or more advantageous to agriculture than are the barter terms of trade (if we make ceteris paribus assumptions about non agriculture)

iii) that these terms of trade will show massive regional variations, dryland regions dropping behind, monocultivated regions such as Thanjavur, the State's rice bowl having a mediocre performance in terms of this composite index, and a dry region specialising in commercial crops whose prices have risen most registering a disproportionate increase in agricultural wealth. It is precisely this (type of) region which is the focus of the Agriculturalists' Agitation.

More of the structure of agriculture is revealed at times of extreme events. During the massive interregional drought of 1965-67, prices tended to rise disproportionately to the fall in production so that the value of agricultural production was relatively little affected although disparities between dry-subsistence and dry-commercial districts (respectively Tirunelveli and Coimbatore) witnessed an increase. During a localised drought which hit the dry-subsistence district alone in 1975-6, general price levels in other districts were not affected, prices in Tirunelveli did not respond to a fall in production and the value of production declined considerably.

It would seem that an intense but localised drought may have a more deleterious effect on the incomes of agricultural producers in the affected region than a geographically widespread drought. The former are more common than the latter.

4. Non-agricultural wholesale prices (Tables 5 - 7)

We explained earlier that data for non agricultural goods is not available in a useful form for the State until 1975. All-India wholesale market prices for a large number of goods are available (Table 5) together with the disaggregated non agricultural components (Table 6) of the consumer price index for agricultural labour (Table 7) for 6 villages chosen by the Department of Statistics as representative of conditions in the 4 districts we have taken for case study. It is especially important to refer to the notes on Statistical Sources of these data for their full details and for a critique of their value.

With regard to the All India data, the aggregated wholesale prices of foods rose at an 8 per cent faster rate over the time period than did the aggregated index for manufactured products. Among the basic goods that may be purchased by agricultural producers the price index for cycles doubled, that for cement rose 2.9 times, textiles 3.1 times and kerosene 4.3 times. Among "modern" purchased agricultural inputs the price index for fertiliser rose 2.4 times, electricity 3 times and insecticides 3.5 times. These rises are on a par with those for grains and vegetables but lower than those for pulses and commercial crop prices.

District level data for Tamil Nadu shows that the index of value per hectare rose 76 per cent faster than that for lighting and at the same rate as that for clothing in Tirunelveli, at 50 per cent faster than that for lighting and

10 per cent faster than that for clothing for North Arcot, at 76 per cent faster than that for lighting and 26 per cent faster than that for clothing in Thanjavur and at 170 per cent faster than that for lighting and 90 per cent faster than that for clothing in Coimbatore.

The general index of the basic cost of living for those not owning agricultural commodities rose at 8 per cent less than the rate of the index of value of production per hectare in Tirunelveli; 10 per cent in North Arcot, 19 per cent in Thanjavur and 44 per cent in Coimbatore.

The data we have been able to find which relates to free market wholesale prices cannot rigorously test the hypothesis that there has been a secular decline in the income terms of trade against the agricultural sector. But it does not lend support to it. It is likely that these terms of trade have maintained parity or have been slightly advantageous to agriculture in dry districts, more so to tank and to canal irrigated districts and very advantageous to agriculture in the dry commercialised districts over the period 1958-77.[1]

We have not compared "free market" non agricultural wholesale prices with State procurement prices for agricultural products though this will be done later. State procurement prices generally have lagged at an increasing rate behind market prices. But they affect only a few of the crops we examine here and State procurement performance has rarely been of significance in Tamil Nadu except for paddy in Thanjavur.

5. The behaviour of free market agricultural wholesale prices in Tamil Nadu (Tables 8 - 13)

To recapitulate, we have seen that the crops and regions which have experienced greatest price and value rises are those where the Farmers' movement demands procurement price

increases. Although we cannot construct a rigorous terms of trade index we have seen that market prices do not support their claim of a trend against agriculture in the barter terms of trade. We therefore turn to examine the second hypothesis that the real cause of the Agriculturalists' agitation is a crisis in the marketing of the newly commercialised crops resulting from the diversification of agriculture consequent to the introduction of HYV grains. Such newly commercialised crops should be experiencing highly imperfect market conditions and/or a deterioration in the spatial efficiency of pricing systems over time. We shall use two simple measures of market behaviour to test these propositions:

i) the percentage differences between lowest and highest prices in each of 15 commodities in our 4 case study districts at two points of time separated by two decades (Table 13),

ii) the coefficient of variation of annual wholesale prices of 24 commodities sold in the districts of Tamil Nadu (Tables 8-12).* This measure may be used for direct comparisons of market behaviour, conditioned by two assumptions:
i) that the location of supplies and centres of demand do not change drastically over space for any one commodity during the time period,
ii) that transfer costs remain static or change through time at a constant rate over the regions of the State.

The extent to which these assumptions do not hold will independently affect the size of the coefficient of variation. We cannot examine these assumptions in this present

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*The coefficient of variation is the standard deviation expressed as a per cent of the average.

study and have to accept them.

Taking our case study districts first: 8 of the 15 crops experienced a marked rise in interregional price variability. (This group comprised rice, cumbu, green gram, horse gram and chillie, which all rose from about 6 per cent to about 25 per cent; and a group comprising varagu, samai and sugar cane rose from about 12 per cent to about 45 per cent). A further 4 crops experienced high but fairly unchanging interregional variability (cholam, ragi, gingelly and groundnut around 20-30 per cent). Only 3 crops witness a decline in the coefficient of variation (black gram, cotton and onion). To generalise for our subset of districts:

i) in most crops the behaviour of the market has become more volatile and has deteriorated,

ii) however, this is as true for old established staples as it is for more newly commercialised crops.

