



REPUBLIC OF THE PHILIPPINES  
PHILIPPINE STATISTICS AUTHORITY BOARD

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PSA Board Resolution No. 11  
Series of 2020

**REBASING OF THE PRODUCER PRICE INDEX (PPI) FOR AGRICULTURE FROM  
BASE YEAR 2006 TO BASE YEAR 2018**

**WHEREAS**, PSA Board Resolution No 01, Series of 2017–146 (Approving the Synchronized Rebasing of Price Indices to Base Year 2006), mandates the rebasing of the price indices every six years;

**WHEREAS**, the Producer Price Index (PPI) for Agriculture, one of the most important economic indicators designed to measure the average change over time of prices received by farmers/livestock and poultry raisers/fisherfolks for the sale of their agricultural products relative to a base year.

**WHEREAS**, the current commodities in the market basket of the PPI for Agriculture are the major produced and traded by the farmers/livestock and poultry raisers/fisherfolks in 2006. However, changes have taken place over a period of 12 years affecting the relevance of the commodities in the market basket;

**WHEREAS**, the current methodology of the PPI for Agriculture uses the unchained Paasche-type method;

**WHEREAS**, rebasing the PPI for Agriculture periodically is necessary to ensure that the market basket captures the major agricultural commodities that are produced and traded by farmers/livestock and poultry raisers/fisherfolks, and to synchronize its base year with the 2018 base year of the Gross Domestic Product and other indices produced by PSA;

**WHEREAS**, the 2018-based PPI for Agriculture market basket consists of major products by commodity group in each region that fall within the 95-percent cumulative share to the total value of products for the commodity groups within the region;

**WHEREAS**, the weights for the 2018-based PPI are computed as the proportion of value of production of each commodity group to the total value of production for the Philippines during the base year;

**WHEREAS**, the various agricultural production surveys and the farm prices survey are the sources of data on value of production;

**WHEREAS**, the Interagency Committee on Price Statistics in its meeting on 28 October 2020 agreed to recommend to the PSA Board the methodology in rebasing the PPI for Agriculture to base year 2018 with the following details, to wit:

- 1) The index computation uses the chained Paasche-type method where the base year is normalized; and

2) Higher level disaggregation is the weighted harmonic mean of lower-level indices.

**NOW, THEREFORE, BE IT RESOLVED**, that the PSA Board approves the rebasing of the PPI for Agriculture to year 2018 with the following details, to wit:

1) The index computation uses the chained Paasche-type method where the base year is normalized; and

2) Higher level disaggregation is the weighted harmonic mean of lower-level indices.

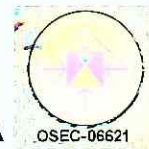
**RESOLVED FURTHER**, that the PSA shall start releasing the 2018-based PPI for Agriculture in the first quarter of 2021 covering the period first quarter of 2018 to third quarter of 2020; and every 60 days after the reference quarter starting with the fourth quarter of 2020.

Approved this 21<sup>st</sup> day of December 2020, in Metro Manila.



**KARL KENDRICK T. CHUA**


Acting Secretary  
National Economic and Development Authority  
Chairperson, PSA Board



Attested by:



**DENNIS S. MAPA**

Undersecretary   
National Statistician and Civil Registrar General  
Philippine Statistics Authority  
Chairperson, PSA Board Secretariat 