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THE RATE PARTICIPATION OF AGRICULTURAL PRODUCTS IN THE CONSUMER'S TOTAL EXPENSE FOR FOOD, DRINKS AND TOBACCO PRODUCTS

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1. SUMMARY

The present paper attempts to approach the <u>question</u>: which is the rate participation of the agricultural products value in the value of food, drinks and tobacco products? That is for every $100 \in$ that the consumer pays for food – drinks – cigarettes, how much is that the producer of the primary product receives and how much corresponds to the intermediary stages (processing, trading, transportations, insurances, advertising, banks etc).

<u>Answer:</u> The rate participation of the primary production value in the value of food and drinks is estimated at 43%, but if we add the tobacco products as well the percentage is reduced to 37%. Additionally, if we count in whisky and frozen fish, products for the production of which the typical greek farmer of fisherman does not participate, the relevant percentage falls of to 30%.

2. THE METHODOLOGY (table 1)

A representative two – member household of civil servants, residents of Athens, was used. The one is a smoker and drinker and the wife is not. Their consumer expenses for food-drinks-cigarettes were recorded analytically and in great detail, as well as the relevant quantities (columns 3 and 7) for the time period between March and April 2001. The quantity of food was converted to relevant quantities of primary agricultural products with the help of technical factors (e.g wheat to bread: 1 to 1, sheep's milk to feta: 4 to 1, beet to sugar: 7 to 1 and so on). The factors are mentioned in columns 4 and 5, while the corresponding amounts of the primary agricultural products are recorded in column 6 (6=3x4= food amounts x factors). The prices of the producer of agricultural products for the year 2001 are mentioned in column 8 (source: Ministry of Agriculture). The value of agricultural products (9=6x8) which arises as the multiplication of the consumed amounts of primary agricultural products in food.

It is indicated that the paper doesn't refer to certain products: salt (is not an agricultural product but it is a food item) broccoli - dill - parsley (the producer prices are not available) and coffee – cocoa (they area not produced in Greece). It does not refer as well to clothes and other fabrics from cotton or wool. Finally, table1 does not refer to the total sums that correspond to the two-member household for the two months (March – April 2001) but ¼ of them, that is the data of the average personal consumption on a monthly basis.

3. Conclusions (table 2)

Food weight

The weight of the consumed food and drinks is estimated at 65,7 kilos/person/month or to 800 kilos/person/year!

Food value (prices 2001)

The food value is estimated at 60,770 drachmas/person/month or at 730.000 drachmas/person/year approximately. The order of importance concerning the expense, for the most significant products is the following:

Μορφοποιημένο: Κουκκίδες και αρίθμηση

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PRODUCT	VALUE (DRACHMAS/PERSON/MONTH)	PERCENTAGE
Prepared food	12.350	20%
Dairy products	9.654	16%
Whisky	8.175	13%
Tobacco	7.200	11%
Fruit	4.493	7%
Meat	4.179	6%
Unbottled wine	3.750	6%
Frozen fish	3.740	6%
Bread and preparations	1.763	3%
Others	12.718	23%
TOTAL	60.770	100%

Rate participation of the value of agricultural products in the value of food, drinks and tobacco.

Μορφοποιημένο: Κουκκίδες και αρίθμηση

The relevant percentage for the total of the consumer expenses for food – drinks – tobacco, is estimated at 30%. If tobacco, frozen fish and whisky are excluded (the last two products are not produced by typical farmers and fishermen but by companies that produce food – drinks), the percentage is increased to 43%. By increasing order of size, the relevant percentages are the following:

PRODUCT	PERCENTAGE
	(%)
Whisky	0%
Frozen fish	0%
Tobacco	4%
Bread e.t.c	16%
Prepared food	23%
Wine (unbottled)	30%
Dairy products	45%
Fruit	53%
Eggs	55%
Pulses	71%
Honey	74%
Vegetables	76%
Meat	78%
Olive oil	80%
WEIGHTING AVERAGE	30%

As a result, the whole situation can be regarded as satisfying for the primary production producers in the case of fruit, eggs, pulses, vegetables, honey, meat and olive oil. On the contrary, for the remaining food-drinks, the rate participation of the agricultural product in the total value of the final food-drink is insufficient. The low percentages in the cases of bread, wine (unbottled) and dairy products cause great surprise.

