

## ■ Indices of agricultural prices - March 2016

### Overall producer prices of agricultural products increased by 1.5 % in March 2016

In March 2016, overall agricultural producer prices picked up (+1.5% after -0.9% in February). Over one year, they decreased by 1.4%.

#### Further declines in cereal and oleaginous prices

Cereal prices kept on decreasing in March (-2.0% over the month and -16.4% since November 2015) reflecting the abundant global supply and anticipations of significant crops to be harvested in the Northern hemisphere.

#### Producer prices of cereals

Base year : 2010



Source: INSEE

Oleaginous prices continued to fall too (-1.2% over the month and -10.2% since November 2015). Less expensive oil reduced the interest of hydrocarbon substitution by oleaginous. Moreover the drop in Chinese importations weighed on prices.

#### Surge in potatoe and vegetables prices, near stability in fruit prices.

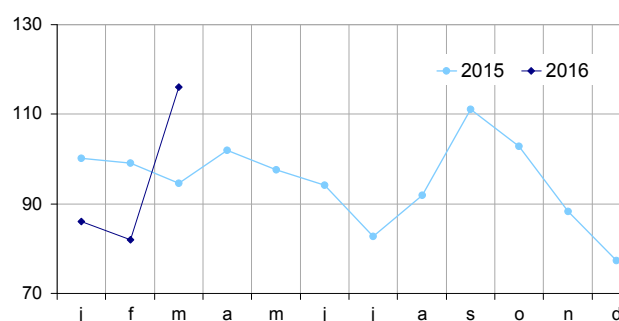
Potatoe prices doubled in February over one year. The 2015 crop reached its long-term average whereas the previous one was exceptional.

Fresh fruits prices slightly increased in March (+0.8%). The strawberry demand was weak in the beginning of the season, weighing on price. On the other hand pears and apple sold more easily. Vegetable prices jumped compared to last year (+22.7%), noticeably driven by cauliflower whose price has tripled. The mild

temperatures in the end of 2015 had hastened the production of this vegetable, whose volume harvested in March fell.

#### Producer prices of fresh vegetables

Base year : 2010

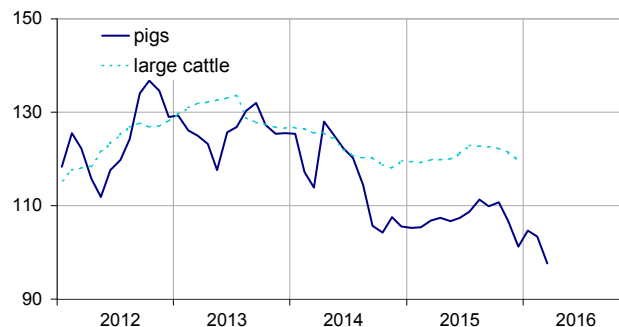


Source: SSP (ministry in charge of agriculture)

On a seasonally adjusted basis animal prices declined over one month (-1.2%). Big cattle prices were almost stable this month (-0.1%) and lessened over one year (-1.6%), reflecting a sluggish demand. Pig prices dropped (-5.5% over the month) due to, on the supply side, Spanish competition, and, on the demand side, to a slight switch in consumption toward lamb upon Easter. For this reason sheep prices rallied by 2.3% in March.

#### Producer prices of pigs and large cattle

Base year : 2010 ; seasonally adjusted



Source: INSEE

Cow milk price sank by 9.0% over one year, as the supply saturated the demand. Since the end of the quotas, the Northern European countries indeed increased their productions, whereas the Russian embargo and the downturn in Chinese importations limited the demand.

