



## PRICE INDICES IN AGRICULTURE, FOURTH QUARTER OF 2015<sup>1</sup>

### Producer price indices in agriculture

**The producer price index in agriculture** in the fourth quarter of 2015 increased by 9.8% in comparison with the same quarter of 2014. The crop output index increased by 10.9% and the animal output index - by 4.8%. In comparison with previous year the prices of agricultural output went up by 1.1%. The crop output index increased by 2.9% while the animal output index decreased by 4.0% (Table 1).

In fourth quarter of 2015 compared to the same quarter of 2014 higher were the prices of cereals - by 8.9%, industrial crops - by 22.5%, and potatoes - by 5.2%. Lower were the prices of fresh vegetables - by 17.6%, grape - by 13.3%, forage crop - by 25.2%. Higher were the prices of soft wheat - by 3.8%, barley - by 3.8%, grain maize - by 15.3%, sunflower - by 22.6%, rape - by 13.6%, onion - by 19.4% and cabbage - by 4.9%. Lower were the prices of rice - by 5.0%, dried beans - by 37.1%, apples - by 10.9%, dessert grape - by 26.4% and walnuts - by 19.2%.

Compared to the corresponding quarter of 2014 an increase was observed in the prices of live animals - by 16.7% and in animal products - by 3.7%. The most considerable increase was reported in the prices of cattle - by 16.7% and poultry - by 15.5%. Among the animal products increase was reported in the price of eggs for consumption - by 17.9%, sheep's milk - by 13.8% as well as of honey - by 5.7%.

Compared to 2014 in the fourth quarter of 2015 lower were the prices of cereals - by 2.1%, forage crops - by 10.5%, potatoes - by 8.1%, fresh vegetables - by 8.8% and fresh fruits - by 30.4%. An increase was observed only in the prices of industrial crops - by 21.4%. In the animal output higher were the prices of live animals - by 12.0% while the prices of animal products went down by 3.5%.

In fourth quarter of 2015 compared to 2014 lower were the prices of soft wheat - by 2.7%, grain maize - by 1.6%, apples - by 2.2%, dessert grape - by 43.1% and wine grape - by 7.8%. Higher were the prices of rape - by 14.6%, sunflower - by 24.6%, and cabbage - by 17.7%.

In animal output in fourth quarter of 2015 compared to 2014 an increase was reported in the prices of cattle - by 12.0% and poultry - by 9.2%. A decrease was observed in the price of pigs - by 19.0%. In animal products output decreased the price of cow milk - by 4.8% while the price of eggs for consumption increased by 19.7% as well as the price of honey - by 9.0%.

