Historical Commodity Prices

First stab

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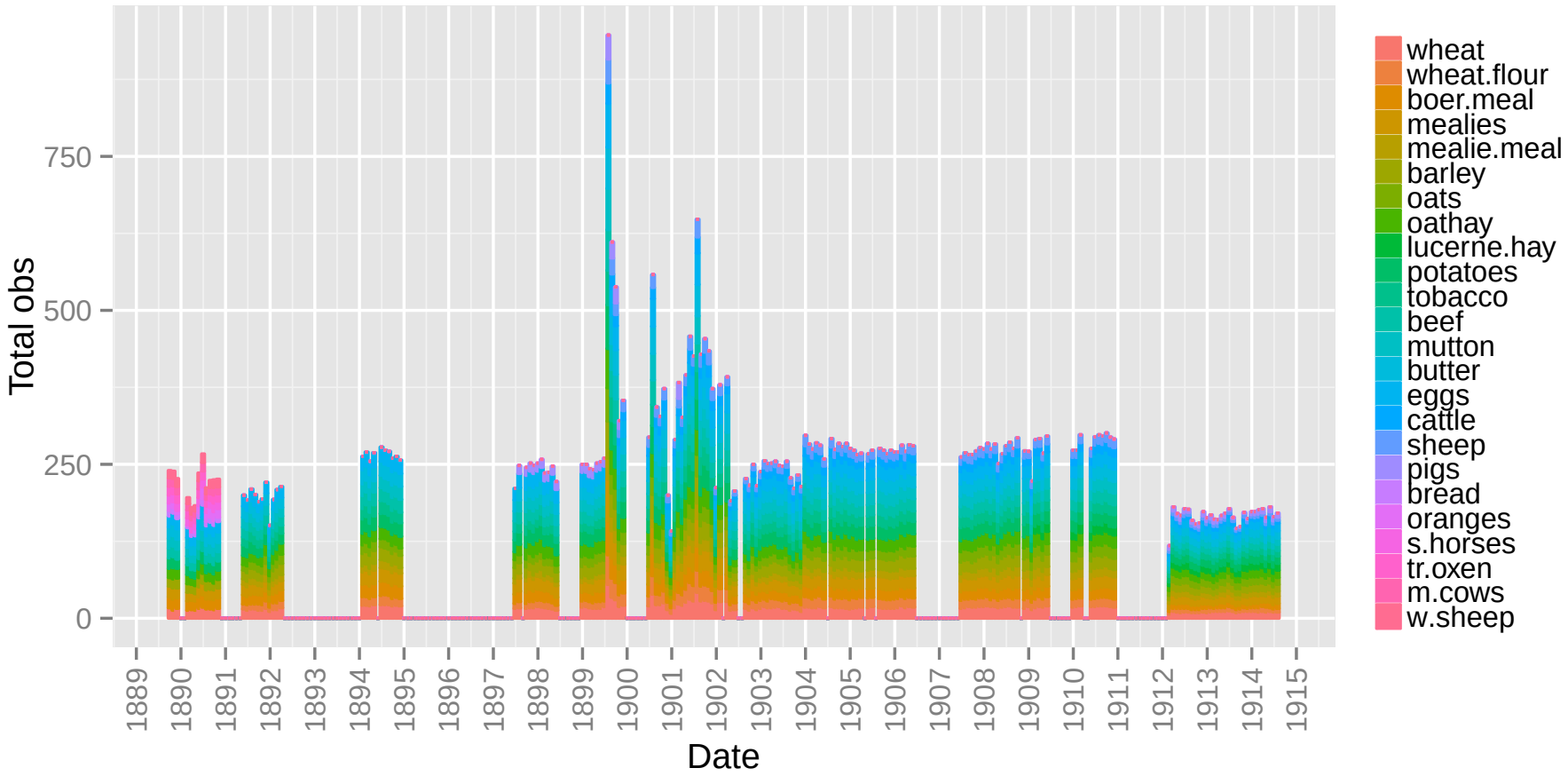
Presentation

19 August 2016

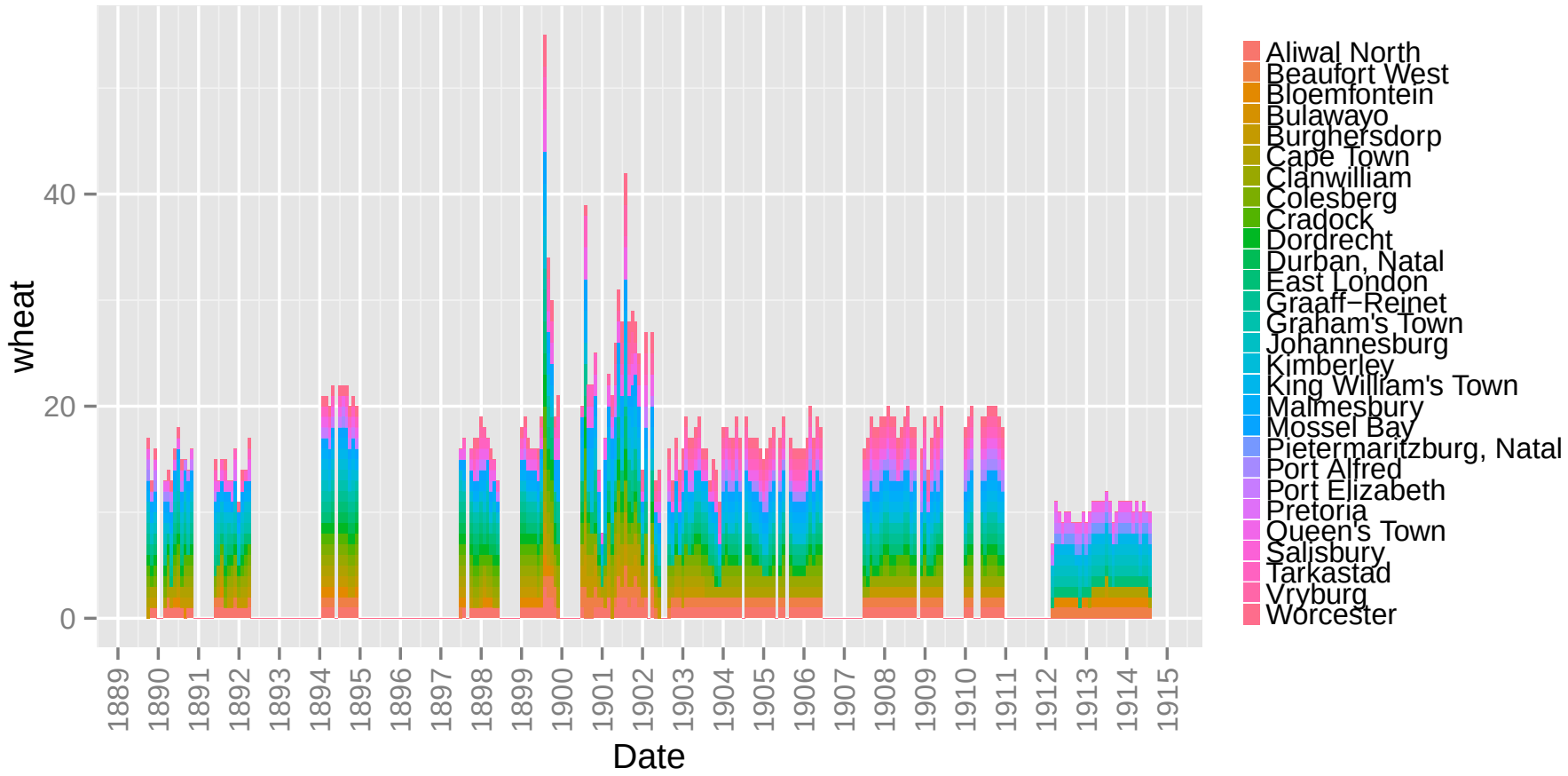
1. The Data
2. Method
3. Aggregate by Commodity - e.g. Wheat
4. Aggregate by Town - e.g. Cape Town
5. Issues

