

Standard revision of price index of agricultural producers

The purpose of revision is updating of the system of price indices especially due to accumulated changes in real described section. This updating is focus on selected files of the representatives and reporting units, weight structure, price base and the concept of calculation. Revision of price indices of market services is doing every 5 – 6 years.

During the year 2012 was the agricultural producer price index subjected to standard comprehensive review.

Within this revision was revised selection of representatives and respondents, was set new price and index basis and was introduced a new weighting scheme based on the structure of sales of agricultural production in individual months.

Agricultural producer price indices are calculated from January 2013 to the new weighting schemes derived from the average sales for the years 2009, 2010 and 2011. The indices are calculated on the new price base average of 2010 = 100

The revised time series of basic price indices calculated on the new weighting scheme for the years 2010, 2011, and 2012, is currently published retrospectively at its first publication for January 2013. This new time series of indices has a base - average of 2010 = 100

In the calculation of the price index of agricultural producers some representatives with the lowest volumes of sales at the domestic market in 2009 – 2011 were excluded:

1022	Barley for consumption	1410	Flax stalks
1730	Casked white wine	1731	Casked red wine
3210	Spinach	3130	Gherkins
3190	Leeks	3050	Radish
2100	Walnuts dry	4811	Live sheep
6310	Rabbits for slaughter (live)	6110	med včelí
5521	Eggs for hatching		

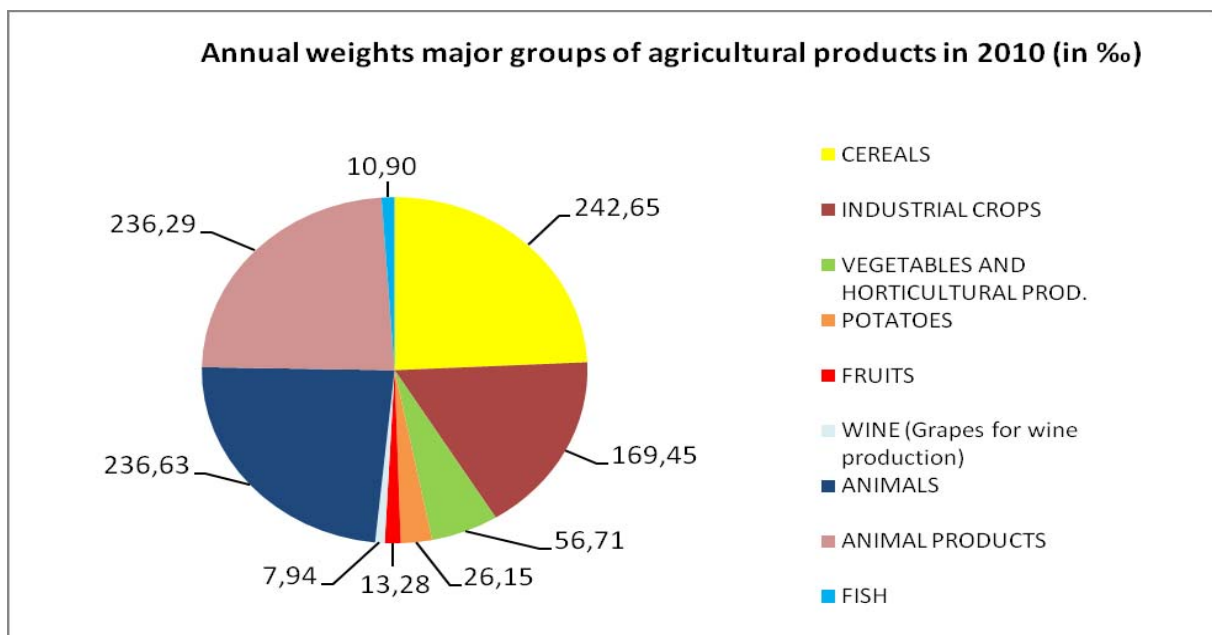
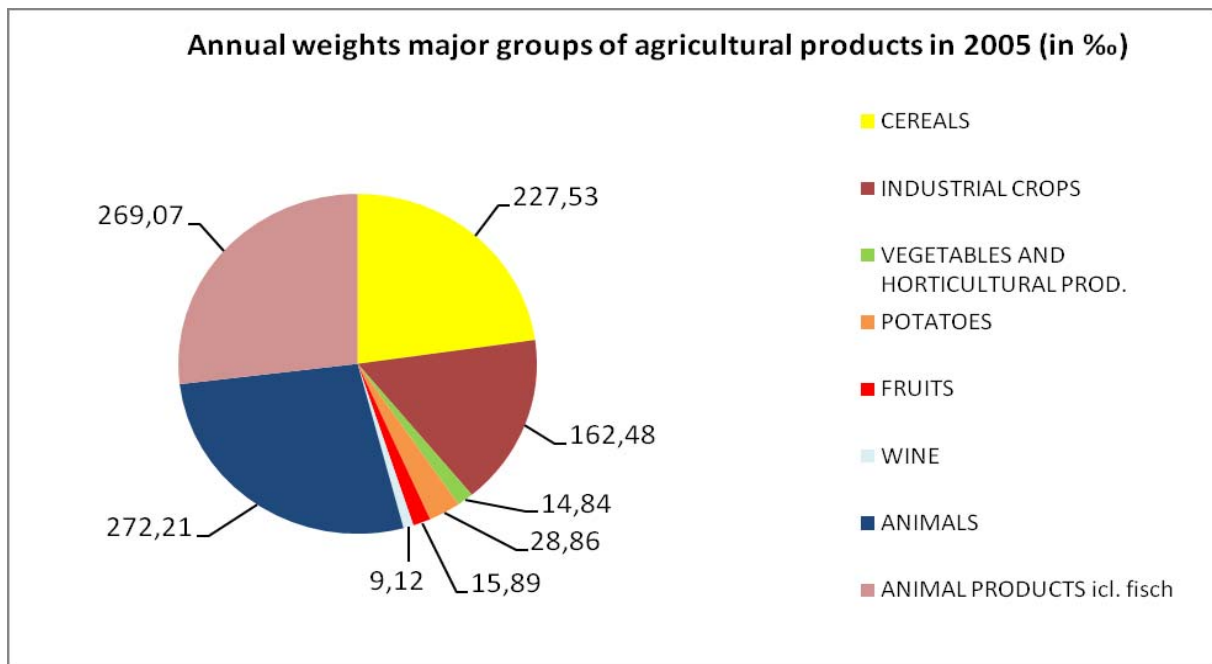
Conversely, a set of published indices was extended with new representatives and a new aggregate group:

