



## Central Statistical Agency

### COUNTRY LEVEL AGRICULTURAL PRODUCTS PRODUCER PRICE INDEX

(Ag-PPI)

**አገር አቀፍ የግብርና ምርቶች የአምራች ዋጋ መመዘኛ ኢንዱክስ**

For the month of May 2013

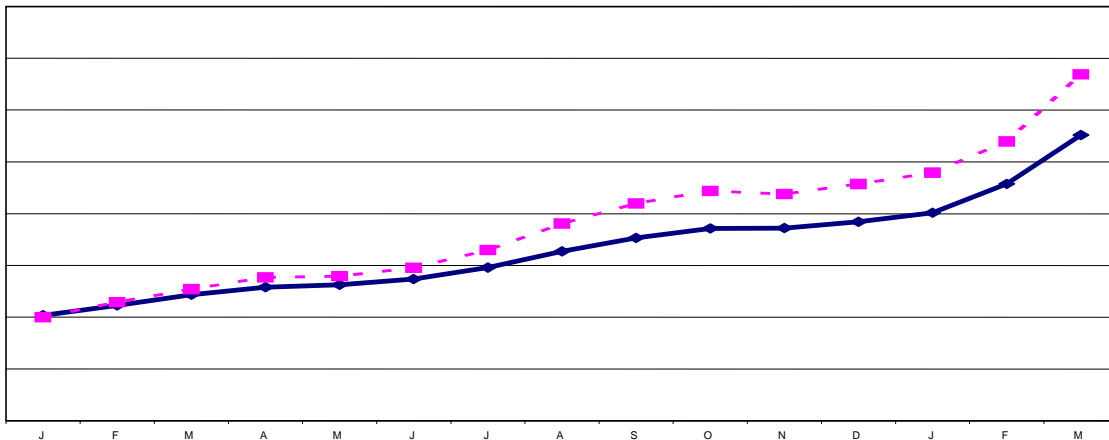
የግንቦት ወር 2005 ዓ.ም

Information No. 55

መረጃ ቁጥር 55

[December 2006 = 100]

[ታህሳስ 1999= 100]



አዲስ አበባ

ሰኔ 28 ቀን 2005 ዓ.ም

Addis Ababa

July 5, 2013

Table 1: Country level Agricultural Products Producers' Price Index and Its Components

