

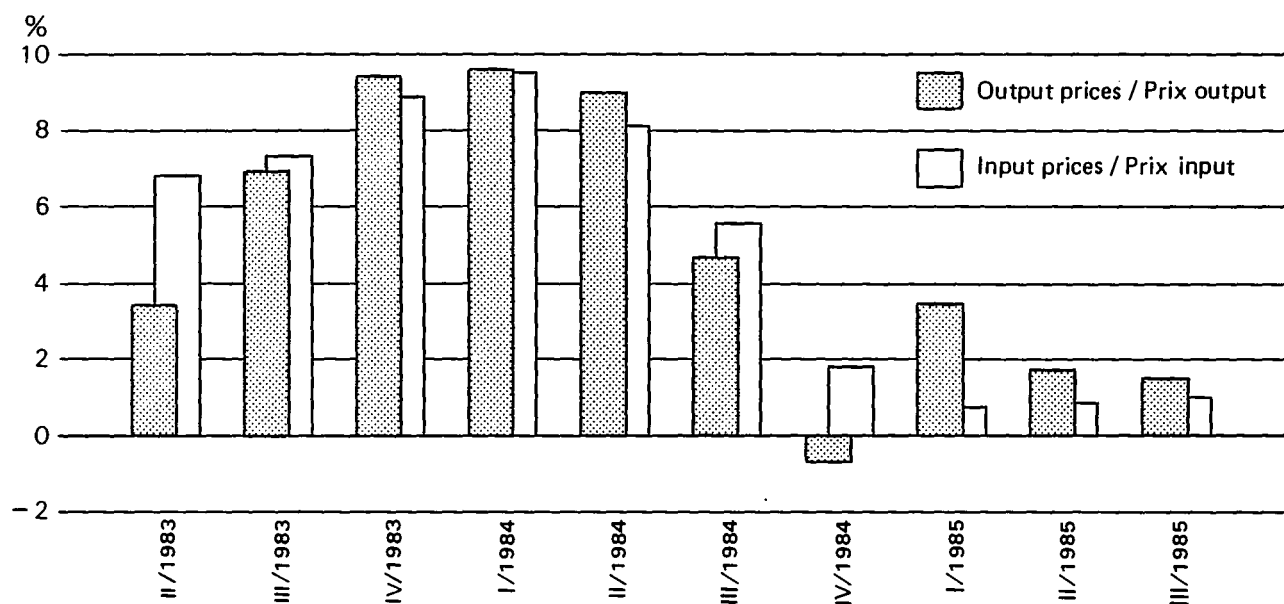
# Agricultural prices

## Prix agricoles

1  1986

### TRENDS IN THE EC AGRICULTURAL PRICE INDICES (OUTPUT AND INPUT) 3rd Quarter 1985

### EVOLUTION DES INDICES CE DES PRIX AGRICOLES (OUTPUT ET INPUT) 3me Trimestre 1985



Rates of change of the agricultural price indices for EUR 10 <sup>1)</sup>  
 Taux de variation des indices des prix agricoles dans EUR 10 <sup>1)</sup>

1) Percentage change in the mean of the monthly indices for the quarter in question as compared with the mean for the corresponding quarter of the previous year. / Taux de variation de la moyenne des indices mensuels du trimestre concerné par rapport à la moyenne du trimestre correspondant de l'année précédente, en pourcentage.

e.g./par exemple : III/1985 =  $\frac{7/85-9/85}{7/84-9/84}$

## COMMENTS ON THE RESULTS FOR THE THIRD QUARTER OF 1985

### 1. EC index of producer prices of agricultural products (output)

The monthly index of producer prices of agricultural products (including fruit and vegetables) in the third quarter of 1985 was 1.5 % higher for the Community as a whole than in the same quarter of the previous year (see Table 1). This is a slightly smaller increase than in the second quarter (+ 1.7 %). While the year on year rate of increase fell from 0.6 % in the second quarter of 1985 to - 0,5 % in the third quarter for crop products, it simultaneously increased from 2.8 % to 3.2 % for animals and animal products.