Representatives:	Group:
1032 Triticale	Plants and flowers
5823 Trout (live)	
1610 Early potatoes	
1640 Seed potatoes	
2070 Sour cherry	

Furthermore, the group "Livestock" was modified. Now, it only includes price indices for these new representatives:

- 4110 Bullocks for slaughter (live)
- 4210 Heifers for slaughter (live)
- 4310 Cows for slaughter (live)
- 4410 Calves for slaughter (live)
- 4610 Pigs for slaughter (live)

Comparison of weight representation of agricultural products in the previous and the current revised structure of the agricultural producer price index



Change in the calculation methodology for price index of agricultural producers

By 2012, it was the approach to the calculation of price indices as follows:

Agricultural products were distributed in high season - the group "Fruit" and the group "Vegetables" and nonseasonal (or less seasonal) - other groups. These two groups are treated differently in calculating price indices. For non-seasonal commodities and their groups were during calculating the monthly aggregated indices used the constant weights throughout the year. The implication was that in case of absence of some commodities on the market in a particular month there had to be imputed (simulated) the price recommended by special methods from the last reporting period to the current month. For seasonal commodities were used variable monthly weights which meant that into the calculation entered only those months in which the mentioned commodities were on the market. In the monthly aggregation of price indices for all agricultural groups to the total "agricultural products total" were for seasonal groups also assigned a constant annual weights and thus affect the weight structure in seasonal groups do not result to higher aggregates.

Methodology valid from 2013

Methodology used up to 2012 was in accordance with earlier EU requirements. Due to the Eurostat decision - more tolerance to national needs, changes introduced in this revision correspond more to needs of Czech agriculture.

Because in new revised structure was necessary to allocate some other agricultural products and include them among seasonal representatives we had changed our approach to the weighting schemes and revised the system of calculation, as follows:

According to the 'national concept' all agricultural products are considered as highly seasonal items (weighting proportions in different months are reciprocally diverse). Thus, there is used two-dimension weighting scheme (matrix) for each product. One dimension is intended as a vertical aggregation from a detailed representative up to the highest aggregate index for the whole set of the representatives 'Agricultural products, total'. The second dimension is for 12 months in the year. A nominal sum '1000' equals the sum of constant weights of the highest aggregation 'Agricultural products, total' for all 12 months of the base year. Therefore since January 2013 we use variable weights (clearly shown in the table below) for calculating the price index of agricultural producers.

Together with basic indices calculated to base on the average of 2010 = 100 we still continue in calculating and publishing price indices with derived basics. List of all types of indices is as follows:

- a) 2010 average = 100 (basic price index)
- b) corresponding period of the last year = 100
- c) previous month = 100
- d) ratio of two rolling averages

An index of type a), c), d), for any aggregation reflects not only the change in the prices of its subheadings but also change of the weighting structure, such as on the aggregation for the month involved. Conversely, the index type b) compare only the period with the same weight structure and therefore higher aggregation indices reflect only the net change in the price levels of agricultural production.

Title	January	February	March	April	May	June	July	August	September	October	November	December
CEREALS	265,79	270,24	265,30	247,45	248,06	256,55	256,78	259,13	223,72	195,04	215,23	235,01
INDUSTRIAL CROPS	156,21	141,70	139,11	129,75	130,07	134,52	134,64	135,87	166,62	228,68	248,00	247,34
VEGETABLES AND HORTICULTURAL PROD.	12,82	10,73	14,40	92,90	106,93	81,71	60,96	64,31	69,31	82,67	56,75	12,80
POTATOES	26,47	31,40	45,84	31,54	16,32	8,14	12,13	5,69	42,74	35,24	28,63	24,90
FRUITS	8,75	7,09	6,37	4,98	4,02	7,53	23,48	18,31	20,17	27,35	16,65	8,88
WINE (Grapes for wine production)									31,38	42,14	5,58	2,49
ANIMALS	259,20	263,54	258,72	241,31	241,91	250,19	250,42	252,70	218,17	190,20	209,90	229,18
ANIMAL PRODUCTS	258,82	263,16	258,34	240,96	241,56	249,83	250,05	252,34	217,85	189,92	209,59	228,85
FISHES	11,94	12,14	11,92	11,12	11,14	11,52	11,53	11,64	10,05	8,76	9,67	10,56
Total Agricultural Products incl. Fish	1000,00	1000,00	1000,00	1000,00	1000,00	1000,00	1000,00	1000,00	1000,00	1000,00	1000,00	1000,00

