#### Third quarter 2007

#### (Base period year 2002 = 100)

#### 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.

This issue of the Economic and Social Indicators presents monthly PPI-A indices for the months of July, August and September 2007 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.

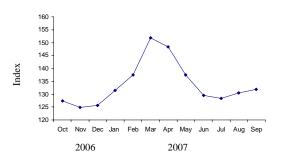
### 2. Producer Price Index - Agriculture: Third Quarter 2007

### 2.1 Structure of the PPI-A (Base period: 2002=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 sub-group "Crop products", of which it constitutes 61.6% and 74.6% respectively.

#### 2.2 Changes in the monthly index

Fig 1: Overall monthly indices, October 2006 - September 2007



The PPI-A for the month of September worked out to 131.8 following a decrease of 1.0% in July and consecutive increases of 1.7% and 1.0% in August and September respectively. (Table 2)

The index for the sub-group "Crop products", which carries 82.6% of the total weight, receded by 1.4% in July and moved up by 3.6% in August, and 1.3% in September.

Among the crop products, no change was registered in the index for sugar cane. It is to be noted that the index is revised only at the end of the crop year (June) when the final price becomes available. It is assumed that the same price prevails during the whole of the crop year.

The index for "Other crop products" went down by 6.3% in July due to a combined effect of falling prices of fresh vegetables (-12.7%) and an increase in the prices of fruits (+10.6%). This decrease in the prices of vegetables is explained by lower prices of tomato, pumpkin, cauliflower and brinjal. The rise of 18.2% in the index in August was mostly attributable to an increase of 30.5% in the prices of fresh vegetables, mainly due to higher prices of tomato, brinjal, cabbage, cucumber, chouchou and calabash. In September, the index further rose by 6.0% consequent to increases of 8.8% in the prices of fresh vegetables mostly explained by higher prices of tomato, pumpkin, chouchou, and chillies.

The index for the sub-group "Animals and animal products" edged 0.2% higher in July due to increases in the prices of pigs (6.1%) and poultry (2.6%) partly offset by a decline of 5.8% in the prices of eggs. In August, the index decreased by 5.4% as a result of a fall of 21.1% in the prices of eggs. A further decrease of 1.6% in the prices of eggs caused the index to fall by 0.3% in September.

More details of changes on a month-tomonth 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

Fig 2: Overall quarterly indices, 2nd quarter 2006 - 3rd quarter 2007

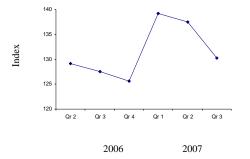


Table 4 gives the evolution of the PPI-A on a quarterly basis. The overall index for the third quarter of 2007 showed a drop of 5.2% compared to the previous quarter and an increase of 2.2% over the corresponding quarter of 2006. Percentage changes on a quarterly basis and the net contributions of commodity groups and products are given in Table 5.

#### 2.4 Changes in the yearly index

Average prices producers received from the sale of agricultural products in the year 2006 were 3.9% higher compared to the previous year. The annual indices for the years 2004, 2005 and 2006, annual changes and the net contributions of commodity groups and products to the change are presented in Table 6.

Central Statistics Office Ministry of Finance and Economic Development Port Louis

December 2007

#### **CONTACT PERSON**

Mr. S. Haulcooree Statistician (Agriculture Unit) Central Statistics Office 5th Floor, LIC Centre Port Louis Tel. 213-3073 Fax 211-4150 Email: cso\_agriculture@mail.gov.mu Website: http://statsmauritius.gov.mu

