



منظمة الأعدنية
والزراعة
للأمم المتحدة

联合国
粮食及
农业组织

Food
and
Agriculture
Organization
of
the
United
Nations

Organisation
des
Nations
Unies
pour
l'alimentation
et
l'agriculture

Organización
de las
Naciones
Unidas
para la
Agricultura
y la
Alimentación

Agenda item 6

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Expert Consultation on Statistics in Support of Policies to Empower Small Farmers

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KOREA'S AGRICULTURAL MARKET INFORMATION SYSTEM

Korea's agricultural market information system

2009.9.

Statistics Korea

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I. Kinds of statistics related with prices

- Price Index of Commodities Received and Paid by Farms
- Wholesale and retail price trends of agricultural products
- Producer Price Index
- Consumer Price Survey

II. Price Index of Commodities Received and Prices Paid by Farmers

- This index can be obtainable through the analysis of price levels of sold items and bought items, which we can get during agricultural business cycles.
- Base Year: 2005
- Items covered: 398 items of goods and services which account for more than 1/10,000 of total revenues and expenditures of farm household as of 2005
- Survey method
 - Prices received by farmers and wages and charges received by farmers: 3 times of surveys a month for 131 cities or counties
 - Prices paid by farm household: family items are referable from the result of consumer price survey, and farming items are referable from supply prices for farm household which is made by National Agricultural Cooperative Federation.

- Calculation: Las Fayres Formation

$$L_{0,t} = \frac{\sum(P_t \times Q_0)}{\sum(P_0 \times Q_0)} \times 100 = \frac{\sum(\frac{P_t}{P_0} \times W_0)}{\sum W_0} \times 100$$

※ L : Index, P : Price, Q : Quantity, 0 and t : time, $W_0 = P_0 \times Q_0$

- Kinds of Indexes
 - Index of Prices Received by Farmers: Price index made of 91 sold items of agricultural or farm livestock products.
 - Index of Prices Paid by Farmers: Price index made of 307 bought items for farm households or farmers
 - Parity Ratio: we can assess trade terms of farm household through the ratio of Price Index of Commodities Received by Farms divided by Price Index of Commodities paid by Farms
- Date of release: the end of the following quarter. (Jan, Apr, Jul, Oct)
- Publication: Quarterly Report on KOSIS (Homepage)

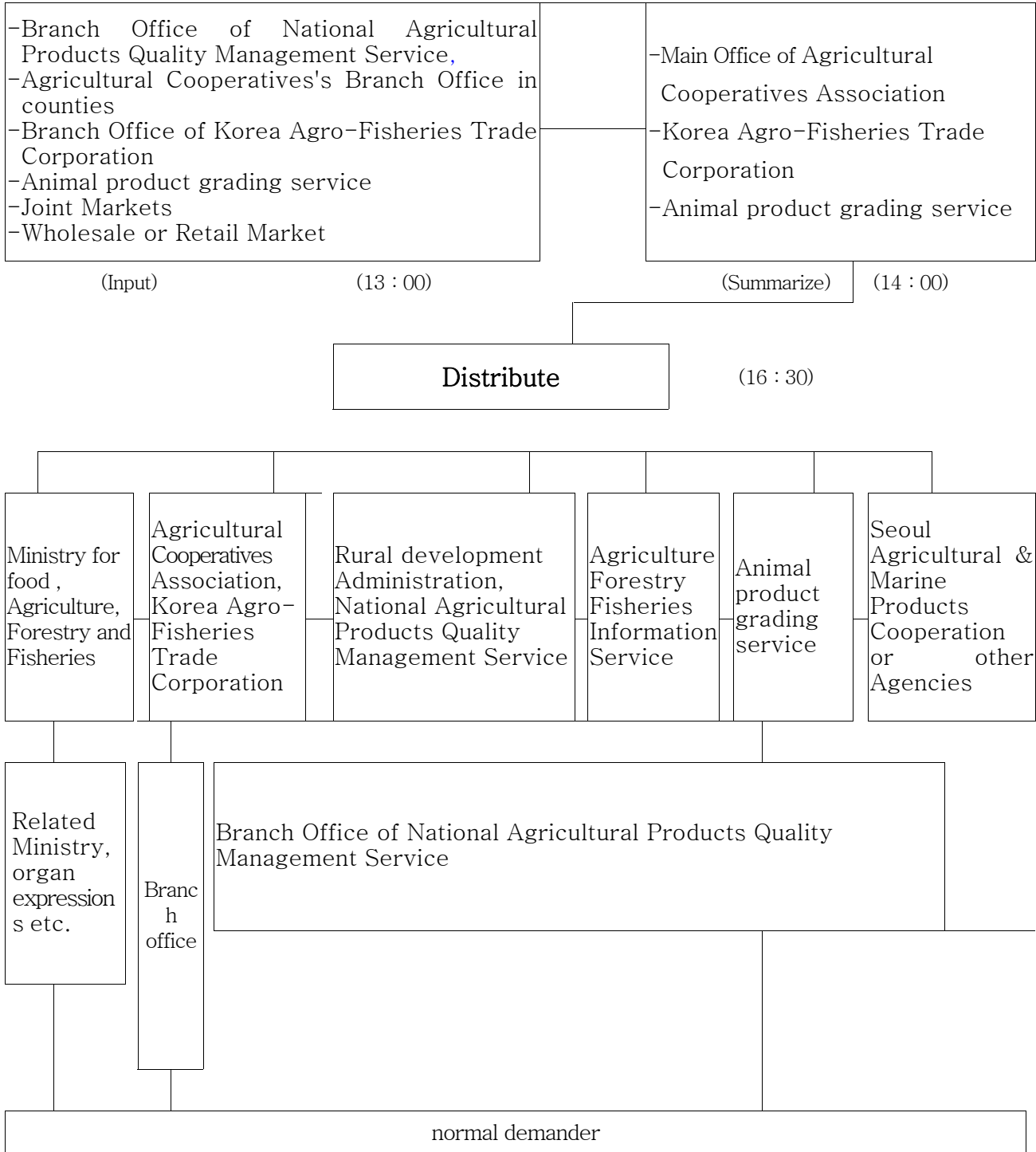
III. Wholesale and retail price trends of agricultural products

