

Conversion of time series of overall Input agricultural price indices

Coefficients (conversion bridges) applying to conversion between the time series of the price indices with a constant base before and after are not used. In the first revision publication for the 1st quarter 2007, the new time series of price indices calculated on the new weighting scheme is even published simultaneously with a backward validity for the period the 1st quarter 2005 to the 4th quarter 2006. This new time series of indices has only one price index base average y. 2005 = 100.

I. Conversion of the original indices, valid till the year 2006, to the new index base average y. 2005 = 100

The indices of original time series with the base average y. 2000 = 100, which refer to the period 1st quarter 2000 – 4th quarter 2006 (see publication ‘CZSO – Prices’) will be transformed to the new base average y. 2005 = 100, valid since the year 2007, as follows:

- 1) The original price indices for the period 1st quarter 2005 – 4th quarter 2006 lose their validity and will not be further used (with the exception of using the index for the 1st quarter 2005 to convert previous indices). The original ones are replaced by a newly published time series with the base average y. 2005 = 100 for the period above mentioned. For that reason it is not necessary to convert them.
- 2) For the period 1st quarter 2000 to the 4th quarter 2004 the following formula will be used:

Index for the selected period with the base average y. 2005 = 100 =

= index for the selected period with the base average y. 2000 = 100 from the original time series *

$$\frac{\text{index for the 1st quarter 2005 with the base average y. 2005 = 100 from the new time series}}{\text{index for the 1st quarter 2005 with the base average y. 2000 = 100 from the original time series}}$$

Example of calculation of index for the 2nd quarter 2004 with the new base average y. 2005 = 100:

- | | |
|--|-------|
| - original index for the 2 nd quarter 2004 with the base average y. 2000 = 100: | 108.7 |
| - original index for the 1 st quarter 2005 with the base average y. 2000 = 100: | 111.5 |
| - recalculated index for the 1 st quarter 2005 with the new base average y. 2005 = 100: | 99.5 |

Basic index for the 2nd quarter 2004 with the new base = $108.7 * \frac{99.5}{111.5} = 97.0$

Final index is therefore comparable with newly published indices since the year 2007 having the base average y. 2005 = 100.

II. Conversion of the new indices, valid since the year 2007, to original base average y. 2000 = 100

This conversion to the original bases is valid for all newly published base indices (indices both for the reference periods of the 1st quarter 2007 on later and even for the periods 1st quarter 2005 – 4th quarter 2006)

Continuation of the time series of price indices with the original base average y. 2000 = 100, that were originally valid till the 4th quarter 2006; after the release of new time series only valid till the 4th quarter 2004, will be ensured by linking of the new time series to the original time series as follows:

index for the selected period in y. 2005 (6,7,8,...) with the base average y. 2000 = 100 =

= index for the selected period in y. 2005 (6,7,8,...) with the base average y. 2005 = 100 from the new time series *

*** $\frac{\text{index for the 1st quarter 2005 with the base average 2000 = 100 from the original time series}}{\text{index for the 1st quarter 2005 with the base average y. 2005 = 100 from the new time series}}$**

Example of calculation of input agricultural price index for the 1st quarter 2007 to the base average y. 2000 = 100:

- | | |
|---|-------|
| - new index for the 1 st quarter 2007 with the base average y. 2005 = 100: | 102.3 |
| - original index for the 1 st quarter 2005 with the base average y. 2000 = 100: | 111.5 |
| - recounted index for the 1 st quarter 2005 with the new base average y. 2005 = 100: | 99.5 |

Basic index for the 1st quarter 2007 with the original base = $102.3 * \frac{111.5}{99.5} = 114.6$