

■ Indices of agricultural prices - May 2016

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In May 2016, overall producer prices of agricultural products were stable over one year. Excluding fruits and vegetables, they increased by 0.8% over one month and declined by 0.2% year on year.

Cereal and oleaginous prices continued to rally

Cereal prices kept on increasing in May (+2.5% after +2.0% in April). Wheat exports were dynamic noticeably towards Maghreb and Asia. The price of maize recovered for two months mainly due to a global supply affected by adverse weather conditions in South America and exhausted availability in Ukraine. Compared to last year, the abundance of the world supply continued to weigh on cereal prices (-6.1% yoy). However this decline was much less marked than in April (-15.5%), as prices had been particularly low in May 2015.

Producer prices of cereals

Seasonally adjusted - base and reference 100 in 2010



Source: INSEE

Oleaginous prices continued to rally in May (+1.0% after +3.4%). Rape prices increased in the wake of oil price, while soy price jumped due to a stronger Chinese demand.

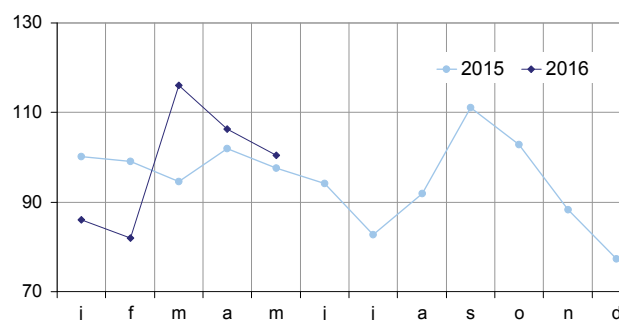
Over a year, surge in potato prices, moderate rise for vegetables and fresh fruits

Potato prices nearly doubled (+83.8%) in May over one year. The 2015 crop, still put on sale, reached its long-term average whereas the previous one was exceptional. Over one year, fresh fruits prices increased (+3.9%). Strawberry price rose due to a limited supply, as cool weather slowed down the harvests and damaged the fruits. Fresh vegetable prices expanded as well (+3.0% yoy), noticeably the

price of cauliflower that became more rare: huge quantities had already been harvested as the mild winter had accelerated the growth of this vegetable. Nevertheless, tomatoes prices declined as the cool temperatures deterred demand.

Producer prices of fresh vegetables

Raw data - base and reference 100 in 2010



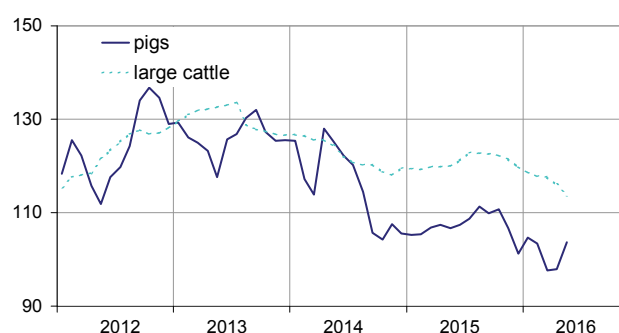
Source: SSP (ministry in charge of agriculture)

Near stability in animal prices

In May, animals prices were virtually stable over one month (-0.2%). The price of big cattle fell over one month (-1.9%) and over one year (-4.7%) due to sluggish demand. Conversely, pork prices bounced back sharply (+5.9%): strong Chinese demand partly absorbed Spanish supply and freed the other export outlets for French production.

Producer prices of pigs and large cattle

Seasonally adjusted - base and reference 100 in 2010



Source: INSEE

Cow milk prices dropped over one year (-8.3%) and eggs prices sank over the last three months (-18.5%), due to over production.

Indices of producer prices of agricultural products (IPPAP)