In the third quarter of 1985, as in the previous quarter, prices for root crops (- 15.8 %), seeds (- 14.0 %) and cereals (- 5.2 %) in the Community as a whole were lower than in the same quarter of the previous year. The rate of increase for fruit (from 0.1 % to 2.4 %) contrasted sharply with the trend for fresh vegetables (from + 11.6 % to - 11.7 %, i.e. a decline of 23.3 percentage points). The rate of increase for wine must and wine was slightly higher in the third quarter than in the second (19.9 % as opposed to 18.9 %), and was considerably lower for olives and olive oil (25.9 % as opposed to 34.3 %) and slightly lower for flowers, ornamental plants and tree-nursery products (7 % as opposed to 9.2 %) and "other crop products" (10.1 % as opposed to 12.9 %).

For the Community as a whole, producer prices for animals and animal products were higher than in the third quarter of 1984 for all products except eggs (- 2.4 %) and pigs (- 0.7 %). If one disregards "other animal products", which is not a very important heading, the rise was sharper for calves (+ 6.0 %). Milk prices also continued to rise (II/85: + 5.5 %; III/85: 5.8 %). The rise in prices for other slaughter animals ranged from + 3.1 % (cattle excluding calves) to + 3.3 % (other animals). Table 1 also shows that the rates in producer prices for cattle are continuing to rise while those for pigs are falling. Although the rate is still downwards, egg prices may have reached their lowest point. Producer prices for milk, which is a product of great importance for agriculture, were slightly lower in the third quarter of 1985 than in the corresponding quarter of the previous year in two countries (D and B) while they were between 1 and 6 % higher in five countries (F, NL, L, IRL and DK), between 8 and 10 % higher in two countries (I and UK) and 20.6 % higher in Greece, where they reflect the high rate of inflation.

The rates of change in the index of producer prices of agricultural products in the third quarter of 1985 as compared with the corresponding quarter of the previous year are shown in Table 2 for the various Member States of the Community. Except in Greece (+ 14.4 %) they range from - 4.1 % to + 3.2 %. There were negative growth rates in seven countries (D: - 4.1 %; DK: - 3.2 %; B: - 1.4 %; NL: - 1.2 %; IRL: - 1,1 %; F and UK: - 0.5 %) and positive rates in only two countries (L: + 2.2 %; I + 3.2 %).

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1) No account has been taken of the increase, as from 1 July 1984, in the flat-rate VAT compensation introduced to offset the effects on income of the reduction in monetary compensatory amounts in the Federal Republic of Germany, as the indices are shown net of VAT.

## 2. EC indices of purchase prices of the means of agricultural production (input)

In the third quarter of 1985, the purchase prices of goods and services for current consumption in agriculture for the Community as a whole were 1.0 % higher overall than in the same quarter of 1984 (see Table 3). The figures are virtually the same as those for the previous quarter: there are 9 input headings with positive rates of change ranging from 4.1 % (plant protection products) to 7.1 % (fertilizers) and only two groups with negative rates (animal feeding-stuffs: - 4.2 % and seeds: - 5.5 %), but these two headings account for 49 % of all current consumption in agriculture. The medium-term trends for the main goods and services for current consumption in agriculture are as follows: prices for feeding-stuffs are declining at a slightly decreasing rate, fertilizer prices are rising at an increasing rate and energy prices are rising at a decreasing rate.

The situation with regard to the various countries had changed little since the second quarter (see Table 4). In five of the ten Member States purchase prices of goods and services for current consumption in agriculture were lower in the third quarter of 1985 than in the same quarter of the previous year (NL - 3.6 %; DK: - 3.0 %; L: - 2,5 %; D and B: - 1.8 %). These prices were slightly higher in France (+ 2.1 %), Italy (+ 1.5 %), Ireland (+ 1.4 %) and the United Kingdom (+ 0.9 %). Greece again suffered the greatest increase in purchase prices at + 16.8 %.

The purchase prices of goods and services contributing to agricultural investment in the third quarter of 1985 were 6.7 % higher in the Community as a whole than in the same quarter of 1984 (see Table 3). This rate of increase is very slightly higher than in the previous quarter, being accounted for in much the same proportion by the rates of increase of the two sub-headings for machinery (6.8 %) and buildings (6.4 %). If the rates of increase in the purchase prices of goods and services contributing to agricultural investment are compared for the various countries (see Table 4), it is clear that Greece (+ 18.1 %) is an exceptional case. The rates in the other Member States range from + 1.7 % (D and NL) to + 9.6 % (I).

