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RBI Working Paper No. 06 / 2024: Price Dynamics and Value Chain of Fruits in India - A Study of Grapes, Bananas and Mangoes

Today the Reserve Bank of India placed on its website a Working Paper titled, "[Price Dynamics and Value Chain of Fruits in India: A Study of Grapes, Bananas and Mangoes](#)" under the Reserve Bank of India Working Paper Series¹. The paper is co-authored by Raya Das, Ranjana Roy, Sanchit Gupta, Sanjib Bordoloi, Rishabh Kumar, Renjith Mohan and Ashok Gulati.

The paper analyses the price dynamics of select fruits – grapes, bananas, and mangoes – in India following a monthly balance sheet approach based on primary survey-based information and secondary data. The paper also assesses the value chains and estimates farmers' share in the final consumer price of the selected fruits.

The major findings of the paper are:

- i) The farmers' share in the consumer rupee is estimated at around 31 per cent for bananas, 35 per cent for grapes and 43 per cent for mangoes in the domestic value chain.
- ii) An empirical analysis using Autoregressive Distributed Lag (ARDL) models suggests that higher availability or availability-usage ratio softens the consumer price index (CPI) of the selected fruits.
- iii) A forecast evaluation suggests a generally superior performance of the Seasonal Autoregressive Integrated Moving Average with Exogenous Variable (SARIMAX) models over different horizons.
- iv) Balance sheet variables can help in deepening an understanding of the price dynamics of fruits in India and contribute to designing appropriate policies to contain their price volatility.

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(Puneet Pancholy)
Chief General Manager

¹ The Reserve Bank of India (RBI) introduced the RBI Working Papers series in March 2011. These papers present research in progress of the staff members of the RBI and at times also those of external co-authors, when the research is jointly undertaken. They are disseminated to elicit comments and further debate. The views expressed in these papers are those of the authors and not of the institution(s) to which they belong. Comments and observations may please be forwarded to the authors. Citation and use of such papers should take into account its provisional character.