## (Base period:Year 2002=100)

# Table 1 : Monthly indices by commodity group and product, January 2005 - September 2007

<b>C</b>						2007				
Commodity Group	Weight	January	February	March	April	May	June	July	August	September
Crop products	825.8	128.7	136.0	153.5	148.4	135.0	125.1	123.4	127.8	129.5
Sugar cane	615.9	133.1	133.1	133.1	133.1	133.1	133.1	<b>133.1</b> <sup>1</sup>	<b>133.1</b> <sup>1</sup>	<b>133.1</b> <sup>1</sup>
Other crop products	209.9	116.0	144.5	213.2	193.5	140.7	101.5	95.1	112.4	119.1
Root crops	20.2	117.4 <sup>2</sup>	100.5	133.6	196.3 <sup>2</sup>	141.3 <sup>2</sup>	130.3 <sup>2</sup>	131.5	131.6	131.0
Fruits	28.8	98.6	120.1	73.7	87.1 <sup>2</sup>	81.6 <sup>2</sup>	88.7 <sup>2</sup>	98.1	105.4	109.6
Fresh vegetables	138.0	116.7 <sup>2</sup>	157.1	266.8 <sup>2</sup>	224.9	153.9 <sup>2</sup>	94.2 <sup>2</sup>	82.2	107.3	116.7
Flowers, ornamental plants	11.5	138.8	151.0	147.0	145.7 <sup>2</sup>	145.1 <sup>2</sup>	147.7 <sup>2</sup>	148.3	144.4	144.4
Tea <sup>1</sup>	7.3	107.3	107.3	107.3	107.3	107.3	107.3	107.3	107.3	107.3
Tobacco	4.1	157.1	157.1	157.1	157.1	157.1	157.1	157.1	157.1	157.1
Animals & animal products	174.2	144.4	144.4	144.5	148.3	148.6	151.0	151.3	143.1	142.6
Cattle	2.2	148.6 <sup>2</sup>	148.6	148.6	148.6					
Pigs	4.6	115.7	119.1	119.1	106.5 <sup>2</sup>	106.1 <sup>2</sup>	106.1 <sup>2</sup>	112.6	112.6	112.6
Goat	1.3	93.8	93.8	93.8	93.8	93.8	93.8	93.8	99.2	99.2
Deer	5.8	109.0 <sup>2</sup>	109.0 <sup>2</sup>	109.0 2	116.4	116.4	113.8	113.8	113.8	113.8
Poultry	111.3	149.8 <sup>2</sup>	149.8 <sup>2</sup>	149.8 <sup>2</sup>	150.3	150.8	152.7	156.6	156.6	156.6
Eggs	45.2	142.9	142.6	143.2	154.7 <sup>2</sup>	154.7 <sup>2</sup>	159.6 <sup>2</sup>	150.3	118.6	116.7
Milk	3.8	105.6	105.6	105.6	133.3	133.3	133.3	133.3	133.3	133.3
<b>Overall Index</b>	1,000.0	131.4	137.5	151.9	148.4	137.4	129.6	128.3	130.5	131.8

<sup>1</sup> Provisional

<sup>2</sup> Revised

(Base period:Year 2002 =100)

# Table 1 (cont'd) : Monthly indices by commodity group and product, January 2005 - September 2007

Commenciality Commen	XX/-2-1-4						20	006					
Commodity Group	Weight	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Crop products	825.8	122.5	123.2	134.3	139.8	128.6	123.2	126.7	129.4	126.2	127.2	123.0	123.5
Sugar cane	615.9	131.1	131.1	131.1	131.1	131.1	131.1	133.1	133.1	133.1	133.1	133.1	133.1
Other crop products	209.9	97.2	100.0	143.8	165.3	121.1	100.2	107.8	118.5	105.8	110.0	93.2	95.4
Root crops	20.2	112.9	97.8	100.8	89.4	94.5	124.9	131.1	131.0	130.7	129.2	130.7	130.9
Fruits	28.8	87.2	105.4	84.2	72.4	74.5	78.7	86.2	90.8	98.5	108.6	78.8	59.1
Fresh vegetables	138.0	92.4	94.8	165.7	201.5	133.1	96.0	104.6	120.0	99.2	103.1	84.1	91.4
Flowers, ornamental plants	11.5	133.7	137.5	133.7	136.3	137.3	136.3	141.9	140.8	140.8	147.4	140.6	141.8
Tea	7.3	107.3	107.3	107.3	107.3	107.3	107.3	107.3	107.3	107.3	107.3	107.3	107.3
Tobacco	4.1	131.7	131.7	131.7	157.1	157.1	157.1	157.1	157.1	157.1	157.1	157.1	157.1
Animals & animal products	174.2	120.3	119.9	126.2	127.1	119.0	123.5	126.8	128.8	128.4	127.9	133.6	135.4
Cattle	2.2	136.8	136.8	136.8	136.8	136.8	136.8	136.8	136.8	136.8	136.8	136.8	136.8
Pigs	4.6	86.7	88.5	88.9	96.7	96.7	96.7	102.6	104.6	106.3	112.4	113.7	113.7
Goat	1.3	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0
Deer	5.8	106.7	106.7	106.7	106.7	106.7	107.1	108.6	108.6	108.6	108.3	109.0	109.0
Poultry	111.3	122.7	121.4	131.9	133.8	121.3	126.9	128.2	128.2	128.2	128.0	137.0	139.4
Eggs	45.2	120.4	121.9	120.5	118.3	118.0	121.3	130.0	137.4	135.9	133.8	133.5	134.4
Milk	3.8	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6	105.6
<b>Overall Index</b>	1,000.0	122.1	122.6	132.9	137.6	126.9	123.3	126.7	129.3	126.6	127.3	124.8	125.6