Taking our statistics of the coefficients of variation of annual wholesale prices in 24 commodities in the districts of Tamil Nadu, we shall make two further assumptions for our interpretation:

i) that the average of the coefficients of variation for each crop is a useful summary statistic for its comparative market imperfection across space,

ii) that the coefficient of variation of the coefficient of variation is a useful summary statistic for a crop's comparative market imperfection through time.

From Table 8 to 12 we conclude the following:

i) that market behaviour for grains pulses and commercial crops varies more through time than it does across space (for 16 of the 24 crops by a factor of 3 and for 3 crops by a factor of 7)

ii) For all crops except three, the coefficient for the most integrated year are very low indeed varying between 2.8 and 5.9 per cent. These low extremes can be taken as bases by which the distortions of other years can be measured. For chillies (6.7) onions (10) and chewing tobacco (15.9) the lowest coefficients of all are much higher. So too are the majority of coefficients for all crops.

iii) For the newly commercialised crops of onions, coconut and betel vines price variability through space is twice as high as that of the great majority of crops comprising group (i) and suggests that markets are indeed highly unintegrated.

iv) For straws, which are localised goods not traded long distances and also newly commercialised, variability across space is extremely high and exceeds variability over time.

Now a high coefficient of variation of coefficients of variation may indicate a time trend in either direction in the behaviour of prices over space, rather than mere random fluctuations. To see if this is so, it is necessary to examine the patterns through time of each individual crop.

i) The biggest group of crops is actually characterised by no trend, the coefficient seeming to fluctuate randomly (ragi, varagu, samai, cotton, tobacco, onion, coconut and paddy straw).

ii) In another group of commodities (spanning all types but featuring commercial crops) the coefficients of variation deteriorate until the mid sixties after which point they improve, (cholam, sugar cane jaggery, gingelly, groundnut, horse and red gram, millet straw)

iii) The staple grain - paddy/rice - behaves in quite the opposite fashion. It also has the lowest co-efficient of variation,

iv) One grain - cumbu - one gram - blackgram and betel vines show a continual deterioration through time.

v) And a further group (castor, green gram) show deterioration until the mid sixties after which the coefficient of variation fluctuates apparently without trend.

We can conclude the following:

i) that commodity markets vary considerably in their behaviour between crops, regions and over time,

ii) that very few crops are not characterised by either secular deterioration in price variability or by unpredictable fluctuations,

iii) that this has occurred either despite or because of the interventions of the State to prevent this behaviour

iv) that if this can be interpreted as a crisis in commercialisation it is a crisis across the board and not restricted to newly commercialised crops.

6. Conclusion

Neither the hypothesis that the terms of trade have gone against agriculture nor that that there is a crisis in the commercialisation of the newly diversifying agricultural system seem to have validity, according to the statistics that we have been able to gather.

The farmers' demand for a rise in the procurement prices for certain crops in an attempt most probably to increase the security of their involvement in the market economy. Their demand cannot be interpreted as indicating retrogressive private commodity markets for the crops concerned have witnessed (with the exception of paddy) the greatest rises in market prices. We have seen that there are few crops whose market behaviour has not deteriorated or fluctuated wildly over time. The evidence shows that

it is not price levels so much as price security that calls for reform. Even so in Tamil Nadu it would seem that fluctuating prices responding to extreme events like big droughts tend to stabilise farm incomes. It is the localised extreme event: drought, a locally monopolistic market, a restricted State intervention, that may destabilise farm incomes as well as prices. Our evidence suggests that for the most part such distortions are either constantly occurring or on the increase.

There is no evidence to suggest that an appeal to the State to reform markets by partial intervention, if heeded and implemented as in the past, will not actually lead to anything but a deterioration in the behaviour of private markets. On one hand, increased procurement prices may reduce the gap between them and ruling market prices. They may as a result reduce the compensating distortions that tend to accompany partial State trading. On the other hand, however, such improvements to the performance of the free or residual market will be rapidly eroded by further compensating distortions if increased procurement prices are accompanied by increases in the presently meagre supplies sold to State mercantile institutions, and thereby reducing the supplies with which the private sector speculates.

This implication does not seem to have been realised. Instead political attention has been focussed on improving the regulation of private trade, which is an alternative path to State procurement and trading. However we have shown elsewhere that the regulated markets Act as implemented historically has little or no power over an evolving mercantile sector.

In the tussle to define rates of return and the pattern of accumulation and investment between commercial farmers and the industrial bourgeoisie slight changes in relative price levels favourable to the agricultural sector appear to be

being achieved. Securing those relative price levels and destabilising farm incomes in an upwards direction seems to be the real aim of the Farmers' movement. An increase in the power of the regulated markets Act, or alternatively the comprehensive circumscription of private trading by State mercantile insitutions would, if they were to halt these behavioural irregularities, indicate a capitulation to these forces.

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(1) We must acknowledge that the data at our disposal do not include the years 1978-81. The farmers' movement claims a long term trend against agricultural prices, not simply a short term movement and it is this long term trend alone which we have been able to investigate. In a rigorous analysis of terms of trade we would also have to weight prices of durable assets and of current expenditure. We would also need to include the flows of State revenue from and to the agricultural sector. And a general accusation about almost all published data is that it does not indicate the real barter terms of trade, which would have to be calculated with the village retail prices of non agricultural goods (which we have been fortunate to get here partly from the Rural Price Index Indices) and the producer prices of agricultural commodities at their point of sale (which are probably <u>not</u> exactly reflected in the Post Harvest Prices available to us since they are collected from market <u>towns</u>).

