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TRENDS IN THE EC AGRICULTURAL PRICE INDICES (OUTPUT AND INPUT) IN THE THIRD QUARTER OF 1989¹⁾

Producer prices of agricultural products (output)

Marked rise (nominal: +9.5%, real: +4%)

The average monthly index of producer prices of agricultural products (including fruit and vegetables) for the Community as a whole (EUR 10) rose in the third quarter of 1989 by 9.5% in nominal terms over the corresponding quarter of the previous year (cf. Table 1) and thus much faster than in the previous quarters. In real terms too the rate of increase was higher than in the second quarter (+4% against +3.3%).

In the third quarter of 1989 the real producer prices of crop products were, however, slightly lower than those for the corresponding period in the previous year (-0.5%). In the previous quarter there had been a rise of approximately 1%. There were above-average increases for root crops (+5.6%) and especially potatoes (+25%). The greatest real price increase was recorded for wine must and wine (+14.2%). The prices for seeds also rose considerably (+7.3%). In contrast, real prices for cereals (-4.1%), fruit (-8.4%) and flowers, plants and nursery products fell, wiping out the above increases for other products and leading to a decline in crop product prices of 0.5%.

The relatively high producer price increases in real terms in the third quarter of 1989 were accounted for by the animal sector. Here prices went up by 7.6%, two percentage points more than in the previous quarter. The producer prices for pigs (+34.2%) were mainly responsible for the enormous increase in prices in the animal sector, though price trends for calves (+8.2%) and eggs (+11.2%) also contributed. Some decreases were recorded, particularly for sheep (-8.9%) and poultry (-2.5%). Milk prices in the third quarter were up more (+3.3%) in real terms than in the two foregoing quarters (+1.7% and +2.2% respectively).

1) As conversion of the EC agricultural price indices to the new base year 1985 had not been carried out simultaneously in all the Member States, publication of the rapid reports was delayed in 1989. The normal quarterly rhythm is expected to be resumed in 1990.

At Member State level for EUR 10 (cf. Table 2) the rates of change of nominal producer price indices for agricultural products as a whole range from +4.3% (IRL) to +16.7% (GR). In deflated form the range is between -0.1% (IRL) and +12.2% (B).

Purchase prices of goods and services for current consumption (Input I)

*Smaller increase in nominal terms (+4.3%) than in the previous three quarters.
Real prices down (-0.4%)*

In the third quarter of 1989 the purchase prices of goods and services for current consumption in agriculture in the Community as a whole (EUR 10) were up in nominal terms by 4.3%, which was appreciably less than in the previous three quarters (cf. Table 3). In real terms there was even a slight decline (-0.4%). This was mainly due to the decline in real prices for feedingstuffs (-2.5%) and fertilizers (-1.2%). The rise in purchase prices for animals for rearing (+22.2%) was relatively high, but this accounts for less than 4% of the total index for Input I. Energy purchase prices went up in real terms by roughly the same as in the previous quarter (approx. +2.5%).

As expected, a comparison of the rates of change of nominal input prices between Member States (cf. Table 4) reveals a broad spectrum ranging from +2.4% (B) to +11% (GR). The rates of change of real input prices range from -3.7% (UK) to +3.2% (D).

Purchase prices of goods and services contributing to agricultural investment (Input II)

Again no change in real terms

Compared with the same quarter in the previous year, the purchase prices of goods and services contributing to agricultural investment in the Community as a whole (EUR 10) rose by a nominal 5.7% in the third quarter of 1989 (second quarter 1989: +5.9%). As in the previous two quarters, they remained practically unchanged in real terms (+0.2%). A comparison of countries shows rates of change of deflated purchase prices ranging from -1.4% (UK) to +3.3% (L).

Comparison of trends in output and input (I) prices

Nine countries with a positive and one with a minimal negative effect on agricultural income. Positive net price effect (4.2 percentage points on average in the Community)

In the third quarter of 1989 in the Community as a whole (EUR 10) the deflated output price index rose by 4% whilst the deflated input price index fell by 0.4%. These trends must be viewed against the fact that purchases of goods and services for current consumption in agriculture as a whole (EUR 10) account for only 45.9% in value terms of the overall sales of agricultural products (calculated with reference to the national farm concept). This has a positive effect on real agricultural income (in the context of gross value added) of 4.2 percentage points, which represents a clear improvement in the situation for the agricultural sector compared with the previous quarter (2.4 percentage points).

