

Indices of agricultural prices - October 2014

Overall producer prices of agricultural products rallied in October

In October, overall agricultural producer prices picked up, increasing by 0.8 % compared to September; over one year they fell by 5.3 %.

Cereal prices picked up in October (+5.6 % after -8.2 %). The french soft wheat prices rallied because denominated in euros and the euro decreased versus the dollar. The price of durum wheat have been surging, showing an increase by more than 50% (over six month), reflecting a sharp fall of the production.

Producer prices of cereals

Base year : 2010



Source : Insee

Oleaginous prices went up by 3.1 %, partly driven by a french rape demand that increased, due to the fall of the exchange rate of the euro versus the dollar. Furthermore, the Canadian rape crop was revised downwards, which has increased the demand to France.

Overall wines prices went up in Octobre (+1.0 % after -1.0 %). Over one year, their significant rise (+5.4 %) reflected the weakness of the last two crops (in 2012 and 2013).

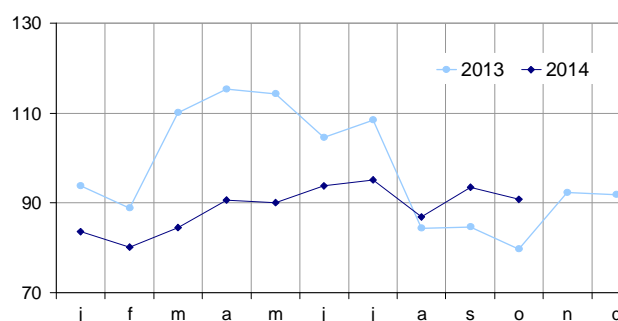
Potatoes prices tumbled almost by half compared to last year : the crops in North-western Europe looked more abundant than last year, due to better yields and the rise of areas under cultivation.

French fruits decreased over one year (-16.8 % after -23.5%). Apple prices and pear prices dropped as a result of the European competition and the commercial Russian embargo established in August. The former suppliers of Russia indeed sold their stocks at low

prices for fear of not being able to sell them up.

Producer prices of vegetables

Base year : 2010

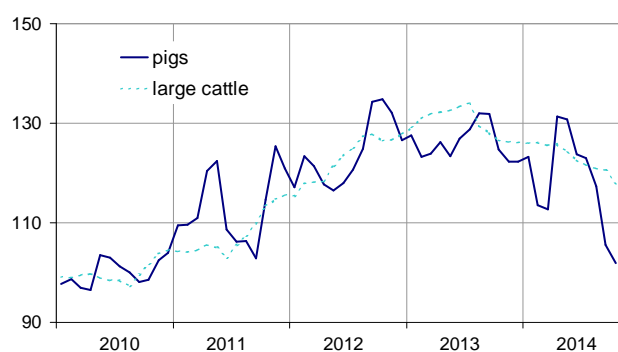


Source : SSP (Ministry of Agriculture)

Fresh vegetable prices increased (+14.0 % over one year). The consumers kept favoring summer vegetables (tomatoes, concumbers and courgettes) in relation with the good weather in October, despite of the reducing quantities at the end of the season. Chicory prices increased due a planned fall : the growed areas had been reduced.

Producer prices of pigs and large cattle

Base year : 2010 ; seasonally adjusted



Source : Insee

On a seasonally adjusted basis, animal prices kept on declining in October (-1.7 % after -2.7%). Pig prices plummeted (-17.2 % over the quarter), due to the sanitary Russian embargo established in January whose impact has been increasing.

Indices of producer prices of agricultural products (IPPAP)

Base year: 2010

	weights	Oct. 2014 raw	Variation as % over		
			a month	3 months	a year
			Seasonally adjusted		
Agricultural goods output	1000	111.9	+0.8	-2.9	-5.3
excluding fruits and vegetables	900	113.5	+0.7	-3.6	-5.7
Crop output (excluding fruits and vegetables)	505	111.6	+2.3	-4.3	-6.8
Cereals	188	102.7	+5.6	-6.7	-12.5
of which soft wheat	112	98.2	+5.5	-9.7	-17.4
grain maize	41	84.3	+1.1	-13.2	-20.4
Potatoes	26	95.1	///	///	-43.8
Wines	177	129.7	+1.0	-2.0	+5.4
Protected designation of origin	84	136.0	-0.8	-5.2	+5.6
other wines	23	144.5	+9.8	+5.8	+17.0
Oleaginous	49	86.4	+3.1	-1.8	-12.9
Horticultural products	30	105.8	-0.5	-2.8	-0.7
Other crop products	36	119.0	-0.6	-1.7	+0.6
Fruits and vegetables (1)	100	98.1	///	///	-0.9
Fresh vegetables	53	90.8	///	///	+14.0
Fresh fruits	35	103.8	///	///	-16.8
Animal output	395	115.9	-1.1	-2.8	-4.3
Animals	234	112.3	-1.7	-5.8	-8.5
of which large cattle calves	26	107.8	+1.1	+2.2	-1.8
pigs	54	104.5	-3.5	-17.2	-18.3
sheep	10	118.4	+2.6	-4.0	-1.0
poultry	46	112.6	-1.0	-2.6	-5.4
of which chicken	28	112.7	-1.1	-2.8	-5.7
Milk	147	121.8	0.0	+2.1	+2.1
of which cow milk (2)	137	122.2	0.0	+2.2	+2.2
Eggs	15	113.7	-2.4	-3.1	+1.5

(1) Including vegetables for industry.

