



PRICE INDICES IN AGRICULTURE, SECOND QUARTER OF 2023

Producer price indices in agriculture

The producer price index in agriculture for the second quarter of 2023 decreased by 6.4% in comparison with the same quarter of 2022 as a result of a decrease in the price index of crop output by 19.5%, while the index of animal output increased by 14.8%. Compared to the previous year, the prices of agricultural output decreased by 4.8%, as in crop output they decreased by 15.8% and in animal output they increased by 12.9% (table 1).

Compared to the same quarter of 2022, a decrease was registered in the prices of cereals by 25.8% and industrial crops by 32.1% as a result of the decrease in the prices of soft wheat by 32.2% and sunflower by 48.2%. An increase was reported in the prices of vegetables and fruits by 15.6%.

The prices of live animals increased by 19.6% as a result of the increase in the prices of cattle by 7.5%, pigs by 30.7% and chickens by 25.7%. In the prices of animal products was recorded an increase of 9.3%, which is a result of higher prices of sheep milk by 20.9% and hen eggs for consumption by 37.9%.

In comparison with 2022, the prices of cereals were lower by 24.3% as a result of the decrease in the prices of soft wheat by 30.9%, and in the prices of industrial crops, the decrease was 24.0% as a result of the decrease in the prices of sunflower by 34.5%. This reduction cannot be compensated by the growth in the prices of vegetables and fruits by 24.4%.

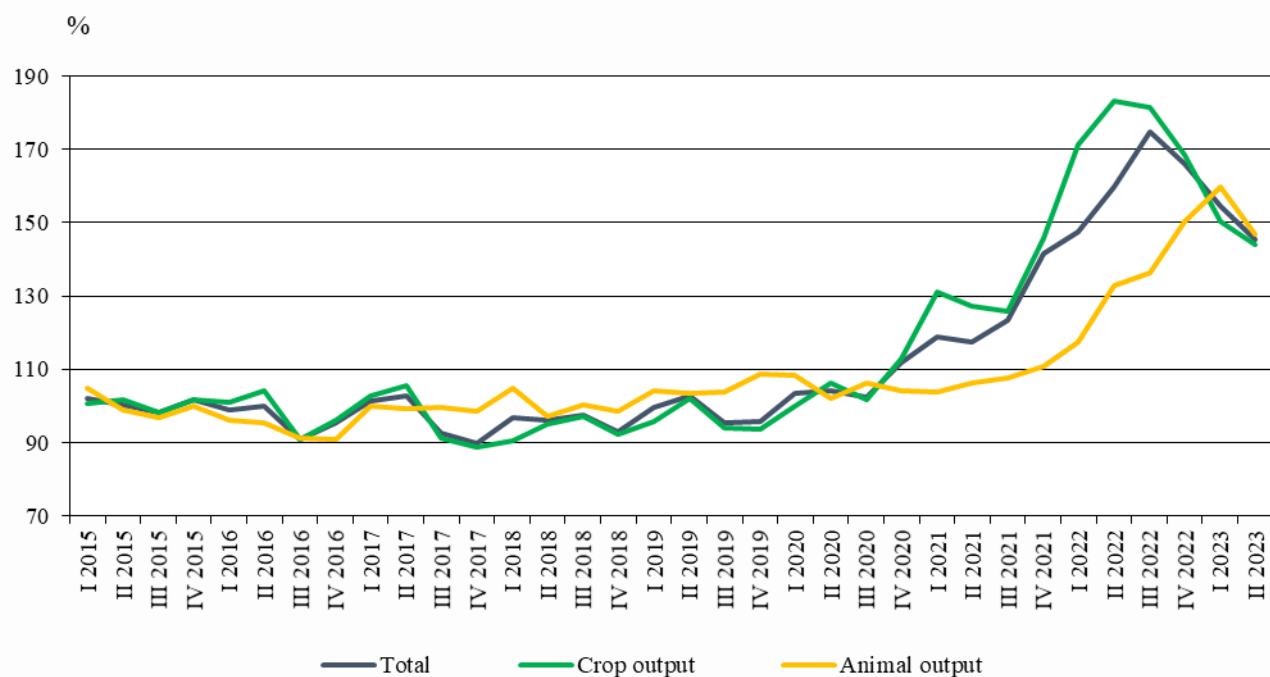
Compared to 2022, the prices of the animals increased by 18.8%, as a result of the increase in the prices of pigs by 29.4% and poultry by 18.0%. The prices of animal products increased by 6.0%, which is the result of the increase in the prices of sheep and goat milk by 15.6% and hen eggs for consumption by 28.0%. The price of cow milk decreased by 2.2%.