TABLE 1

COMPARISON BETWEEN THE VALUE OF THE AGRICULTURAL PRODUCTS AND THE FOOD VALUE

	FOOD KIND	FOOD CONSUMPTION (KILOS)	FACTOR OF AGRICULTURAL PRODUCT PER FOOD	AGRICULTURAL PRODUCT PER FOOD	RESULTING QUANTITY OF AGRICULTURAL PRODUCTS (KILOS)	FOOD VALUE (DRS)	PRODUCER PRICE 2001 (DRS/KILO)	AGRICULTURAL PRODUCTS VALUE (DRACHMAS)	AGRICULTURAL PRODUCT PERCENTAGE (%) IN FOOD
1	2	3	4	5	6 = 3 X 4	7	8	9 = 6 X 8	10 = 9 : 7%
1	BREAD	4,525	1	SOFT WHEAT	4.525	1.252,50	51,8	234,40	
2		0,637	1,35		0,860	511,20	51,8	44,55	
2	TOTAL	5,162	1,00		0,000	1.763,70	01,0	278,94	15,82%
3	FETA	2,405	4	SHEEP'S MILK	9,620	4.301,25	285,2	2.743,62	
4	YOGURT	1,105	1,1	SHEEP'S MILK	1,216	1.637,50	285,2	346,66	
5	COW MILK	8,775	1		8,775	2.857,50	115,2	1.010,88	
6	KEFALOGRAVIERA	0,312	7	COW MILK	2,184	857,50	115,2	251,60	
	TOTAL	12,597				9.653,75		4.352,76	45,09%
7	LAMB	0,487	1		0,487	1.117,50	1.494,5	727,82	
8	CALF	0,41	1		0,410	848,75	1.233,7	505,82	
9	PORK	0,687	1		0,687	1.277,50	822,6	565,13	
10	TURKEY	1,082	1		1,082	935,00	1.368,9	1.481,15	
	TOTAL	2,666				4.178,75		3.279,91	78,49%
11	ORANGES	7,3	1		7,300	1.025,00	70	511,00	
12	ORANGE JUICE	1	2	ORANGES	2,000	371,25	70	140,00	
13	APPLES	3,6	1		3,600	925,00	146,8	528,48	
14	BANANAS	2,615	1		2,615	1.277,00	310,5	811,96	
15	KIWI	1,225	1		1,225	570,00	146,8	179,83	
16	STRAWBERRIES	0,275	1		0,275	250,00	558,3	153,53	
17	PEARS	0,215	1		0,215	75,00	206	44,29	
	TOTAL	16,23				4.493,25		2.369,09	52,73%
	FOOD KIND	FOOD	FACTOR OF	AGRICULTURAL	RESULTING	FOOD VALUE	PRODUCER	AGRICULTURAL	AGRICULTURAL

		CONSUMPTION (KILOS)	AGRICULTURAL PRODUCT PER FOOD	PRODUCT PER FOOD	QUANTITY OF AGRICULTURAL PRODUCTS (KILOS)	(DRACHMAS)	PRICE 2001 (DR/KILO)	PRODUCTS VALUE (DRACHMAS)	PRODUCT PERCENTAGE (%) IN FOOD
1	2	3	4	5	6 = 3 X 4	7	8	9 = 6 X 8	10 = 9 : 7%
10	00747050	1.050			1.050	000 50		007.04	
18		1,952	1		1,952	282,50	116,4	227,21	
19	CABBAGE	1,775	1		1,775	128,75	104	184,60	
20	TOMATOES	1,287	1		1,287	360,00	221,7	285,33	
21		0,75	1		0,750	175,00	216,5	162,38	
22	CUCUMBERS	0,687	1		0,687	245,00	227,2	156,09	
23	PEAS CAULIFLOWER	0,425	1		0,425	195,00 77,50	191,1 194.2	81,22	
24	SMALL ONIONS	-, -	1		0,162	37,50	281,2	31,46	
25		0,12	1		,	,		33,74	
26	ONIONS	0,125	1		0,125	25,00	57,9	7,24	
27	CARROTS	0,075	1		0,075	7,50	128,6	9,65	
28		0,112	1		0,112	25,50	222,8	24,95	
29	CELERY	0,027	1		0,027	6,50	252,9	6,83	
30		0,072	1		0,072	17,50	201	14,47	
31	PEPPERS	0,035	1		0,035	33,75 32,50	199,7	6,99	
32		0,04	1		0,040	,	437,4	17,50	75 700/
	TOTAL	7,644				1.649,50		1.249,65	75,76%
33	PREPARED FOOD FROM	I WHICH			0,000				
	30% BOVINE MEAT	1,85	1		1,850		1233,7	2.282,35	
	30% DURUM WHEAT	1,85	1		1,850		51,5	95,28	
	30% HORTICULTURE	1,85	1		1,850		203,5	376,48	
	10% SUGAR	0,61	7	BEETS	4,270		15,4	65,76	
	TOTAL	6,16				12.350,00		2.819,85	22,83%
0.4		0.05			0.050	007.50		110.00	
34	GIANT BEANS	0,25	1		0,250	297,50	474,5	118,63	
35	BEANS	0,125	1		0,125	55,00	474,5	59,31	
36	CHICKPEAS	0,25	1		0,250	145,00	461,2	115,30	
37	LENTILS	0,125	1		0,125	40,00	716,4	89,55	74.000/
	TOTAL	0,75			0,75	537,50		382,79	71,22%

