(January - March 2005)

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**Technical Note** 

# Producer Price Index - Agriculture (PPI-A) (January-March 2005)

### 1. Introduction

The Producer Price Index-Agriculture (PPI-A) gives a measure of the average change in the selling prices, which producers receive for their agricultural products. The bulk of the products in agriculture, with the exception of forestry, fishing and agricultural services, is taken into account in the producer price index. Thus, almost 90% of the total value of agricultural production is covered.

This issue of the Economic and Social Indicators presents monthly PPI-A indices for the months of January, February and March 2005 as well as figures for preceding months updated in the light of additional information that have now become available.

A technical note on the construction of the PPI-A is annexed.

### 2. Producer Price Index – Agriculture: 1st Quarter 2005

### 2.1 Structure of the PPI-A (Base period: 1997=100)

The PPI-A covers two sub-groups, namely "Crop Products" and "Animals and Animal Products". "Crop Products" is further subdivided into "Sugar Cane" and "Other Crop Products". Sugar cane heavily influences both the "overall" index and that of the sub-group "Crop Products", of which it constitutes 69.6% and 82.2% respectively.

### 2.2 Changes in the monthly index

The PPI-A, which stood at 130.0 at the end of December 2004, registered three consecutive increases of 1.3%, 5.1% and 5.3% in January, February and March respectively to reach 145.7 in March 2005. Compared to December 2004, the index for March 2005 went up by 12.1% (Tables 1 and 2).

### (a) Crop Products

The index for the sub-group "Crop Products", which carries 84.6% of the total weight, rose by 1.6% in January, 5.9% in February and 6.0% in March 2005.

The price of sugar cane becomes available in final form only at the end of the crop year (July to June) and this price is assumed to have prevailed during the whole of the crop year. A provisional price is used till the final one is obtained. Thus the Producer Price Index for "Sugar cane" does not show any change during the period under review.

The index for the sub-group "Other Crop Products" edged 10.3% higher to reach 125.8 in January 2005, being the combined effect of the following price changes: fresh vegetables (+30.9%), "Flowers, Ornamental plants" (+3.0%), fruits (-10.2%) and root crops (-7.5%). The index went up substantially by 35.3% in February to reach 170.2, mainly influenced by a rise of 76.3% in prices of fresh vegetables. In March, the index climbed up further by 28.2% to attain 218.2, mostly attributable to an increase of 49.4% in the prices of fresh vegetables. The prices of fresh vegetables were high in February and March as a result of excessive rainfall during these two months and the passage of cyclone Hennie in March.

#### (b) Animals and Animal Products

The index for the sub-group "Animals and Animal Products" declined slightly by 0.2% in January 2005 to reach 125.1, being the joint effect of a drop of 1.5% in the price of poultry and increases of 5.3%, 5.0% and 1.1% in the prices of cattle, goat and eggs respectively. In February, the index went up slightly by 0.1% to attain 125.2 mainly due to a rise of 0.4% in the price of eggs. The index rose further by 0.7% in March to reach 126.1, consequent to increases of 4.6%, 2.9% and 1.5% in prices of pigs, cattle and eggs respectively.

More details of changes on a month-to-month basis are given in Table 2 and changes over the corresponding month of the previous year in Table 3.

### 2.3 Changes in the quarterly index

Table 4 gives the evolution of the Producer Price Index - Agriculture on a quarterly basis. The overall index for the first quarter of 2005 stood at 138.3, showing a rise of 5.7% over the previous quarter and a rise of 3.9% over the corresponding quarter of 2004.

Percentage changes on a quarterly basis and the net contributions of commodity groups and products are presented in Table 5.

### 2.4 Changes in the annual index

Average prices producers received from the sale of agricultural products in the year 2004 were 5.4% higher compared to the previous year. The annual indices for the years 2002, 2003 and 2004, annual changes and the net contributions of commodity groups and products to the change are presented in Table 6.

### 3. Forthcoming revision of base year

The producer price indices of agricultural products have been calculated with 1997 as the base year. However, in order to reflect changes in the production pattern, it is recommended that the weights (relative importance) should be reviewed periodically. The Central Statistics Office is compiling a new set of indices with 2002 as the base year. Thus the next issue of the "Economic and social Indicators" on the PPI-A will contain indices for the period January 2002 to June 2005 compiled on the new base.

