

■ Indices of agricultural prices - January 2016

Overall producer prices of agricultural products slid by 1.1% in January

Warning : The seasonal adjustment of the seasonal series of producer price index have been reestimated including the year 2015

In January, overall producer prices agricultural products fell by 1.1% compared to December, and by 1.7% over one year.

Cereals and oleaginous prices tumbled

Cereal prices plunged in January (-7.4%) due to the abundance of the global supply. Soft wheat price declined by 8.5% over three months. Moreover, barley and corn were a little less incorporated into animal feed in favour of feed wheat, less expensive. Regarding corn, the vacancy in poultry houses in the South-West of France, after the epidemic of avian flu, limited also the demand.

Producer prices of cereals

Base year : 2010



Source: Insee

Oleaginous prices decreased significantly in January (-5.0%). Oil price drove rape price downwards: the drop in hydrocarbon prices reduced the interest of their substitution by the oleaginous.

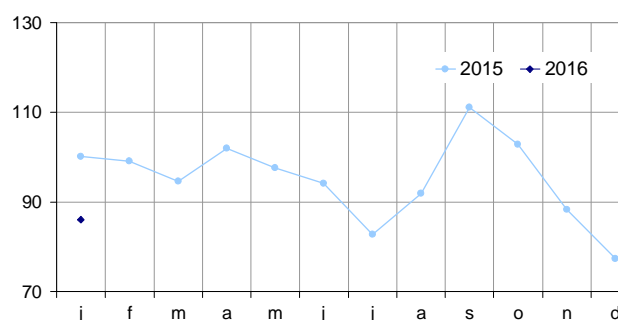
Surge in potato prices, stability for fruits and drop in vegetable prices.

Potatoe prices almost doubled y-o-y. The 2015 crop reached its long-term average whereas the previous one was exceptional.

Fresh fruits prices faltered in January y-o-y (-1.5%). Kiwi and walnut prices decreased. Nevertheless, Corsican clementine price jumped as the production was less abundant in the previous years.

Producer prices of fresh vegetables

Base year : 2010

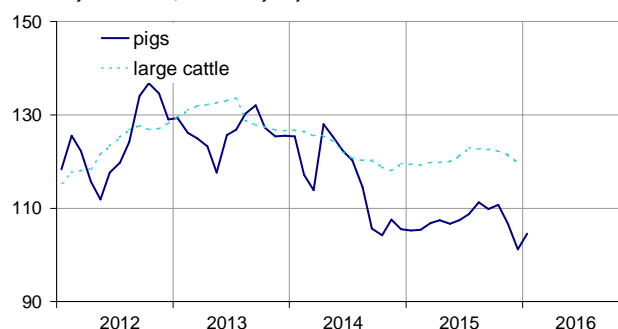


Source : SSP (ministry in charge of agriculture)

Fresh vegetables prices fell y-o-y (-14.1 %). The mild weather at the end of the year accelerated the harvests and improved the yields, noticeably for lettuces and cauliflowers.

Producer prices of pigs and large cattle

Base year : 2010 ; seasonally adjusted



Source : Insee

Overall drop in animal prices

On a seasonally adjusted basis, prices of animals increased a little in January (+0.4%). However pig price declined over three months (-5.5%) due to European competition, whereas the exporters were still deprived of the Russian outlet, subject to embargo. Milk price stabilized at a low level: since the end of the quotas Northern Europe increased its production of cow milk while, on the demand side, the Russian outlet was

suspended and the Chinese demand slowed down. Egg prices plummeted (−9.6%) in relation with the excessive supply : several countries had closed their borders to the French poultry following the avian flue episode.

Indices of producer prices of agricultural products (IPPAP)