The Data

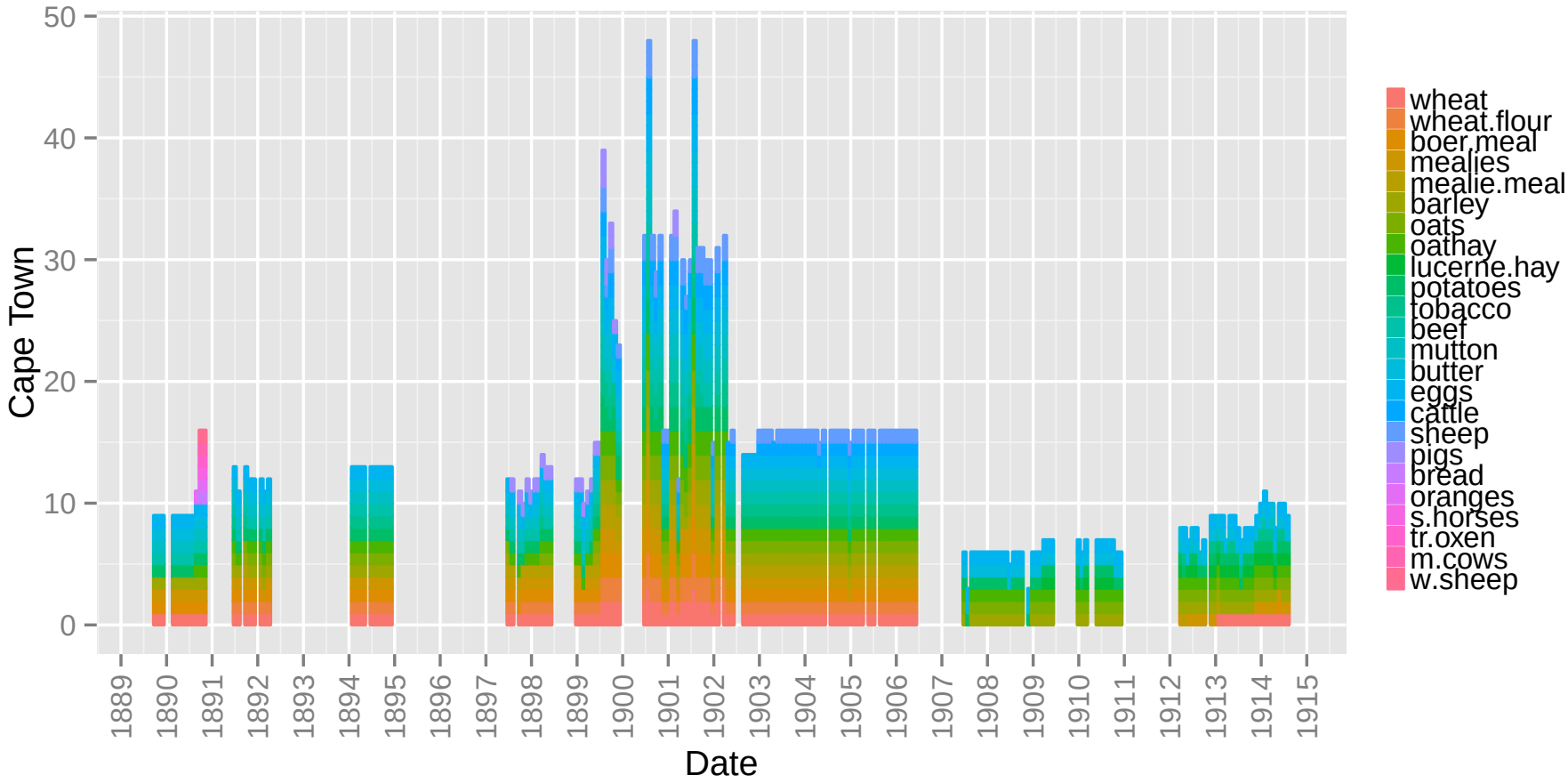
Total Obesrvations



Number of observations by commodity



Number of observations by town



Method

Repeat Sales Method

Table 1: Repeat sales sample

	Beaufort West	Cape Town	Clanwilliam	Malmesbury	Mossel Bay	Worcester
Jun 1891	150.00		120.00	150.00		210.00
Jul 1891	135.00	138.00	126.00	144.00	156.00	
Aug 1891	135.00	150.00	126.00	144.00	156.00	
Sep 1891			150.00	144.00	156.00	288.00
Oct 1891		144.00	150.00	144.00	144.00	
Nov 1891		144.00	132.00		144.00	
Dec 1891	120.00	144.00	132.00	132.00	144.00	
Jan 1892			120.00	126.00	108.00	144.00
Feb 1892		126.00	120.00	120.00	96.00	144.00
Mar 1892		126.00	120.00	123.00	90.00	
Apr 1892	126.00	132.00	120.00	126.00	96.00	111.00
May 1892						
Jun 1892						

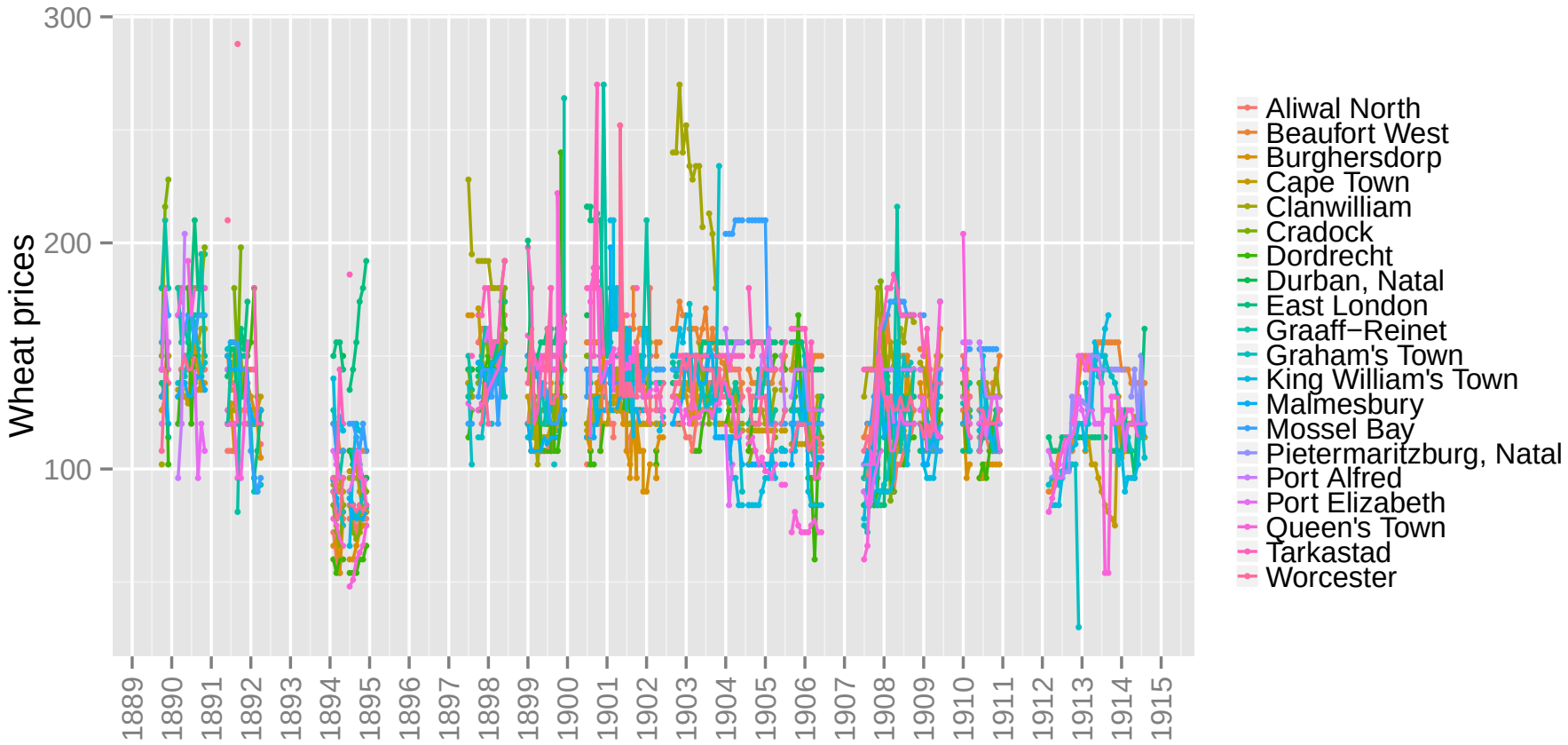
Problems with averages

Repeat sales regressions on pseudo pairs:

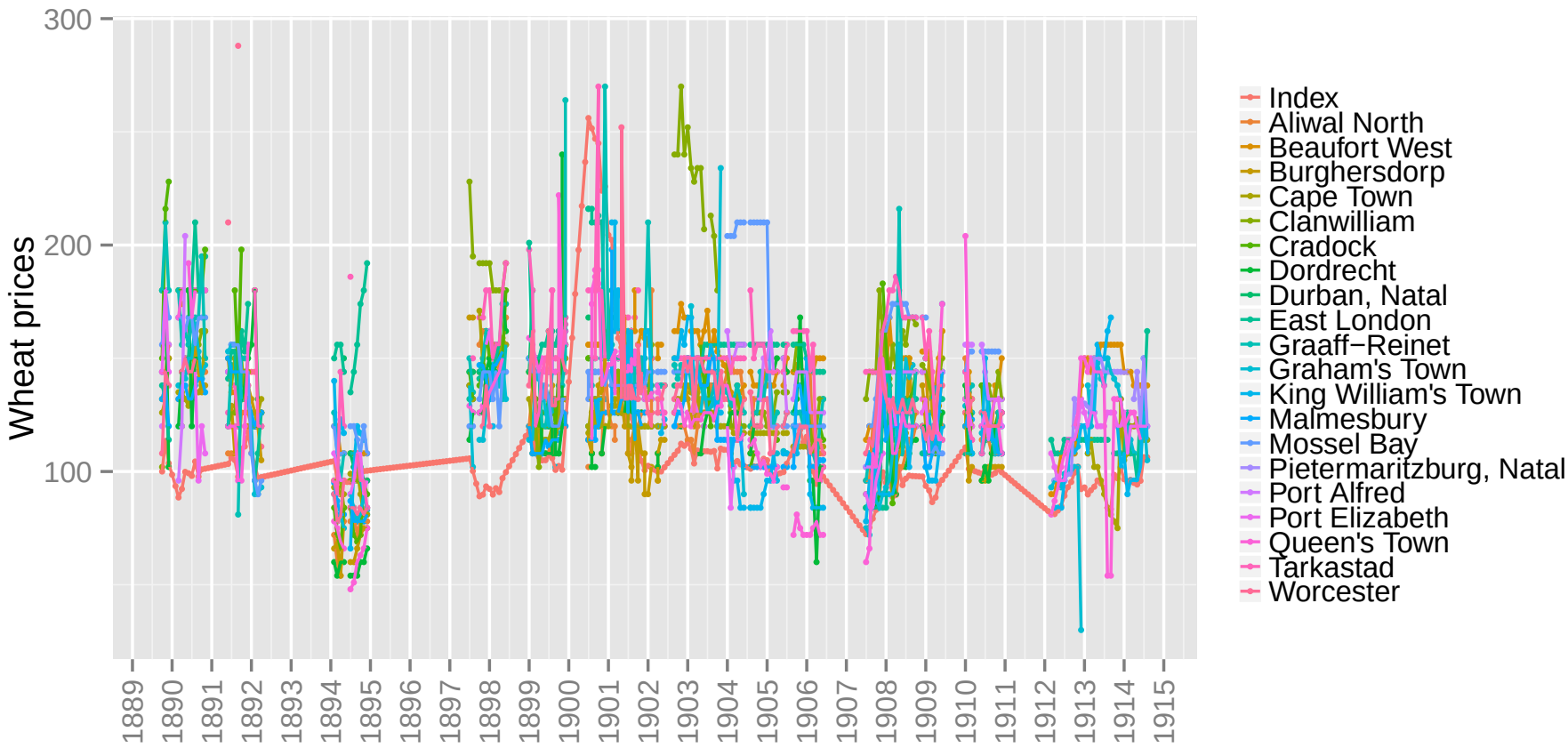
$$\ln P_{it} - \ln P_{is} = \sum_{t=1}^{T} \gamma_t G_t + \epsilon_{its}$$