## 3. Comparison of the trend of the EC index of producer prices of agricultural production with that of the EC index of purchase prices of goods and services for current consumption in agriculture

As in the previous quarter, producer prices of agricultural products in the Community as a whole have risen slightly faster than purchase prices of goods and services for current consumption in agriculture (+ 1.5 % as compared with + 1.0 %). The gap has, however, narrowed somewhat since the previous quarter.

Output prices rose faster (or fell less) than input prices in only four Community Member States (B, I, NL, L). In the other countries, the reverse is.

true. The Member States are listed below in order of increasing difference between the two rates of increase (rate of increase in output prices minus rate of increase in input prices).

Percentage points

F	- 2.6
IRL	- 2.5
GR	- 2.4
D	- 2.3
UK	- 1.4
DK	- 0.2
B	+ 0.4
I	+ 1.7
NL	+ 2.4
L	+ 4.7

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COMMENTAIRES SUR LES RESULTATS DU TROISIEME TRIMESTRE 1985 <sup>1)</sup>

1. Indice CE des prix à la production des produits agricoles (output)

Au cours du troisième trimestre de 1985, l'indice mensuel des prix à la production des produits agricoles (y compris fruits et légumes) a progressé, pour l'ensemble de la Communauté, de 1,5 % par rapport au trimestre correspondant de l'année précédente (cf. tableau 1). Par comparaison au taux d'accroissement du deuxième trimestre (+ 1,7 %), cela signifie une faible diminution. Tandis que le taux de croissance des produits végétaux est passé de 0,6 % à - 0,5 % entre le deuxième et le troisième trimestre de 1985 (dans chaque cas, par rapport au trimestre correspondant de l'année précédente), il a augmenté en même temps de 2,8 % à 3,2 % pour les animaux et les produits animaux.

Au cours du troisième trimestre de 1985, les prix des plantes sarclées (- 15,8 %), des semences (- 14,0 %) et des céréales (- 5,2 %) étaient, pour la Communauté dans son ensemble et comme au cours du trimestre précédent, inférieurs à ceux du trimestre correspondant de 1984. L'augmentation du taux de croissance des fruits (de 0,1 à 2,4 %) contrastait fortement avec l'évolution accusée par les légumes frais (de + 11,6 % à - 11,7 %, soit un recul de 23,3 points). Pour le moût de vin/vin, le taux de croissance a légèrement augmenté entre le deuxième et le troisième trimestre (de 18,9 à 19,9 %), tandis qu'il a

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1) En République fédérale d'Allemagne, le relèvement du taux forfaitaire de la taxe à la valeur ajoutée, intervenu le 1er juillet 1984 et destiné à compenser les pertes de revenus résultant de la réduction des montants compensatoires monétaires, n'a pas été pris en considération dans les indices CE des prix agricoles car ils sont indiqués hors TVA.

Tab. 3

EC Indices of purchase prices of the means of agricultural production: Rates of change of the price indices for EUR 10 (in %) <sup>1)</sup>

Indices CE des prix d'achat des moyens de production agricole: Taux de variation des indices des prix pour EUR 10 (en %) <sup>1)</sup>