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### **June 2005**

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Table 1: Monthly indices by commodity groups and products, January 2003 - March 2005

G 114 G	***		2005	
<b>Commodity Group</b>	Weight	January	February	March
Crop Products	846.2	132.9	140.8	149.3
Sugar cane 1	695.9	134.4	134.4	134.4
Other crop products	150.3	125.8	170.2	218.2
Root Crops	13.2	170.5	147.1	132.0
Fruits	18.7	166.1	152.6	108.3
Fresh vegetables	89.4	105.9	186.7	279.0
Flowers, Ornamental plants <sup>1</sup>	14.2	138.7	139.2	138.5
Tea <sup>1</sup>	8.8	140.6	140.6	140.6
Tobacco <sup>1</sup>	6.0	146.0	146.0	146.0
Animals & Animal Products	153.8	125.1	125.2	126.1
Cattle	4.2	108.8	108.6	111.7
Pigs	6.2	71.5	71.5	74.8
Goat	1.4	117.8	117.8	117.8
Deer	6.2	135.8	135.8	135.8
Poultry	86.2	118.4	118.4	118.4
Eggs	43.2	149.2	149.8	152.0
Milk	6.4	105.6	105.6	105.6
Overall Index	1000.0	131.7	138.4	145.7

<sup>&</sup>lt;sup>1</sup> Provisional

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# **Monthly Producer Price Index -Agriculture (PPI-A)**

Table 1(cont'd): Monthly indices by commodity groups and products, January 2003 - March 2005

Commodity Group	Weight						20	04					
Commounty Group	weight	January	February	March	April	May	June	July	August	September	October	November	December
<b>Crop Products</b>	846.2	134.3	132.9	136.8	137.4	132.4	131.0	133.9	133.2	131.9	133.4	132.0	130.8
Sugar cane	695.9	127.8	127.8	127.8	127.8	127.8	127.8	134.4 <sup>1</sup>	134.4 <sup>1</sup>	134.4 1	134.4 <sup>1</sup>	134.4 1	134.4 <sup>1</sup>
Other crop products	150.3	164.4	156.7	178.4	181.9	153.7	145.7	131.7	127.8	120.5	128.7	121.0	114.1
Root Crops	13.2	164.0	123.7	135.2	137.0	143.9	166.0	183.8	182.9	183.8	180.6	180.6	184.3
Fruits	18.7	213.0	166.7	123.2	122.1	119.0	125.3	143.8	131.8	144.4	159.1	165.5	185.0
Fresh vegetables	89.4	163.0	166.2	209.9	215.9	168.4	150.2	120.5	116.2	100.8	111.0	97.3	80.9
Flowers,Ornamental plants	14.2	132.1	128.7	129.6	129.3	127.3	127.9	126.1	128.5	130.8	137.5	133.6	134.6
Tea	8.8	$140.6^{\ 2}$	140.6 <sup>2</sup>	$140.6^{\ 2}$	140.6 <sup>2</sup>	140.6 <sup>2</sup>	$140.6^{\ 2}$	140.6 1	140.6 <sup>1</sup>	140.6	140.6 1	140.6 1	140.6 1
Tobacco <sup>1</sup>	6.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0
Animals & Animal Products	153.8	118.0	122.9	124.5	127.2	127.2	127.6	128.2	127.9	126.3	122.4	123.7	125.4
Cattle <sup>2</sup>	4.2	103.3	103.3	103.3	103.3	103.3	103.3	103.3	103.3	103.3	103.3	103.3	103.3
Pigs	6.2	96.9	96.9	96.9	94.4	94.4	94.4	76.0	71.5	71.5	71.5	71.5	71.5
Goat	1.4	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2
Deer	6.2	135.8	135.8	135.8	135.8	135.8	135.0	135.0	135.0	135.0	135.8	135.8	135.8
Poultry	86.2	110.3	114.4	116.4	120.6	120.6	120.7	121.6	121.6	121.6	120.2	120.2	120.2
Eggs	43.2	137.3	146.7	148.2	150.0	149.8	151.3	154.1	153.9	148.1	137.0	141.6	147.6
Milk	6.4	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6
Overall Index	1000.0	131.8	131.4	134.9	135.8	131.6	130.5	133.0	132.4	131.0	131.7	130.7	130.0

<sup>&</sup>lt;sup>1</sup> Provisional

<sup>&</sup>lt;sup>2</sup>Revised

(Base period:Year 1997=100)

Table 1(cont'd): Monthly indices by commodity groups and products, January 2003 - March 2005

