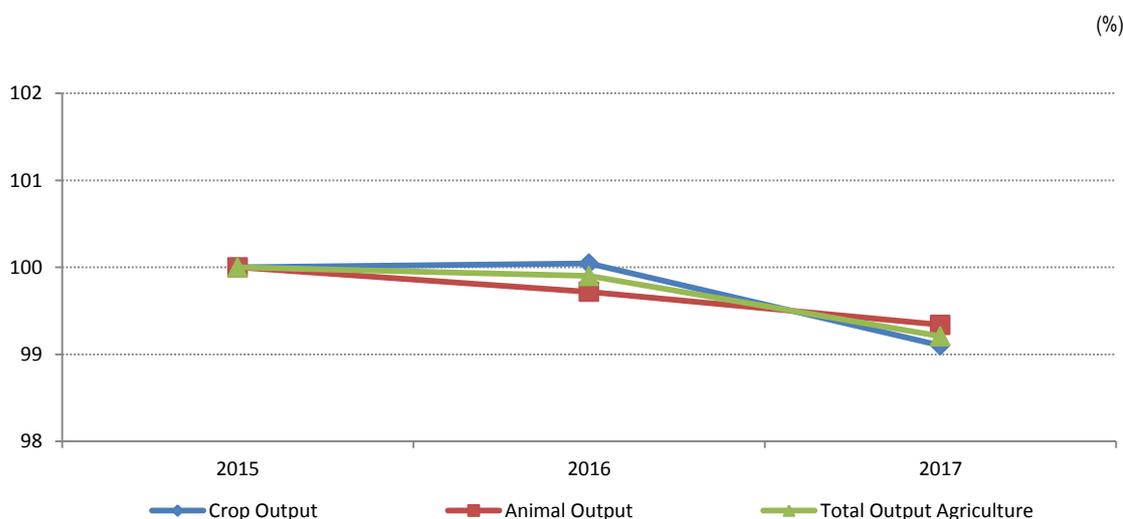# Index of producer prices for agricultural products

Year 2017

Tirana, 3 September 2018: The Index of producer prices for agricultural products is important to measure price developments of agricultural products at country level and enable their comparison with other states. In particular, the indices provide information on the price development for crop products, animals and animal products over a given period of time. Producer price indices for agricultural products are calculated using 'producer prices' received by farmers at farm level excluding taxes. The data source is the Survey on Producer Prices of Agricultural Products.

In 2017, the annual producer price index for agricultural products (2015=100) reached 99.2 coming from 99.9, the level reached in 2016. Accordingly, in 2017 the price index decreased by 0.7 % compared to the previous year. In 2017, the price index of crop products decreased by 0.9 % and the index of animal products dropped by 0.4 %, compared with the last year.

Fig. 1 Annual Index of producer prices for agricultural products, (2015=100)

(%)

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Annual price changes by main groups:

The biggest increase in prices with 22.25 % was observed for the product group 'industrial crops'. The prices of the product group 'vegetables 'increased by 0.01 % . Further, prices of 'animal production' rose by 2.65 % and prices of 'permanent crops' increased by 0.23 %.

However, the product group 'cereals' experienced a declince of 11.62 %. Prices of the product group 'forage plants' dropped by 7.06 %. The prices of 'potatoes' decreased by 8.38 % and of 'milk and other animal products' by 2.59 %.

Tab.1 Annual Index of producer prices for agricultural products, (2015=100)

(%)

Code	Product	Weight in %	2015	2016	2017
	Total Output Agriculture	**100**	**100**	**99.9**	**99.2**
1	Cereals	4.2	100	100.3	88.7
2	Industrial crops	0.4	100	102.1	124.4
3	Forage plants	3.8	100	102.1	95.1
4	Vegetables	23.2	100	98.2	98.3
5	Potatoes	3.1	100	106.1	97.7
6	Permanent crops	17.2	100	99.4	99.7
6.1	Fruits	8.2	100	105.8	106.7
6.2	Citrus fruit	1.0	100	98.1	100.8
6.3	Grapes	5.5	100	99.9	96.3
6.4	Olives	2.5	100	77.9	83.3
7	Wine	2.6	100	108.0	122.5
8	Olive oil	1.5	100	102.0	100.0
	Crop Output	**56.0**	**100**	**100.0**	**99.1**
9	Animal production	18.6	100	99.5	102.2
9.1	Cattle	8.3	100	99.9	101.0
9.2	Pigs	3.1	100	101.8	107.1
9.3	Sheep & goats	5.1	100	97.2	101.5
9.4	Poultry	2.1	100	100.2	101.4
10	Milk	19.7	100	101.3	97.6
10.1	Cow milk	14.8	100	99.4	97.5
10.2	Other milk	4.9	100	107.0	97.7
11	Other animal products	5.7	100	95.0	96.3
11.1	Eggs	2.8	100	89.5	99.2
11.2	Honey	2.9	100	99.8	93.2
	Animal Output	**44.0**	**100**	**99.7**	**99.3**