In the UK the output and input prices remained virtually constant, whilst in the Netherlands and the Federal Republic of Germany, the output prices rose and, to a markedly lesser extent, input prices too. The other Member States reported increases in output prices and decreases in input prices in real terms. Taking into account the value share of goods and services for current consumption in the sales of agricultural product per Member State, the real price effect on agriculture was positive for nine of the ten Member States covered and minimally negative for one. The table below shows the Member States in order of increasing difference between the two rates of change: the percentage change of deflated output prices minus percentage change of deflated input prices, taking into account the value share of purchases of goods and services for current consumption in sales of agricultural products in 1985:

Country	Rates of change of real output prices (%)	Rates of change of real input I prices (%)	Input I as a share of output in 1985	Corrected rates of change of real input I prices (%) (2 x 3)	Net price effect (points) (1 - 4)
	1	2	3	4	5
IRL	-0,1	0,1	0,480	0,0	-0,1
I	0,3	-2,2	0,310	-0,7	1,0
GR	2,6	-2,4	0,264	-0,6	3,2
F	3,8	-0,2	0,437	-0,1	3,9
UK	2,8	-3,7	0,567	-2,1	4,9
DK	4,4	-2,1	0,519	-1,1	5,5
NL	6,8	1,4	0,530	0,7	6,1
D	9,7	3,2	0,644	2,1	7,6
L	8,5	-0,3	0,397	-0,1	8,6
B	12,2	-0,8	0,568	-0,5	12,7
EUR 10	+4,0	-0,4	0,459	-0,2	4,2

Agricultural price trends in Spain

The monthly agricultural price indices for Spain currently available to Eurostat are, as regards the input price indices, not entirely compatible with those of the previous Community of Ten in terms of methodology. In the third quarter of 1989 the Spanish indices of producer prices of agricultural products show a nominal 5.6% increase over the same period in 1988, with a 1.3% decrease when the figures are deflated by the consumer price index. The input (I) price indices were up by a nominal 0.5% and down in real terms by 6.1%.

Technical note

The EC agricultural price indices (output and input) are available in Eurostat's CRONOS data bank ("PRAG" domain) in both nominal and deflated form. By using deflated indices it is possible to eliminate the distortions in the nominal indices caused by different inflation rates in the Member States. The nominal agricultural price indices are deflated by means of the consumer price index. The terms "deflated" and "real" are used synonymously.

Spain has now been included in the EC agricultural price index system for the output price indices, but not yet for the input price indices. No monthly agricultural price indices are yet available for Portugal.

Tab. 1 : EC Index of producer prices of agricultural products :
 Rates of change of the price for EUR 10 (in %) (1)
 Indice CE des prix à la production des produits agricoles :
 Taux de variation des indices des prix pour EUR 10 (en %) (1)

	07/88-09/88	10/88-12/88	01/89-03/89	04/89-06/89	07/89-09/89
	07/87-09/87	10/87-12/87	01/88-03/88	04/88-06/88	07/88-09/88
Nominal indices / Indices nominaux					
TOTAL	4,6	4,1	5,8	8,7	9,5
CROP PRODUCTS / PRODUITS VEGETAUX	4,5	1,9	3,6	7,0	5,8
Cereals and rice / Céréales et riz	-2,4	-0,4	0,7	3,6	1,6
Root crops / Plantes sarclées	12,0	6,5	7,9	14,0	10,2
Fruit / Fruits	13,4	1,0	-3,1	12,2	-0,2
Fresh vegetables / Légumes frais	5,4	-1,3	0,9	-4,7	4,4
Wine must or wine / Moût ou vin	2,4	6,1	12,4	16,7	19,8
Olives and olive oil/Olives & huile d'olive	1,8	6,9	15,7	15,4	13,3
Seeds / Semences	-3,2	7,7	13,2	13,4	12,0
Flowers etc. / Fleurs etc.	8,3	-0,6	0,6	2,9	-4,0
Other crop products / Autres prod. végétaux	4,7	3,5	6,0	9,6	10,4
ANIMALS & ANIMAL PRODUCTS /	4,6	6,1	7,7	10,2	12,6
ANIMAUX ET PRODUITS ANIMAUX					
Animals / Animaux	3,8	5,8	8,8	12,1	15,2
Calves / Veaux	8,9	10,4	20,9	16,9	12,9
Cattle excl. calves / Bovins sans veaux	7,5	7,9	8,9	9,5	6,1
Pigs / Porcs	-1,7	3,7	11,1	20,5	38,9
Sheep and Lambs / Moutons et agneaux	2,7	-1,6	-3,3	7,9	-0,2
Poultry / Volailles	2,9	3,2	1,8	1,3	3,2
Other animals / Autres animaux	1,7	8,4	4,2	9,7	7,1
Milk / Lait	7,8	7,7	6,6	6,3	8,3
Eggs / Oeufs	-8,7	-2,2	2,8	19,6	16,8
Other animal products / Autres prod.animaux	7,5	6,6	1,7	2,1	2,5
Deflated indices / Indices déflatés					
TOTAL	0,2	-0,4	0,6	3,3	4,0
CROP PRODUCTS / PRODUITS VEGETAUX	-0,8	-3,6	-2,5	0,9	-0,5
Cereals and rice / Céréales et riz	-6,5	-5,0	-4,5	-2,1	-4,1
Root crops / Plantes sarclées	7,3	1,8	2,7	8,6	5,6
Fruit / Fruits	6,2	-5,8	-10,4	4,0	-8,4
Fresh vegetables / Légumes frais	-1,7	-8,0	-6,8	-9,6	-2,4
Wine must or wine / Moût ou vin	-1,7	1,5	7,3	11,1	14,2
Olives and olive oil/Olives & huile d'olive	-6,6	-1,8	6,0	5,3	2,7
Seeds / Semences	-6,5	4,0	9,0	8,8	7,3
Flowers etc. / Fleurs etc.	5,4	-4,1	-2,5	-0,3	-7,1
Other crop products / Autres prod. végétaux	-1,8	-4,1	-2,6	0,1	1,6
ANIMALS & ANIMAL PRODUCTS /	-1,1	2,2	3,2	5,3	7,6
ANIMAUX ET PRODUITS ANIMAUX					
Animals / Animaux	0,1	1,7	4,4	7,1	10,2
Calves / Veaux	5,3	6,4	16,6	12,4	8,2
Cattle excl. calves / Bovins sans veaux	4,1	4,1	4,3	4,5	1,3
Pigs / Porcs	-4,7	0,5	7,5	16,2	34,2
Sheep and Lambs / Moutons et agneaux	-3,1	-8,2	-9,1	0,4	-8,9
Poultry / Volailles	-1,5	-1,5	-3,4	-4,2	-2,5
Other animals / Autres animaux	-4,5	1,3	-2,0	2,9	-0,6
Milk / Lait	4,4	4,1	2,2	1,7	3,3
Eggs / Oeufs	-12,5	-6,4	-2,0	13,9	11,2
Other animal products/Autres prod.animaux	0,9	-0,6	-5,0	-5,5	-5,7