	FOOD KIND	FOOD CONSUMPTION (KILOS)	FACTOR OF AGRICULTURAL PRODUCT PER FOOD	AGRICULTURAL PRODUCT PER FOOD	RESULTING QUANTITY OF AGRICULTURAL PRODUCTS (KILOS)	FOOD VALUE (DRACHMAS)	PRODUCER PRICE 2001 (DR/KILO)	AGRICULTURAL PRODUCTS VALUE (DRACHMAS)	AGRICULTURAL PRODUCT PERCENTAGE (%) IN FOOD
1	2	3	4	5	6 = 3 X 4	7	8	9 = 6 X 8	10 = 9 : 7%
38	EGGS	0,375	1		0,375	362,50	528,5	198,19	
39	HONEY	0,375	1		0,373	900,50	1479,6	665,82	
40	RICE	0,45	1		0,430	900,50	92.9	11,61	
40	OLIVE OIL	0,123	1		0,123	500,00	643,5	402,19	
41	OLIVE OIL	0,823	1		0,623	715,00	328,5	147,83	
42	ARACHIDE	0,43	3,4		2,176	637,50	250	544,00	
		,	,	FOR WINE MAKING	,				
44	WINE (UNBOTTLED)	7,5	1,5	GRAPES	11,250	3.750,00	99,1	1.114,88	
	TOTAL	10,165			15,451	7.028,00		3.084,51	43,89%
	TOTAL DRINKS - FOOD	61,374				41.654,45		17.817,50	42,77%
45	ТОВАССО	0,25	1		0,250	7.200,00	1198,9	299,73	4,16%
	TOTAL FOOD-DRINKS- TOBACCO	61,624				48.854,45		18.117,23	37,08%
46	FROZEN FISH	2,51	0		0,000	3.740,00	-	0,00	0,00%
47	WHISKY	1,60	0		0,000	8.175,00	-	0,00	0,00%
	TOTAL	4,11			0,00	11.915,00	-	0,00	0,00%
	GRAND TOTAL	65,73				60.770,00		18.117,23	29,80%

TABLE 2 SUMMARY OF TABLE 1

	FOOD CATEGORY	FOOD CONSUMPTION - KILOS/MONTH/PERSON	FOOD VALUE – DRS	PARTICIPATION (%) OF THE AGRICULTURAL PRODUCTS IN FOOD
1	BREAD AND PREPARATIONS	5,2	1.762	15,82%
2	DAIRY PRODUCTS	12,6	9.654	45,09%
3	MEAT	2,7	4.179	78,49%
4	FRUIT	16,2	4.493	52,73%
5	VEGETABLES	7,6	1.650	75,76%
6	PREPARED FOOD	6,2	12.350	22,83%
7	LEGUMES	0,8	538	71,22%
8	EGGS	0,4	363	54,67%
9	HONEY	0,5	901	45,00%
10	OLIVE OIL	0,6	500	80,44%
11	WINE (UNBOTTLED)	7,5	3.750	29,73%
	TOTAL FOOD- DRINKS	61,3	41.655	42,77%
12	TOBACCO	0,3	7.200	4,16%
	TOTAL FOOD- DRINKS-TOBACCO	61,6	48.855	37,08%
13	FROZEN FISH	2,5	3.740	0,00%
14	WHISKY	1,6	8.175	0,00%
	GRAND TOTAL	65,7	60.770	29,80%