(Base period:Year 2002 =100)

# Table 1 (cont'd) : Monthly indices by commodity group and product, January 2005 - September 2007

	***						20	05					
Commodity Group	Weight	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Crop products	825.8	112.7	121.3	132.8	143.7	132.4	118.7	120.6	120.5	123.1	127.8	123.4	123.8
Sugar cane	615.9	120.2	120.2	120.2	120.2	120.2	120.2	131.1	131.1	131.1	131.1	131.1	131.1
Other crop products	209.9	90.8	124.5	169.9	212.8	168.3	114.3	89.7	89.5	99.7	118.0	100.8	102.4
Root crops	20.2	103.5	96.2	92.9	96.4	123.2	118.6	128.1	128.1	127.2	126.8	126.6	127.5
Fruits	28.8	101.7	102.6	85.0	83.8	78.5	77.1	78.3	90.2	99.4	125.2	92.4	72.7
Fresh vegetables	138.0	82.1	133.7	207.4	272.0	201.6	120.6	81.1	78.8	91.6	114.1	94.3	100.6
Flowers, ornamental plants	11.5	126.7	132.3	127.2	130.7	128.9	127.0	128.2	122.2	133.3	132.6	138.6	139.9
Tea	7.3	99.7	99.7	99.7	99.7	99.7	99.7	107.3	107.3	107.3	107.3	107.3	107.3
Tobacco	4.1	128.8	128.8	128.8	131.7	131.7	131.7	131.7	131.7	131.7	131.7	131.7	131.7
Animals & animal products	174.2	111.9	112.0	112.6	112.7	113.4	114.0	113.0	111.6	111.5	110.6	109.0	110.3
Cattle	2.2	105.5	105.5	108.2	109.5	109.5	111.4	115.0	115.0	115.0	121.4	136.4	136.4
Pigs	4.6	54.1	54.1	57.0	57.0	57.0	57.0	62.6	62.6	62.6	72.2	75.7	78.0
Goat	1.3	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0
Deer	5.8	104.3	104.3	104.3	104.3	105.0	108.3	108.3	108.3	108.3	106.7	106.7	106.7
Poultry	111.3	112.0	112.0	112.0	112.4	112.4	112.4	109.4	107.4	107.4	107.4	107.4	107.4
Eggs	45.2	119.6	120.1	121.9	121.2	123.6	125.7	128.2	127.9	127.4	122.9	115.7	120.6
Milk	3.8	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	1,000.0	112.6	119.7	129.3	138.3	129.1	117.9	119.3	118.9	121.1	124.8	120.9	121.4

(Base period:Year 2002=100)