1. Producer prices indices in agriculture in the second quarter of 2023

(Per cent)

| | 2015 = 100 | Corresponding quarter of 2022 = 100 | 2022 = 100 |
|---------------|--------------|-------------------------------------|-------------|
| Total | 145.4 | 93.6 | 95.2 |
| Crop output | 144.2 | 80.5 | 84.2 |
| Animal output | 146.8 | 114.8 | 112.9 |

Figure 1. Producer prices indices in agriculture, by quarters (2015 = 100)





Price indices of goods and services currently consumed in agriculture

The price index of products and services for current consumption in agriculture for the second quarter of 2023 was lower by 6.1% compared to the same quarter of the previous year and by 5.1% compared to 2022.

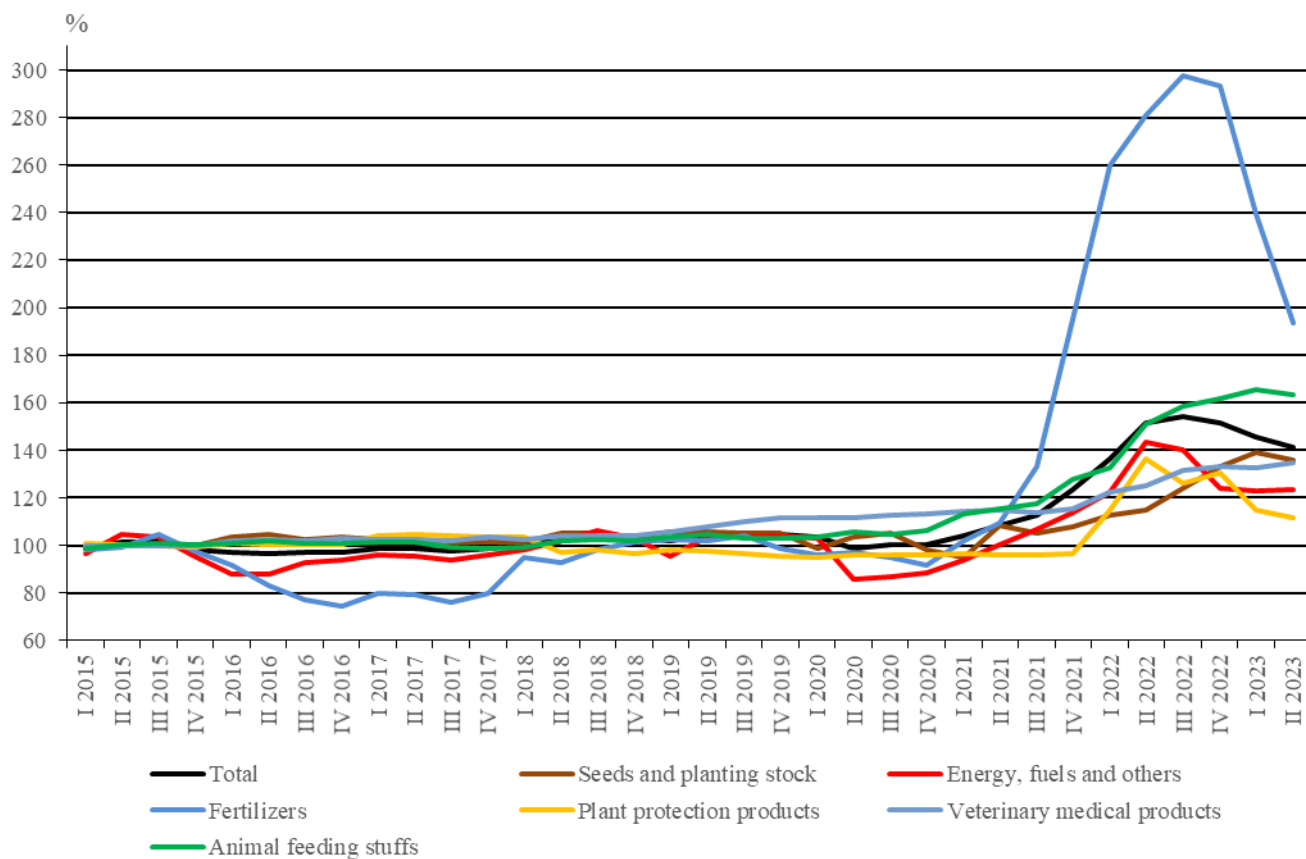
Compared to the corresponding quarter of 2022, an increase was reported in the prices of: seed and planting material - 18.0%, veterinary expenses - 7.4%, and animal feedingstuffs - 9.2%. The prices of electricity and fuels - 12.8%, mineral fertilizers - 32.3%, and plant protection products - 3.6%, have decreased.