Aggregate by Commodity - e.g. Wheat

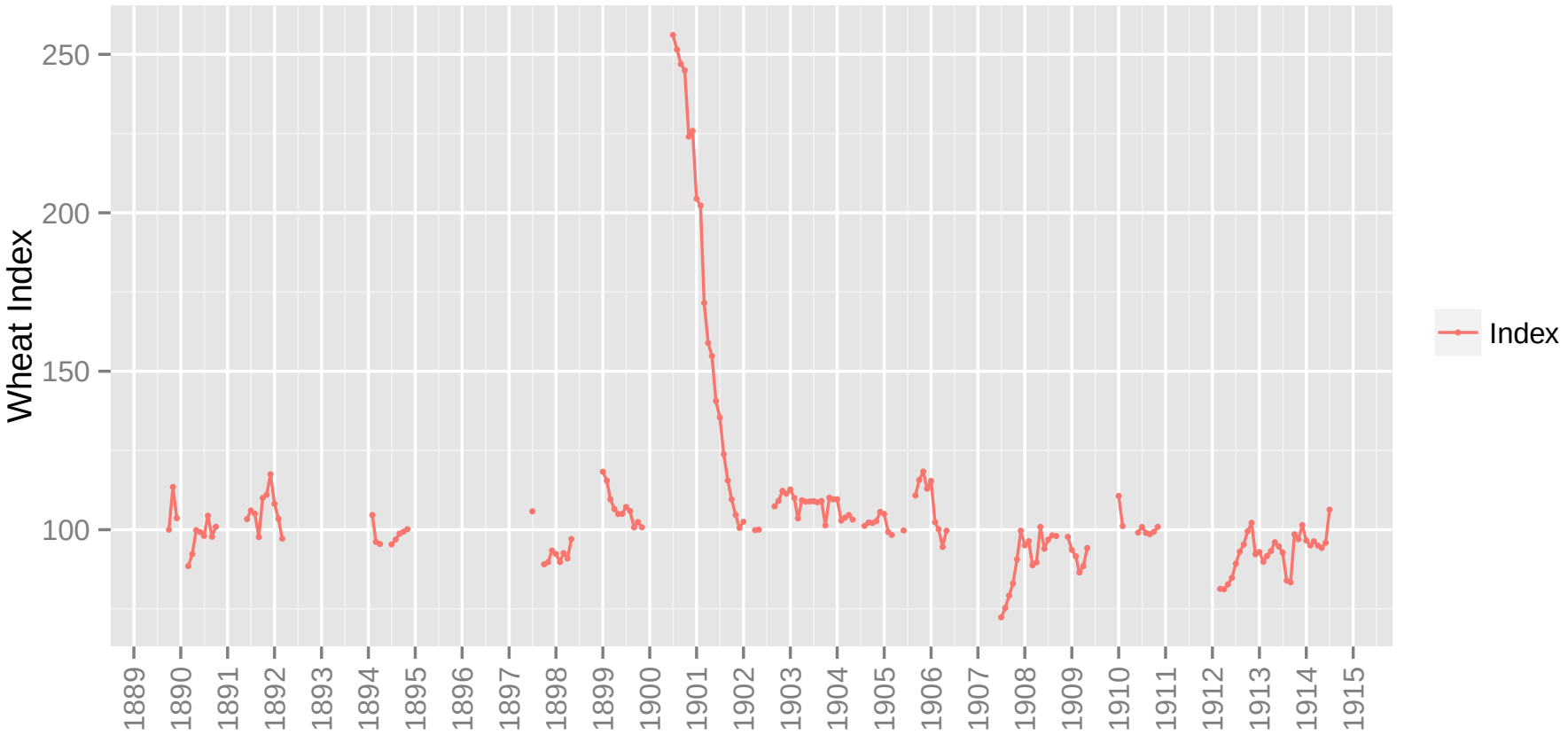
Hoe lyk wheat pryse oor al die dorpe



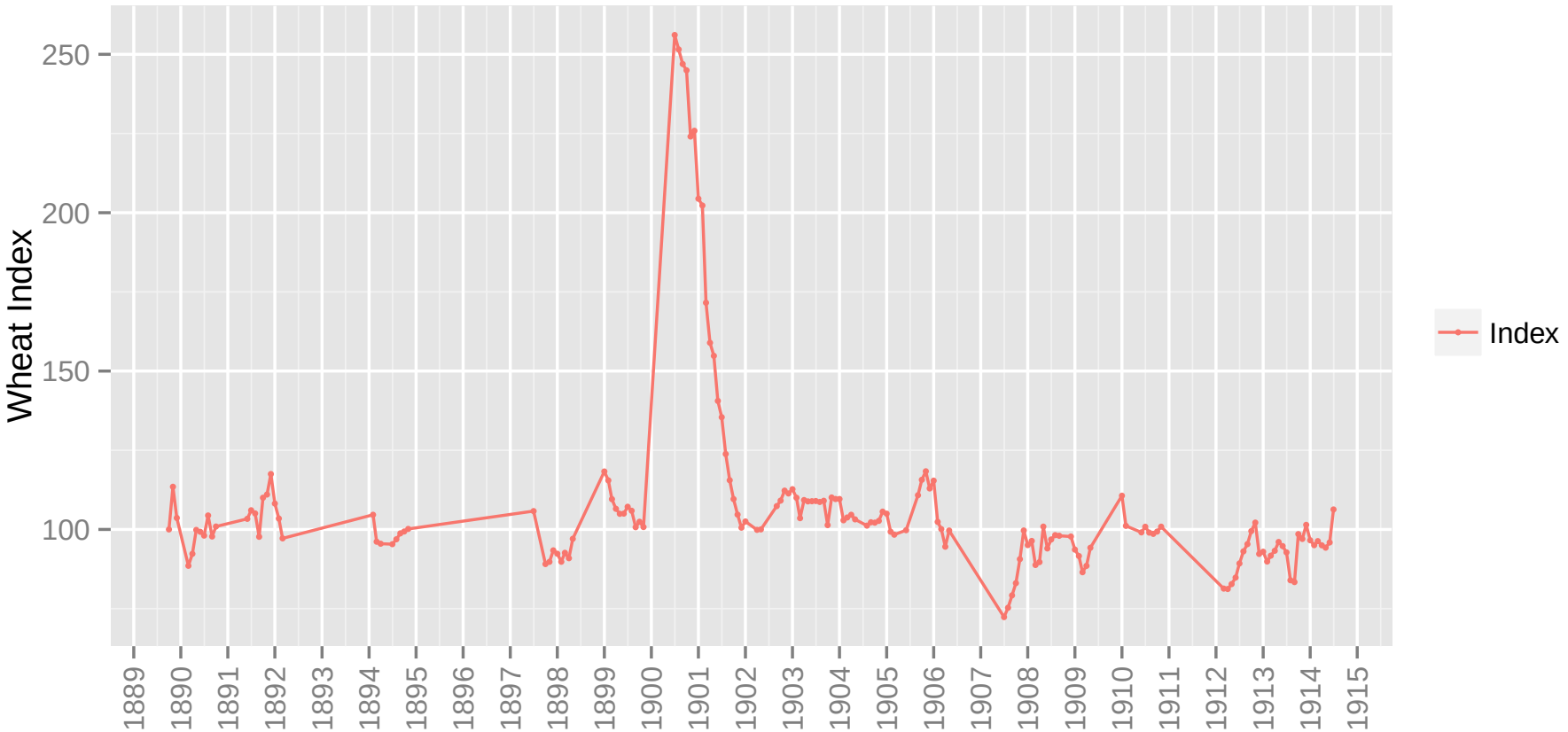
