SUBJECT: AGRICULTURAL SCIENCE

TOPIC: PRICING OF AGRICULTURAL PRODUCE

WEEK: 4

CLASS: JSS3

PRICIING

Pricing is the process of fixing prizes for goods and services. Price can be defined as a value that will purchase a finite quantity, weight or other measures of a good or service.

Factors that determine the pricing of agricultural produce

1. Cost of production: The production costs are put into consideration to fix the selling price of any agricultural produce.
2. Quantity of produce: if the farmer producers a large quantity of products to make the market saturated the selling price will fall, vice versa.
3. Quality of produce: the demand for high, therefore the selling price of such produce is also high.
4. Market places: the farther the distance distance to the site of production, the higher the selling price also, the farm produce sells more in cities than villages where the demand is low.
5. Seasonal produce: the prices of crops are low at their seasons of production and high when their season is gone.
6. Market price: market price is the economic price for which goods and services are offered in the market place.
7. Forces of demand and supply: demand is the amount of goods a buyer is willing and able to buy at a given price at a particular period; supply on the other hand, is the amount of goods that a producer is willing and able to offer for sale at a given price at a particular period of time.

Based on the definition above, when the price increases, the quantity of goods demanded will reduce and conversely a lower price will result in higher quantity of goods demanded.

ASSIGNMENT

1. What is demand?
2. Define the term supply.