Seasonally adjusted * - base and reference 100 in 2010

	Weights	May 2016	Variation as % over		
			a month	3 months	a year
Agricultural goods output excluding fruits and vegetables	1000	110.5	///	///	0.0
900	111.4	+0.8	+1.2	-0.2	
Crop output (excluding fruits and vegetables)	505	115.9	+1.8	+2.5	+3.3
Cereals	188	92.9	+2.5	+2.0	-6.1
of which soft wheat	112	86.8	+1.9	+0.2	-8.8
grain maize	41	96.6	+5.5	+10.3	+8.9
Potatoes	26	209.2	+8.1	+15.7	+83.8
Wines	177	133.8	+0.5	0.0	+2.5
protected designation of origin	84	141.9	-0.4	-0.6	+4.7
other wines	23	151.0	+4.9	+2.4	-0.2
Oleaginous	49	98.3	+1.0	+3.4	-4.6
Horticultural products	30	111.7	+1.2	+5.3	+4.4
Other crop products	36	107.7	-0.1	-0.5	+1.1
Fruits and vegetables (1)	100	102.9	///	///	+2.8
Fresh vegetables	53	100.5	///	///	+3.0
Fresh fruits	35	101.8	///	///	+3.9
Animal output	395	105.6	-0.7	-0.7	-4.8
Animals	234	109.5	-0.2	-2.6	-3.0
of which large cattle	96	113.8	-1.9	-3.3	-4.7
calves	26	106.1	-3.6	-6.9	+2.0
pigs	54	103.7	+5.9	+0.4	-3.0
sheep	10	110.1	-1.3	-3.6	-5.7
poultry	46	109.6	-0.7	-1.3	-0.8
of which chicken	28	109.4	-0.6	-0.8	-0.9
Milk	147	100.5	///	+4.8	-7.7
of which cow milk (2)	137	99.8	///	+5.3	-8.3
Eggs	15	93.1	-14.4	-18.5	-9.6

* Except for fresh fruits and vegetables

(1) Including vegetables for industry.

(2) The April value of cow milk price indice is carried forward in May

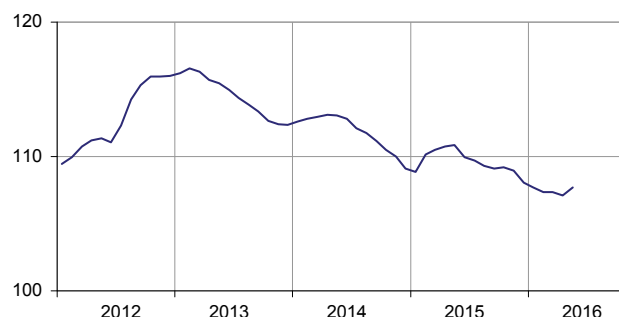
Sources: INSEE, SSP (ministry in charge of agriculture)

Purchase prices of means of production slightly rose

In May, intermediate consumption prices increased (+0.4%), driven by energy prices which had recovered since February (+11.7% over three months). Capital goods prices grew by 0.4%, following the rise in prices of material for cultivation (+0.5%).

Purchase prices of the means of agricultural production

Raw data - base and reference 100 in 2010



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

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

Raw data - base and reference 100 in 2010

	Weights	May 2016	variation as % over		
			a month	3 months	a year
Total input	1000	107.7	+0.4	+0.4	-2.9
Intermediate consumptions	764	108.1	+0.4	+0.5	-3.6
Energy	100	93.8	+6.2	+11.7	-11.8
Seeds	57	106.9	0.0	-0.7	-1.7
Fertilisers and soil improvers	92	112.5	-2.4	-1.1	-7.7
Plant protection products	78	99.8	-0.2	+0.4	-1.1
Animal feed	205	111.4	-0.3	-2.2	-5.7
Veterinary expenses	43	117.3	+0.3	+0.7	+2.9
Small equipment and tools	17	107.1	+0.6	-0.6	-0.4
Maintenance of materials	67	113.3	+0.1	-0.2	+0.2
Maintenance of buildings	9	106.6	+0.1	+0.1	-0.3
Other goods and services	97	105.4	0.0	+0.1	+4.3
Goods and services contributing to investment	236	106.9	+0.4	+0.1	-0.3
Material	186	108.1	+0.5	0.0	+0.3
Tractors	79	108.1	+0.7	-0.2	+0.3
Machinery and equipment for cultivation	36	110.7	+0.8	+0.4	+1.4
Machinery and equipment for harvesting	42	108.4	+0.2	+0.2	+0.6
Utility vehicles	18	104.1	0.0	0.0	-1.0
Buildings	50	102.1	0.0	+0.1	-2.7

(1) The repayment of the domestic tax on energy product (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 change every month so that they reflect their very seasonal pattern. As a result their variations must only be interpreted year-over-year. Seasonally adjustments are restricted to cattle, milk, horticultural products as a whole, and to some other aggregates. All the other series do not feature seasonality, the seasonally adjusted series are therefore equal to raw series.

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: July 29th 2016 at 12:00