Informations Rapides
27 octobre 2016 - n° 282
Insee Conjoncture

■ Indices of agricultural prices – September 2016

In September 2016, overall agricultural producer prices fell back by 0,9 % over one year

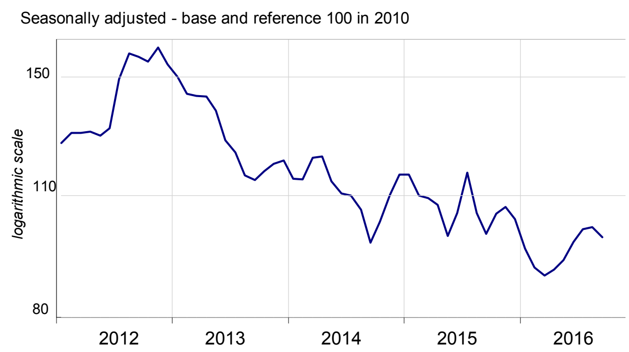
In September 2016, overall producer prices of agricultural products decreased compared to last year: −0.9% over one year, after +0.5% in August. Excluding fruits and vegetables, they went down by 0.4% yoy and increased by 0.5% over one month.

Over the month, cereal prices retreated, oleaginous ones kept up climbing

Cereal prices went down by 2.6% in September as a result of ample global supply, marked by good crops of wheat and maïze in the United-States and in Western Europe.

On the other hand, oleaginous prices continued to rise (+2,7% after +2.2% in August). They were sustained by a drop in rape production in Europe coupled with the upturn in oil prices that revived interest in hydrocarbon substitution by colza.

Producer prices of cereals



Source: INSEE

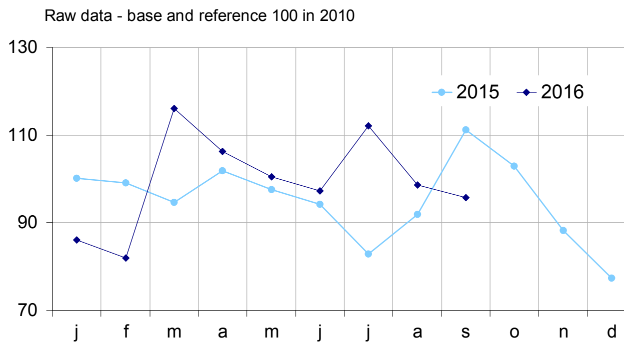
Over one year, potatoes and fruits became more expensive but vegetables prices tumbled

Potato price was much higher (+26.4%) than in September 2015. The new crop in North-Western Europe was lower than the previous one: bad weather conditions lessened the yields.

Over one year, the prices of fruits and vegetables prices markedly fell back in September (−5.6% after +7.8%). Fresh fruits prices still increased (+5.8% in September after +10.1%): the consumers still favored summer fruits as summer weather persisted. In addition, weather conditions had hampered pear production.

Fresh vegetable prices plummeted in September (−13.9% over one year). Noticeably, melon price sharply dropped reflecting asurge of products in the end of the season, as the demand, however dynamic, was not sufficient to absorb this supply. Tomato price plunged too reflecting a marked increase in greenhouse production.

Producer prices of fresh vegetables

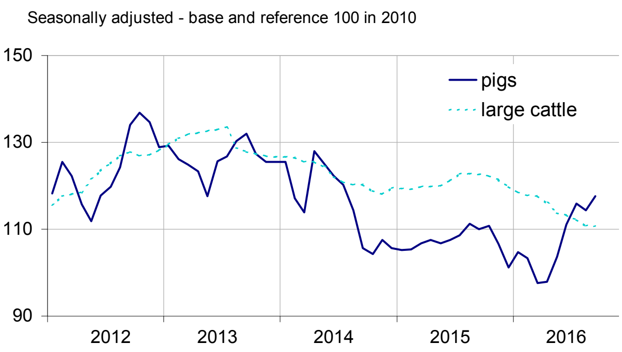


Source: SSP (ministry in charge of agriculture)

Animal prices rebounded slightly

Animal prices picked up in September (+0.6 % over one month after −0.6%). Pig prices kept on growing (+5.9% over one month ; +7.7% yoy), buoyed by dynamic Chinese demand. On the other hand, large cattle prices have been dwindling for one year (−9.6 %) due to a larger amount of dairy cows slaughtering in Europe in relation with the milk crisis.

Producer prices of pigs and large cattle



Source: INSEE

Institut national de la statistique et des études économiques
Direction générale 18 bd A. Pinard 75675 Paris Cedex 14
Directeur de la publication : Jean-Luc Tavernier
http://www.insee.fr

Milk price kept on falling (−4.1 % from June to August 2016) due to a huge supply resulting from the end of quotas and the Russian embargo. Egg prices rebounded (+19.1% after −9.4%) following massive slaughtering of hens aimed at cutting the supply.

