

# Agricultural Input Price Index for Veterinary Expenses in Estonia

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Eveli Šokman



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# Introduction

- The veterinary activity is measured by Agricultural Input Price Index (API) and Consumer Price Index (CPI) in Estonia.
- This presentation provides an overview of methodological framework of the API for veterinary expenses.
- Also market situation of veterinary activity is described.

# Classification Structure (1)

- For API calculation is used API classification. This classification includes group “Veterinary Expenses” without any specific explanations.

Explanatory notes are taken from Manual on the economic accounts for Agriculture and Forestry. Veterinary expenses include medicines which are not purchased together with veterinary services, fees and total services (i.e. overall payments for pharmaceutical products and fees).

# Classification Structure (2)

- The Estonian Statistical Classification of Economic Activities (EMTAK 2008) corresponds with NACE Rev. 2.
  
- M75 Veterinary services
  - These activities include:
    - animal health care and control activities for farm animals,
    - animal health care and control activities for pet animals,
    - activities of veterinary assistants or other auxiliary veterinary personnel
    - clinico-pathological and other diagnostic activities pertaining to animals
    - animal ambulance activities

# Classification Structure (3)

- The Estonian Classification of Products and Services (TTK 2008) corresponds with CPA 2008. The CPC Rev 2 corresponding code is 835 for veterinary services.

## **TTK 2008 Description**

**75** Veterinary services

**75.0** Veterinary services

**75.00** Veterinary services

**75.00.1** Veterinary services

**75.00.11** Veterinary services for pet animals

**75.00.12** Veterinary services for livestock

**75.00.19** Other veterinary services

# Market condition (1)

- According to annual financial statistics survey of enterprises, the share of veterinary services is 0,03% of total turnover of enterprises. The market of veterinary services is small, but slowly growing.

Table 1. Veterinary services division M75 of NACE Rev.2, 2010-2013

Year	Turnover Thousand Euros	Number of enterprises	Number of employees
2010	7379	88	197
2011	7454	97	189
2012	10031	106	257
2013	12601	110	278

## Market condition (2)

- Important part of veterinary services market is regulated by legal acts, regulations and governmental agencies.
- 3 important agencies:
  - Veterinary and Food Board
  - Estonian Veterinary and Food Laboratory
  - Estonian Agricultural Registers and Information Board

The veterinarians are also as employees in big farms and food industry enterprises.

# Market condition (3)

- For calculation of Agricultural Input Price Index detailed data of yearly financial statistics survey of agricultural producers is used. Veterinary services covers around 15-20% of agricultural producers total veterinary expenses.

Table 2. Veterinary expenses (incl. medicines) of agricultural producers, 2010-2013

Year	Thousand Euros
2010	9381
2011	10652
2012	10824
2013	11332

# Definition of service being priced and pricing unit of measure

- Statistics Estonia publishes the API for veterinary expenses. There is measured the provision of animal health care activities for farm animals. The supervisory and control action by state are not measured.
- Unit of measure for offices of veterinarians (including emergency visit) is per visit or per service/treatment.
- Unit of measure of veterinarians' home visit is per visit plus transport costs.
- For services of the veterinary laboratory the price could be measured per test. There are available administrative prices.

# Evaluation of comparability of price indexes with turnover/output data

- Annual turnover data are collected for division M75 of EMTAK2008 and available for use.
- For API calculation is used expenditure information on service groups from annual financial data of agricultural producers. More detailed level estimation is asked directly from enterprises. Additional information about detailed turnover (according to 4-digit level EMTAK2008) of enterprises is used from Annual Report declared to Commercial Register.

# Summary

- The Agricultural Input Price Index has quite long time-series and calculation practice. We could use existing information to start calculation the SPPI for M75 (EMTAK2008).
- Additional information from Consumer Price Index (CPI) is possible to use. The CPI is measuring the provision of animal health care activities for pet animals.
- For the weighting structure are available turnover data for M75 and enterprises detailed turnover data on the 4-digit level of EMTAK2008.

# THANK YOU!

Additional information:

Eveli Šokman

Tatari 51, 10134 Tallinn, Estonia

Phone +372 6259241

[Eveli.Sokman@stat.ee](mailto:Eveli.Sokman@stat.ee)