(2) The price for October is not yet known and therefore is estimated by carrying forward the seasonally adjusted price from September

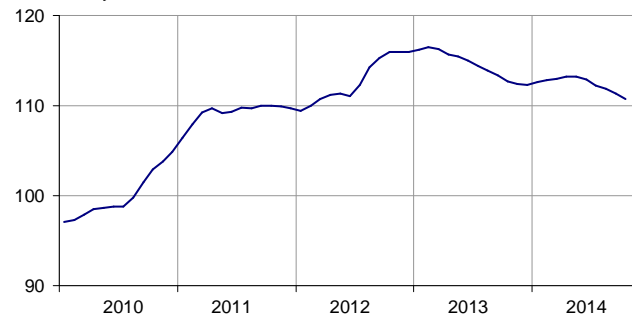
Sources: Insee - SSP (ministry of agriculture)

Overall purchase prices of the means of agricultural production went down in October.

In October, intermediate consumptions prices slipped again (-0.8 % after -0.5 %). Feed and energy prices decreased (respectively -1.7 % and -3.4 %). Over one year, the prices of those inputs dropped noticeably (-6.9 % and -5.3 %). On the other hand, prices of investment goods rallied (+0.4 % after -0.7 %), noticeably those of tractors (+1.2 % after -1.8%).

Purchase price of the means of agricultural production

Base year : 2010



Sources : INSEE and SSP (ministry of agriculture)

Indices of purchase prices of the means of agricultural production (IPAMPA)

Base year: 2010

	weights	Oct. 2014	Variation as % over		
			a month	3 months	a year
			Seasonally adjusted		
Total input	1000	110.7	-0.6	-1.3	-1.7
Intermediate consumptions	764	112.2	-0.8	-1.7	-2.2
Energy	100	112.5	-3.4	-4.2	-5.3
Seeds	57	108.8	-0.1	+0.4	+0.3
Fertilisers and soil improvers	92	115.9	+0.7	+1.4	+1.2
Plant protection products	78	101.6	0.0	+0.4	+0.3
Animal feed	205	117.9	-1.7	-4.9	-6.9
Veterinary expenses	43	112.2	+0.2	+0.8	+2.2
Small equipment and tools	17	110.0	+0.2	+0.8	+0.1
Maintenance of materials	67	111.5	+0.2	-0.1	+2.4
Maintenance of buildings	9	106.9	+0.1	+0.2	+0.2
Other goods and services	97	102.4	0.0	-0.1	+0.8
Goods and services contributing to investment	236	106.3	+0.4	0.0	-0.2
Material	186	106.3	+0.5	0.0	-0.2
Tractors	79	105.9	+1.2	+0.3	-1.3
Machinery and plant for cultivation	36	107.8	+0.1	-0.4	+1.5
Machinery and plant for harvesting	42	106.5	-0.3	-0.4	-0.6
Utility vehicles	18	105.4	0.0	+0.4	+2.0
Buildings	50	106.2	0.0	-0.1	-0.1

(1) The repayment of the domestic tax on energy products (TICPE) benefiting farmers has been applied in advance for the year 2014

Sources: Insee - SSP (ministry of agriculture)

To know more about French indices of agricultural prices:

The index of producer prices for agricultural products (IPPAP) measures the changes in products prices when they are put on the market for the first time. They are set at 100 in 2010, the coefficients for their weights come from national accounts and are based on the year 2010. The weight-coefficients of fresh fruits and vegetables, early potatoes and cut flowers change every month, which reflects their very seasonal pattern. As a result their variations must be interpreted year-over-year. Seasonally adjustments are restricted to cattle, milk, cut flowers as a whole, and to some other aggregates.

The methodology can be found via the link hereafter:

<http://www.insee.fr/fr/publications-et-services/sommaire.asp?codesage=IMET121&nivgeo=0>, and for fresh vegetables and fruits. in *Agreste - Chiffres et Données - n° 165 - février 2005*.

The index of purchase prices of the means of agricultural production (IPAMPA) reflects the variations of goods and services used in the agricultural process. They are based on the survey conducted by the ministry of agriculture at wholesale dealers of fertilisers, feed for animals, phytosanitary products, seeds, veterinary products and services and small equipment; IPAMPA are also based on output prices industry (IPP) for energy and equipment goods; on consumption prices (IPC) for fuel; and on construction index for buildings (BT and TP) and their maintenance. They are based on the year 2010.

Further data (historical data, simplified methodology) are located on the HTML page of this publishing :

<http://www.insee.fr/fr/themes/info-rapide.asp?id=80>

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