December 2006 =100

ሠንጠረዥ 1: አገር አቀፍ የግብርና ምርቶች የአምራች ዋጋ ኢንዱክስ በሰሩ የተካተቱ ክፍሎች ታህሳስ 1999 = 100

ወርና ዓመት	አጠቃላይ ኢንዱክስ All Items PPI	አሀል Cereals	ጥራጥራ Pulses	የቅባት አሀሎች Oil seeds	አትክልት Vegetables	ፍራፍሬ Fruits	ድንችና ስራብሮች Potato and other tubers	ቅመማ ቅመም Spices	እእንሰሳት Livestock	የእንሰሳት ተዋጽኦ Livestock Products	ወደ ዉጭ የሚላኩ አሀሎች Cash Crop	Month/Year
ታህሳስ 1999	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	December 2006
ጥር 2000 - ሰኔ 2001	168.2	181.9	124.2	219.1	150.3	128.5	150.7	314.3	121.0	151.2	148.9	January 2008 - June 2008
ሐምሌ 2001 - ሰኔ 2002	194.3	233.4	146.5	220.5	158.1	169.4	169.4	232.0	132.2	172.3	143.1	July 2009 - June 2010
ሐምሌ 2002 - ሰኔ 2003	177.0	183.8	131.4	223.4	168.7	157.0	161.9	158.7	142.0	184.5	177.7	July 2010 - June 2011
ሐምሌ 2003 - ሰኔ 2004	311.8	282.9	310.8	332.4	332.7	253.5	268.0	395.9	261.6	311.2	448.5	July 2011 - June 2012
ሰኔ 2003	292.1	252.0	301.7	381.8	289.1	209.5	248.5	364.1	198.0	298.6	463.2	Juen 2011
2004												2011/2012
መጋቢት 2004	321.7	293.3	313.5	322.6	378.5	301.3	289.0	408.0	281.6	335.2	419.4	March "
ሚያዝያ 2004	335.3	298.2	313.2	309.4	393.9	278.8	320.1	369.3	318.4	384.2	427.5	April "
ግንቦት 2004	330.5	302.2	310.4	339.4	374.4	260.5	298.3	366.5	311.7	375.3	390.7	May "
ሰኔ 2004	330.1	309.2	310.6	359.0	342.7	261.2	287.3	341.4	295.5	351.3	419.0	June "
ሐምሌ 2004	323.9	315.9	302.2	375.5	351.8	250.7	261.5	328.2	298.0	348.5	345.1	July "
ኔሐሴ 2004	333.8	325.4	298.7	380.7	338.6	266.7	264.1	294.5	301.1	359.2	392.2	August "
መስከረም 2005	328.0	329.6	271.9	355.8	334.3	254.4	290.2	316.5	308.9	350.1	341.0	September "
ጥቅምት 2005	323.7	316.3	248.5	308.3	315.8	288.6	225.3	313.1	313.3	356.9	413.6	October "
ህዳር 2005	314.1	305.6	235.1	310.4	285.9	291.4	258.6	299.2	313.7	341.9	391.9	November "
ታህሳስ 2005	319.6	302.4	234.7	351.0	302.6	272.5	249.5	257.9	326.5	373.6	389.5	December "
ጥር 2005	312.3	294.2	232.6	379.2	294.6	307.7	289.0	255.0	337.4	355.6	340.3	January 2013 "
ፍቅቲት 2005	324.2	299.3	233.6	422.4	283.0	303.3	298.5	246.1	334.0	382.0	373.4	February 2013 "
መጋቢት 2005	326.0	295.9	231.6	423.4	277.6	289.5	295.1	227.2	330.8	424.3	351.4	March 2013 "
ሚያዝያ 2005	309.9	300.6	231.0	350.6	265.6	291.4	284.9	233.8	318.6	351.2	346.8	April "
ግንቦት 2005	330.3	321.0	226.4	452.2	293.6	306.7	293.5	188.1	347.5	365.6	360.6	May "
	-0.1	6.2	-27.1	33.2	-21.6	17.8	-1.6	-48.7	11.5	-2.6	-7.7	

**የዘንድሮውና የአምናው ተመሳሳይ ወሮች የአምራች ዋጋ መመዘኛ ጠቋሚ አሀዝ ንፅፅር በአገር አቀፍ ደረጃ**

ከሠንጠረዥ 1 መረዳት እንደሚቻለው የግንቦት ወር 2005 ዓ.ም የአገር አቀፍ ጠቅላላ የግብርና ምርቶች የአምራች ዋጋ ኢንዱክስ ከግንቦት ወር 2004 ዓ.ም ጠቅላላ የግብርና ምርቶች የአምራች ዋጋ ኢንዱክስ ጋር ሲነፃፀር በ0.1 ከመቶ ቅናሽ አስመዘግቦአል። ለኢንዱክሱ መቀነስ አስተዋጽኦ ያደረጉት ጥራጥሬ በ27.1 ከመቶ፣ ኦትክልት በ21.6 ከመቶ፣ ድንችና ሌሎች ስራስሮች በ1.6 ከመቶ፣ ቅመማቅመም በ48.7 ከመቶ፣ የእንስሳት ተዋፅኦ በ2.6 ከመቶ እና ወደ ውጭ የሚላኩ እህሎች በ7.7 ከመቶ በየኢንዱክሶቻቸው ላይ ቅናሽ አሳይተዋል። በሌላ በኩል እህል በ6.2 ከመቶ፣ የቅባት እህሎች በ33.2 ከመቶ፣ ፍራፍሬ በ17.8 ከመቶ እና እንስሳት በ11.5 ከመቶ በየኢንዱክሶቻቸው ላይ ጭማሪ አሳይተዋል።

**Comparison of Ag-PPI Movements, Current vs. Last year's Similar Months at Country Level**

The May 2013 Country Level Agricultural Products Producers' Price Index has decreased by 0.1 percent as compared to May 2012 as shown in Table 1. This decrease was attributed to the decline observed in the indices of Pulses by 27.1 percent, Vegetables by 21.6 percent, Potatoes and other tubers by 1.6 percent, and Spices by 48.7 percent, Livestock products by 2.6 percent and Cash crops by 7.7 percent. On the other hand, increases were observed in the indices of Cereals by 6.2 percent, Oil seeds by 33.3 percent, Fruits by 17.8 percent and Livestock by 11.5 percent.