Indices of producer prices of agricultural products (IPPAP)

*Seasonnaly adjusted * - base and reference 100 in 2010*

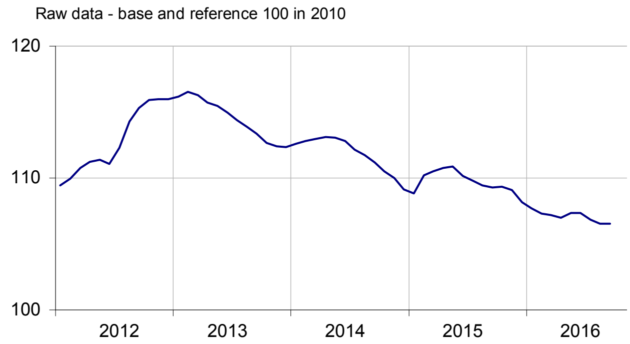
	Weights	Sept. 2016	Variation as % over a month	3 months	a year
Agricultural goods output	**1000**	**112.4**	**///**	**///**	**–0.9**
excluding fruits and vegetables	900	113.3	+0.5	+0.4	–0.4
Crop output (excluding fruits and vegetables)	**505**	**120.6**	**+0.1**	**+1.2**	**+4.0**
Cereals	188	98.6	–2.6	+1.2	–0.9
of which soft wheat	*112*	*96.9*	*–3.3*	*+6.7*	*+4.5*
grain maize	*41*	*94.7*	*–1.3*	*–8.3*	*0.0*
Potatoes	26	250.2	///	///	+26.4
Wines	177	134.8	+1.0	–0.4	+4.5
protected designation of origin	*84*	*147.6*	*+1.4*	*+1.6*	*+10.8*
other wines	*23*	*136.6*	*+1.6*	*–8.4*	*–7.6*
Oleaginous	49	100.9	+2.7	+0.8	+1.4
Horticultural products	30	109.4	–0.5	–1.3	+1.1
Other crop products	36	108.6	+0.1	–0.1	+0.8
Fruits and vegetables (1)	**100**	**104.6**	**///**	**///**	**–5.6**
Fresh vegetables	*53*	*95.7*	*/// *	*///*	*–13.9*
Fresh fruits	*35*	*116.8*	*///*	*///*	*+5.8*
Animal output	**395**	**103.9**	**+1.1**	**–1.0**	**–6.0**
Animals	234	111.3	+0.6	+0.5	–2.6
of which large cattle	*96*	*110.6*	*–0.2*	*–2.4*	*–9.6*
calves	*26*	*102.6*	*+0.8*	*–1.1*	*+1.6*
pigs	*54*	*117.6*	*+2.9*	*+5.9*	*+7.7*
sheep	*10*	*117.9*	*–0.4*	*+7.4*	*+0.4*
poultry	*46*	*109.3*	*+0.1*	*–0.2*	*–1.8*
of which chicken	*28*	*108.8*	*–0.2*	*–0.5*	*–2.5*
Milk	147	91.2	///	–4.1	11.0
of which cow milk (2)	*137*	*89.7*	*///*	*–4.5*	*–11.9*
Eggs	15	112.7	+19.1	+2.3	–15.2

* Except for fresh fruits, fresh vegetables and potatoes
/// Absence of result due to the nature of these series
(1) Including vegetables for industry.
(2)The August value of cow milk price indice is carried forward in September
Sources: INSEE, SSP (ministry in charge of agriculture)

Purchase prices of means of production were stable m-o-m and decreased by 2.6% y-o-y

In September 2016, intermediate consumptions prices were stable over one month. The rise in energy prices, in particular oil products, was offset by the drop in fertilisers and feed prices. Over one year, input prices declined by 3.5%, mostly reflecting the significant fall in fertilisers prices (−16.9%) and the slide in feed prices (−4.5 %). Capital goods prices were stable over one month and increased over one year (+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)

Raw data - base and reference 100 in 2010

	Weights	Sept. 2016	variation as % over a month	3 months	a year
Total input	**1000**	**106.5**	**0.0**	**–0.7**	**–2.6**
Intermediate consumptions	**764**	**106.3**	**0.0**	**–1.1**	**–3.5**
Energy	100	92.5	+1.3	–3.0	–2.8
Seeds	57	105.3	–0.1	–1.0	–3.1
Fertilisers and soil improvers	92	97.3	–0.8	–6.4	–16.9
Plant protection products	78	100.6	+0.2	+0.1	–0.1
Animal feed : cereals, meals, processed food,…	205	112.3	–0.4	+0.1	–4.5
Veterinary expenses	43	118.6	0.0	+0.8	+3.0
Small equipment and tools	17	108.2	0.0	–0.3	–1.4
Maintenance of materials	67	113.7	0.0	+0.3	+0.4
Maintenance of buildings	9	107.7	0.0	+0.1	+0.9
Other goods and services	97	104.9	–0.1	–0.1	+3.1
Goods and services contributing to investment	**236**	**107.5**	**0.0**	**+0.3**	**+0.7**
Material	186	108.4	+0.1	+0.3	+0.7
Tractors	*79*	*108.4*	*+0.1*	*+0.1*	*+0.6*
Machinery and equipment for cultivation	*36*	*111.1*	*+0.4*	*+0.8*	*+1.5*
Machinery and equipment for harvesting	*42*	*108.4*	*+0.1*	*+0.3*	*+0.7*
Utility vehicles	*18*	*104.3*	*+0.2*	*–0.1*	*–0.2*
Buildings	50	104.4	0.0	+0.6	+1.0

(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)

Revisions

The variation in IPAMPA over one year in August 2016 is lowered by 1.0 point. It amounts to −2.7%, instead of −1.7% due to revisions in raw data (fertilisers, feed and seeds). The variation in the index of producer prices for agricultural products (IPPAP) has not been revised.

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 agregates.

The methodology can be found via the link hereafter: http://www.insee.fr/fr/indicateurs/ind80/Ipa_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.

Further data (historical data, simplified methodology) are available on the web page of thispublication:
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 November 2016 at 12:00