**TECHNICAL NOTES**

**Agricultural Indicators System
Prices and Marketing of Agricultural Commodities**

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| 1. **The Introduction**
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This is the seventh of the eight (8) modular reports of the Agricultural Indicators System (AIS) which provides information on the share of the market in the volume of palay production and the movement in the prices of agricultural commodities.

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| 1. **Data Sources**
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| **Data and Indicators** | **Source Agency** |
| * + - 1. Palay: production and percentage of produce marketed by region
			2. Proportion of palay production sold and given to landowner’s share by region
			3. Consumer Price Index (CPI) by commodity group,
			4. CPI of Food Commodity Group by item
			5. Year-on-Year Changes of the CPI by commodity group, by month
			6. Year-on-Year Changes of the CPI of Food commodity group, by item and by month
			7. Farmgate and retail prices
			8. Farm - retail price gap of selected agricultural commodities
			9. Farmer’s share in final price of agricultural commodities
 | Philippine Statistics Authority |

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| 1. **Methodology**
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**Percentage of produce marketed**

$$\genfrac{}{}{0pt}{}{Percentage of the }{produced marketed} = \genfrac{}{}{0pt}{}{proportion of }{ produce sold}+ \genfrac{}{}{0pt}{}{proportion of produce }{given to landowner^{'}share}×100\%$$

**Farm-retail price gap**

$$Farm-retail price gap = \frac{retail price-farm price}{farm price} × 100\%$$

**Farmer’s share in final price**

$$Farmer^{'}share in final price = \frac{farm price}{retail price}× 100\%$$

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| 1. **Concepts and Definition of Terms**
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**Percentage of produce marketed**–is that portion of total production which enters the marketing channels. It measures the proportion of total quantity marketed or sold and quantity given to landowner to total production. Landowner’s share is included based on the assumption that the bulk of the share will also be marketed.

**Consumer Price Index (CPI)** – indicates the change in the average prices of a fixed basket of goods and services commonly purchased by households relative to a base year.

**Farm Price -** are prices received by farmers for the sale of their crops at the first point of sale. These prices depend on the place of sale which may be within the production site, at the wholesale market, retail market or other areas.

**Retail Price -** refers to the price at which a commodity is sold in small quantities for consumption.

**Farm-retail price gap** – measures the price mark-up of the commodity as it leaves the farmgate to the different marketing channels until it reaches the consumer. It is the difference between the farm price and the retail price expressed as percentage of the farm price. It indicates the percentage increase in the price from the first point of sale to the retail level.

**Farmer’s share in final price** – indicates the proportion of the prices received by farmers (farm price) to the final price (retail price) of the commodity. This gives a measure of the share of the producers compared to the share of the traders.

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| 1. **Dissemination of Results**
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| **Title** | **Schedule of Release** |
| Prices and Marketing of Agricultural Commodities | November of the Current Year |

Statistical tables, infographics, and modular report are included in the web release.

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| 1. **Citation**
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Philippine Statistics Authority. (2022). *Technical Notes on Prices and Marketing of Agricultural Commodities*. https://psa.gov.ph/technical-notes/\_\_\_\_\_\_\_\_\_\_

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