Agricultural prices is a core factor in developing economies like India. In a competitive economy, agricultural prices have to perform various important functions. As an allocator of resources, prices have effects on the distribution of factors of production between agricultural and non-agricultural sectors, as well as within agriculture among the various agricultural commodities. These prices determine the income of farmers and affect their standard of living. Further, agricultural prices affect the income distribution between high and low income persons and between agriculture and non-agricultural sector of the economy. Agricultural prices have also an influence on the capital formation in agricultural sector itself. Increasing agricultural prices will encourage the farmers to invest more in the agricultural sector and thereby investment pattern in the economy undergoes a change. From these points of view agricultural prices become a basic element of the economy on which the structure of the whole economy is based.
But the agricultural prices is a serious problem of the farmers where the prices are not rational and stable. Agricultural prices are irrational when they are not related to cost of production and standard of living of the farmers. Agricultural prices are subject to erratic variations in both long-run and short-run periods. The irrationality of prices and the violent fluctuations in them have a number of adverse effects on the whole economy. So it is most essential to have a sound and effective agricultural price policy for the development of agriculture and agriculturists and also to attain a higher rate of growth in the economy.

The present study is related to the behaviour of agricultural prices and their effect on distribution of area among different agricultural crops in Nanded district. In this study an attempt has been made to study, in detail, the different types and degrees of variations in agricultural prices of selected agricultural commodities in different markets in Nanded district. Further, the effect of changes in prices on area is studied for different selected crops during the period of this study.
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