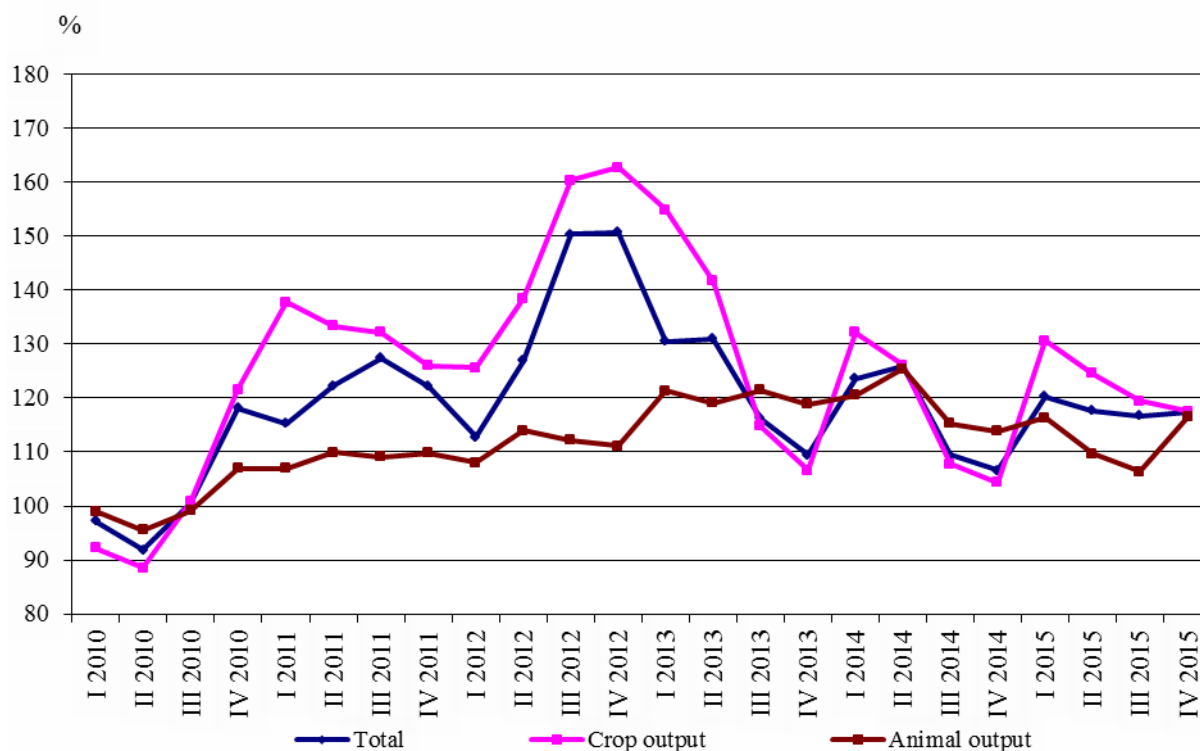
<sup>1</sup>The Agricultural Price Indices were calculated in compliance with requirements of Handbook for EU Agricultural Price Statistics, version 2.0, March 2008. The Handbook was uploaded on the NSI website at the following link: [http://www.nsi.bg/sites/default/files/files/metadata/Agr\\_Handbook\\_en.pdf](http://www.nsi.bg/sites/default/files/files/metadata/Agr_Handbook_en.pdf)



## 1. Producer prices indices in agriculture in the fourth quarter of 2015

	2010 = 100	Corresponding quarter of 2014 = 100	(Per cent) 2014 = 100
<b>Total</b>	<b>117.3</b>	<b>109.8</b>	<b>101.1</b>
Crop output	117.5	110.9	102.9
Animal output	116.5	104.8	96.0

**Figure 1. Producer prices indices in agriculture, by quarters (2010 = 100)**





## Price indices of goods and services currently consumed in agriculture

The index of prices of goods and services currently consumed in agriculture in the fourth quarter of 2015 was 2.6% below the level in the same quarter of previous year and by 4.8% compared to 2014.

In fourth quarter of 2015 compared to corresponding quarter of 2014 lower were the prices of energy and fuels - by 12.1% and plant protection products - by 4.4%. Higher were the prices of fertilizers - by 5.8%, veterinary products - by 2.9% and feeding stuffs - by 2.0%.

Compared to 2014 in fourth quarter of 2015 the same trend was observed in the variation of prices - index of the prices of energy and fuels decreased by 15.7%, as well as the indices of plant protection products - by 4.1%. Higher were only the prices of fertilizers - by 4.4% (Table 2).