## Table 2 : Percentage changes from previous month by commodity group and product , October 2006 - September 2007

						Pe	rcentage	changes t	from				
	Weight	Sept 06 to	Oct 06 to	Nov 06 to	Dec 06 to	Jan 07 to	Feb 07 to	Mar 07 to	Apr 07 to	May 07to	Jun 07 to	Jul 07to	Aug 07 to
		Oct 06	Nov 06	Dec 06	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Jul 07	Aug 07	Sept 07
Crop products	825.8	0.8	-3.3	0.4	4.2	5.7	12.9	-3.3	-9.0	-7.3	-1.4	3.6	1.3
Sugar cane	615.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other crop products	209.9	4.0	-15.3	2.4	21.6	24.6	47.5	-9.2	-27.3	-27.9	-6.3	18.2	6.0
Root crops	20.2	-1.1	1.2	0.2	-10.3	-14.4	32.9	46.9	-28.0	-7.8	0.9	0.1	-0.5
Fruits	28.8	10.3	-27.4	-25.0	66.8	21.8	-38.6	18.2	-6.3	8.7	10.6	7.4	4.0
Fresh vegetables	138.0	3.9	-18.4	8.7	27.7	34.6	69.8	-15.7	-31.6	-38.8	-12.7	30.5	8.8
Flowers, ornamental plants	11.5	4.7	-4.6	0.9	-2.1	8.8	-2.6	-0.9	-0.4	1.8	0.4	-2.6	0.0
Tea	7.3	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	4.1	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	174.2	-0.4	4.5	1.3	6.6	0.0	0.1	2.6	0.2	1.6	0.2	-5.4	-0.3
Cattle	2.2	0.0	0.0	0.0	8.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pigs	4.6	5.7	1.2	0.0	1.8	2.9	0.0	-10.6	-0.4	0.0	6.1	0.0	0.0
Goat	1.3	0.0	0.0	0.0	-10.7	0.0	0.0	0.0	0.0	0.0	0.0	5.8	0.0
Deer	5.8	-0.3	0.6	0.0	0.0	0.0	0.0	6.8	0.0	-2.2	0.0	0.0	0.0
Poultry	111.3	-0.2	7.0	1.8	7.5	0.0	0.0	0.3	0.3	1.3	2.6	0.0	0.0
Eggs	45.2	-1.5	-0.2	0.7	6.3	-0.2	0.4	8.0	0.0	3.2	-5.8	-21.1	-1.6
Milk	3.8	0.0	0.0	0.0	0.0	0.0	0.0	26.2	0.0	0.0	0.0	0.0	0.0
<b>Overall Change</b>	1,000.0	0.6	-2.0	0.6	4.6	4.6	10.5	-2.3	-7.4	-5.7	-1.0	1.7	1.0

# (Base period:Year 2002=100)

Table 3 : Percentage changes from corres	ponding month of previou	us vear by commodity grou	p and product . October 200	6 - September 2007

						Pe	rcentage	changes f	rom				
<b>Commodity Group</b>	Weight	Oct 05 to	Nov 05 to	Dec 05 to	Jan 06 to	Feb 06 to	Mar 06 to	Apr 06 to	May 06 to	Jun 06 to	Jul 06 to	Aug 06 to	Sept 06 to
		Oct 06	Nov 06	Dec 06	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Jul 07	Aug 07	Sept 07
Crop products	825.8	-0.5	-0.3	-0.2	5.1	10.4	14.3	6.2	5.0	1.5	-2.6	-1.2	2.6
Sugar cane	615.9	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	0.0	0.0	0.0
Other crop products	209.9	-6.8	-7.5	-6.8	19.3	44.5	48.3	17.1	16.2	1.3	-11.8	-5.1	12.6
Root crops	20.2	1.9	3.2	2.7	4.0	2.8	32.5	119.6	49.5	4.3	0.3	0.5	0.2
Fruits	28.8	-13.3	-14.7	-18.7	13.1	13.9	-12.5	20.3	9.5	12.7	13.8	16.1	11.3
Fresh vegetables	138.0	-9.6	-10.8	-9.1	26.3	65.7	61.0	11.6	15.6	-1.9	-21.4	-10.6	17.6
Flowers, ornamental plants	11.5	11.2	1.4	1.4	3.8	9.8	9.9	6.9	5.7	8.4	4.5	2.6	2.6
Tea	7.3	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	4.1	19.3	19.3	19.3	19.3	19.3	19.3	0.0	0.0	0.0	0.0	0.0	0.0
Animals & animal products	174.2	15.6	22.6	22.8	20.0	20.4	14.5	16.7	24.9	22.3	19.3	11.1	11.1
Cattle	2.2	12.7	0.3	0.3	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6
Pigs	4.6	55.7	50.2	45.8	33.4	34.6	34.0	10.1	9.7	9.7	9.7	7.6	5.9
Goat	1.3	0.0	0.0	0.0	-10.7	-10.7	-10.7	-10.7	-10.7	-10.7	-10.7	-5.5	-5.5
Deer	5.8	1.5	2.2	2.2	2.2	2.2	2.2	9.1	9.1	6.3	4.8	4.8	4.8
Poultry	111.3	19.2	27.6	29.8	22.1	23.4	13.6	12.3	24.3	20.3	22.2	22.2	22.2
Eggs	45.2	8.9	15.4	11.4	18.7	17.0	18.8	30.8	31.1	31.6	15.6	-13.7	-14.1
Milk	3.8	0.0	0.0	0.0	0.0	0.0	0.0	26.2	26.2	26.2	26.2	26.2	26.2
<b>Overall Change</b>	1,000.0	2.0	3.2	3.5	7.6	12.2	14.3	7.8	8.3	5.1	1.3	0.9	4.1