Compared to 2022, an increase was reported in the prices of: seed and planting material - 11.6%, veterinary expenses - 6.8%, and animal feedingstuffs - 8.4%. The prices of electricity and fuel - 9.4%, mineral fertilizers - 28.2%, and plant protection products - 3.1%, have decreased. (Table 2).

2. Price indices of the goods and services currently consumed in agriculture, second quarter of 2023

| | | (Per cent) | |
|-----------------------------|--------------|---|-------------|
| | 2015 = 100 | Corresponding quarter of 2022 = 100 | 2022 = 100 |
| Total | 141.3 | 93.9 | 94.9 |
| Seeds and planting stock | 135.9 | 118.0 | 111.6 |
| Energy, fuels and others | 123.6 | 87.2 | 90.6 |
| Fertilizers | 193.7 | 67.7 | 71.8 |
| Plant protection products | 111.9 | 96.4 | 96.9 |
| Veterinary medical products | 134.7 | 107.4 | 106.8 |
| Animal feeding stuffs | 163.5 | 125.3 | 109.2 |
| Maintenance of materials | 138.9 | 107.5 | 106.1 |
| Maintenance of buildings | 147.7 | 109.8 | 109.1 |
| Other goods and services | 135.8 | 110.2 | 109.2 |

Figure 2. Price indices of the goods and services currently consumed in agriculture, by quarters
(2015 = 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 a 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 from the price.

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 is the purchase price 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 and agricultural and veterinary pharmacies. 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 50% of the value of sales for each product/livestock category or the 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 a list of representative products defined by their quantitative and qualitative, variety and other characteristics that may have an influence on the variation of prices. The established lists of products are periodically updated, as usual in the years ending in 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 an arithmetical mean derived from all registered prices. The quarterly prices are calculated as an 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 the 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 on three bases: the previous year, the corresponding quarter of the 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 the 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 the prices of goods and services currently consumed in agriculture, own proper classifications are used. These classifications are compiled within the surveys for the establishment of lists of representative products. For calculation and providing Eurostat with harmonized data on 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 a particular product is dropped from the list, it has to be replaced by a new one defined by the 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 the price index of goods and services contributing to agricultural investments is also done by the 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 the calculation of the total index of goods and services contributing to agricultural investments, indices from other surveys conducted by NSI in the domain of the Consumer prices Statistics, 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, the total index of prices of means of production used in agriculture (Total Input) is calculated.