### Indices of producer prices of agricultural products (IPPAP)

base year: 2010

	Weights	March 2016 raw	Variation as % over a month Seasonally adjusted	3 months a year raw	3 months a year
<b>Agricultural goods output excluding fruits and vegetables</b>	1,000	109.6	+1.5	-1.5	-1.4
	900	109.1	-0.5	-3.9	-2.7
<b>Crop output (excluding fruits and vegetables)</b>	505	112.4	-0.5	-3.9	-1.7
Cereals	188	89.3	-2.0	-13.7	-18.3
of which soft wheat	112	84.4	-2.5	-15.8	-22.3
grain maize	41	87.9	+0.3	-9.1	-5.8
Potatoes	26	183.6	///	///	+99.6
Wines	177	133.5	-0.2	+2.4	+2.9
Protected designation of origin	84	142.9	+0.1	+4.5	+6.6
other wines	23	145.0	-1.6	0.0	-3.8
Oleaginous	49	94.0	-1.2	-8.9	-6.5
Horticultural products	30	108.0	+3.2	0.0	+2.2
Other crop products	36	107.6	-0.6	-0.1	0.0
<b>Fruits and vegetables (1)</b>	<b>100</b>	<b>114.5</b>	<b>///</b>	<b>///</b>	<b>+11.5</b>
Fresh vegetables	53	116.1	///	///	+2.7
Fresh fruits	35	110.8	///	///	+0.8
<b>Animal output</b>	<b>395</b>	<b>104.8</b>	<b>-0.4</b>	<b>-3.7</b>	<b>-4.0</b>
Animals	234	111.0	-1.2	-1.3	-2.4
of which large cattle calves	96	117.7	-0.1	-1.8	-1.6
pigs	26	113.9	-0.2	+2.7	+2.6
sheep	54	97.1	-5.5	-3.6	-8.9
poultry	10	116.9	+2.3	+0.8	-3.4
of which chicken	46	110.6	-0.4	-0.5	+0.9
of which cow milk (2)	28	110.1	-0.2	-1.0	+0.1
Milk	147	92.8	///	-8.3	-8.2
of which cow milk (2)	137	91.7	///	-9.0	-9.0
Eggs	15	125.3	+9.6	-0.5	+5.4

(1) Including vegetables for industry.

(2) The February value of cow milk price indice is carried forward in March

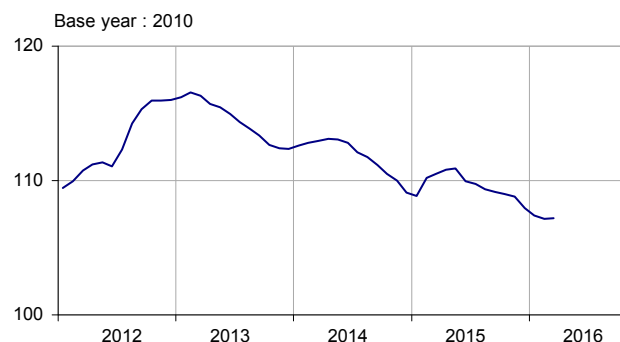
Sources: INSEE, SSP (ministry in charge of agriculture)

### Purchase prices of means of production were stable in March

In March, intermediate consumption prices stopped declining due noticeably to picking up energy prices (+4.5%). Over one year, it dwindled by 4.1% due to

energy (-16.0%), fertilisers (-7.8%) and feed (-5.1%). Capital goods prices increased by 0.2% over one month and by 0.9% over one year.

### Purchase prices of the means of agricultural production



Sources: INSEE, SSP (ministry in charge of agriculture)

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

base year: 2010

	Weights	March 2016	variation as % over a month	3 months a year	3 months a year
<b>Total input</b>	1,000	106.8	-0.0	-0.6	-3.0
<b>Intermediate consumptions</b>	764	106.7	-0.0	-1.0	-4.1
Energy	100	83.0	+4.5	+0.6	-16.0
Seeds	57	109.0	+0.4	-0.1	+0.3
Fertilisers and soil improvers	92	112.8	-1.1	-2.3	-7.8
Plant protection products	78	100.1	+0.4	-0.4	-0.3
Animal feed	205	112.6	-1.2	-2.8	-5.1
Veterinary expenses	43	116.3	+0.1	+1.1	+2.6
Small equipment and tools	17	108.1	-1.0	-1.6	+0.4
Maintenance of materials	67	113.3	-0.2	-0.3	+0.4
Maintenance of buildings	9	106.5	0.0	-0.1	-0.2
Other goods and services	97	101.8	0.0	0.0	+0.5
<b>Goods and services contributing to investment</b>	236	107.3	+0.2	+0.6	+0.9
Material	186	108.7	+0.2	+0.8	+1.9
Tractors	79	109.1	+0.2	+1.4	+3.1
Machinery and plant for cultivation	36	110.9	+0.3	+1.0	+1.8
Machinery and plant for harvesting	42	108.4	+0.2	-0.2	+1.2
Utility vehicles	18	104.7	+0.1	+0.2	-0.2
Buildings	50	102.1	0.0	-0.3	-2.6

(1) The repayment of the domestic tax on energy products (TICPE) benefiting farmers has been applied in advance for the year 2016

Sources: INSEE, SSP (ministry in charge 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/en/themes/info-rapide.asp?id=80>

- Find directly historical data in the database "Base de Données Macro-économiques": [G1465](#), [G1466](#)

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Next issue: 31 May 2016 at 12:00