	7/84-9/84	10/84-12/84	1/85-3/85	4/85-6/85	7/85-9/85	
	7/83-9/83	10/83-12/83	1/84-3/84	4/84-6/84	7/84-9/84	
01 Goods and services currently consumed in agriculture	5,6	1,8	0,7	0,8	1,0	01 Biens et services de consommation courante de l'agriculture
1. Seeds	15,6	0,4	- 5,6	- 5,4	- 5,5	1. Semences
2. Animals for rearing	15,0	12,7	4,6	6,0	6,2	2. Animaux d'élevage
3. Energy	5,2	7,5	10,9	8,7	6,7	3. Energie
4. Fertilizers	4,5	4,4	6,7	6,9	7,1	4. Engrais
5. Plant protection products	7,0	6,2	3,5	3,8	4,1	5. Produits de protection des cultures
6. Animal feeding stuffs	4,7	- 3,0	- 5,6	- 5,1	- 4,2	6. Aliments des animaux
7. Small tools	7,9	7,3	6,1	5,6	5,8	7. Petit outillage
8. Maintenance and repair of plant	5,8	6,0	6,3	6,0	5,7	8. Entretien et réparation du matériel
9. Maintenance and repair of buildings	5,1	5,0	4,7	4,7	4,5	9. Entretien & réparat. des bâtim. d'expl.
10. Veterinary services	6,3	6,5	7,7	7,0	6,3	10. Services vétérinaires
11. General expenses	6,2	6,1	4,5	4,8	4,6	11. Frais généraux
02 Goods and services contributing to agricultural investment	7,9	6,2	5,2	6,2	6,7	02 Biens et services concourant aux investissements de l'agriculture
12. Machinery	9,1	7,3	4,8	6,2	6,8	12. Machines
13. Buildings	5,4	4,3	6,0	6,1	6,4	12. Ouvrages

1) On the base / sur la base 1980 = 100

Tab. 4

EC Indices of purchase prices of the means of agricultural production: Rates of change of the price indices by Member States (in %) <sup>1)</sup>  
 Indices CE des prix d'achat des moyens de production agricole: Taux de variation des indices des prix par Etat Membre (en %) <sup>1)</sup>

			D	F	I	NL	B	L	UK	IRL	DK	GR	EUR 10
Goods and services currently consumed in agriculture / Biens et services de consommation courante de l'agriculture	a)	- 1,1	3,0	5,5	- 4,9	- 0,0	1,1	0,3	2,6	- 3,3	13,3	1,8	
	b)	- 2,1	2,2	2,2	- 5,5	- 1,6	- 1,0	1,0	1,4	- 4,2	12,6	0,7	
	c)	- 2,1	3,0	1,9	- 5,4	- 2,8	- 2,2	0,5	1,4	- 3,3	12,4	0,8	
	d)	- 1,8	2,1	1,5	- 3,6	- 1,8	- 2,5	0,9	1,4	- 3,0	16,8	1,0	
of which / dont :	Fertilizers / Engrais	a)	3,5	5,2	- 1,0	7,5	8,9	2,9	1,7	16,5	24,5	0,0	4,4
		b)	4,2	8,3	4,3	8,7	7,1	11,6	6,0	14,4	8,8	0,3	6,7
		c)	5,8	9,5	2,3	8,9	6,0	8,2	6,7	10,2	6,0	0,5	6,9
		d)	5,7	10,6	1,7	11,5	3,9	3,8	7,8	7,6	1,0	0,5	7,1
	Animal feedingstuffs / Aliments des animaux	a)	- 7,9	- 1,8	3,0	- 11,2	- 4,3	- 4,2	- 4,3	- 7,6	- 12,0	13,3	- 3,0
		b)	- 10,7	- 5,8	- 1,4	- 11,4	- 6,5	- 9,8	- 5,7	- 8,8	- 11,9	14,1	- 5,6
		c)	- 10,2	- 5,5	- 1,8	- 10,6	- 5,2	- 11,1	- 4,6	- 8,5	- 10,6	14,9	- 5,1
		d)	- 8,2	- 6,3	- 2,6	- 8,3	- 3,1	- 10,5	- 3,7	- 5,0	- 8,1	18,1	- 4,2
Goods and services contributing to agricultural investment / Biens et services concourant aux investissements de l'agriculture	a)	2,3	6,3	8,8	3,5	8,8	6,2	1,6	6,2	4,2	15,5	6,2	
	b)	2,2	5,7	6,8	1,7	7,5	4,7	1,7	4,9	4,4	14,1	5,2	
	c)	1,8	5,4	8,9	1,7	7,0	4,6	3,5	4,3	5,4	14,7	6,2	
	d)	1,7	4,8	9,6	1,7	6,4	4,4	5,9	5,0	4,5	18,1	6,7	

1) On the base / sur la base 1980 = 100

$$a = \frac{10/84-12/84}{10/83-12/83} \quad b = \frac{1/85-3/85}{1/84-3/84} \quad c = \frac{4/85-6/85}{4/84-6/84} \quad d = \frac{7/85-9/85}{7/84-9/84}$$

