



# **Agricultural Producers Price Index**

the Second Half of 2014

(Prices of vegetable crops)

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#### Introduction

Prices are considered important economic indicators in all countries regardless of their prevailing economic and social systems. They are used in various fields in the national economy such as internal and external commercial transactions, distribution of economic resources among different sectors, setting long-term policies and analyzing the current economic situation. Prices play an essential role in identifying the patterns and trends of foreign trade. Both developing and developed countries use prices and its changing mechanism as a guide to set up an economic distribution for its various investments.

Given the significance of prices, statistical entities and other specialized bodies collect prices data periodically including all commodities in the market.

Agricultural price data has a direct influence on decisions made by investors in the agricultural field. Agriculture prices are an instrumental indicator in the economic and social life of farmers due to its effect on many economic activities. It affects directly farmers' income and living standards. Data on agricultural prices helps provide the appropriate indicators that maintain the balance between production cost and selling price till it reach consumers, preserving the interests of both producers and consumers. Agricultural price is useful to famers in planning and developing their production, maximize their income and avoid potential loss.

Agricultural Producer Price Index (APPI) is a significant statistical indicator used in planning and research, specifically in agricultural fields. Statistical entities and centers are keen to produce the (APPI) depending on quantities of cultivated crops supplied to agriculture marketing centers and its prices.

The Statistics Centre – Abu Dhabi (SCAD) frequently collects quantities and values of agricultural products and disseminates the data in accordance with the international methodologies in this field.

### 1. Relative change in (APPI) for vegetable crops

The APPI for vegetable crops advanced by 2.3% from 115.6 to 118.3 points during the second half of 2014 compared with the first half of 2014.

The rise reflects the net outcome of yearly upward and downward changes in the prices of vegetables during the Second half of 2014.

### Agricultural Producers Price Index During the First and Second Half of 2013 and 2014

(100 = 2010)

Year	First Half	Second Half	change Relative
2013	107.6	111.5	3.6
2014	115.6	118.3	2.3

### Agricultural Producers Price Index by Type of Crop During the First and Second Half of 2014

(100 = 2010)

Crop	First Half 2014	Second Half 2014	Change Relative
All Products	115.6	118.3	2.3
Tomato	129.9	134.7	3.7
Beans	105.5	98.4	-6.7
Beets	108.6	99.7	-8.2
Cabbage	109.5	121.8	11.2
Cucumber	115.8	118.8	2.6
Carrot	80.1	92.0	14.9
Cauliflower	103.8	116.4	12.1
Mallow	91.3	101.3	11.0
Pepper	106.8	113.0	5.8
Eggplant	142.5	153.4	7.6
B.Bean	97.4	104.4	7.2
Marrow	106.9	114.7	7.3
Onion	114.8	112.6	-1.9
Corn	90.7	83.3	-8.2
Sweet melon	145.3	153.3	5.5
Turnip	105.8	119.7	13.1
Watermelon	107.7	118.8	10.3
Coriander	96.1	100.3	4.4
Parsley	130.1	134.8	3.6
Potato	109.5	122.3	11.7
Lettuce	114.9	101.0	-12.1
Garden Rocket	129.8	122.5	-5.6

Source: Statistics Centre - Abu Dhabi

The largest contributors to the increases in the APPI were: Carrot (14.9%), Turnip (13.1%), Cauliflower (12.1%), Potato (11.7%), Cabbage (11.2%), Mallow (11.0%), Watermelon (10.3%), Eggplant (7.6%), Marrow (7.3%), B.Bean (7.2%), Pepper (5.8%), Sweet melon (5.5), Coriander (4.4%), Tomato (3.7%), Parsley (3.6%), and Cucumber (2.6%) with an overall relative importance of 51%.

Relative Importance and Percentage Change in the APPI for Vegetables that Showed Price Rises During the Second Half of 2014 (compared with the first half of 2014)

(100 = 2010)

Ser.	Crop	Relative importance (%)	Ratio of Price Rises (%)
1	Carrot	0.04	14.9
2	Turnip	0.01	13.1
3	Cauliflower	0.12	12.1
4	Potato	0.05	11.7
5	Cabbage	0.34	11.2
6	Mallow	0.83	11.0
7	Watermelon	0.84	10.3
8	Eggplant	4.66	7.6
9	Marrow	7.42	7.3
10	B.Bean	0.01	7.2
11	Pepper	14.72	5.8
12	Sweet melon	5.73	5.5
13	Coriander	0.08	4.4
14	Tomato	7.11	3.7
15	Parsley	1.38	3.6
16	Cucumber	8.07	2.6

Source: Statistics Centre - Abu Dhabi

On the other hand the APPI sub-indices declined for a number of crops, including Lettuce, Beets, Corn, Beans, Garden Rocket, and Onion by 12.1%, 8.2%, 8.2%, 6.7%, 5.6%, and 1.9% respectively, with the price falls having a combined relative importance of 49%.