Table - 1

Farm Harvest wholesale Agricultural Commodity Prices - Tamil Nadu 1958-77

Grains

	RICE				CHOLAM				CUMBU			
	NA	CBE	TH	Tveli	NA	CBE	TH	Tveli	NA	CBE	TH	Tveli
1957-58	103.6	104.7	100	100	107.3	99	100	89.2	104.5	100	100	97.9
1958-59	102.4	106.5	103.8	120.1	95.3	102.8	-	106.4	114.5	107.7	104.6	94.2
1959-60	108.5	112.2	112.2	116.7	115	116.3	116.6	114.7	132.2	118.1	115.8	86.9
1960-61	127.6	121.9	119.1	128.3	110.9	120.8	115	107.3	121.1	121.4	116.1	117.5
1961-62	131.7	124.3	123.4	127.8	109.3	122.4	117.2	113.1	124.4	128.5	119.5	106.7
1963-64	138.5	142.2	138.5	145.8	110.9	150.5	133.9	123.9	124.4	135.6	127.6	133.2
1964-65	142.4	147.8	142.4	148.7	168.7	209.3	165.2	130.7	163.4	187.3	157.8	134.2
1965-66	136.9	134.7	134.7	134.8	160.1	194.9	172.8	140.3	155.7	195.6	177.1	147.9
1966-67	148.9	148.9	146.8	146.7	159.7	159.7	159.7	159.7	167.8	167.8	167.8	167.8
1967-68	160.4	166.9	160.4	160.4	159.7	159.7	159.7	159.7	167.8	167.8	167.8	167.8
1969-70	209	209.1	209.2	214.3	226.8	235.1	223	213.1	218.1	217.7	223.2	206.7
1970-71	200	205	197.3	210.6	215.3	215.9	177.9	212.5	212.7	204.4	209	124.2
1974-75	441	523.9	245	445.6	536.7	514.3	520.7	481.5	490.6	524.5	494.3	463.1
1975-76	320	382.4	313	312.4	309.2	332.9	308.3	318.8	316.4	353.7	319	365.1
1976-77	310	398.7	340.6	371.1	337.7	374.7	351.1	298.7	318.4	368.8	322	308.7
Base	46 ps/q				31.3				29.8			

contd/-

Table - 1 Contd.

	RAGI				KORRA	VARAGU		SAMAI		
	NA	CBE	TH	Tveli	CBE	NA	CBE	NA	CBE	Tveli
1957-58	109.5	94.9	100	86.4	99.2	111,8	100	107	96	89
1958-59	107.1	105.1	-	100.3	111.5	117.5	-	146	138	-
1959-60	124.4	110.5	115.9	111.9	117.3	137.2	111	186	133	85
1960-61	115.3	117.7	120.7	102.7	125	132.8	113	173	146	85
1961-62	120	119.4	121.4	103.7	127	133.8	116	167	136	92
1963-64	120.7	118.7	118.7	130.9	126	135.5	150	158	158	161
1964-65	167.3	176.2	336	138	187	136	176.7	165	192	164
1965-66	169.7	187.7	200	142	199	144	214	146	251	219
1966-67	170.1	170.1	170.1	170.1	180	219	219	235	235	235
1967-68	170.1	170.1	170.1	170.1	180	219	219	235	235	235
1969-70	225.2	237.8	178.2	210.8	250	215	234	278	273	286
1970-71	226.8	193.5	206.8	202	205	232	233	249	242	316
1974-75	558.2	544.2	529.9	474	577	341	558	344	603	603
1975-76	270.4	283.6	272.1	281.3	301	-	-	-	-	-
1976-77	328.5	345.9	308.8	338	367	-	-	-	-	-
Base	29.4				29.7	22.8		21.2		

Table - 2 Farm Harvest Wholesale Agricultural Commodity Prices Tamil Nadu 1958-1977

Commercial Crops

	SUGARCANE GUR				GINGELLY				GROUNDNUT (POD)				COTTON KAPAS		CHEWING TOBACCO
	NA	CBE	TH	Tveli	NA	CBE	TH	Tveli	NA	CBE	TH	Tveli	CBE	Tveli	CBE
1957-58	104.3	98	100	90	110	92	82.9	115	83.3	107	112	97	100	151	116
1958-59	101.5	110.1	-	-	107.5	110	102	97	93.8	106	101	-	-	-	135
1959-60	120	164.7	135	135.9	118	126	106	100	104.7	119.7	112	104	146	116	146
1960-61	103	140.2	127	127.3	115	144	119	108	99.5	133	121	107	156	118	145
1961-62	99.8	117.5	111.3	111.3	119	152.2	125	118	110.4	135	125	107	164	116	138
1963-64	183	226	208	208	119	131	133	164	99.8	140	136	155	177	170	234
1964-65	165.6	206	191	191	117	145	149	166	138	167	175	169	186	177	193
1965-66	170.8	212	189	188	145	207	207	174	169	240	153	182	205	183	219
1966-67	270.2	307	280	280	187	254	236	231	176	288	277	238	260	196	175
1967-68	309.5	343	601	601	186	238	218	210	215	239	251	207	235	181	220
1969-70	217	244	183	217	264	276	265	275	308	308	349	289	273	183	177
1970-71	263	291	288	300	297	262	251	266	216	329	305	309	326	295	312
1974-75	360	361	416	361	462	421	470	405	561	581	518	368	314	390	408
1975-76	383	384	524	417	382	328	375	353	467	457	348	420	381	366	635
1976-77	421	580	531	472	434	439	487	400	499	519	499	497	626	577	473
Base	32.6 Rs/q				76.4				42.5				71		133