Commodity Cyour	Waish4						20	003					
Commodity Group	Weight	January	February	March	April	May	June	July	August	September	October	November	December
<b>Crop Products</b>	846.2	118.1	123.7	129.0	128.2	130.1	127.1	130.1	128.3	126.5	126.6	128.7	128.5
Sugar cane	695.9	118.0	118.0	118.0	118.0	118.0	118.0	127.8	127.8	127.8	127.8	127.8	127.8
Other crop products	150.3	118.4	149.9	179.9	175.7	186.2	169.1	140.5	130.4	120.6	121.0	132.7	131.8
Root Crops	13.2	146.6	153.5	141.5	164.5	157.3	149.2	157.0	157.8	157.4	171.2	172.3	174.2
Fruits	18.7	157.3	137.8	122.6	110.2	101.4	102.7	102.5	113.2	136.1	189.0	206.6	201.2
Fresh vegetables	89.4	102.5	158.9	214.8	207.1	227.1	199.4	149.6	130.2	107.8	95.2	112.1	111.0
Flowers, Ornamental plants	14.2	115.4	113.0	109.3	107.9	111.7	110.8	115.8	116.3	123.2	124.7	117.3	120.8
Tea	8.8	141.7	141.7	141.7	141.7	141.7	141.7	140.6 1	140.6 1	140.6 1	140.6 1	140.6 1	140.6 1
Tobacco	6.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0	146.0
Animals & Animal Products	153.8	110.1	111.3	112.3	113.0	116.4	120.1	120.5	117.7	116.4	110.9	112.2	115.7
Cattle <sup>1</sup>	4.2	103.3	103.3	103.3	103.3	103.3	103.3	103.3	103.3	103.3	103.3	103.3	103.3
Pigs	6.2	129.8	129.8	129.8	126.3	126.3	126.3	107.7	107.7	102.4	99.7	99.7	99.7
Goat	1.4	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2	112.2
Deer	6.2	133.2	133.2	133.2	133.2	133.2	135.0	135.0	135.0	135.8	135.8	135.8	135.8
Poultry	86.2	108.1	108.1	108.1	108.1	108.3	108.3	110.1	110.3	110.3	110.1	110.1	110.1
Eggs	43.2	110.2	114.4	117.2	120.1	131.8	144.7	145.1	134.7	130.9	112.1	116.7	129.2
Milk	6.4	100.0	100.0	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6
Overall Index	1000.0	116.9	121.8	126.4	125.9	128.0	126.0	128.6	126.7	124.9	124.2	126.2	126.5

<sup>&</sup>lt;sup>1</sup> Revised

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Table 2: Percentage changes from previous month by commodity groups and products, April 2004 - March 2005

			Percentage changes from												
<b>Commodity Group</b>	Weight	Mar 04 to	Apr 04 to	May 04 to	June 04 to	July 04 to	Aug 04 to	Sept 04 to	Oct 04 to	Nov 04 to	Dec 04 to	Jan 05 to	Feb 05 to		
		Apr 04	May 04	June 04	July 04	Aug 04	Sept 04	Oct 04	Nov 04	Dec 04	Jan 05	Feb 05	Mar 05		
Crop Products	846.2	0.4	-3.6	-1.1	2.2	-0.5	-1.0	1.1	-1.0	-0.9	1.6	5.9	6.0		
Sugar cane	695.9	0.0	0.0	0.0	5.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other crop products	150.3	2.0	-15.5	-5.2	-9.6	-3.0	-5.7	6.8	-6.0	-5.7	10.3	35.3	28.2		
Root Crops	13.2	1.3	5.0	15.4	10.7	-0.5	0.5	-1.7	0.0	2.0	-7.5	-13.7	-10.3		
Fruits	18.7	-0.9	-2.5	5.3	14.8	-8.3	9.6	10.2	4.0	11.8	-10.2	-8.1	-29.0		
Fresh vegetables	89.4	2.9	-22.0	-10.8	-19.8	-3.6	-13.3	10.1	-12.3	-16.9	30.9	76.3	49.4		
Flowers, Ornamental plants	14.2	-0.2	-1.5	0.5	-1.4	1.9	1.8	5.1	-2.8	0.7	3.0	0.4	-0.5		
Tea	8.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Tobacco	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Animals & Animal Products	153.8	2.2	0.0	0.3	0.5	-0.2	-1.3	-3.1	1.1	1.4	-0.2	0.1	0.7		
Cattle	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.3	-0.2	2.9		
Pigs	6.2	-2.6	0.0	0.0	-19.5	-5.9	0.0	0.0	0.0	0.0	0.0	0.0	4.6		
Goat	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0	0.0	0.0		
Deer	6.2	0.0	0.0	-0.6	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0		
Poultry	86.2	3.6	0.0	0.1	0.7	0.0	0.0	-1.2	0.0	0.0	-1.5	0.0	0.0		
Eggs	43.2	1.2	-0.1	1.0	1.9	-0.1	-3.8	-7.5	3.4	4.2	1.1	0.4	1.5		
Milk	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Overall Change	1000.0	0.7	-3.1	-0.8	1.9	-0.5	-1.1	0.5	-0.8	-0.5	1.3	5.1	5.3		

