Informations Rapides

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Conjoncture

Indices of agricultural prices - December 2017

In December 2017, agricultural prices fell by 0.3% over one year

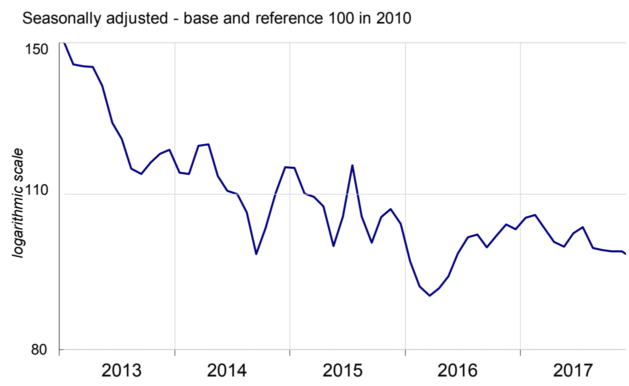
***Information**: in accordance with the European directives, index of producer prices of agricultural products and indices of purchase prices of the means of agricultural production will be disseminated in reference year 2015=100 from March 6th 2018, release date of January 2018 results. Additional information (only in French) about changes of the base year indices is available on the Web page of these indicators (flag : Documentation).*

In December 2017, agricultural products prices slipped back by 0.3% over one year (after +0.3%). Excluding fruits and vegetables, they were stable over one year and almost unchanged over one month (−0.1%).

Decline in prices for cereals and oilseeds

In December 2017, cereals prices decreased by 1.2% as a result of the 2.3% fall of soft wheat prices. Demand has slowed while supply remained plentiful and crop forecasts were being revised upwards. Grain maize prices gained 1.2% because of drought-related worries in Argentina. Oilseeds prices went down 3.2% after +2.5% in November. The decline is due to an increase in palm oil stocks in Malaysia and a report that expected 2017 Canadian canola production to reach a record level.

Producer prices of cereals

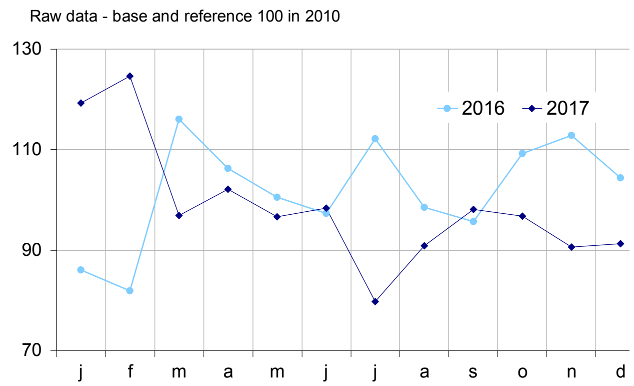


Source: INSEE

Fresh vegetables prices down, fresh fruits up

In December 2017, fresh vegetables prices dropped by 12.5% over a year due to cauliflower (−25.1%) and salad prices (−7.9%). Prices for fresh fruit increased by 10.4% over a year, especially kiwifruit (+32.7%), clementines (+17.3%) and apples prices (+7.6%).

Producer prices of fresh vegetables

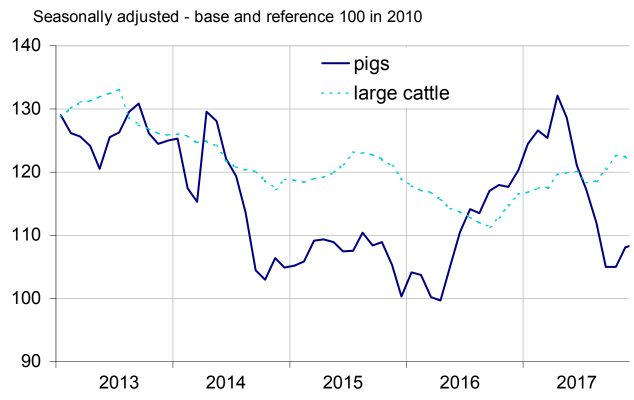


Source: SSP (ministry in charge of agriculture)

Steady prices for animals

Animal prices were nearly unchanged (−-0.1%) in December 2017. Adjusted for seasonal variations, pig prices rose by +0.6% over one month but were still down by 9.7 over one year. Cattle prices decreased by 0.7% over one month. Yet, they have grown by 4.4% over one year.

Producer prices of pigs and large cattle



Source: INSEE

Egg prices in sharp increase over a year

Soaring egg prices following the fipronil crisis fade in December 2017, with prices rising by 1.7% in one month after +22.0% in November. Over a year, they jumped by 58.7%. Following the recovery in global demand for dairy products and particularly the soaring prices of fat, the price of cow's milk rose 14.0% over a year in November.