Table - 3

Farm Harvest Wholesale Prices - Tamil Nadu 1958-1977

Pulses and Vegetables

	Bengal Gram		Green Gram			Horse Gram		
	CBE	NA	CBE	TH Tveli	NA	CBE	Tveli	
1957-58	100	101	100	100	95.1	95.7	100	95.8
1958-59	149	126	149	-	142.9	110	-	117
1959-60	110	109	141	102	123	108	101	80
1960-61	155	103	152	95	149	122	107	102
1961-62	137	103	128	95	127	123	113	99
1963-64	138	111	151	106	142	125	122	184
1964-65	157	166	244	136	155	183	168	192
1965-66	247	192	251	166	169	212	193	184
1966-67	362	221	295	201	235	219	227	278
1967-68	265	261	352	231	269	230	217	217
1969-70	327	263	274	242	274	193	192	213
1970-71	275	257	309	225	316	239	218	218
1974-75	573	423	616	387	533	427	424	459
1975-76	363	334	550	311	335	277	277	277
1976-77	406	408	507	398	408	477	371	368
Base	36.6	39.4				28.5		
	Rs./Q							

contd./-

Table - 3 Contd./

	Black gram				Red Gram		Onion			Chillies		
	NA	CBE	TH	Tveli	NA	CBE	NA	CBE	Tveli	NA	CBE	Tveli
1957-58	107	94	100	97	92.3	97	110	77.8	126	96	104	99
1958-59	91	91	-	101	131	151	86	61	94	126	113	106
1959-60	87	89	89	90	106	126	90	66	75	132	150	116
1960-61	86	102	92	106	111	126	88	63	76	119	156	120
1961-62	90	109	96	107	109	112	90	69	69	127	156	130
1963-64	101	142	107	148	118	207	136	138	70	164	132	132
1964-65	189	157	113	153	211	252	119	145	80	175	134	132
1965-66	219	157	144	147	186	226	208	105	99	276	217	170
1966-67	223	251	246	199	246	246	251	216	260	317	254	327
1967-68	229	264	238	222	287	354	252	125	122	315	177	166
1969-70	197	211	188	193	281	281	209	186	193	310	363	299
1970-71	209	252	203	292	238	320	202	164	142	289	285	359
1974-75	224	412	298	372	329	536	423	513	461	429	433	437
1975-76	344	344	348	349	323	323	240	213	355	391	413	348
1976-77	420	416	419	410	434	434	231	263	249	329	388	352
Base	54.3				3[illegible].1		17.6			141.8		

Table - 4

Value of Agricultural Production in Districts of Tamil Nadu

1958-1977

	NORTH ARCOT				COIMBATORE			
	Total value		Value /ha		Total value		Value/ha	
	A	B	A	B	A	B	A	B
Base	100	88.3	100	102.2	100	126.3	100	92.9
1958-59	97.5	86	97.5	99.5	125.5	158.5	125.4	116
1960-61	114.5	109.8	111.7	114.2	162	205.6	172	160
1961-62	140.4	124.1	127.6	130.4	163	205.9	171	159.1
1964-65	190	167.8	166.9	170.6	324	409.3	348	323.9
1966-67	214	191.2	184.5	188.5	268	339	297	277
1967-68	200.9	195	192.8	197.2	271	342.4	317	294.7
1970-71	344.2	304.9	305	312.3	367	463.7	413	384
1974-75	615.9	543.9	569	581.5	473	598	604	561
1975-76	583.8	515.6	521	532.9	533	673	614	571
1976-77	453.3	400.3	383.3	393.7	539	800.7	732	680

contd/-

Table - 4 contd.

	THANJAVUR				TIRUNELVELI			
	Total value		Value/ha		Total value		Value/ha	
	A	B	A	B	A	B	A	B
Base	100	100.2	100	102	100	81.5	100	102.7
1958-59	125.9	130.7	125.9	128.5	112.2	91.5	112.2	115.2
1960-61	151.9	157.8	139	142.1	126.7	103.3	115	118.1
1961-62	146.8	152.4	136	138.9	168	137.1	150	154.2
1964-65	213.8	222.1	194.5	198.5	161.2	128.5	164.3	168.8
1966-67	193	200.5	171	174.8	168.9	137.8	168.7	173.3
1967-68	275.5	286.1	230	234.8	161.8	131.9	154.4	158.5
1970-71	347.4	360.8	277	283.3	260.8	212.7	260.2	267.3
1974-75	413	429	351	358.3	417.2	340.3	474.4	487.3
1975-76	584.4	606.9	470	480	233.5	190	285.8	293.5
1976-77	479	498	427	436	378.8	309	426	437

Bases: NA value in '000 Rs. 293802; Cbe = 420088; Th=345541; Tveli= 271371;
Average for index B= 332700;
NAvalue/ha in '000Rs. 4905; Cbe 446; Th 490; Tveli 493;
Average for index B = 480

Table - 5 Non Agricultural Wholesale Prices - All India - 1958-1977

Commodity (weight)	Manufactured products (49.87)	Textiles (11.026)	Kerosene (0.835)	Cement (0.707)	Bicycle (0.16)	Electricity (2.4)	Fertilisers (1.252)	Insecticides	Food Articles (29.799)
Year									
1958	100	100	100	100	100	100	100	100	100
1959	103.6	100.1	100.4	99.8	100	103.5	100	-	104.5
1960	112.5	116.7	105	100.3	110.9	106.4	100	-	105.4
1961	116.3	123.6	104.3	108	112.8	112.7	99.7	-	105
1962	120.6	123	133.3	115.6	118.2	118.3	97	106.6	113.5
1963	125.9	124.7	142.6	119	118.9	125.5	95.9	105.3	115.9
1964	132.9	127.1	149.7	121.9	119.3	133.4	92.2	103.7	137.1
1965	139.8	136.6	162.7	129.5	111.1	136.8	94.5	107.8	152.8
1966	155.4	146.8	163.3	148.8	120.6	151.4	100.5	116.2	172
1967	176.5	150	164.8	148.9	127.7	154.1	117.2	118.2	214.8
1968	178.5	153.8	178	149.5	126	157.5	123.5	121.1	204.8
1969	176.9	164.8	185.7	159	127.7	160.5	129.3	123.4	207.4
1970	188.4	177.7	194.9	164.4	132.3	165.9	132.5	130.9	219.2
1971	208.5	200	210.2	175.3	141.2	171.2	134.1	136.4	220.5
1972	228.8	206.1	226.3	182.2	141.4	176.3	139.4	145.1	235.6
1973	218.8	235.1	334.8	184.9	141.2	180.7	146.5	165.6	280.8
1974	313.6	288.4	373.2	226.4	177	220	238.5	246.4	360.9
1975	332.8	278.4	373.2	282	194.5	258.2	292.	281.4	371.6
1976	330	277.9	427.5	289.3	200.4	284.2	256.6	310.4	331.8
1977	345	311.8	427.5	291.1	198.3	301.7	239	310.9	372.9