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Tab.2 Quarterly Index of producer prices for agricultural products, 2015 (2015=100)

(%)

Code	Product	Weight in %	Quarter I 2015	Quarter II 2015	QuarterIII 2015	QuarterIV 2015
	Total Output Agriculture	**100**	**104.4**	**106.0**	**93.4**	**97.7**
1	Cereals	4.2	101.2	106.6	96.2	98.2
2	Industrial crops	0.4	100.2	97.9	101.1	100.5
3	Forage plants	3.8	100.3	103.4	96.7	100.9
4	Vegetables	23.2	119.4	113.7	76.9	88.6
5	Potatoes	3.1	84.8	127.4	87.2	82.0
6	Permanent crops	17.2	102.8	107.6	95.6	99.7
6.1	Fruits	8.2	100.3	108.3	94.5	92.4
6.2	Citrus fruit	1.0	107.2			96.2
6.3	Grapes	5.5			96.4	108.7
6.4	Olives	2.5	106.2	100.8	93.9	99.8
7	Wine	2.6	89.2	97.0	102.4	104.1
8	Olive oil	1.5	98.8	100.4	102.8	98.5
	Crop Output	**56.0**	**108.1**	**111.5**	**89.1**	**95.6**
9	Animal production	18.6	100.5	99.3	99.9	100.4
9.1	Cattle	8.3	100.0	99.7	100.2	100.1
9.2	Pigs	3.1	99.6	100.1	101.1	99.3
9.3	Sheep & goats	5.1	101.8	98.2	99.1	101.1
9.4	Poultry	2.1	101.9	98.8	98.5	100.8
10	Milk	19.7	101.0	99.3	100.2	100.0
10.1	Cow milk	14.8	101.9	100.3	99.2	99.0
10.2	Other milk	4.9	97.3	96.7	103.0	103.2
11	Other animal products	5.7	101.8	97.8	98.1	102.3
11.1	Eggs	2.8	104.3	94.9	96.7	104.1
11.2	Honey	2.9	99.5	100.5	99.4	100.6
	Animal Output	**44.0**	**100.9**	**99.1**	**99.8**	**100.5**

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Tab. 3 Quarterly Index of producer prices for agricultural products, 2016 (2015=100)

(%)

Code	Products	Weight in %	Quarter I 2016	Quarter II 2016	QuarterIII 2016	QuarterIV 2016
	Total Output Agriculture	**100**	**104.3**	**104.3**	**95.8**	**96.6**
1	Cereals	4.2	102.8	106.5	99.4	93.2
2	Industrial crops	0.4	99.6	95.8	99.4	111.6
3	Forage plants	3.8	108.5	104.6	98.8	99.0
4	Vegetables	23.2	113.8	105.4	83.0	91.8
5	Potatoes	3.1	102.9	125.2	93.7	90.1
6	Permanent crops	17.2	102.7	115.0	97.8	90.9
6.1	Fruits	8.2	97.7	118.3	99.7	95.9
6.2	Citrus fruit	1.0	120.6			86.3
6.3	Grapes	5.5			97.8	104.9
6.4	Olives	2.5	97.4	82.3	77.6	74.2
7	Wine	2.6	114.8	110.4	115.7	94.3
8	Olive oil	1.5	103.5	105.1	104.2	97.8
	Crop Output	**56.0**	**108.8**	**109.1**	**93.5**	**92.6**
9	Animal production	18.6	100.0	98.4	99.3	100.4
9.1	Cattle	8.3	100.9	99.9	99.3	99.8
9.2	Pigs	3.1	98.6	99.6	104.4	104.4
9.3	Sheep & goats	5.1	100.7	95.1	95.5	98.2
9.4	Poultry	2.1	97.6	98.9	100.6	103.7
10	Milk	19.7	102.3	100.2	100.4	103.1
10.1	Cow milk	14.8	99.7	98.8	99.3	100.0
10.2	Other milk	4.9	112.7	104.0	103.5	113.4
11	Other animal products	5.7	93.5	89.4	93.7	103.4
11.1	Eggs	2.8	86.8	79.1	86.8	105.5
11.2	Honey	2.9	99.4	98.6	100.2	101.1
	Animal Output	**44.0**	**99.9**	**98.3**	**99.1**	**101.8**

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Tab.4 Quarterly Index of producer prices for agricultural products, 2017 (2015=100)

(%)