(Base period:Year 1997=100)

Table 3: Percentage changes from corresponding month of previous year by commodity groups and products, April 2004 - March 2005

			Percentage changes from										
Commodity Group	Weight	Apr 03 to	May 03 to	Jun 03 to	Jul 03 to	Aug 03 to	Sept 03 to	Oct 03 to	Nov 03 to	Dec 03 to	Jan 04 to	Feb 04 to	Mar 04 to
		Apr 04	May 04	Jun 04	Jul 04	Aug 04	Sept 04	Oct 04	Nov 04	Dec 04	Jan 05	Feb 05	Mar 05
Crop Products	846.2	7.2	1.8	3.1	2.9	3.8	4.3	5.4	2.6	1.8	-1.0	5.9	9.1
Sugar cane	695.9	8.3	8.3	8.3	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2
Other crop products	150.3	3.5	-17.5	-13.8	-6.3	-2.0	-0.1	6.4	-8.8	-13.4	-23.5	8.6	22.3
Root Crops	13.2	-16.7	-8.5	11.3	17.1	15.9	16.8	5.5	4.8	5.8	4.0	18.9	-2.4
Fruits	18.7	10.8	17.4	22.0	40.3	16.4	6.1	-15.8	-19.9	-8.1	-22.0	-8.5	-12.1
Fresh vegetables	89.4	4.2	-25.8	-24.7	-19.5	-10.8	-6.5	16.6	-13.2	-27.1	-35.0	12.3	32.9
Flowers, Ornamental plants	14.2	19.8	14.0	15.4	8.9	10.5	6.2	10.3	13.9	11.4	5.0	8.2	6.9
Tea	8.8	-0.8	-0.8	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tobacco	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Animals & Animal Products	153.8	12.6	9.3	6.2	6.4	8.7	8.5	10.4	10.2	8.4	6.0	1.9	1.3
Cattle	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.3	5.1	8.1
Pigs	6.2	-25.3	-25.3	-25.3	-29.4	-33.6	-30.2	-28.3	-28.3	-28.3	-26.2	-26.2	-22.8
Goat	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0	5.0	5.0
Deer	6.2	2.0	2.0	0.0	0.0	0.0	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
Poultry	86.2	11.6	11.4	11.4	10.4	10.2	10.2	9.2	9.2	9.2	7.3	3.5	1.7
Eggs	43.2	24.9	13.7	4.6	6.2	14.3	13.1	22.2	21.3	14.2	8.7	2.1	2.6
Milk	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall Change	1000.0	7.9	2.8	3.6	3.4	4.5	4.9	6.0	3.6	2.8	-0.1	5.3	8.0

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# **Quarterly Producer Price Index -Agriculture (PPI-A)**

Table 4: Quarterly indices <sup>1</sup> by commodity groups and products, 2nd Quarter 2003 - 1st Quarter 2005