Table - 6

Non Agricultural Rural Prices - Tamil Nadu 1958-1976

LIGHTING

District	North Arcot		Coimbatore	Thanjavur	Tirunelveli	
Village	Puliyur	Agaram	Kinathukadavu	Thulayanathan	Eriodu	Gokilapura
1958	100	100	100	100	100	100
1959	100.	105	97.5	102	102.6	109.4
1960	100.	106	89.9	102	90.7	103.5
1961	100.	110.3	89.3	95.2	91.1	101.3
1962	100.	116.1	97.8	86	101.9	111.3
1963	114.2	131	117.3	105.5	112.2	115.3
1964.	121.9	142.9	130.9	125.3	115.1	110.7
1965	123.6	147	132	125.9	116.8	109
1966	129.2	152	140	125.3	125.9	111
1967	129.2	152	146	128.6	125	114
1968	129.8	153	146	134	135	117
1969	133.9	158	148	139	127	117
1970	136.9	162	150	141	119	118
1971	146.9	171	157	155	126	122
1972	151.1	174	161	128	128	139
1973	167.8	192	178	125	137	166
1974	209.6	247	221	178	215	233
1975	255.7	298	251	232	243	241
1976	266.5	322	260	252	248	253

contd/-

Table - 6 Contd

CLOTHING

District	North Arcot		Coimbatore	Thanjavur	Tirunelveli	
Village	Puliyur	Agaram	Kinathukadavu	Thulayanathan	Eriodu	Gokilapuram
1958	100	100	100	100	100	100
1959	111	101.7	113.9	100	120.4	96.9
1960	111	101.3	120.5	99.6	113.6	96.4
1961	111	101.3	120.5	97.3	111.1	98
1962	113	101.7	127.9	107.6	126.6	128.8
1963	90	107	156.6	118.8	151.4	158
1964	101.4	115	193.6	116.6	173.9	154.3
1965	119	134	176	116.3	181	158
1966	132.8	154	180	140	185	177
1967	139	158	204	188	203	197
1968	145	166	219	217	219	216
1969	153	165	233	210	203	217
1970	147	167	221	213	193	217
1971	153	175	250	265	221	250
1972	165	188	232	279	246	251
1973	187	213	243	254	316	281
1974	242	282	362	273	345	385
1975	309	283	395	335	355	505
1976	379	432	371	347	378	511

Table . 7 Consumer Price Index for Agricultural Labour - Tamil Nadu - 1958-1978

District	North Arcot		Coimbatore	Thanjavur	Tirunelveli	
Village	Puliyur	Agaram	Kinathukadavu	Thulayanathan	Eriodu	Gokilapuram
1958	100	100	100	100	100	100
1959	106.8	108.1	102.6	101.7	115.2	111.7
1960	106.8	108.1	110.1	106.1	113.1	105
1961	113	111.1	116.9	106.1	113.9	107
1962	116	110.6	119.3	107.8	113.9	116.9
1963	114.5	115.3	123	115.9	118,6	124.5
1964	132	135	142.7	128.7	138.6	158.9
1965	147	147.	150.7	148.3	152.8	194
1966	173	180.2	168.9	172.3	164.7	204.6
1967	200.8	194.3	177.2	197.6	184.3	230
1968	187.8	186.7	171.5	193.6	187.2	235.8
1969	200.6	198	180.3	203.8	195.9	242.7
1970	210	208.9	198.7	209.8	207.4	256.7
1971	210.9	209	224.6	216.8	204.9	258.3
1972	221.8	220	229.6	225.7	209.2	284.2
1973	259.6	253.4	287.2	247.2	255.6	344
1974	365.2	348.8	491.7	360.2	412.7	513.8
1975	433	379.8	554.2	443.2	472.2	562.3
1976	349	335.7	399.3	390.8	356.7	457.8
1977	415	394.5	421.7	409.1	390.5	513.5
1978	404	391.2	387.9	363.8	359.9	453.8