Hoe lyk wheat pryse se indeks



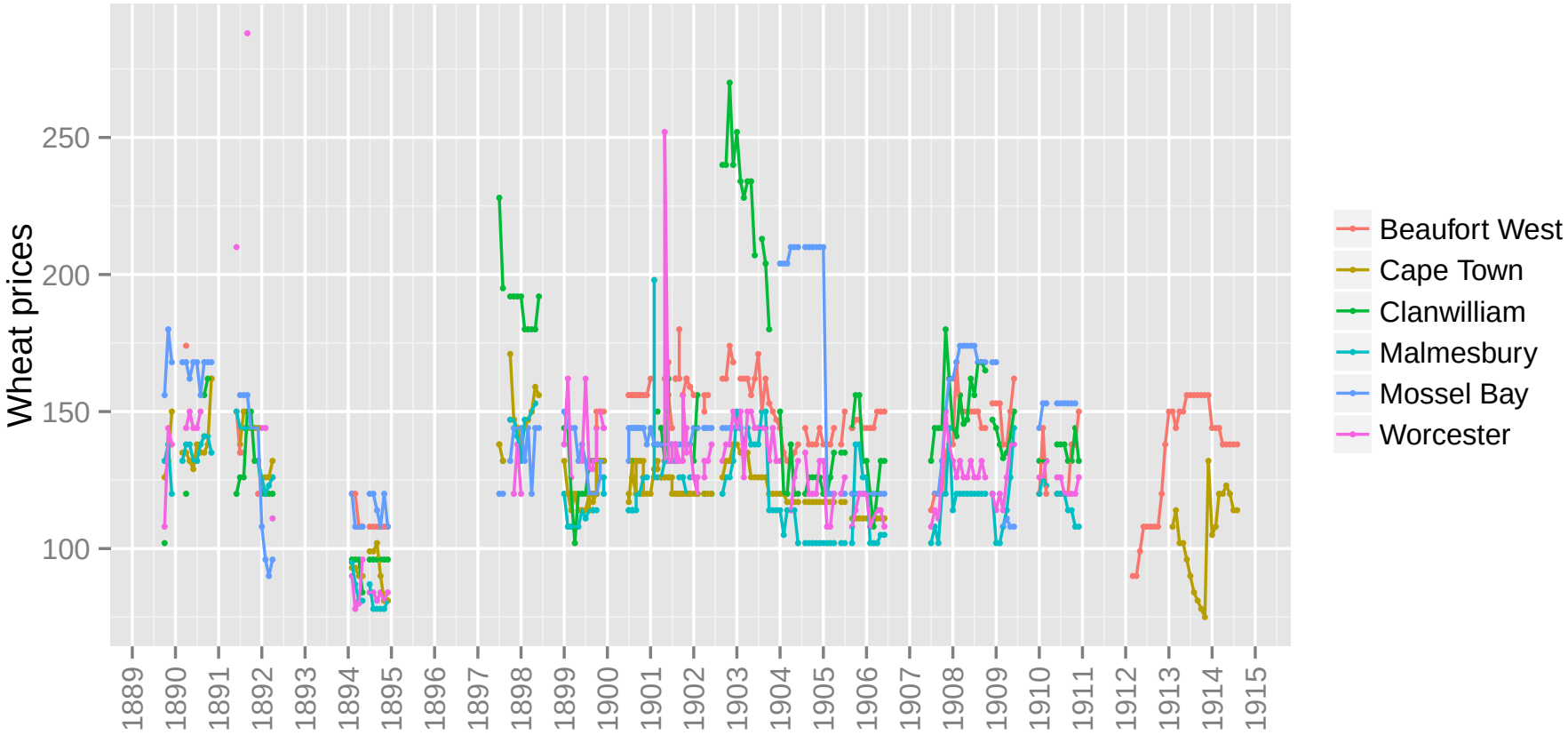
Hoe lyk die wheat indeks



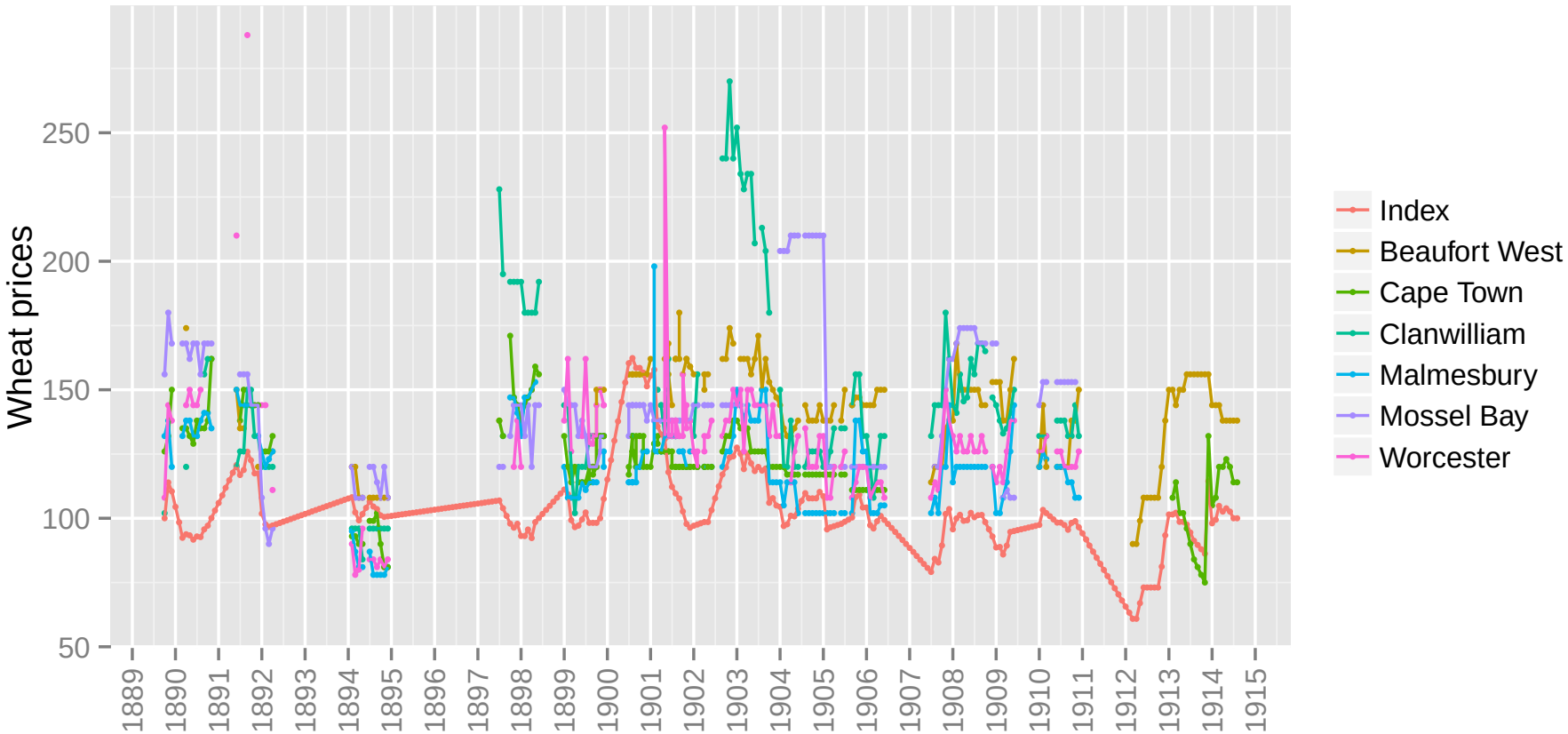
Hoe lyk die wheat indeks (interpolated)



