





Price Index

October 2016

(For the prices of vegetable crops)

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Introduction

Prices are important economic indicators in all countries regardless of their economic and social systems. They impact the national economy in various ways, such as domestic and foreign 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 their trends over time as in setting up an economic distribution for its various investments.

Agricultural price data directly influence the decisions of agricultural investors and therefore represent a significant determinant in the economic and social life of farmers due to its effect on several economic activities. Prices directly affect farmers' income and living standards. Data on agricultural prices helps provide the appropriate indicators that maintain the balance between production cost and selling price down the supply chain ending with consumers, thereby protecting both producers and consumers. Agricultural prices are useful to farmers in planning and developing their production, which helps to maximize their income and avoid potential loss.

In this regard, Statistics Centre – Abu Dhabi (SCAD) in cooperation with the Farmers Service Center (FSC) has regularly published the Agricultural Producer Price Index by collecting data on yield volumes. The index disseminated by SCAD is compiled in accordance with the standard international methodologies.

Key Points

This report provides an analysis of the results of APPI (Vegetable Crops) for the month of Oct 2016 with the base year 2014. The main findings of this analysis are outlined below:

- > The Agricultural Producer Price Index stood at 123.2 points in the Oct of 2016.
- The Agricultural Producer Price Index for vegetable crops increased by 1.5% to. 123.2 points in the Oct 2016, from 121.4 points in the Oct of 2015. The largest contributors to the increased in the APPI were: Marrow (38.5%), Watermelon (14.4%) and Cucumber (3.8%).
- The Agricultural Producer Price Index for vegetable crops Decreased by 0.5% to 123.2 points in the Oct 2016, from 123.8 points in the Sep of 2016. The largest contributors to the Decreased in the APPI were: Sweet Melons (36.3%), Pumpkin (32.6%) and Hot Pepper (7.1%).

Agricultural Producer Price Index for Oct 2016 (2014=100)

1. APPI for Oct 2016 compared with Oct 2015 for vegetables crops

The APPI for vegetable crops increased by 1.5% to 123.2 points in Oct 2016 from 121.4 points in Oct 2015. The increase reflects the net outcome of yearly upward and downward changes in the prices of vegetables during Oct 2016.

Agricultural Producers Price Index by Type of Crop for Oct 2015 and Oct 2016.

Crop	Oct -15	Oct -16
All Products	121.4	123.2
Hot Pepper	165.5	130.1
Sweet Pepper	166.7	172.4
Marrow	94.9	131.4
Eggplant	114.5	116.4
Cucumber	119.2	123.8
Tomato	118.0	105.2
Watermelon	142.3	162.8
Sweet Melons	188.1	112.5
Pumpkin	105.4	74.9
Okra	184.0	121.3

Source: Statistics Centre - Abu Dhabi

The largest contributors to the increased in the APPI in Oct 2016 were: Marrow (38.5%), Watermelon (14.4%), Cucumber (3.8%), Sweet Pepper (3.4%) and Eggplant (1.7%), with an overall relative importance of 88.7%.

Relative Importance and Percentage Change in the APPI for Vegetables that Showed Price Increases in the Month of Oct 2016 (compared with the Oct 2015).

Crop	Relative importance (%)	Percentage rise in price (%)
Marrow	7.1	38.5
Watermelon	0.0	14.4
Cucumber	79.4	3.8
Sweet Pepper	0.7	3.4
Eggplant	1.5	1.7

Source: Statistics Centre - Abu Dhabi

On the other hand the APPI sub-indices decreased for a number of vegetable crops, including Sweet Melons, Okra, Pumpkin, Hot Pepper and Tomato by 40.2%, 34.1%, 29.0%, 21.4% and 10.8% respectively, with the price falls having a combined relative importance of 11.3%.

Relative Importance and Percentage change in the APPI for vegetables that fell Price Rises in the Month of Oct of 2016 (compared with the Oct of 2015).

Crop	Relative Importance (%)	Percentage fall in price (%)
Sweet Melons	3.6	40.2-
Okra	0.1	34.1-
Pumpkin	0.8	29.0-
Hot Pepper	2.8	21.4-
Tomato	4.0	10.8-

Source: Statistics Centre - Abu Dhabi

2. APPI of Oct 2016 compared with the APPI of Sep 2016 for vegetables crops

The APPI for vegetable crops decreased by 0.5% during the Oct of 2016 compared with the Sep of 2016.

Agricultural Producers Price Index by Type of Crop for the Months of Sep 2016 and Oct 2016.

Crop	Sep-16	Oct-16
All Products	123.8	123.2
Potato	123.9	-
Cabbage	79.2	-
Hot Pepper	140.1	130.1
Sweet Pepper	146.3	172.4
Marrow	92.3	131.4
Eggplant	109.3	116.4
Cucumber	124.6	123.8
Tomato	116.0	105.2
Watermelon	-	162.8
Sweet Melons	176.5	112.5
Lettuce	113.7	-
Pumpkin	111.0	74.9
Okra	-	121.3

Source: Statistics Centre - Abu Dhabi

The largest contributors to the decreased in the APPI sub-indices were recorded for Sweet Melons (36.3%), Pumpkin (32.6%), Hot Pepper (7.1%), Tomato (9.3%) and Cucumber (0.7%) with an overall relative importance of 90.7%.

Relative Importance and Percentage Change in the APPI for Vegetables that Decrease in Oct of 2016 (compared with Sep of 2016).

Crop	Relative Importance (%)	Percentage fall in price (%)
Sweet Melons	3.60	36.3-
Pumpkin	0.80	32.6-
Tomato	4.02	9.3-
Hot Pepper	2.81	7.1-
Cucumber	79.42	0.7-

Source: Statistics Centre - Abu Dhabi

By contrast, the sub-index Prices increased for some crops, including: Marrow, Sweet Pepper and Eggplant by 42.3%, 17.9% and 6.5% respectively. The overall relative importance of the price increases was 9.3%.

Relative Importance and Percentage Change in the APPI for Vegetables that Showed Price increases in Oct of 2016 (compared with Sep of 2016).

Crop	Relative Importance (%)	Percentage rise in price (%)
Marrow	7.06	42.3
Sweet Pepper	0.70	17.9
Eggplant	1.52	6.5

Source: Statistics Centre - Abu Dhabi

Explanatory Notes

Methodology:

The APPI adopts 2014 prices as the base for prices and weights. The used weights are derived from the price data of vegetables to the Month of Oct of 2016.

Data source:

The APPI is produced using the price data of agricultural products (vegetables) which provide by Abu Dhabi Farmers Services Centre.

APPI Compilation:

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

Note on Tables

Some figures have been rounded to the nearest final digit shown. Consequently, discrepancies may exist within a table.



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