Relative Importance and the Rate of Decline for Vegetable Crops Whose Prices Fell During the Second Half of 2014 (compared with the first half of 2014)

(100 = 2010)

(100-2	2010)		
Ser.	Crop	Relative Importance (%)	Ratio of Price Falls (%)
1	Lettuce	2.42	12.1
2	Beets	0.70	8.2
3	Corn	3.60	8.2
4	Beans	4.95	6.7
5	Garden Rocket	10.00	5.6
6	Onion	26.95	1.9

#### 2. Comparison of APPI for Vegetables Corps - Second Half of 2014 /Second Half of 2013

APPI for vegetable crops increased by 6.1% in the Second half of 2014 compared with the second half of 2013, as the index reached 118.3 points in the Second half of 2014, up from 111.5 points during the second half of 2013.

The most significant increases in the APPI sub-indices were recorded for Cauliflower (18.2%), Potato (16.9%), Carrot (16.2%), Turnip (16.2%), Parsley (13.9%), Sweet melon (11.4%), Coriander (10.5%), Eggplant (10.3%), Cabbage(10.0), Tomato (6.1%), and Onion (3.0%), with an overall relative importance of 46%.

Agricultural Producers Price Index During the Second Half of 2013 and Second Half 2014 (100= 2010)

Crop	Second Half 2013	Second Half 2014	Change Relative
All Products	111.5	118.3	6.1
Tomato	127.0	134.7	6.1
Beans	111.1	98.4	-11.4
Beets	112.1	99.7	-11.1
Cabbage	110.7	121.8	10.0
Cucumber	130.7	118.8	-9.1
Carrot	79.2	92.0	16.2
Cauliflower	98.5	116.4	18.2
Mallow	102.4	101.3	-1.1
Pepper	113.8	113.0	-0.7
Eggplant	139.1	153.4	10.3
B.Bean	108.3	104.4	-3.6
Marrow	117.2	114.7	-2.1
Onion	109.3	112.6	3.0
Corn	95.1	83.3	-12.4
Sweet melon	137.6	153.3	11.4
Turnip	103.0	119.7	16.2
Watermelon	120.7	118.8	-1.6
Coriander	90.8	100.3	10.5
Parsley	118.3	134.8	13.9
Potato	104.6	122.3	16.9
Lettuce	110.2	101.0	-8.3
Garden Rocket	125.3	122.5	-2.2

Relative Importance and Percentage Change in the APPI for Vegetables that Showed Price Rises During the Second Half of 2014 (compared with the Second half of 2013)

(100 = 2010)

Ser.	Crop	Relative Importance (%)	Ratio of Price Rises (%)
1	Cauliflower	0.12	18.2
2	Potato	0.05	16.9
3	Carrot	0.04	16.2
4	Turnip	0.01	16.2
5	Parsley	1.38	13.9
6	Sweet melon	5.73	11.4
7	Coriander	0.08	10.5
8	Eggplant	4.66	10.3
9	Cabbage	0.34	10.0
10	Tomato	7.11	6.1
11	Onion	26.95	3.0

Source: Statistics Centre - Abu Dhabi

By contrast, the sub-index retreated for some crops, including: Corn, Beans, Beets, Cucumber, Lettuce, B.Bean, Garden Rocket, Marrow, Watermelon, Mallow, and Pepper by 12.4%, 11.4%, 11.1%, 9.1%, 8.3%, 3.6%, 2.2%, 2.1%, 1.6%, 1.1%, and 0.7% respectively. The overall relative importance of the price falls was 54%.

## Relative Importance and the Rate of Decline for Vegetable Crops Whose Prices Fell During the Second Half of 2014 (compared with the Second half of 2013)

(100 = 2010)

Ser.	Crop	Relative Importance (%)	Ratio of Price Falls (%)
1	Corn	3.60	12.4
2	Beans	4.95	11.4
3	Beets	0.70	11.1
4	Cucumber	8.07	9.1
5	Lettuce	2.42	8.3
6	B.Bean	0.01	3.6
7	Garden Rocket	7.42	2.2
8	Marrow	10.00	2.1
9	Watermelon	0.84	1.6
10	Mallow	0.83	1.1
11	Pepper	14.72	0.7

### **Explanatory Notes**

### Methodology:

The APPI adopts 2010 prices as the base for prices and weights. The used weights are derived from the price data of vegetables supplied to the agricultural marketing centres.

#### Data source:

The APPI is produced using the price data of agricultural products (vegetables) from Abu Dhabi farmers' services center and Abu Dhabi Food Control Authority.

### **APPI Compilation:**

The APPI is compiled using the Laspeyres method that adopts the base year prices.

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