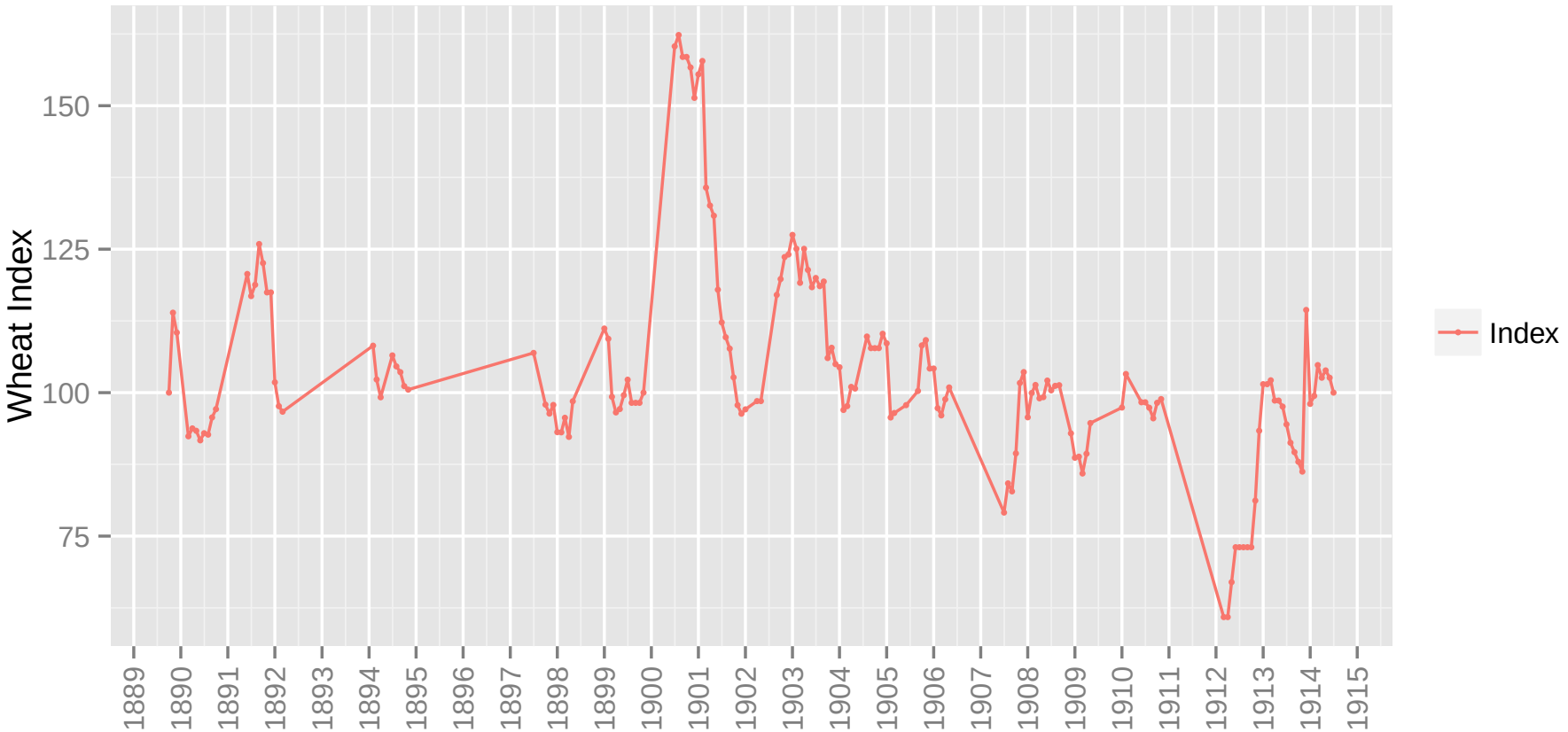
Vergelyk regions - Western Cape



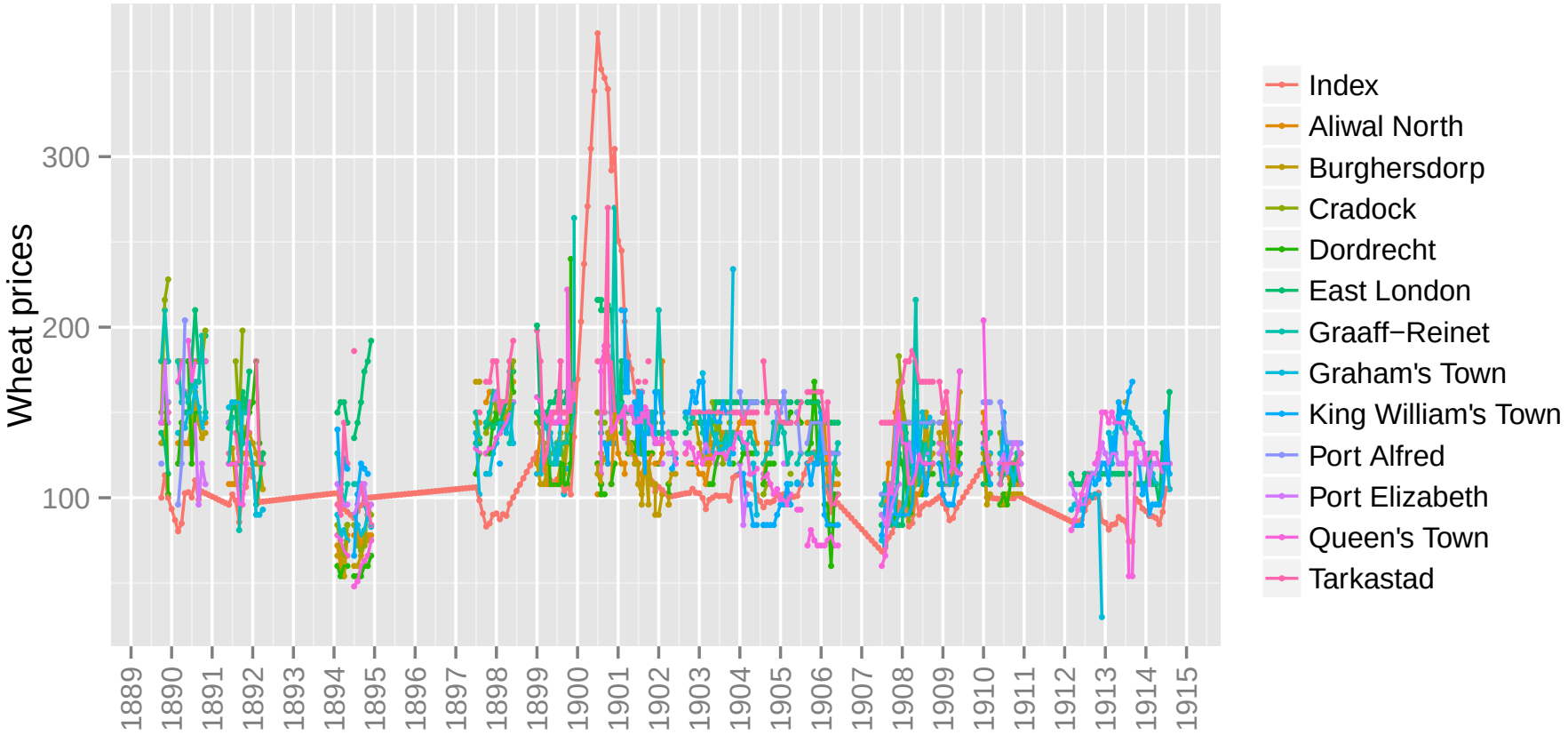
Western Cape wheat prices



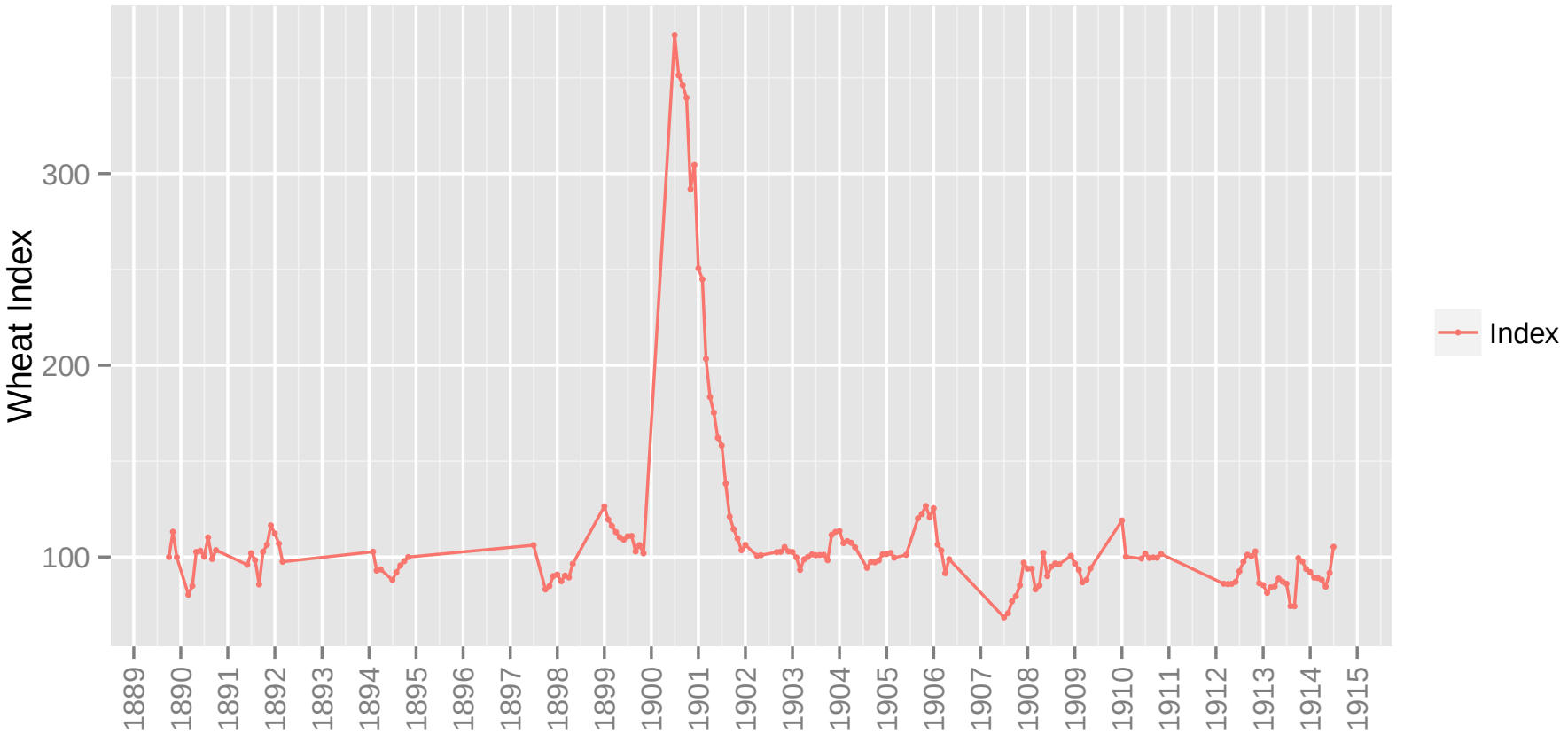
Western Cape wheat index



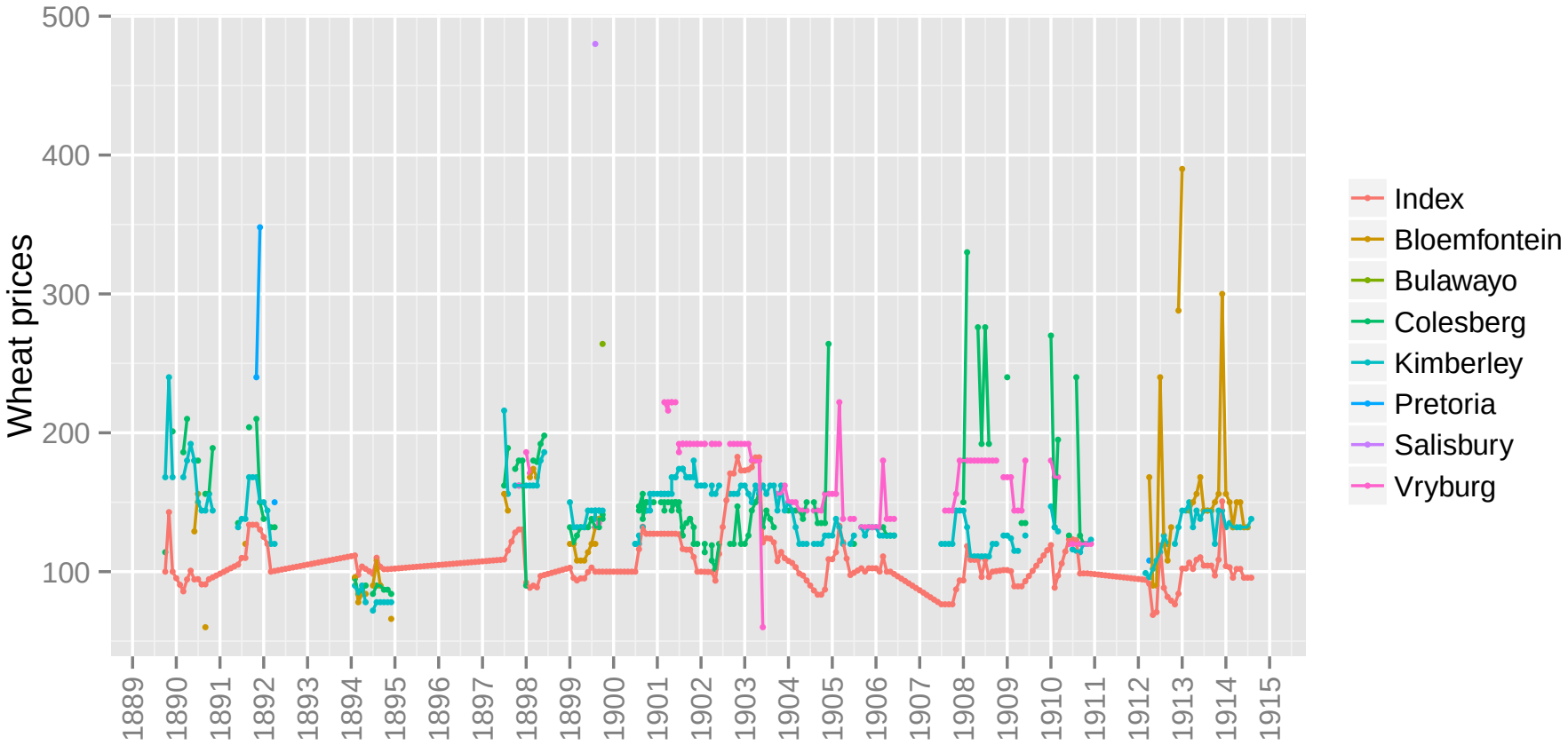
Eastern Cape wheat prices



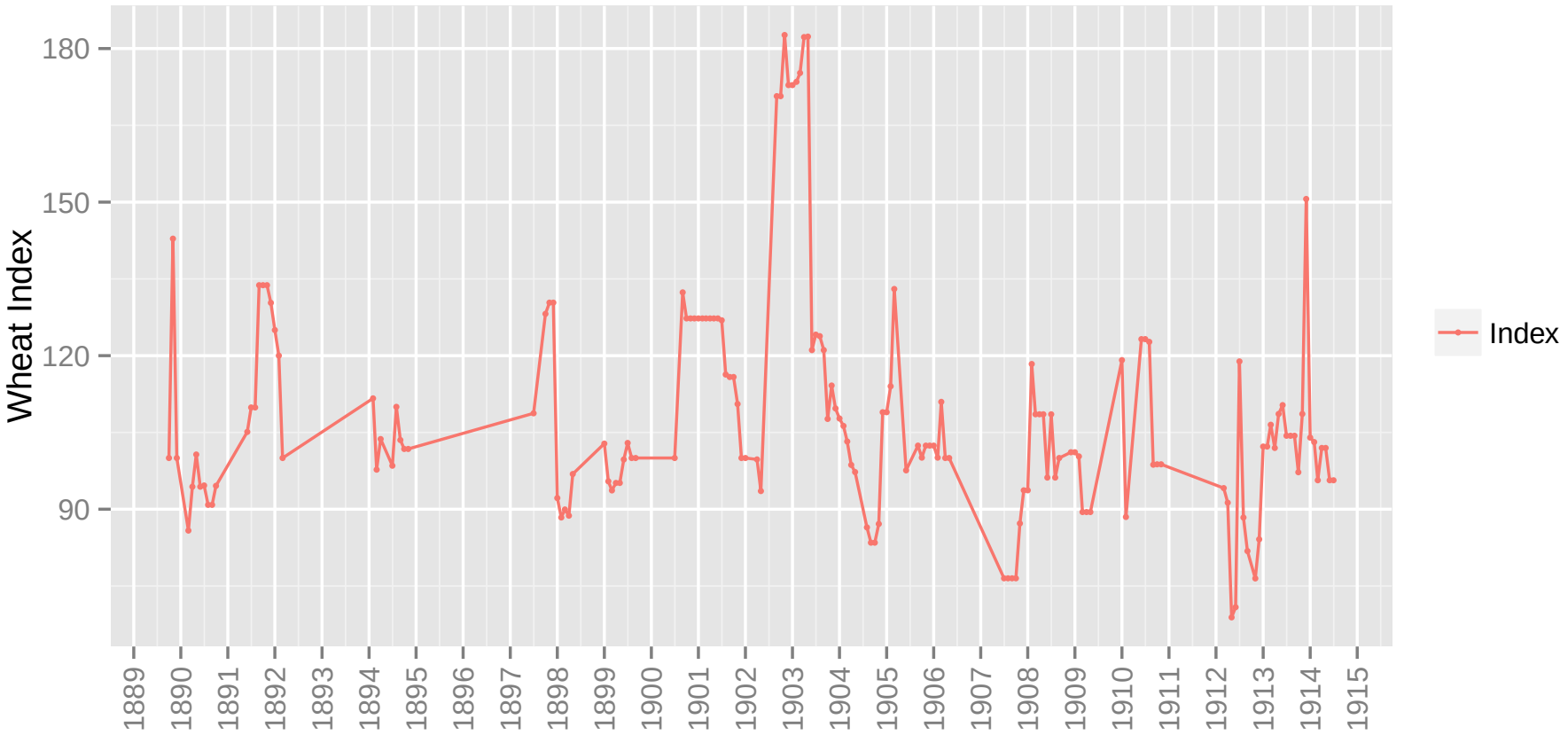
Eastern Cape wheat index



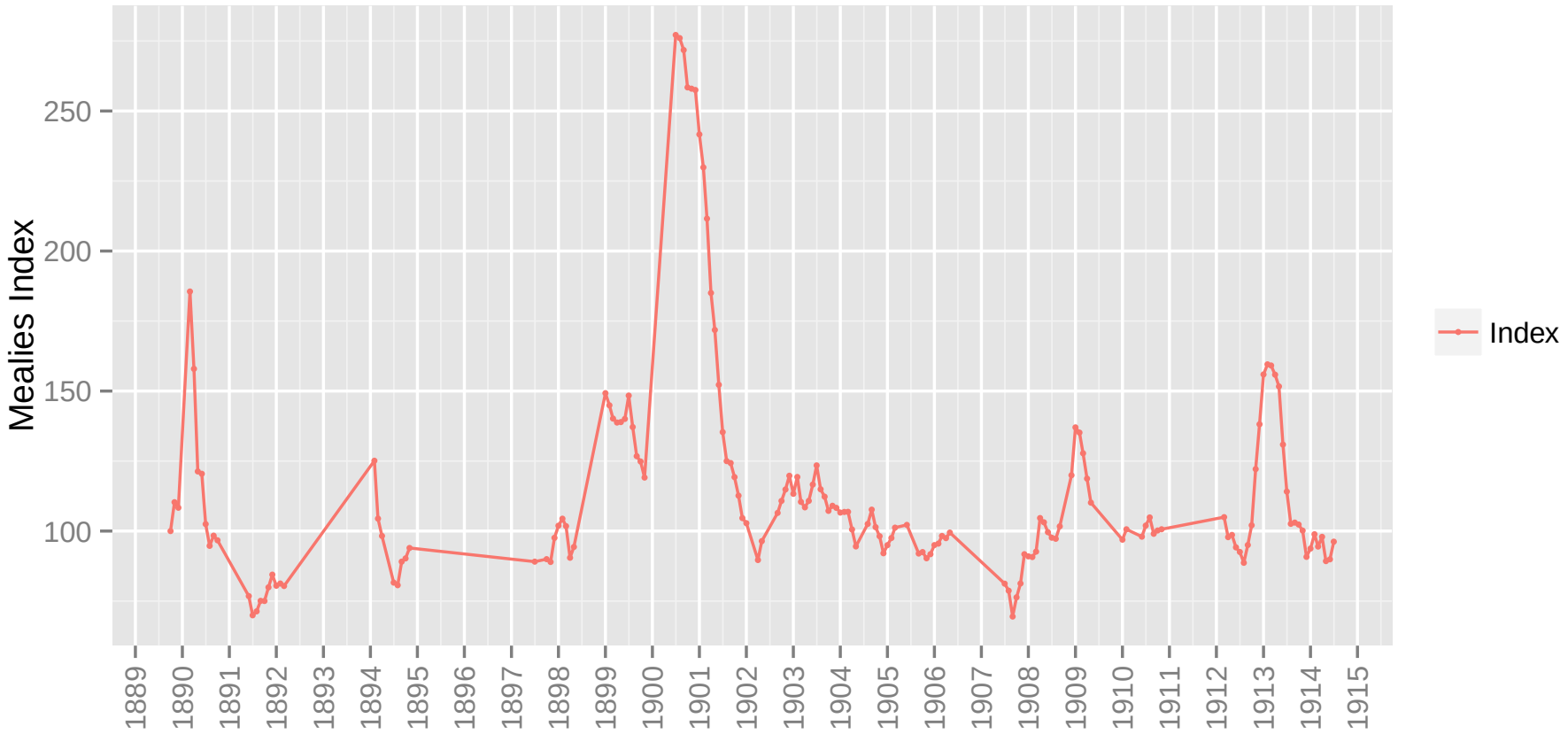
Inland wheat prices



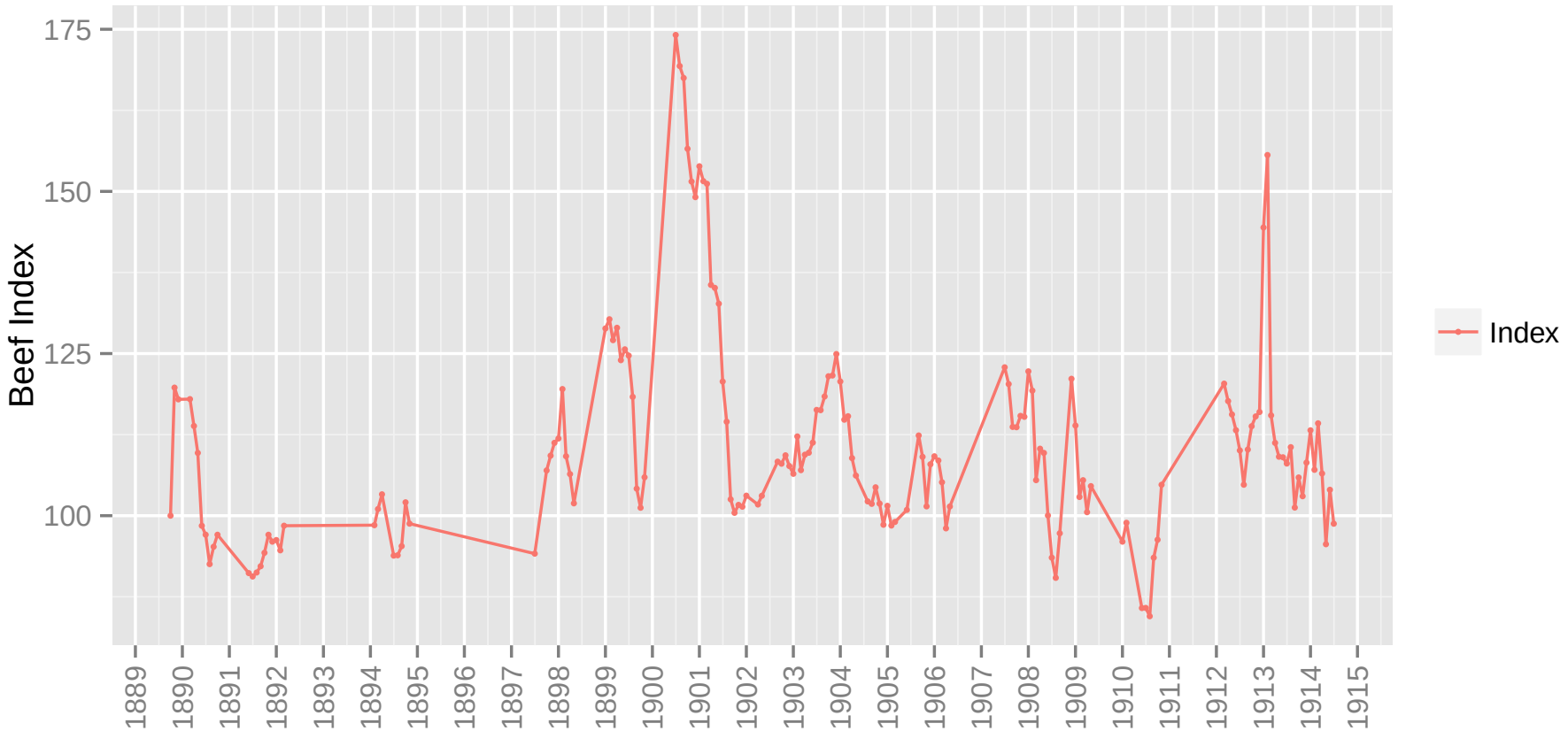
Inland wheat index



Ander commodities - Mealies

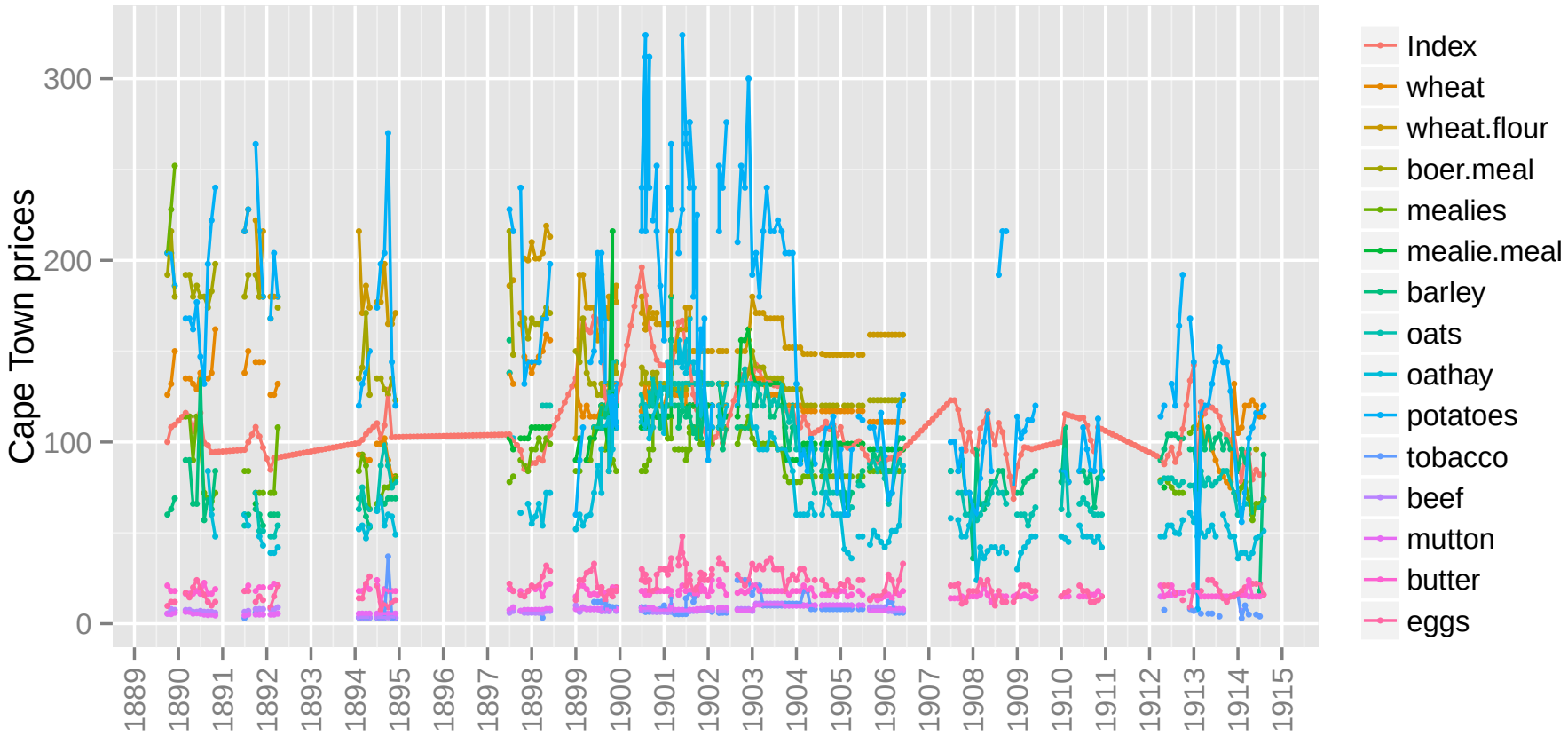


Ander commodities - Beef

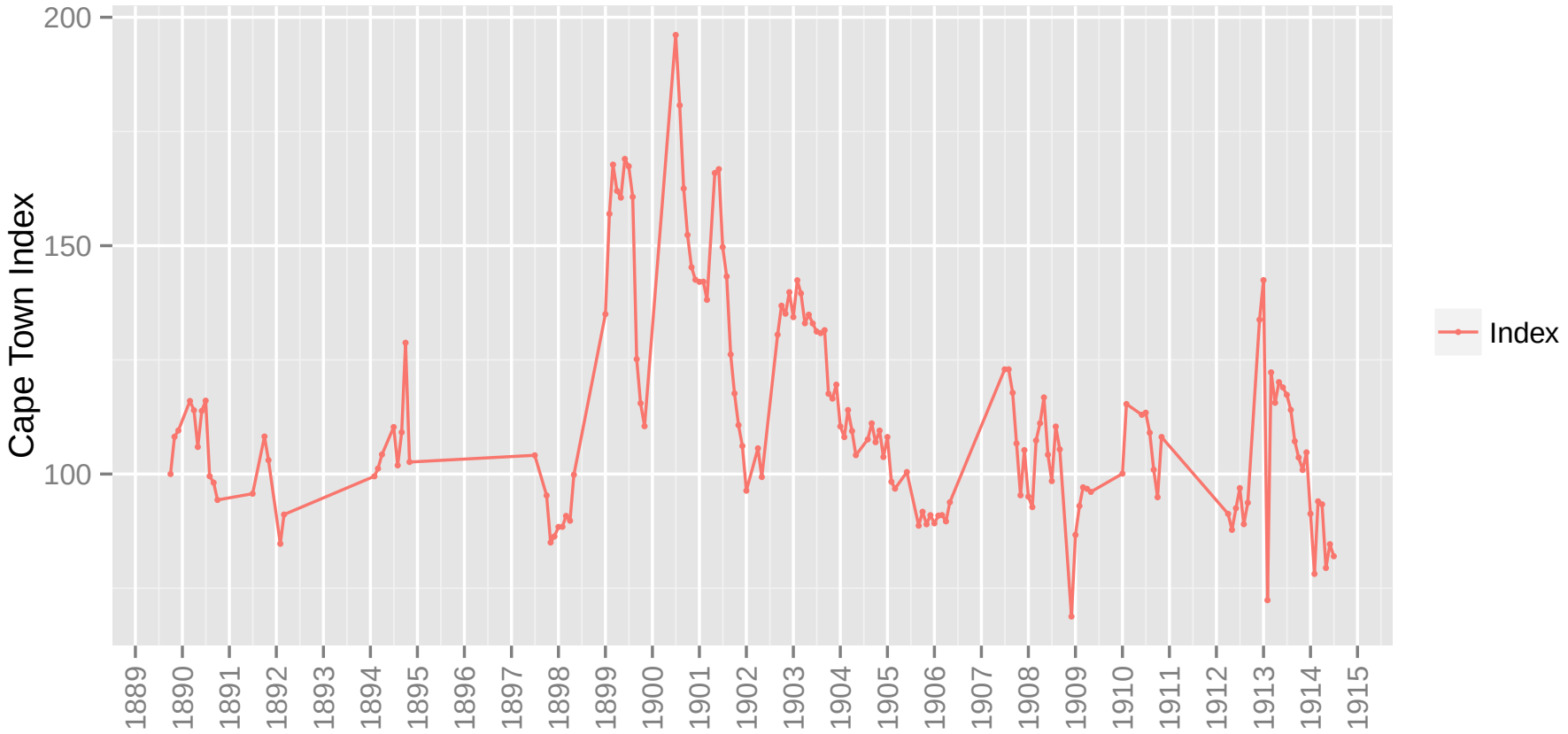


Aggregate by Town - e.g. Cape Town