Commodity Group	Weight		2003			2004					
Commounty Group	Weight	2nd Qr	3rd Qr	4th Qr	1st Qr	2nd Qr	3rd Qr	4th Qr	1st Qr		
<b>Crop Products</b>	846.2	128.4	128.3	128.0	135.2	133.1	133.0	132.2	140.6		
Sugar cane	695.9	118.0	127.8	127.8	127.8	127.8	134.4 <sup>2</sup>	134.4 <sup>2</sup>	134.4 <sup>2</sup>		
Other crop products	150.3	176.4	130.6	129.0	169.3	157.9	126.7	122.2	169.2		
Root Crops	13.2	154.2	157.4	173.0	157.7	154.8	183.5	182.4	164.8		
Fruits	18.7	104.6	117.6	200.9	186.6	122.2	140.3	176.2	153.6		
Fresh vegetables	89.4	210.7	129.2	106.4	178.0	173.0	112.5	96.6	182.3		
Flowers, Ornamental plants	14.2	110.1	118.4	120.9	130.1	128.2	128.5	135.2	138.8 2		
Tea	8.8	141.7	140.6 <sup>3</sup>	$140.6^{-3}$	140.6 <sup>3</sup>	140.6 <sup>3</sup>	$140.6^{\ 2}$	$140.6^{\ 2}$	$140.6^{-2}$		
Tobacco	6.0	146.0	146.0	146.0	146.0 <sup>2</sup>						
Animals & Animal Products	153.8	116.5	118.2	112.9	121.8	127.3	127.5	123.3	125.4		
Cattle	4.2	103.3 3	103.3 3	103.3 3	103.3 3	103.3 3	103.3 3	103.3 3	109.7		
Pigs	6.2	126.3	105.9	99.7	96.9	94.4	73.0	71.5	72.6		
Goat	1.4	112.2	112.2	112.2	112.2	112.2	112.2	112.2	117.8		
Deer	6.2	133.8	135.3	135.8	135.8	135.5	135.0	135.8	135.8		
Poultry	86.2	108.2	110.2	110.1	113.7	120.6	121.6	120.2	118.4		
Eggs	43.2	132.2	136.9	119.3	144.1	150.4	152.0	142.1	150.3		
Milk	6.4	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6		
Overall Index	1000.0	126.6	126.7	125.7	133.1	132.2	132.2	130.8	138.3		

<sup>&</sup>lt;sup>1</sup> Using data for base period as weights, and not a simple average of the monthly indices

<sup>&</sup>lt;sup>2</sup> Provisional

<sup>&</sup>lt;sup>3</sup> Revised

### **Quarterly Producer Price Index -Agriculture (PPI-A)**

(Base period:Year 1997=100)

Table 5: Quarterly changes (%) and Net Contributions of commodity groups and products to the change, 1st Quarter 2004 - 1st Quarter 2005

		P	ercentage C	Changes from	om		ge Changes			Net Contributions from			
Commodity Group	Weight	to	2nd Qr 04 to 4 3rd Qr 04	3rd Qr 04 to	to	2nd Qr 03 to	3 3rd Qr 03 to	4th Qr 03	1st Qr 04 to	to	to	to	to
<b>Crop Products</b>	846.2	-1.6	-0.1	-0.6	6.4	3.7	3.7	3.3	4.0	-1.72	-0.10	-0.66	2.75
Sugar cane	695.9	0.0	5.2	0.0	0.0	8.3	5.2	5.2	5.2	0.00	4.59	0.00	0.00
Other crop products	150.3	-6.7	-19.8	-3.6	38.5	-10.5	-3.0	-5.3	-0.1	-1.72	-4.69	-0.66	2.75
Root Crops	13.2	-1.8	18.5	-0.6	-9.6	0.4	16.6	5.4	4.5	-0.04	0.38	-0.01	-0.38
Fruits	18.7	-34.5	14.8	25.6	-12.8	16.8	19.3	-12.3	-17.7	-1.20	0.34	0.67	0.11
Fresh vegetables	89.4	-2.8	-35.0	-14.1	88.7	-17.9	-12.9	-9.2	2.4	-0.45	-5.41	-1.42	3.77
Flowers, Ornamental plants	14.2	-1.5	0.2	5.2	2.7	16.4	8.5	11.8	6.7	-0.03	0.00	0.10	0.08
Tea	8.8	0.0	0.0	0.0	0.0	-0.8	0.0	0.0	0.0	0.00	0.00	0.00	0.05
Tobacco	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00	0.00	-0.88
<b>Animals &amp; Animal Products</b>	153.8	4.5	0.2	-3.3	1.7	9.3	7.9	9.2	3.0	0.84	0.03	-0.56	0.24
Cattle	4.2	0.0	0.0	0.0	6.2	0.0	0.0	0.0	6.2	0.00	0.00	0.00	0.03
Pigs	6.2	-2.6	-22.7	-2.1	1.5	-25.3	-31.1	-28.3	-25.1	-0.02	-0.13	-0.01	0.01
Goat	1.4	0.0	0.0	0.0	5.0	0.0	0.0	0.0	5.0	0.00	0.00	0.00	0.01
Deer	6.2	-0.2	-0.4	0.6	0.0	1.3	-0.2	0.0	0.0	0.00	0.00	0.00	0.00
Poultry	86.2	6.1	0.8	-1.2	-1.5	11.5	10.3	9.2	4.1	0.59	0.09	-0.12	-0.16
Eggs	43.2	4.4	1.1	-6.5	5.8	13.8	11.0	19.1	4.3	0.27	0.07	-0.43	0.35
Milk	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00
Total	1000.0	-0.7	0.0	-1.1	5.7	4.4	4.3	4.1	3.9	-0.88	-0.07	-1.22	2.99