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Index of producer prices of agricultural products (IPPAP)

Seasonnaly adjusted - base and reference 100 in 2010*

	Weights	Dec 2017	Variation as % over a month	3 months	a year
Agricultural goods output	**1000**	**117.3**	**///**	**///**	**–0.3**
excluding fruits and vegetables	900	118.4	–0.1	+3.0	0.0
Crop output (excluding fruits and vegetables)	**505**	**117.3**	**–0.3**	**+1.5**	**–4.9**
Cereals	188	96.6	–1.2	–1.4	–5.7
of which soft wheat	*112*	*92.7*	*–2.3*	*–2.1*	*–6.8*
grain maize	*41*	*92.8*	*+1.2*	*+0.9*	*–7.4*
Potatoes	26	171.4	///	///	–31.4
Wines	177	141.7	+1.2	+5.0	+4.6
protected designation of origin	*84*	*159.1*	*+1.7*	*+5.9*	*+7.5*
other wines	*23*	*141.9*	*+1.9*	*+13.0*	*+2.5*
Oleaginous	49	93.5	–3.2	–1.5	–14.7
Horticultural products	30	111.5	+0.3	+1.7	–0.1
Other crop products	36	104.2	–3.9	–4.6	–5.3
Fruits and vegetables (1)	**100**	**107.4**	**///**	**///**	**–2.1**
Fresh vegetables	*53*	*91.3*	*/// *	*/// *	*–12.5*
Fresh fruits	*35*	*130.4*	*/// *	*/// *	*+10.4*
Animal output	**395**	**119.8**	**+0.1**	**+5.1**	**+6.8**
Animals	234	114.5	–0.1	+1.9	–0.3
of which large cattle	*96*	*121.6*	*–0.7*	*+0.9*	*+4.4*
calves	*26*	*111.1*	*+2.2*	*+8.5*	*+3.0*
pigs	*54*	*108.6*	*+0.6*	*+3.4*	*–9.7*
sheep	*10*	*119.2*	*+0.6*	*+0.8*	*+2.2*
poultry	*46*	*107.9*	*–0.7*	*–1.0*	*–1.0*
of which chicken	*28*	*107.7*	*–0.8*	*–1.2*	*–1.1*
Milk	147	114.2	///	+1.6	+11.2
of which cow milk (2)	*137*	*114.1*	*/// *	*+1.8*	*+11.9*
Eggs	15	260.3	+1.7	+67.1	+58.7

* cf. methodological note
/// Absence of meaning due to the nature of these series
(1) Including vegetables for industry.
(2) The November value of cow milk price index has been carried forward in December. The previous month variation is the one commented in the text: +14.0% over one year in November 2017.
Sources: INSEE, SSP (ministry in charge of agriculture)

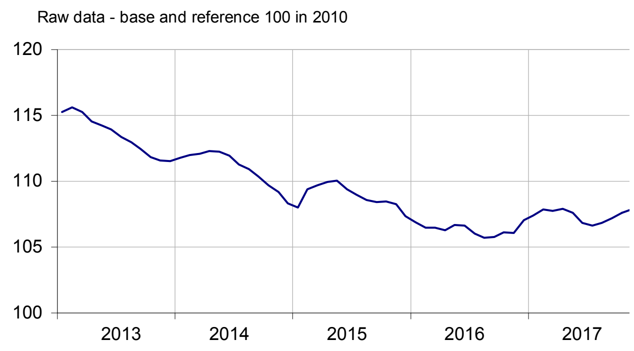
Slowdown in purchase prices of means of production over a year

Intermediate consumption prices were almost stable in December 2017 (−0.1% after +0.3%). Energy prices slowed down: +0.1% over one month after +3.0% in November. They gained 2.4% over a year after +10.5% in November. Fertilizers and amendments prices went up by 0.5% over one month while animal feeds prices decreased by 0.3%. Capital goods prices were nearly unchanged in December (+0.1% after +0.2%) and increased by 2.6% over one year.

Revision

The variation over one year of IPPAP is unchanged in november 2017 at +0.3%; that of IPAMPA has been rosen by 0.2 points to +1.7%.

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	Dec 2017	Variation as % over a month	3 months	a year
Total input	**1000**	**107.8**	**–0.1**	**+0.6**	**+0.7**
Intermediate consumptions	**764**	**106.9**	**–0.1**	**+0.5**	**+0.1**
Energy	100	104.4	+0.1	+4.6	+2.4
Seeds	57	105.6	–0.3	–0.8	–0.8
Fertilisers and soil improvers	92	102.5	+0.5	+3.9	+1.7
Plant protection products	78	96.5	–1.2	–1.6	–1.7
Animal feed	205	110.5	–0.3	–1.3	–1.5
Veterinary expenses	43	120.5	+0.1	+0.2	+1.5
Small equipment and tools	17	106.8	–0.8	–0.7	–1.1
Maintenance of materials	67	116.2	+0.1	+0.1	+2.0
Maintenance of buildings	9	109.4	0.0	+0.3	+1.6
Other goods and services	97	102.4	0.0	+0.3	+0.1
Goods and services contributing to investment	**236**	**110.7**	**+0.1**	**+1.0**	**+2.6**
Material	186	111.6	+0.1	+0.9	+2.2
Tractors	*79*	*114.2*	*–0.3*	*+1.2*	*+4.2*
Machinery and equipment for cultivation	*36*	*113.0*	*+0.4*	*+1.1*	*+2.0*
Machinery and equipment for harvesting	*42*	*110.0*	*–0.1*	*+0.5*	*+0.1*
Utility vehicles	*18*	*104.5*	*+0.4*	*+0.1*	*–0.6*
Buildings	50	107.0	0.0	+1.0	+3.8

(1) The repayment of the domestic tax on energy product (TICPE) benefiting farmers has been applied in advance for the year 2017.
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 agregates.

The methodology can be found via the link hereafter: https://www.insee.fr/en/statistiques/documentation/Ipa_m_EN.pdf and for fresh vegetables and fruits in *Agreste - Chiffres et Données* - n° 165 - February 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. It is not seasonaly adjusted.

Find directly historical data on the INSEE website: https://www.insee.fr/en/statistiques/series/102413565

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Next issue: 6 March 2018 at 12h00