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

(Base period:Year 2002=100)

 Table 4: Quarterly indices <sup>1</sup> by commodity group and product, 4th Quarter 2005 - 3rd Quarter 2007

Commentation Comment		2005		20	06			2007	
Commodity Group	Weight	4th Qr	1st Qr	2nd Qr	3rd Qr	4th Qr	1st Qr	2nd Qr	3rd Qr
Crop products	825.8	124.6	126.2	130.3	127.4	124.2	138.1	135.0	127.0
Sugar cane	615.9	131.1	131.1	131.1	133.1	133.1	133.1	133.1	133.1
Other crop products	209.9	105.7	111.8	127.8	110.7	98.2	152.6	140.4	109.1
Root crops	20.2	127.0	108.3	117.9	131.0	130.3	116.7	137.9	131.4
Fruits	28.8	86.1	91.4	75.3	92.3	72.1	100.1	85.9	104.8
Fresh vegetables	138.0	103.2	114.3	139.7	107.8	93.0	171.7	152.9	102.4
Flowers, ornamental plants	11.5	137.0	135.0	136.6	141.2	143.3	145.6	146.2	145.7
Tea	7.3	107.3	107.3	107.3	107.3	107.3	107.3	107.3	107.3
Tobacco	4.1	131.7	131.7	157.1	157.1	157.1	157.1	157.1	157.1
Animals & animal products	174.2	110.0	122.1	123.2	128.0	132.3	144.4	149.3	145.7
Cattle	2.2	131.4	136.8	136.8	136.8	136.8	148.6	148.6	148.6
Pigs	4.6	75.3	88.0	96.7	104.5	113.3	118.0	106.2	112.6
Goat	1.3	105.0	105.0	105.0	105.0	105.0	93.8	93.8	97.4
Deer	5.8	106.7	106.7	106.8	108.6	108.8	109.0	115.5	113.8
Poultry	111.3	107.4	125.3	127.3	128.2	134.8	149.8	151.3	156.6
Eggs	45.2	119.7	120.9	119.2	134.4	133.9	142.9	156.3	128.5
Milk	3.8	105.6	105.6	105.6	105.6	105.6	105.6	133.3	133.3
Overall Index	1,000.0	122.1	125.5	129.1	127.5	125.6	139.2	137.5	130.3

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

<sup>2</sup> Provisional

<sup>3</sup> Revised

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

## (Base period:Year 2002=100)

## Table 5: Quarterly changes (%) and net contributions of commodity groups and products to the change, 3rd Quarter 2006 - 3rd Quarter 2007