Base year: 2010

	Weights	Jan. 2016	Variation as % over		
			a month	3 months	a year
		raw	Seasonally adjusted	Seasonally adjusted	raw
Agricultural goods output	1000	110.1	−1.1	−3.4	−1.7
excluding fruits and vegetables	900	111.7	−1.5	−2.4	−1.1
Crop output (excluding fruits and vegetables)	505	114.4	−2.5	−3.1	−1.7
Cereals	188	95.8	−7.4	−8.7	−17.5
of which soft wheat	112	92.1	−8.1	−8.5	−20.0
grain maize	41	90.8	−6.1	−6.4	−1.5
Potatoes	26	178.5	///	///	+92.1
Wines	177	131.3	+0.6	+1.2	+1.6
Protected designation of origin	84	138.4	+1.2	+3.1	+3.5
other wines	23	145.7	+0.3	−2.5	−1.8
Oleaginous	49	98.0	−5.0	−4.7	+2.6
Horticultural products	30	110.0	−1.3	−2.5	+1.3
Other crop products	36	108.2	+0.5	+1.2	+1.7
Fruits and vegetables (1)	100	95.7	///	///	−7.8
Fresh vegetables	53	86.1	///	///	−14.1
Fresh fruits	35	104.1	///	///	−1.5
Animal output	395	108.1	−0.1	−1.4	−0.5
Animals	234	110.0	+0.4	−2.0	−0.1
of which large cattle	96	116.3	−1.0	−2.9	−0.3
calves	26	112.7	+1.8	+6.9	+1.6
pigs	54	94.9	+3.4	−5.5	−1.4
sheep	10	118.9	+0.9	−1.2	−3.5
poultry	46	111.2	+0.1	−0.6	+2.2
of which chicken	28	110.7	−0.4	−1.2	+1.8
Milk	147	104.6	///	+0.3	+0.2
of which cow milk (2)	137	103.9	///	+0.3	+0.1
Eggs	15	113.8	−9.6	−5.5	−9.8

(1) Including vegetables for industry.

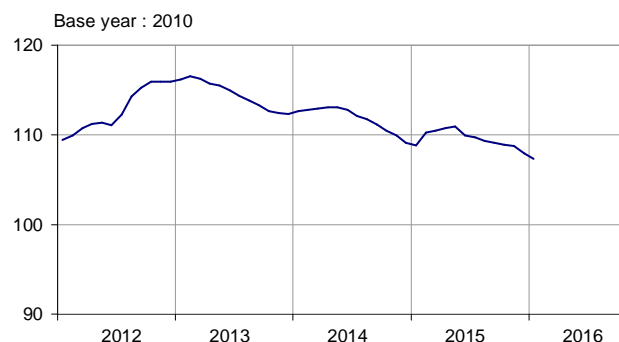
(2) The price for Jan. is not yet known and therefore is estimated by carrying forward the seasonally adjusted price of December
Sources: Insee, SSP (ministry in charge of agriculture)

Purchase prices of means of production slipped

In January 2016, intermediate consumption prices fell compared to the previous month (−0,7 %) due to the decline in energy and fertiliser prices (resp. −3.3 % and −1.0 %). Over one year, they decreased too, by 2.0 %,

with the same components, energy and fertilisers (resp. −10.6 % et −4.4 %). Capital goods prices were virtually stable (−0.1 %). Over one year, they went up by 0.7%.

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	Jan. 2016	variation as % over		
			one month	3 months	one year
Total input	1000	107.3	−0.6	−1.5	−1.4
Intermediate consumptions	764	107.6	−0.7	−2.0	−2.0
Energy	100	84.0	−3.3	−11.1	−10.6
Seeds	57	108.7	−0.4	−0.9	+0.1
Fertilisers and soil improvers	92	114.3	−1.0	−1.8	−4.4
Plant protection products	78	99.9	−0.4	−0.7	+0.2
Animal feed	205	115.2	−0.6	−1.5	−1.7
Veterinary expenses	43	116.1	+1.0	+0.8	+2.1
Small equipment and tools	17	109.8	−0.3	−0.4	+1.5
Maintenance of materials	67	112.4	−1.1	−1.0	+0.1
Maintenance of buildings	9	106.5	0.0	−0.1	0.0
Other goods and services	97	101.4	+0.1	+0.1	+0.2
Goods and services contributing to investment	236	106.8	−0.1	+0.3	+0.7
Material	186	107.8	0.0	+0.5	+1.0
Tractors	79	107.6	0.0	+0.7	+1.5
Machinery and plant for cultivation	36	110.5	+0.6	+1.0	+1.3
Machinery and plant for harvesting	42	107.9	−0.7	0.0	+1.0
Utility vehicles	18	104.6	+0.1	+0.1	−0.2
Buildings	50	103.2	0.0	−0.2	−0.8

(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 : March 31st 2016 at 12h00