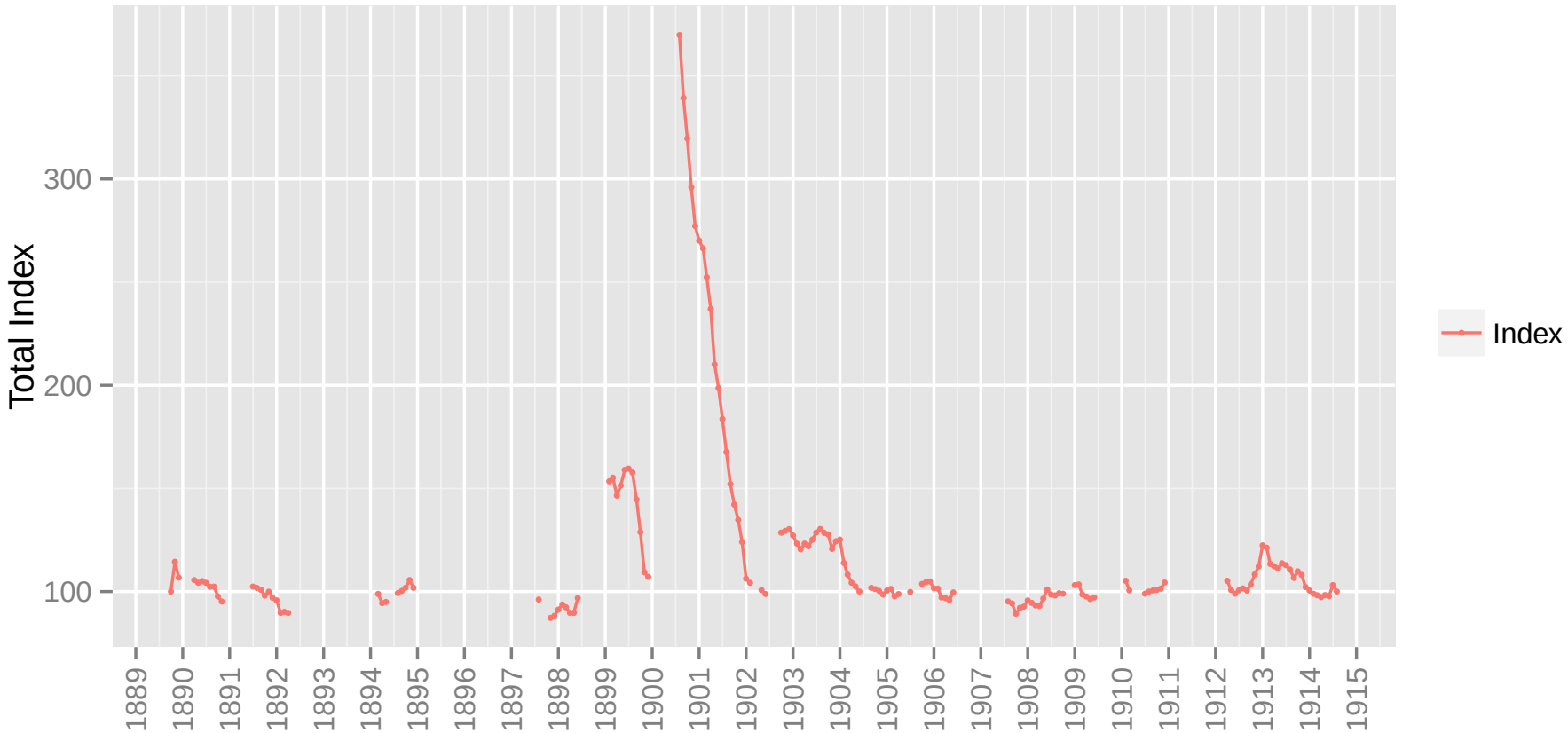
Cape Town prices



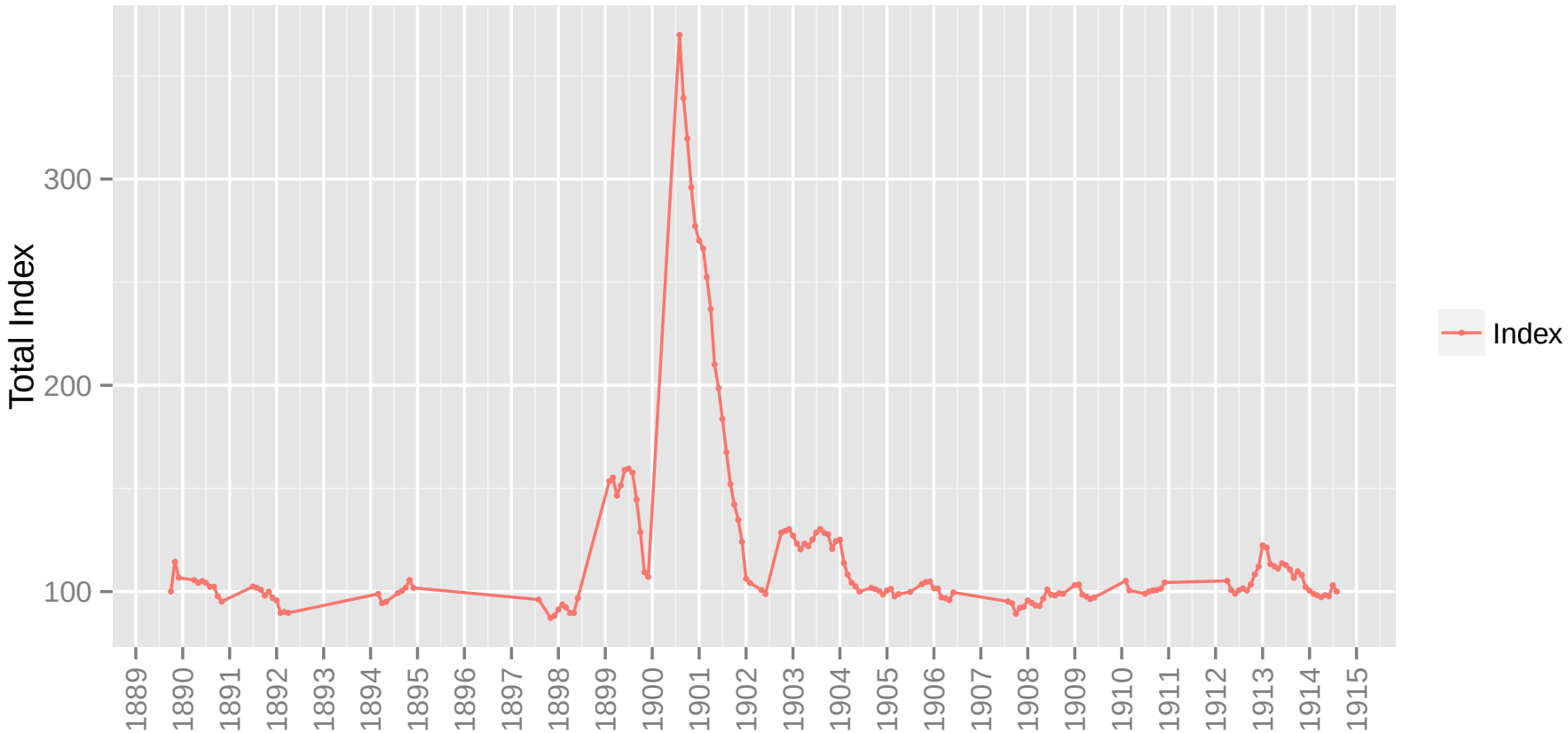
Cape Town index



Total index: All commodities en towns



Total index (interpolated)



Issues

Issues (1)

- Waar kom die data vandaan - Agricultural Journal?
- Potential errors and typos (e.g. Pigs September 1899)
- Het iemand anders die data? En kan ek maar daarop werk?
- Kan ons meer data kry - perhaps other sources?
- Hoe kan ons deal met die missing maande?
  - Klovland gebruik annual data uit die trade statistics en interpoleer die monthly data daarmee (met 'n AR).
  - Is daar iets soortgelyk wat ons kan gebruik - soos bv. die Blue Books?
