

Informations *Rapides*

■ Indices of agricultural prices – July 2016

In July 2016, overall agricultural prices decreased by 0.2% over one year

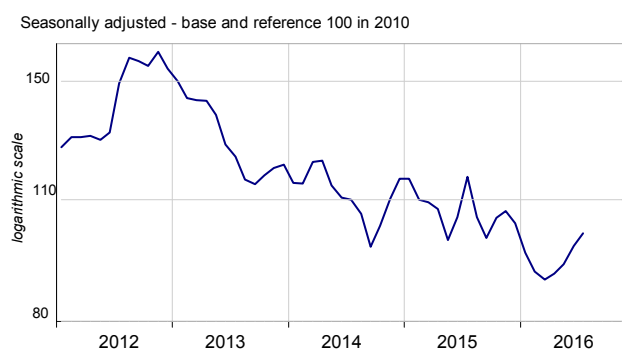
Erratum: this Informations Rapides replaces and supersedes the issue published on 31 August 2016 at 12 am, as the year-on-year variation in the overall index of producer prices of agricultural products has been revised from +0.8% to +0.1% in June 2016.

In July 2016, overall producer prices of agricultural products faltered slightly compared to last year: -0.2% over one year, after +0.1% in June. Excluding fruits and vegetables, they went down by 2.0% year-on-year while they slightly rose (+0.3%) month-on-month.

Cereals prices kept on growing, oleaginous prices slipped back

Soft wheat prices strongly rose in July (+8.7%). In France the bad ongoing harvest prompted local market participants to increase the value of this commodity, despite an abundant world supply. On the other hand, maize crop forecasts are somewhat more upbeat. Maize prices declined (-5.9%), also in relation with good growing conditions in the United States or in the Black Sea region. Oleaginous prices declined (-4.0 %) in July with the prospect of a significant global crop while the drop in the prices of oil and palm oil limited the demand for rape as a substitute for these products.

Producer prices of cereals



Source: INSEE

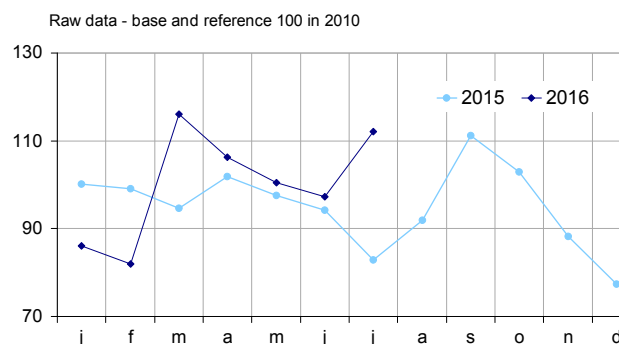
Over one year, leap in the prices of potatoes, fruits and vegetables

Compared to July 2015, potatoes prices surged (+80.2%). The 2015 crop, still put on sale, reached its long-term average whereas the previous one was exceptional, which had led to a sharp price fall last year.

Over one year, fruits and vegetables prices soared (+21.4%). The heavy rainy spring lessened the yields of open-air seasonal productions (apricots, peaches,

nectarines, cherries and melons). Moreover, the good weather in July made the consumers to find appealing these seasonal products. The fair weather also stimulated the demand for tomatoes, vegetable mainly grown in greenhouses, whose price increased too.

Producer prices of fresh vegetables

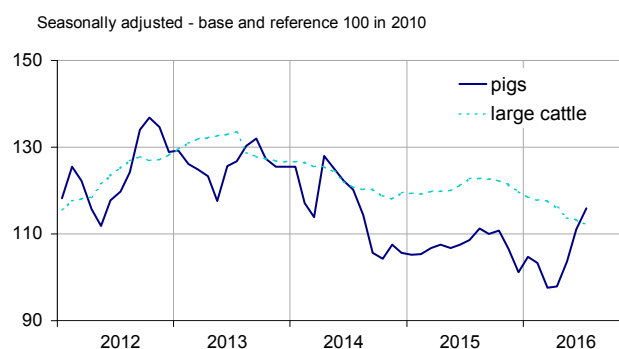


Source: SSP (ministry in charge of agriculture)

Animal prices rose over the month

In July, animal prices slightly rose (+0.5%), but dipped over one year (-2.1%). Indeed, large cattle prices has been falling steadily for a year (-8.0% compared to July 2015), notably reflecting the milk crisis which prompted French farmers to have more cows slaughtered. In addition, the European livestock has expanded since the end of milk quotas in 2015. Conversely, pig prices have been picking up for one quarter (+18.4%): the global exportations soared, mainly toward China.

Producer prices of pigs and large cattle



Source : INSEE

Cow milk prices dropped over one year (-9.2 %) as a result of the current over-production crisis mainly related to the end of quotas and the Russian embargo.