Table - 8

VARIABILITY OF GRAIN PRICES IN TAMIL NADU - 1957-1977

	Paddy		Rice		Cholam		Cumbu	
	AV	Co.Var	AV	Co.Var	AV	Co-Var	AV	Co-Var
1957-58	27.03	11.08	45.1	7.2	30.9	10.8	29.8	3.5
1958-59	30.4	10.1	50.2	7.9	31.7	6.8	32.9	9.3
1959-60	33.2	5.9	52.4	7.6	35.8	8.2	34.8	11.2
1960-61	35.75	8	56.9	6.5	34.8	11.1	34.9	15.2
1961-62	37.22	7.8	58.6	6.0	35.6	11.1	34.9	9.7
1963-64	38.3	4.6	63.7	4.8	38.9	14.1	37.7	12.3
1964-65	41.71	5.4	65.6	4.5	49.6	14.1	41.1	37.8
1965-66	42	0	NA	-	55.1	16.4	51.3	18.9
1966-67	45	0	68.4	0	50	0	50	0
1967-68	45	0	73.8	0	50	0	50	0
1969-70	59.8	12.5	98.5	7.0	68	9	64.7	4.1
1970-71	59.8	11.5	97.1	6.0	64.7	6.2	61.3	7.3
1974-75	137.6	12.9	NA	-	164	5.2	149.6	5.2
1975-76	102.3	9.7	NA	-	96.9	9.2	94.4	11.1
1976-77	NA	-	164.1	8.1	108.6	6.9	97.2	10.3
Av.Covar		9.1		6.6		9.9		11.9
Covar Co Var		30.6		17.9		33.1		71.1

Price is in Rs./quintal

Contd./-

Table - 8 contd.

	Ragi		Korra		Varagu		Samai	
	AV	Covar	AV	CoVar	AV	CoVar	AV	CoVar
1957-58	29.5	9.6	27.6	11.6	22.9	20.5	21.1	12.3
1958-59	31.7	8.3	D1	-	27.8	2.8	28.8	5.9
1959-60	33.6	7.2	D1	-	23.5	17.5	28.9	23.3
1960-61	33.9	12.4	D1	-	22.1	20.8	22.8	47.9
1961-62	33.9	10.4	D1	-	22.8	19.4	25.1	26.1
1963-64	35.3	6.6	D1	-	30.1	16.7	32.6	26.1
1964-65	47.9	7.8	D1	-	34.1	12.4	34.5	21.8
1965-66	52.4	19.5	D1	-	39.4	14.8	40.9	26.2
1966-67	50	0	D1	-	50	0	50	0
1967-68	50	0	D1	-	50	0	50	0
1969-70	57.9	29.8	D1	-	51.8	15.8	D1	-
1970-71	59.1	7.2	D1	-	45.1	17.1	52.3	9.1
1974-75	158.1	5.1	D1	-	97.9	23.1	122.5	21.3
1975-76	80.4	5.5	ND	-	ND	-	ND	-
1976-77	98.2	7.7	ND	-	ND	-	ND	-
Av Covar		10.5		-		16.4		22
Covar Co		63		-		31.6		50.6

Table - 9

Variability of Commercial Crop Prices in Tamil Nadu 1957-1977

	Cane Jaggery		Gingelly		(pod) Groundnut	
	Av.	CoVar	Av	CoVar	AV	Covar
1957-58	32.6	6.3	73.5	10.8	42.1	10.7
1958-59	34.6	14.5	78.4	11.9	42.9	6.4
1959-60	41.5	24.8	82.6	8.8	46.8	8.9
1960-61	41.3	19.5	90.6	8.6	51.9	13.6
1961-62	36.4	5.0	94.6	9.5	53.1	12.9
1963-64	67.1	11.0	102.3	11.7	59.5	17.7
1964-65	61.3	10.6	114.5	12.3	73.6	19.4
1965-66	62.9	10.8	152.2	13.3	84.8	14.2
1966-67	94.6	10.1	172.2	19.7	103.7	18.3
1967-68	135.8	15.4	163.1	15.2	98.3	13.3
1969-70	68.8	15.3	203.4	9.2	133.8	11.8
1970-71	96.3	13.2	200.1	7.5	123.2	16.9
1974-75	120.9	8.2	354	5.9	306*	10.6
1975-76	147.0	11.6	290	4.9	224*	12.3
1976-77	158.1	12.6	334.8	6.3	287*	4.8
Av Covar		12.7		10.3		12.8
Co Var		38.5		36.3		31.7

Table - 9 contd

	Cotton Kapas		Castor		Chewing Tobacco	
	Av	CoVar	Av	CoVar	Av	CoVar
1957-58	D1	-	51.0	3.6	133.4	17.1
1958-59	D1	-	47.5	7.4	(179.8)	-
1959-60	88.5	14.3	49.1	12.1	157.2	39.5
1960-61	104.8	16.4	49.7	14.4	191.7	43.3
1961-62	100.3	13.3	49.6	15.9	184.5	36.7
1963-64	115.9	6.5	51.5	19.6	(294)	--
1964-65	123.1	4.3	67.1	6.8	(245)	--
1965-66	125.5	8.7	86.4	14.7	(293)	--
1966-67	150.6	15.5	100.6	9.8	(235)	--
1967-68	144.6	9.2	93.2	5.9	296	15.9
1969-70	163.9	11.4	94.9	13.1	(264)	
1970-71	214.8	6.5	116.6	15.6	(406)	
1974-75	220.9	16.2	187	10.2	(535)	
1975-76	255	12.7	D1	--	(845.9)	
1976-77	366	13.2	ND	--	(630)	
AV CoVar		11.4				
Co Var		33.7				

(1) Price is in Rs/quintal

(2) * Shlee Shelled groundnut, conversion factor for pod is 0.75

(3) Bracketed averages for chewing tobacco are when data is inadequate for calculation of the co-efficient of variation.

