

## Methodical notes

Price indices of agricultural inputs are calculated from the 1st quarter 2013 of the new weighting schemes derived from sales in 2010. There has been a change in the composition of Representatives for most groups, that is why it is not a continuation of the indices. The published indices to date will not be revised.

Quarterly Input agricultural price index published up to 1995 was calculated on the weights of selected products sold to agriculture in 1990. In 1995 the index was rebased to the year 1994.

The new system of calculation of this index, as laid out in the methodical notes of Eurostat, was introduced in 2002. The year 2000 was used as a price base and the system of weights complied with the structure of agricultural costs in 2000. This method of calculation enables to compare our national input agricultural price index with price levels in other countries of the European Union. Since 1993 Eurostat has been publishing compound input price index consisting of price index of **“Goods and services currently consumed in agriculture”** and price index of **“Goods and services contributing to agriculture investment”**.

It is necessary to point out the fact that input agricultural price index does not include, according to its definition, wages and wage costs, rents and interest payments. The index includes sales inside the sector and purchases of crop products and contracted agricultural work, as well costs on software and personal computers. Import of livestock is excluded.

**The structure of this compound input agricultural price index remains unchanged, also after the revision in 2006. The new system of weights corresponding with the agricultural costs in the year 2005 is used for calculation of the new revised price index. The year 2005 is taken as a price base too.**

The Laspeyres formula is used for standard calculation of quarterly input agricultural price index,

$$I_{1/0} = \frac{\sum \frac{P_1}{P_0} p_0 q_0}{\sum p_0 q_0} * 100$$

where  $p_1$  = the reference period price,  
 $p_0$  = the basic period price (the year 2005),  
 $p_0 q_0$  = the constant weight of basic period (volume of purchase to the agriculture by the national accounts in the year 2005).

The publication contains quarterly input agricultural price indices to the following bases:

corresponding period of the previous year = 100,  
average of the year 2005 = 100,  
previous period = 100.

The average prices of selected goods and services sold to agricultural are collected by the statistical survey at suppliers since the 1<sup>st</sup> quarter 1998. The average prices, calculated as a simple arithmetic mean of the prices obtained by the survey for the reference quarter, are published only if at least three prices (prices from three respondents) are reported for the representative.