Code	Products	Weight in %	Quarter I 2017	Quarter II 2017	Quarter III 2017	Quarter IV 2017
	Total Output Agriculture	**100**	**107.0**	**103.8**	**90.8**	**98.2**
1	Cereals	4.2	91.8	91.1	86.0	86.8
2	Industrial crops	0.4	125.2	122.3	122.3	126.9
3	Forage plants	3.8	106.7	97.4	90.9	88.9
4	Vegetables	23.2	127.7	109.1	70.6	89.3
5	Potatoes	3.1	103.9	104.3	90.1	88.8
6	Permanent crops	17.2	101.5	108.7	93.6	100.6
6.1	Fruits	8.2	105.3	109.9	99.4	111.8
6.2	Citrus fruit	1.0	102.3			100.0
6.3	Grapes	5.5			89.9	111.6
6.4	Olives	2.5	85.8	96.6	95.6	78.9
7	Wine	2.6	119.9	119.6	123.4	124.7
8	Olive oil	1.5	100.3	97.6	96.8	103.4
	Crop Output	**56.0**	**114.0**	**107.5**	**86.1**	**96.4**
9	Animal production	18.6	102.0	101.5	101.4	103.6
9.1	Cattle	8.3	100.7	100.3	101.2	101.8
9.2	Pigs	3.1	106.0	108.2	107.4	106.7
9.3	Sheep & goats	5.1	100.5	98.7	99.4	105.7
9.4	Poultry	2.1	103.9	103.5	98.0	100.2
10	Milk	19.7	98.6	98.4	96.0	97.5
10.1	Cow milk	14.8	97.9	99.0	96.1	96.9
10.2	Other milk	4.9	101.8	96.7	95.7	99.6
11	Other animal products	5.7	99.4	94.6	92.7	98.7
11.1	Eggs	2.8	103.9	98.7	92.0	102.1
11.2	Honey	2.9	94.7	90.6	92.6	94.7
	Animal Output	**44.0**	**100.3**	**99.1**	**97.7**	**100.6**

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Methodology

Price indices in agriculture are calculated based on the standards and guidlines outlined in the Handbook for EU agricultural price statistics. Agricultural output prices are collected through a monthly survey in the entire territory of the Republic of Albania. The information is gained from farms, slaughterhouses and weekly markets as well as on other places where agricultural products are selled. For domestic products the prices are collected at farm gate level excluding taxes. They are surveyed in Albanian Lek, while the measuring units are in kg, liter or pieces.

The Index of producer prices of agricultural products is divided into two main groups: Crop and animal products. For crop products prices are collected for the following groups: cereals, industrial crops, forage plants, vegetables, potatoes and permanent crops. For animal products prices are collected for animals and animal products. Within this framework prices are surveyed for four main categories of animals: Cattle, pigs, sheep and goats as well as poultry based on the live weight of animals for slaughter. Within animal products, prices are collected for the categories: milk, eggs and honey.

Classification

The index is calculated and published according to the classification structure of agricultural products, fully compatible with the structure used by Eurostat. Based on this classification the prices are classified into 11 main groups as follows:

• Cereals

• Industrial crops

• Forage plants

• Vegetables

• Potatoes

• Permanent crops

• Wine

• Olive oil

• Animal production

• Milk

• Other animal products

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The indices are calculated according to the following hierarchy:

• Total Index

• Index by main groups

• Index by subgroups

• Index at detailed level by products

Weighting scheme of the producer price index for agricultural products

To calculate the producer price index for agricultural products a weighting scheme is used. The weighting factor attached to each elementary index and aggregate index corresponds to the sales value of the respective product (excluding VAT) during the base period (2015=100) according to Eurostat methodology. Weights are also used to join indices of main groups and aggregate indices. The weighting scheme used comply with the methodology of the Economic Accounts for Agriculture. The total and quarterly weights are fixed over a base period. The weighting scheme of the producer price index for agricultural products changes every 5 years.

Calculation of elementary price index

The elementary index is calculated according to the following formula using absolute average prices.

$$R_i^t = \frac{\frac{1}{n}\sum P_{ij}^t}{\frac{1}{n}\sum P_{ij}^0} \cdot 100$$

R_i^t : Elementary price index for month "t" and production "i"

P: Collected prices

i: Production "i"

j: The registered production price (generally the price for district 1,2, ..., n)

t: Month observed

o: Base month

Calculation of aggregate price index

The aggregate index for product groups, subgroups and the total output of agricultural products is calculated using the following formula:

$$I^t = \sum \left(R_i^t \cdot \frac{w_i^o}{\sum w_i^o} \right) \cdot 100$$

I: Aggregate index for period "t"

w_i^o: Weighting factor in base period for production "i"

i: Production "i"

t: Month observed

o: Base month

These data are subject to revision. For more information refer to: http://www.instat.gov.al/al/rrethnesh/cilësi-statistikore.aspx/ Statistical revision policy.

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