1. Overview

- Purpose of the survey
 - Offering information users (producer, consumer, distributors or related agency) in prompt by surveying and collecting agricultural price data
 - Help policy makers who intend to keep market price policies effective and timely.

● Survey and Distribution System

Survey and Distribution System



2. Survey on wholesale prices

- Survey period : Daily survey(except Saturday, Sunday and legal holiday)
- Survey region : 5 main cities
- Survey Method
 - One leading wholesale market, which covers almost of target items for surveys in the target region, is chosen for survey.
 - Three leading wholesale shops, which covers most of target items for surveys within the wholesale market, are chosen and their average price is calculated.
 - If there is no leading market for some items or difficulty in surveying the wholesale prices, 3 or greater than 3 wholesale shops which deal with the target items within the target region are appointed and their average price is calculated.
- Survey Items: 73 items (based on 2007)

3. Retail price surveys

- Survey period : Daily survey during the year except Saturday, Sunday or public holiday.
- Survey regions: 8 main cities.
- Survey Method
 - Selecting 3 large distributors and one retail market leading consumer price.
 - Surveying average price at more than 3 retail stores with the most trading and leading price in the market.

IV. Producer Price Index

- Definition: A measure of the average changes in prices of a fixed basket of goods and services of constant quantity traded among companies
- Periodicity: Monthly
- Scope of data: Commodities are selected based on: (1) value of shipments (at least 1/10,000 and 1/2000 of universe), (2) continuity of price data over a period of time, and (3) representative price movement within a similar group. Based on these criteria, 884 items (801 goods and 83 services) were selected from shipments.
- Survey Items: Measure of changes in prices of selected items, and of factors behind changes
- Base year and update cycle: 2005

V. Consumer Price Survey

- Definition: A measure of the average changes in prices of goods and services acquired or purchased by urban households
- Periodicity: Monthly
- Scope of data: The items for index are selected according to their relative importance in the share of total expenditures. The items are selected based on value of total expenditures (at least 1/10,000). The CPI is classified into 12 major divisions, 38 minor divisions and 67 sub-divisions to make feasible comparison of those in "The Family Income and Expenditure Survey"

- Base year and update cycle: 2005
- Periodicity:
 - Agricultural, fishery and livestock product: One weekday of the week including the 5th, 14th and 23rd of the month
 - Industrial product: Two weekdays including the 14th of the month
 - Service: Two weekdays including the 23rd of the month

VI. Example of price index uses

【Agricultural Monitoring Service】

1. Overview

- The Korean government had prepared to monitor agricultural markets for stabilizing agricultural prices since 1967. From 1967, the research division of the National Agricultural Cooperative Federation (NACF) began to monitor rice and barley markets and prices, and publish yearly reports.
- In addition, each one of the three organizations, namely the National Agricultural Cooperative Federation (NACF), The National Agricultural Economic Institute, and the National Livestock Cooperative Federation published outlook reports until 2000.

- In 1990, the Agricultural Outlook Council was organized to monitor agricultural demand and supply, and prices. It was expanded to the Agricultural Outlook Committee in 2000.
- In 2000, the Korea Rural Economic Institute (KREI) was formally designated as the agricultural outlook agency by law. The Institute was renamed as the Agricultural Outlook & Information Center in 2002. Starting from nine items, the Center has expanded the number of outlook products to twenty-nine items.



2. Short-Term Outlook

- The itemized short-term outlook on supply & demand and price forecast for the next 1~2 months is released every month. Release dates and terms differ across products. Outlook reports for vegetables, fruits, fruit-bearing vegetables, and chicken are published every month. Meanwhile, quarterly outlook services for rice, Korean cattle, dairy cattle, swine, and chicken eggs are provided.

Team	Release Date	Commodity
Grain	Quarterly 15th	Rice, bean
Vegetables	Monthly 1st	Cabbage, radish, potato, onion, garlic, red pepper, carrot, green onion (large type), green onion (medium type)
Fruits	Monthly 10th	Apple, pear, grape, persimmon, tangerine, peach
Fruit-bearing vegetables	Monthly 10th	Watermelon, oriental melon, strawberry, tomato, cucumber, pumpkin squash, green pepper
Livestock products	Quarterly 25th	Korean cattle, dairy cattle, swine, chicken eggs
	Monthly 25th	Chicken

3. Mid-Term Outlook

- Mid-term outlook information on changes in the circumstances facing the agricultural industry and major indicators on agricultural and rural economy is also released quarterly.

4. Long-Term Outlook

- Five to ten year mid/long-term outlook is released at the beginning of every year in the agricultural outlook conference.

5. Publications

- Outlook information is periodically disseminated to farmers, dealers, researchers, rural leaders, and government officials in the forms of magazines, posters, SMS (Short Message Service), E-mails, and the Internet website.

6. Journals

- Outlook information is regularly cited by daily newspapers, broadcasters, and agricultural journals. The agricultural outlook conference, in particular, is spotlighted by major journals.