		Percentage changes from previous quarter vear								Net contributions from			
Commodity Group	Weight	to	to	to	to	to	to	to	to	to	to	1st Qr 072 to 2nd Qr 072	to
Crop products	825.8	-2.5	11.2	-2.2	-5.9	-0.3	9.4	3.6	-0.3	-2.61	11.43	-2.56	-6.57
Sugar cane	615.9	0.0	0.0	0.0	0.0	1.5	1.5	1.5	0.0	0.00	0.00	0.00	0.00
Other crop products	209.9	-11.3	55.4	-8.0	-22.3	-7.1	36.5	9.9	-1.4	-2.61	11.43	-2.56	-6.57
Root crops	20.2	-0.5	-10.4	18.2	-4.7	2.6	7.8	17.0	0.3	-0.01	-0.27	0.43	-0.13
Fruits	28.8	-21.9	38.8	-14.2	22.0	-16.3	9.5	14.1	13.5	-0.58	0.81	-0.41	0.54
Fresh vegetables	138.0	-13.7	84.6	-10.9	-33.0	-9.9	50.2	9.4	-5.0	-2.04	10.86	-2.59	-6.97
Flowers, ornamental plants	11.5	1.5	1.6	0.4	-0.3	4.6	7.9	7.0	3.2	0.02	0.03	0.01	-0.01
Tea	7.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00
Tobacco	4.1	0.0	0.0	0.0	0.0	19.3	19.3	0.0	0.0	0.00	0.00	0.00	0.00
Animals & animal products	174.2	3.4	9.1	3.4	-2.4	20.3	18.3	21.2	13.8	0.75	2.12	0.88	-0.65
Cattle	2.2	0.0	8.6	0.0	0.0	4.1	8.6	8.6	8.6	0.00	0.03	0.00	0.00
Pigs	4.6	8.4	4.1	-10.0	6.0	50.5	34.1	9.8	7.8	0.04	0.02	-0.05	0.03
Goat	1.3	0.0	-10.7	0.0	3.8	0.0	-10.7	-10.7	-7.2	0.00	-0.01	0.00	0.00
Deer	5.8	0.2	0.2	6.0	-1.5	2.0	2.2	8.1	4.8	0.00	0.00	0.04	-0.01
Poultry	111.3	5.1	11.1	1.0	3.5	25.5	19.6	18.9	22.2	0.73	1.67	0.17	0.59
Eggs	45.2	-0.4	6.7	9.4	-17.8	11.9	18.2	31.1	-4.4	-0.02	0.41	0.61	-1.26
Milk	3.8	0.0	0.0	26.2	0.0	0.0	0.0	26.2	26.2	0.00	0.00	0.11	0.00
Total	1,000.0	-1.5	10.8	-1.2	-5.2	2.9	10.9	6.5	2.2	-1.86	13.55	-1.68	-7.22

(Base period:Year 2002=100)

Table 6 : Annual indices, annual changes (%) and net contributions of commodity groups and products to the change, 2004 - 2006	Table 6 : Annual indices, annual changes (%) and n	net contributions of commodity	groups and products to the	change, 2004 - 2006
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Commodity Crown	Waiaht		Annual index <sup>1</sup>		Percentage cl	anges from	Net contributions from		
Commodity Group	Weight	2004	2005	2006	2004 to 2005	2005 to 2006	2004 to 2005	2005 to 2006	
Crop products	825.8	113.1	123.9	126.7	9.5	2.3	8.92	2.32	
Sugar cane	615.9	116.7	125.7	132.1	7.7	5.1	5.54	3.94	
Other crop products	209.9	102.6	118.7	111.0	15.7	-6.5	3.38	-1.62	
Root crops	20.2	116.1	125.9	129.2	8.4	2.6	0.20	0.07	
Fruits	28.8	101.7	89.8	81.1	-11.7	-9.7	-0.34	-0.25	
Fresh vegetables	138.0	99.2	123.1	111.3	24.1	-9.6	3.30	-1.63	
Flowers, ornamental plants	11.5	119.5	130.6	139.0	9.3	6.4	0.13	0.10	
Tea	7.3	99.5	103.5	107.3	4.0	3.7	0.03	0.03	
Tobacco	4.1	116.3	131.0	150.8	12.6	15.1	0.06	0.08	
Animals & animal products	174.2	111.6	111.9	126.4	0.3	13.0	0.05	2.53	
Cattle	2.2	100.0	117.5	136.8	17.5	16.4	0.04	0.04	
Pigs	4.6	63.4	62.9	101.2	-0.8	60.9	0.00	0.18	
Goat	1.3	100.0	105.0	105.0	5.0	0.0	0.01	0.00	
Deer	5.8	104.1	106.3	107.7	2.1	1.3	0.01	0.01	
Poultry	111.3	111.9	110.0	128.9	-1.7	17.2	-0.21	2.10	
Eggs	45.2	118.0	122.9	127.1	4.2	3.4	0.22	0.19	
Milk	3.8	105.6	105.6	105.6	0.0	0.0	0.00	0.00	
Total	1,000.0	112.8	121.8	126.6	8.0	3.9	8.97	4.85	

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

## ANNEX

### **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 2001, 2002 and 2003 by the average of unit prices in 2002, 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 product.

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

#### Coverage

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, about 83% of the total value of agricultural production is covered.

#### 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 crop plantations tend to be very dynamic among planters. Hence, in lieu of the farm-gate price, the wholesale price of the produce is recorded at the two main 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 sugar cane, 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:

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

where :

 $\mathbf{I}_t$  is the index for the current period t

 $\mathbf{P}_{ti}$  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 (2002)

W<sub>i</sub> is the weight associated with commodity i