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Table 6: Annual indices, Annual changes (%) and Net contributions of commodity groups and products to the change, 2002 - 2004

Commodity Group	Weight		Annual index <sup>1</sup>		Percentage C	hanges from	Net Contributions from		
Commounty Group	, vergine	2002	2003	2004 2	2002 to 2003	2003 to 2004	2002 to 2003	2003 to 2004	
<b>Crop Products</b>	846.2	118.4	127.0	133.1	7.3	4.8	7.27	5.16	
Sugar cane	695.9	112.9	122.9	131.1	8.9	6.7	6.96	5.71	
Other crop products	150.3	144.0	146.1	142.4	1.5	-2.5	0.31	-0.55	
Root Crops	13.2	156.0	164.3	181.1	5.3	10.2	0.11	0.22	
Fruits	18.7	168.7	162.8	167.1	-3.5	2.6	-0.11	0.08	
Fresh vegetables	89.4	143.3	145.2	133.4	1.3	-8.1	0.17	-1.05	
Flowers, Ornamental plants	14.2	109.2	115.5	130.5	5.8	13.0	0.09	0.21	
Tea	8.8	141.6	141.2	140.6	-0.3	-0.4	0.00	-0.01	
Tobacco	6.0	137.2	146.0	146.0	6.4	0.0	0.05	0.00	
Animals & Animal Products	153.8	112.5	114.7	125.1	2.0	9.1	0.28	1.60	
Cattle	4.2	103.3	103.3	103.3	0.0	0.0	0.00	0.00	
Pigs	6.2	123.9	115.1	83.7	-7.1	-27.3	-0.05	-0.19	
Goat	1.4	112.2	112.2	112.2	0.0	0.0	0.00	0.00	
Deer	6.2	130.4	134.5	135.5	3.1	0.7	0.03	0.01	
Poultry	86.2	106.5	109.2	119.0	2.5	9.0	0.23	0.84	
Eggs	43.2	124.7	125.6	147.1	0.7	17.1	0.04	0.93	
Milk	6.4	100.0	104.7	105.6	4.7	0.9	0.03	0.01	
Total	1,000.0	117.5	125.1	131.9	6.5	5.4	7.55	6.76	

<sup>&</sup>lt;sup>1</sup> using data for base period as weights, and not a simple average of the monthly indices

<sup>&</sup>lt;sup>2</sup> Provisional

### **Technical Note**

### **Producer Price Index - Agriculture (PPI-A)**

### Methodology for the construction of the PPI-A

Weighting scheme

The weights are derived by multiplying the average of production during 1996, 1997 and 1998 by the average of unit prices in 1997, the reference period. The weight is assigned to each commodity group on the basis of total production (as a proxy for sales) pertaining to the particular group. At commodity level, the weights are apportioned within the commodity group on the basis of production of each product.

Quarterly and annual indices have been computed using a weighting system based on the production value for the base period.

### Price collection

In principle, prices collected should refer to farm-gate prices, but it is extremely difficult to obtain such prices for vegetables, not only because of the enormous resources to be mobilised but also because of the unavailability of a list of planters. Hence, in lieu of the farm-gate price, the wholesale price of the produce is recorded at the two auction markets (Vacoas and Port-Louis) once a week.

In the case of commodities for which prices are fairly stable, data suppliers are visited on a quarterly basis, but prices are collected for each month of the quarter.

Prices of the main commercial crops like sugarcane, tea leaf and tobacco leaf, which are normally fixed for the crop year, are supplied by the respective marketing agencies.

Index calculation

The PPI-A is calculated according to a modified Laspeyres formula:

$$I_{t} = \sum_{i} W_{i}(P_{ti}/P_{oi}) \times 100$$

$$\sum_{i} W_{i}$$

where:

It is the index for the current period t

 $P_{ti}$  is the price of commodity i in the current period t

 $\mathbf{P_{oi}}$  is the price of the commodity i in the reference period o (1997)

Wi is the weight associated with commodity i