## **Introduction**

Producer Price Indices (PPIs) are key economic indicators and critical inputs in policy decision-making processes in most countries. Among their several uses, monthly or quarterly PPIs with detailed product and industry data allow short-term price inflation to be monitored through different stages of production. As a result, they attract much attention from the media, governments, and the public in most countries.<sup>1</sup> Moreover, their construction employ's sophisticated concepts that draws on a great deal of economic and statistical theory and requires complex data manipulation. Therefore, this Ethiopian Agriculture Producer Price Index (Ag-PPI) is produced to benefit users such as policy makers, academics, the business community, and the general public.

The Ethiopian Agriculture Producer Price Index (Ag-PPI) measures the average change over time in the selling prices received by farmers for their output. The prices included in the Ag-PPI are obtained from the producer price survey conducted on a monthly basis by the Central Statistical Agency (CSA) for about 99 agricultural commodities from the first commercial transaction at the farm gate. The survey covers some 463 representative Farmers Associations identified as enumeration areas across the country.

The present Ag-PPI, as the country's first, begun to be produced by the Ethiopian Development Research Institute (EDRI) in January 2008 covering the years since 2002, with December, 2001 as the base year. However, in order to maintain consistency with the Consumer Price Index (CPI) produced by the CSA, the base period is revised to December, 2006. The index's original intent is to measure changes in prices received for agricultural commodities sold in primary markets of this country without the inclusion of transaction margins such as trade and transport costs. The conceptual framework and economic theory guiding the index concentrates on obtaining the price received by

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<sup>1</sup> Producer Price Index Manual. September, 2004. Statistical Department. International Monetary Fund (IMF)

farmers for the first commercial transaction at the farm gate. Hence, the index is also a measure of income received by agricultural producers.

### **Basic Concepts**

In computing the Ag-PPI, we have considered concepts such as “gross” and “net” production to avoid double counting. Hence, in order to obtain net production, items such as seeds and hatching eggs required as inputs for the production of similar outputs, are removed from the data used to estimate weights.

Crop production is the actual production harvested in a given year from private farms and producers’ cooperatives by excluding crop loss during harvest. It includes quantity of commodity sold in the market, consumed by producers, and the output produced in the given production year and kept as stock.

Crop production data is obtained for two periods. The 1994 (2001/02) agricultural census data is used to assign weights for the December 2001 base period of the index and the 1998 (2005/06) agricultural sample survey is used to re-base the index to December, 2006. Crop production data surveys are conducted in two major harvest seasons by the CSA. The main harvest season is the Meher, accounting for nearly 90 percent of the total production, while the Belg harvest season accounts for the remaining.

The producer Price of agricultural products is defined as the price received by the producer/farmer for a transaction carried out at the first point of sale for a clearly specified agricultural product. This first point of sale occurs at the nearest market to the producer’s farm (place of production), and is therefore assumed to be a farm gate price. Farm gate prices are prices received by the producer at or near his/her farm (place of production) and therefore are

assumed not to include transaction margins like trade and transport costs. From a strict definitional point of view, farm gate or factory gate price means prices received by producers at their production location without the inclusion of transaction margins. However, when the agriculture producer price survey is conducted, enumerators usually collect prices at the nearest rural markets and not exactly at the farm gate of the respondents. But it is assumed that the prices obtained in these rural markets approximate farm gate prices since they are the nearest markets to the producers and transaction costs are minimal.

Table 1: Country level Agricultural Products Producers' Price Index and Its Components

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ሠንጠረዥ 1: አገር አቀፍ የግብርና ምርቶች የአምራች ዋጋ ኢንዱክስ በሰሩ የተካተቱ ክፍሎች ታህሳስ 1999 = 100

ወርና ዓመት	አጠቃላይ ኢንዱክስ All Items PPI	አሀል Cereals	ጥራጥራ Pulses	የቅባት አሀሎች Oil seeds	አትክልት Vegetables	ፍራፍሬ Fruits	ድንችና ስራብርች Potato and other tubers	ቅመማ ቅመም Spices	እእንሰሳት Livestock	የእንሰሳት ተዋጽኦ Livestock Products	ወደ ዉጭ የሚላኩ አሀሎች Cash Crop	Month/Year
ታህሳስ 1999	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	December 2006
ጥር 2000 - ሰኔ 2001	168.2	181.9	124.2	219.1	150.3	128.5	150.7	314.3	121.0	151.2	148.9	January 2008 - June 2008
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-0.1      6.2      -27.1      33.2      -21.6      17.8      -1.6      -48.7      11.5      -2.6      -7.7

# Country Level Agricultural Products Producers' Price Index (Ag-PPI)