Table - 10

Variability of Pulses and Vegetable Prices in Tamil Nadu

1957-1977

	Bengalgram		Greengram		Horse gram		Blackgram	
	Av	Covar	Av	Covar	Av	Covar	Av	Covar
1957-58	D1	-	39.4	3.8	28.6	9.6	54.3	3.9
1958-59	51.3	6.5	54.3	5.6	32.6	8.5	50.5	5.2
1959-60	41.2	9.4	46.2	11.3	29.9	15.8	48.8	6.0
1960-61	D1	-	46.6	18.7	33.2	13.3	50.4	6.8
1961-62	D1	-	45.4	14.1	34.2	15.5	54.0	8.8
1963-64	D1	-	53.5	11.6	38.5	20.2	67.1	12.9
1964-65	D1	-	70.5	16.8	46.8	11.9	77.9	16.5
1965-66	D1	-	79.2	13.9	54.6	11.5	82.5	18.1
1966-67	D1	-	99.4	15.8	65.3	15.4	112.1	14.9
1967-68	D1	-	108.9	13.1	63.3	13.6	117.9	16.0
1969-70	D1	-	112.5	11.0	60.5	11.8	112.5	8.5
1970-71	D1	-	113.6	11.3	61.6	8.9	117.6	34.4
1974-75	D1	-	193.4	21.1	123.3	3.9	196.4	11.9
1975-76	D1	-	D1	-	D1	-	D1	-
1976-77	D1	-	D1	-	D1	-	D1	-
Av Co Var				12.9		12.3		12.6
Co Var Co Var				35.5		32.0		61.3

contd./-

Table - 10 Contd.

	Redgram		Onions		Chillies	
	Av	Covar	Av	Covar	Av	Covar
1957-58	39.3	6.9	17.5	53.7	D1	-
1958-59	51.2	10.8	15.3	27.7	165.1	9.6
1959-60	44.9	8.1	14.8	23.7	201.3	14.3
1960-61	42.8	13.2	13.8	24.5	196.1	11.2
1961-62	44.5	15.9	13.6	19.2	190.8	8.8
1963-64	56.5	23.7	19.9	19.9	208	15.8
1964-65	81.9	15.7	19.6	22.7	199.7	15.9
1965-66	80.9	12.3	21.6	32.2	282	18.6
1966-67	90.8	7.9	37.0	15.6	367	16.1
1967-68	110.5	15.4	23.0	45.3	220.3	22.3
1969-70	112.4	5.4	38.0	11.5	439	10
1970-71	110.2	9.9	28.1	16.7	394	13.2
1974-75	189.9	6.2	68.2	20.6	640	16.6
1975-76	D1	-	43.6	25.7	568	6.7
1976-77	D1	-	41.9	10.0	490	10.2
Av Co Var		11.6		24.6		13.5
Co Var Co Var		42.6		46.3		30.9

Table 11 Variability of Tree Crop Prices Tamil Nadu 1957-1977

	Coconut per 100		Betel vines per lakh	
	Av	Co-var	Av	Co-var
1957-58	16.08	8.99	D1	-
1958-59	17.5	11.8	152.0	13.2
1959-60	16.3	16.1	144.2	21
1960-61	16.2	22.3	139.2	20.2
1961-62	16.9	19.2	137.9	21.8
1963-64	NA	-	NA	-
1964-65	NA	-	NA	-
1965-66	31	22.7	D1	-
1966-67	31	31.4	246	17.2
1967-68	35.7	19.4	320	34.5
1969-70	45.6	35.6	D1	-
1970-71	43.2	14.6	336	31
1974-75	56.6	18.1	626	27.9
1975-76	51.9	10.1	D1	-
1976-77	68.8	16.7	ND	-
Ac Co Var		18.9		23.4
Co Var Co Var		39.5		28.8

Table - 12

Variability of Saw Prices Tamil Nadu - 1957-1977

	Paddy/cart of 500 kg		Millet/cart of 500 kg	
	Av	Co-var	Av	Co-var
1957-58	D1	-	D1	-
1958-59	22.55	40.9	D1	-
1959-60	24.2	33.3	D1	-
1960-61	24.1	59.6	21.3	59.8
1961-62	25.6	47.5	21.3	53.4
1963-64	NA	-	NA	-
1964-65	NA	-	NA	-
1965-66	28.2	13.8	D1	-
1966-67	32.7	24.8	36.8	40.9
1967-68	33.2	29.4	28.7	40.1
1969-70	44.6	36.7	D1	-
1970-71	35.2	34.5	D1	-
1974-75	77.4	37.9	48.9	37.1
1975-76	D1	-	D1	-
1976-77	ND	-	ND	-
Av Co Var		35.8		46.3
Co Var Co Var		32.9		18.9

Table 13

Changes in Inter-regional Price Differences in Selected Districts of Tamil Nadu

	Rice	Cholam	Cumbu	Ragi	Varagu	Samai	Sugarcane gur	Gingelly	Groundnut	Cotton
Maximum percentage difference										
1957-78	4.7	20.2	6.7	26.7	11.8	13	15	31	34	51
1976-77	28.4	26.2	19.5	25.0	63.6	75	38	22	4.4 (31) 1975-76	8.4

	Greengram	Horsegram	Blackgram	Onion	Chillie	Redgram
Maximum percentage difference						
1957-58	6.2	4.4	14	61	8	5
1976-77	27.3	28.5	3	12	18	-

7. Notes on the Statistical Sources for Tables

Tables 1, 2, 3

Source: Table VIA labelled "Farm Harvest Prices for Selected Commodities in years 1958-9 to 1975-6" of the Tamil Nadu Annual Season and Crop Reports after which the Table is labelled "Average Annual Producers' prices".

These prices are compiled from weekly open market prices collected from various centres in each District by the Department of Statistics, except in those years with compulsory rationing in which case they are State administered prices. They are averaged over time for each District to give the basic data reported in the Season and Crop Report.

The comprehensiveness of this data varies according to the geographical extent of the crop within the State. Prices are quoted in Rs./quintal unless otherwise specified. Groundnut is quoted with shell from 1957 to 1971 after which it is quoted as shelled kernel. A note on P.98 of the Report for 1974-5 states that the loss of weight in decortication amounts to 25 per cent so kernel prices have been modified accordingly to indicate pod prices after 1974-5. The common base for these price indices is the weighted average for each crop for 1957-8 as given in the relevant Annual Season and Crop Report. The indices are thus comparable between districts.

