

## Price index for milkfish: An info tip for producers and consumers

By

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Knowing the price of milkfish in various months of the year is an important concern for milkfish grow-out operators. Generally, we aim to harvest when price is high in the markets or fish trading ports where we expect to sell them. However, traditional milkfish production is heavily influenced by climate cycles and other biological conditions. Markets are also characterized by seasonal and trend effects and they manifest in prices. These factors contribute to the seasonality in milkfish production, and consequently in prices.

The table on this page presents seasonal price indexes for milkfish in Manila and five regional markets. The seasonal indexes were derived using multiplicative technique applied on monthly wholesale and retail price data from 1990 to 2000.<sup>1</sup> Overall, the indexes show that wholesale and retail prices were relatively high (i.e., indexes are above 1.0) from December to May in all markets, except in Iloilo and Zamboanga where indexes remain <1 in December. Meanwhile, wholesale and retail price levels were relatively lower (<1) from June to November.

*A crateful of milkfish ready for wholesale auction in a fish port*



One important use of these indexes is that they could indicate the price levels of the marketable milkfish during the expected month of harvest relative to the other months of the year. Milkfish growers could benefit from these price indexes in terms of the indications on the nature of production systems and the extent of the associated cost they could afford to incur. For example, given that in the current period June, the prevailing wholesale price of aver-

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### Monthly seasonal indices for wholesale and retail price of milkfish in selected markets and consumption centers in the Philippines (based on 1990 to 2000 price data)

	Manila	Dagupan	Lucena	Iloilo	Cebu	Zamboanga
<b>Wholesale price</b>						
January	1.130	1.102	1.051	1.058	1.042	1.033
February	1.107	1.114	1.099	1.068	1.034	1.000
March	1.110	1.071	1.088	1.093	1.001	1.036
April	1.053	1.067	1.076	1.091	1.071	1.028
May	1.021	1.004	1.030	1.039	1.043	1.050
June	0.971	0.949	0.979	0.969	1.007	1.041
July	0.915	0.902	0.926	0.913	0.958	1.019
August	0.931	0.943	0.941	0.931	0.966	0.970
September	0.915	0.920	0.922	0.954	0.943	0.968
October	0.929	0.916	0.909	0.936	0.941	0.925
November	0.933	0.969	0.948	0.966	0.974	0.959
December	0.985	1.043	1.032	0.982	1.021	0.972
<b>Retail price</b>						
January	1.086	1.073	1.044	1.052	1.049	1.028
February	1.109	1.086	1.080	1.094	1.027	1.045
March	1.113	1.081	1.093	1.128	1.029	1.024
April	1.098	1.058	1.080	1.113	1.035	1.029
May	1.030	1.014	1.047	1.027	1.037	1.019
June	0.963	0.963	1.015	0.943	1.025	1.031
July	0.926	0.950	0.948	0.927	0.991	0.999
August	0.909	0.924	0.911	0.928	0.971	0.986
September	0.916	0.925	0.920	0.935	0.959	0.979
October	0.915	0.936	0.932	0.936	0.940	0.924
November	0.937	0.974	0.923	0.943	0.936	0.965
December	1.000	1.017	1.006	0.974	1.000	0.970

<sup>1</sup> These computations and indexes form part of the contributed paper titled *Price relationships in Philippine milkfish markets: Univariate and causality analysis* presented by ND Salayo at the 6th Asian Fisheries Forum "Asian Fisheries: Diversification and Integration", 25-30 November 2001, National Sun Yat-Sen University, Kaohsiung, Taiwan

## 5th Symposium on Diseases in Asian Aquaculture (DAA 5)

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mendations from the section would be solicited. I'm sure that when we announce our recommendations, people would listen. We can also use those recommendations as a starting point for the initiation of a law or regulation. Next year, we will hold our 5<sup>th</sup> *Diseases in Asian Aquaculture* conference in Australia around November 2002. Members of the society are not only Asian scientists, but also Europeans and American scientists who register to be members. Around 200 participants attended the previous one. Our activities are published in a newsletter, which is circulated two times every year.

*Do you have a word of advice to aspiring young aquaculturists in Asia?*

We have doors open for young scientists who pursue this career. There are many interesting things for them to explore and there is a very friendly atmosphere in fish health work. They won't feel lonely. We have lots of support from the senior and junior scientists who work in this area. We are like a friendly family. I encourage young scientists to get into this discipline. There are a lot of vacant spaces for them to do a lot more work in this field of aquatic animal health. It is an interesting subject. I have been in this career for over thirty years and I'm still very interested to look at it every day.

*[interview by m.b.s.]*

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age-sized milkfish in Manila is 65.90 pesos per kilogram, what could be the approximate price when you expect to harvest by September? Using the indexes on the previous table, we multiply the current month's price (65.90) with the price index at harvest month (0.915), then, divide by the current month's index (0.971). We get 62.10, an approximation of the wholesale price in Manila in September.

As a resource-conscious milkfish grower, we should strive for a low-cost production operation because the expected selling price at P62.10 is relatively low. Another option is to engage in low-input yet longer growing period and say for example, harvest in November where the wholesale price index in Manila is at least 0.933, a little higher than the September index. Meanwhile, the

milkfish grower could at one time plan the stocking period and aim to harvest in January when the wholesale price index in Manila is 1.13. The grower may then invest even in high-cost yet short growing period production operations (such as supplementary feeding) because the expected price is high.

These indexes also give us the idea on the relative level of prices of milkfish between or among various locations (i.e. Iloilo vs. Dagupan) and across markets (wholesale vs. retail). Note that these indexes are not absolute answers to questions about price behavior, nor a tool for price forecasting. But these indicators are useful guides, especially when prices are the only short-interval time-series information available to motivated market researchers in developing countries. ###