

La serie Borradores de Economía es una publicación de la Subgerencia de Estudios Económicos del Banco de la República. Los trabajos son de carácter provisional, las opiniones y posibles errores son responsabilidad exclusiva del autor y sus contenidos no comprometen al Banco de la República ni a su Junta Directiva.

Autor o Editor

Ana María Iregui

Jesús Otero

Fecha de publicación

Wednesday the 26th of September, 2012

This paper studies whether the geographical separation of markets constitutes a factor that helps explain the dynamics of agricultural prices. To do this, we employ a highly disaggregated dataset for Colombia that consists of weekly observations on wholesale prices for 18 agricultural products traded in markets scattered around the country. The sample period spans for almost a decade. According to our results, which are based on generalised impulse response functions, distance (and thus transportation costs) is a factor that helps explain the speed at which prices adjust to shocks in other locations, thus confirming that price adjustments take longer for markets farther apart.