Table 4

Sources of this data are Tables VB on "Annual Outturn" (tonnes) of produce in the Tamil Nadu Annual and Season Crop Report, multiplied by the District specific prices for these products (per tonne) from Table VI B described above. The value per hectare is calculated from the total value of produce per district as computed by outturn multiplied by district level farm harvest prices divided by data for total cropped area for each district given in Table II in the Report.

Agricultural Production is taken as comprising all crops in each district whose production exceeds 1000 tonnes (generally 13 crops in N. Arcot, 16 in Coimbatore, 12 in Thanjavur and 15 in Tirunelveli).

Ragi is missing in 1960-1. Rice is missing in 1966-7, 1974-5 and 1975-6 when paddy prices have been multiplied by a conversion factor of 1.5. The index has to exclude crops such as tapioca, tamarind and sweet potato where the Season and Crop Report gives data on outturn per district (from 1967 for tapioca, and 1974-5 for the other two) but has omitted to give any price information at all. The index also excludes orchard and plantation crops, vegetables and animals and animal products. Although the index is not totally comprehensive, it includes the vast majority of income earning commodities, is systematic across districts and thus may be used for meaningful comparisons.

Tobacco prices are cured leaf. Sugar cane is quoted as gur, consistent with price information and 0.124 the weight of cane. Groundnut prices have been modified as for Tables 1-3. Cotton production is given as 177.8 Kg bales of lint (later varying between 170 and 180 Kg) but prices are given as kapas. The conversion factor 1.66 has been used (bales of lint x 3 to give kapas equivalent divided by 1.8 to convert to tonnes.)

The base is the "normal outturn": the three year average preceding 1958-9 at 1958 prices. Indices have been constructed separately for each district (A) on district specific bases and (B) using the 4-district average which permits comparison. The base values from which the absolute values may be reconstructed using the indices are appended to the tables.

Table 5

Comprehensive details of non agricultural wholesale prices for Tamil Nadu are only available from 1975. All India indices

were recomputed using 1958 as a base from H.L. Chandok Wholesale Price Statistics 1947-78 1978, Ec. and Sc. Research Foundation, New Delhi : Vol 1 Annual Averages.

The general source of this raw data was that used for the Economic Adviser's official index number of wholesale prices, begun in 1942 with 1939 as base and with 4 revisions of commodities, classifications and weighting subsequently. The weighting (bracketed under the commodity in Table 5) represents the contribution by value of turnover to total turnover according to the latest revision. Food articles and manufactured products are thus general sub totals of bundles of commodities. The basic data is similar to that used in the season and crop reports consisting of the returns to the Directorate of Economics and Statistics of data collected throughout each State for free market prices by the Department of Statistics (excepting at times, in places and for commodities when State administered controlled prices had total monopolies).

Tables 6 and 7

Source: Fort St.George Gazettes Monthly Statistical Supplements 1957-1976 giving the Reviews of the Rural Price Index Numbers for Several Centres in Madras (Tamil Nadu) State. The disaggregated components of the index comprise food, lighting, clothing and miscellaneous. For Table 6 the middle two have been used to represent basic non agricultural goods purchased in rural areas. Lighting comprises a bottle of kerosene oil and a box of matches. Clothing is a 7 cubit dhoti, a 4 cubit upper cloth and a 8 yard saree. These are the most basic consumer goods for agricultural labour and although their purchases may have changed but little since the 1950s when the last consumer survey under this data series was carried, such goods poorly represent the range of purchases of commodity producers participating in a market economy. Villages were selected to represent whole districts

in the original computation of the cost of living index. Puliyur is in North Arcot and Agaram in South Arcot. These two districts are taken as one region for the cost of living index. Eriodu and Gokilapuram are in Madurai District but they are taken as representative of the cost of living in Madurai, Ramnad and Tirunelveli. Kinathukadavu stands for Salem as well as for Coimbatore District where it is located. The original indices were calculated with weights and initial prices specific and unique to each place and therefore are not comparable.

The base, originally July 35 - June 36 has been recomputed for the calendar year 1958 (The official base was changed in 1977 to 1970-1. The use of these diagnostic villages was abandoned in 1979 and replaced with monthly data on the cost of living with commodities and weightings according to contemporary needs of agricultural labour in 28 villages (14 wet and 14 dry)).

Table 7

The general consumer price index was obtained from the files of the Department of Statistics and recomputed so that 1958 is the base. The source of data for this index is as for Table 6. The food component consists of rice (weight 35 to 36) coarse grains (weight 26 to 39) grams and dhal (weight 0.01 to 0.08) condiments (weight 0.11 to 0.15) jaggery and oils (weight 0.13 to 0.15).

The miscellaneous component consists of 100 betel leaves, 1 thooku of betel nut, 100 cloths washed by dhobi, and one shave. In the construction of this index the weights of each item in each component is based on surveys specific to each village. The weights of each component are as follows:

	Puliyur	Agaram	Thulaya-nathan	Kinathu-kadavu	Eriodu	Gokila-puram
Food	78	78	80	83	78	78
Lighting	3	3	2	2	2	2
Clothing	12	12	11	11	13	13
Misc	7	7	7	4	7	7

Thus these indexes can be used to describe change in any one settlement through time but cannot be used to compare costs across space.

Tables 8 - 12

Source: Table VIB in the Season and Crop Reports for the various years. Unweighted averages and co-efficients of variation have been calculated for every instance where the number of districts for which prices are quoted exceeds 5. The total number of districts increased from 12 to 14 during the period we consider.

Table 13

See details of Tables 1 - 3

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