Indices of producer prices of agricultural products (IPPAP)

Seasonnally adjusted * - base and reference 100 in 2010

	Weights	July 2016	Variation as % over		
			a month	3 months	a year
Agricultural goods output	1000	113.0	///	///	-0.2
excluding fruits and vegetables	900	113.0	+0.3	+2.1	-2.0
Crop output (excluding fruits and vegetables)	505	119.6	+0.4	+5.0	+0.3
Cereals	188	100.7	+3.4	+11.1	-13.7
of which soft wheat	112	98.7	+8.7	+15.8	-11.9
grain maize	41	97.2	-5.9	+6.1	-8.0
Potatoes	26	227.6	///	///	+80.2
Wines	177	134.2	-0.7	+0.7	+4.0
protected designation of origin	84	144.7	-0.2	+1.6	+8.6
other wines	23	143.5	-3.8	-1.4	-3.8
Oleaginous	49	96.1	-4.0	-1.2	-8.1
Horticultural products	30	110.6	-0.2	+0.3	+2.9
Other crop products	36	107.4	-0.7	-0.2	-0.7
Fruits and vegetables (1)	100	112.9	///	///	+21.4
Fresh vegetables	53	112.1	///	///	+35.4
Fresh fruits	35	114.0	///	///	+11.0
Animal output	395	104.6	0.0	-1.9	-5.2
Animals	234	111.3	+0.5	+1.5	-2.1
of which large cattle	96	112.2	-1.0	-3.3	-8.0
calves	26	102.3	-1.4	-7.1	+1.3
pigs	54	115.9	+4.3	+18.4	+6.9
sheep	10	113.6	+3.5	+1.8	-0.9
poultry	46	109.0	-0.5	-1.3	-1.0
of which chicken	28	108.8	-0.5	-1.2	-1.1
Milk	147	94.2	///	-7.1	-8.6
of which cow milk (2)	137	93.0	///	-7.6	-9.2
Eggs	15	101.8	-7.6	-6.4	-21.8

* Except for fresh fruits, fresh vegetables and potatoes

(1) Including vegetables for industry.

(2) The June value of cow milk price indice is carried forward in July

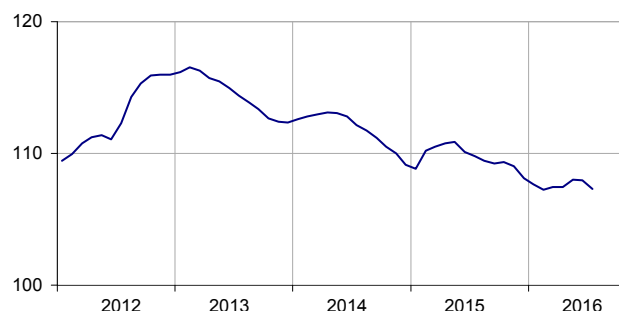
Sources: INSEE, SSP (ministry in charge of agriculture)

Purchase prices of means of production declined by 0.6% in July and by 2.3% over one year

In July, intermediate consumption prices fell back by 0.7% over one month and by 3.0 % over one year due to the drop in fertilisers and energy prices. Capital goods prices slightly grew over one month (+0.2 %) and over one year (+0.3 %).

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	July 2016	variation as % over		
			a month	3 months	a year
Total input	1000	107.3	-0.6	-0.1	-2.3
Intermediate consumptions	764	107.5	-0.7	-0.3	-3.0
Energy	100	92.8	-2.7	+5.2	-7.3
Seeds	57	104.3	-1.3	-2.2	-3.8
Fertilisers and soil improvers	92	104.7	-4.3	-9.4	-11.1
Plant protection products	78	100.5	0.0	-0.2	+0.1
Animal feed	205	113.5	+0.4	+1.7	-3.5
Veterinary expenses	43	117.7	+0.1	+0.5	+3.2
Small equipment and tools	17	106.9	-0.5	+0.4	-2.5
Maintenance of materials	67	113.8	+0.4	+0.5	+0.4
Maintenance of buildings	9	107.1	0.0	+0.3	0.0
Other goods and services	97	105.4	0.0	0.0	+3.5
Goods and services contributing to investment	236	107.2	+0.2	+0.6	+0.3
Material	186	108.4	+0.3	+0.6	+0.8
Tractors	79	108.9	+0.5	+1.2	+1.2
Machinery and equipment for cultivation	36	110.2	0.0	+0.2	+0.9
Machinery and equipment for harvesting	42	108.4	+0.1	+0.2	+1.1
Utility vehicles	18	104.1	-0.1	0.0	-0.4
Buildings	50	102.9	0.0	+0.6	-1.7

(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/indicateurs/ind80/lpa_m.pdf 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 construction index for buildings (BT and TP) and their maintenance; and on consumption prices (IPC) for other consumptions. 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: 30 September 2016 at 12:00