  - Julle het langer sample (1836-1914)? Kan ons dit gebruik om die gapings in te vul.

Issues (2)

- Het ons volumes of values vir weightings
  - Waar kom die market sizes in die Appendix vandaan en kan ons dit gebruik vir weightings?
  - Klovland recommend calculating the repeat sales index at the commodity level
  - maak weightings minder belangrik - maar nogsteeds commodities weight

Issues (3)

- Applications vir hierdie tipe historical commodity price indices
- Calomiris (2016) kyk na significant changes in die index en link dit aan historical episodes.
  - Hier sal dit waarskynlik die Boere oorlog wees.
- If we want to compare the commodity indices to other countries - we should take the exchange rate regime into account.
  - Was it just a fixed exchange rate with the UK (gold or silver)?
  - Hoe convert julle dit?
- Can do regional comparison as well - soos wat julle doen.

Issues (4)

- Hoe kry julle daardie trends in Cape wheat prices - dit lyk filtered?
  - Snaaks dat dit nie groot spikes rondom Boere-oorlog wys nie.
  - Wat is die frequency van die indekse?
- Hoe het julle gedeal met missing values in albei datasets?
- Hoekom is CV 'n measure van market integration?
- Hoekom kies julle net daardie 8 produkte? Ander wys dalk 'n ander storie.
- Hoekom vat hulle 5-month moving average?
- Hoe meet julle integration as daar so min data is vir binneland?