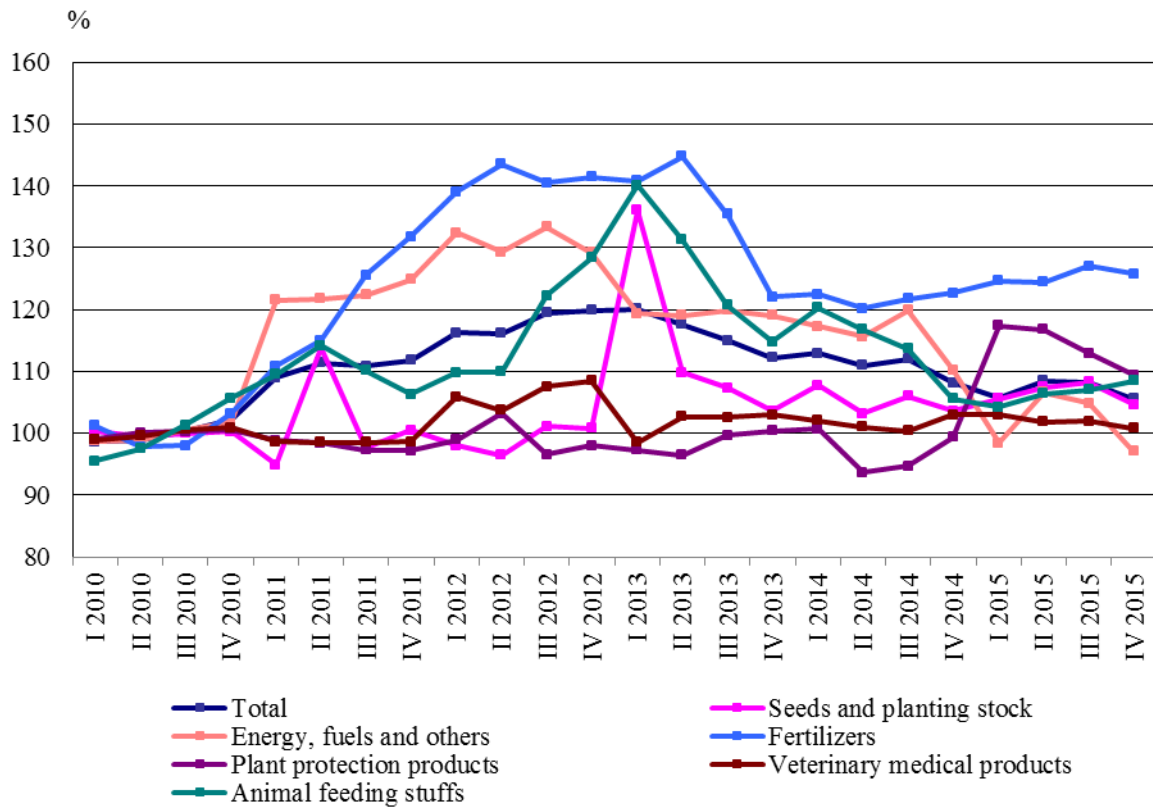
### 2. Prices indices of the goods and services currently consumed in agriculture, fourth quarter of 2015

(Per cent)

	2010 = 100	Corresponding quarter of 2014 = 100	2014 = 100
<b>Total</b>	<b>105.6</b>	<b>97.4</b>	<b>95.2</b>
Seeds and planting stock	104.6	99.5	97.0
Energy, fuels and others	97.1	87.9	84.3
Fertilizers	125.8	105.8	104.4
Plant protection products	109.4	95.6	95.9
Veterinary medical products	100.8	102.9	100.2
Animal feeding stuffs	108.5	102.0	97.8
Maintenance of materials	103.8	98.9	98.8
Maintenance of buildings	106.7	99.9	100.3
Other goods and services	106.8	100.8	100.8



**Figure 2. Prices indices of the goods and services currently consumed in agriculture, by quarters (2010 = 100)**





## Methodological notes

### Methodology and main definition

The surveys about the prices in agriculture are carried out in accordance with the main requirements of the EU Handbook for Agricultural Price Indices. In this way harmonization with the EU practices in the domain of agricultural price statistics is achieved from the point of view of:

- Definitions used
- Techniques of prices registration
- Type of calculated indices
- Survey periodicity
- Nomenclatures used
- Defining of the selected products by their quality, quantity, variety and other price characteristics

The object of observation are the producer prices of produced by the farm crops, live animals and animal products and prices of products and services of goods and services currently consumed in agriculture.

Producer price in agriculture is the price received by farm selling its own agricultural products/live animals. It is recorded at the first market stage of goods - „farm gate price”. Producer price excludes subsidies on agricultural products/animals, transport costs and taxes. VAT is also excluded in the price.

Observed price refers to sales of agricultural products/animals from farms to traders, to other farms, processing enterprises, slaughterhouses, auctions and markets. Farms producing goods exclusively for own consumption are not subject to this study. The scope of the study does not include prices of imported agricultural products/livestock.

The examination of prices of goods and services currently consumed in agriculture (Input I) includes five surveys which supply the information about the prices of:

- Mineral fertilizers
- Feeding stuffs
- Plant protection products
- Veterinary medicinal products
- Seeds and planting stocks

The object of observation are the purchase prices of goods and services currently consumed in agriculture. The observed unit price is the price that the buyer actually paid for the means of production. It includes taxes and fees and excludes subsidies and VAT refunded.

### Statistical unit

Observation units within the surveys of agricultural prices are farms - juridical and physical persons. For each survey a list of respondents is established and during the years stable number of price registrations of products/livestock categories and means of production is maintained.

The conducted surveys are exhaustive and include all units above certain threshold defined in value terms. For the survey on the producer prices in agriculture as selection criteria a value of sales of agricultural products/animals is used and for the surveys on the prices of goods and services currently consumed in agriculture - the expenditures rising from purchases of goods and services for intermediate consumption. The representativeness of prices is assured, both by the maintaining of regular number of price registrations and coverage of at least of 50% of value of sales for each product/livestock category or purchase value of goods and services for intermediate consumption in the respective year.

### Data sources

The sources of information are statistical questionnaires for collection of qualitative and quantitative characteristics of agricultural products/live animals and goods and services currently consumed in agriculture and quarterly



questionnaires supplying information about the producer prices of agricultural products/live animals and purchasing prices of goods and services currently consumed in agriculture.

The questionnaires on the qualitative and quantitative characteristics of agricultural products/live animals and goods and services currently consumed in agriculture supply data for establishment of list of representative products defined with their quantitative and qualitative, variety and other characteristics which may have influence on the variation of prices. The established lists of products are periodically updated, as usual in the years ending to 0 or 5, when the Eurostat weighting scheme is rebased.

The quarterly questionnaires supply regular data about the prices of included in the scope of surveys agricultural products/live animals or goods and services currently consumed in agriculture.

#### **Calculation of average prices**

Within the quarterly surveys average monthly and quarterly prices are calculated. The average monthly prices are calculated as arithmetical mean derived from all registered prices. The quarterly prices are calculated as arithmetical mean from monthly prices.

#### **Type of index and calculation**

The calculation of price indices is carried out by the Laspeyres formula. This type of index has a constant weighting scheme, so that the base period of weights and prices is the same. For calculation of producer price indices as weights the value of sales of agricultural output is used and for the indices of prices of goods and services currently consumed in agriculture - the value of purchased intermediate consumption. The weights are calculated within satellite economic accounts for agriculture.

The indices are calculated at three bases: previous year, corresponding quarter of previous year and the year ending in 0 or 5 (Eurostat base).

The total index of goods and services currently consumed in agriculture (Input I) is calculated on the base of price indices of five groups of products as well as on the indices of goods and services calculated within the Survey on consumer prices index.

#### **Classifications**

For the survey of producer prices in agriculture the National classification of production in agriculture, forestry and fisheries (PRODAGRO) is used. Classification PRODAGRO is used as a basis for further product breakdown in accordance with their qualitative and quantitative characteristics. For the surveys on prices of goods and services currently consumed in agriculture own proper classifications are used. These classifications are compiled within the surveys for establishment of lists of representative products. For calculation and providing Eurostat with harmonized data of price indices in agriculture classification PRAG (Nomenclature of agricultural prices in the Eurostat New CRONOS database) is used.

#### **Consideration of the impact of quality on the prices of agricultural products**

To eliminate differences in prices associated with changes in the quality, type, quantity, packaging, selected products are defined by quality, quantity, species and other characteristics that affect the changes of prices. When particular product is dropped down from the list it has to be replaced by a new one defined by same or approximately similar characteristics. The new product should also be representative.

#### **The calculation of the indices of goods and services contributing to the agricultural investments (Input II)**

The calculation of price index of goods and services contributing to agricultural investments is also done by a Laspeyres formula. As weights the values of goods and services purchased by farms for further investments, calculated within the satellite economic accounts for agriculture are used. For calculation of total index of goods and services contributing to agricultural investments indices from other surveys conducted by NSI in the domain of Foreign trade statistics and Short-term business statistics are also used.



On the basis of indices of goods and services currently consumed in agriculture and contributing to agricultural investments, total index of prices of means of production used in agriculture (Total Input) is calculated.