(1) On the base / sur la base 1985 = 100

Tab. 2

EC Index or producer prices of agricultural products : Rates of change of the price indices by Member States (in %) (1)
 Indices CE des prix à la production des produits agricoles : Taux de variation des indices des prix par Etat membre (en %) (1)

			D	F	I	NL	B	L	UK	IRL	DK	GR	EUR 10	E	EUR 11		
Total			Nominal	a)	2,5	3,5	2,8	4,9	3,6	4,2	-0,9	13,4	4,2	17,2	4,1	9,5	4,9
			indices /	b)	4,9	6,4	3,1	7,1	8,8	9,8	-0,4	10,0	4,1	23,0	5,8	12,6	6,6
			Indices	c)	10,1	7,2	7,2	9,7	10,2	13,0	7,4	9,4	5,2	14,7	8,7	11,4	9,2
			nominaux	d)	12,7	7,3	6,7	8,0	15,9	12,3	10,8	4,3	9,5	16,7	9,5	5,6	8,9
			Deflated	a)	0,9	0,5	-2,3	3,7	2,0	2,2	-7,0	10,4	-0,3	2,8	-0,4	3,8	-0,1
			indices /	b)	2,4	2,9	-2,6	6,1	6,0	6,9	-7,5	6,5	-0,4	8,2	0,6	6,1	1,1
			Indices	c)	7,0	3,5	0,7	8,6	7,0	9,3	-0,7	5,4	0,5	1,4	3,3	4,2	3,5
			déflatés	d)	9,7	3,8	0,3	6,8	12,2	8,5	2,8	-0,1	4,4	2,6	4,0	-1,3	3,4
Crop products Produits végétaux			Nominal	a)	-4,4	1,4	1,9	-0,2	-5,5	2,1	-8,5	7,0	-3,7	19,1	1,9	9,7	3,2
			indices /	b)	-3,8	5,3	1,3	-0,3	-1,8	1,6	-6,1	9,0	-3,2	28,7	3,6	12,8	5,0
			Indices	c)	2,0	6,5	6,1	3,1	0,1	1,6	7,7	12,3	-1,0	14,9	7,0	9,0	7,5
			nominaux	d)	2,3	5,9	3,2	-4,9	13,3	2,4	9,9	14,2	-0,4	14,4	5,8	2,1	5,2
			Deflated	a)	-5,9	-1,5	-3,1	-1,2	-7,0	0,1	-14,1	4,2	-7,8	4,4	-3,6	3,9	-2,9
			indices /	b)	-6,1	1,9	-4,3	-1,2	-4,3	-1,0	-12,8	5,5	-7,4	13,2	-2,5	6,3	-1,5
			Indices	c)	-0,8	2,8	-0,3	2,0	-2,8	-1,7	-0,5	8,2	-5,5	1,5	0,9	1,9	1,1
			déflatés	d)	-0,5	2,4	-3,1	-6,0	9,8	-1,0	2,0	9,4	-5,0	0,5	-0,5	-4,5	-0,8
Animal products Produits animaux			Nominal	a)	5,3	5,6	4,1	7,9	8,7	4,5	3,7	14,2	7,5	13,1	6,1	9,3	6,5
			indices /	b)	8,7	7,5	5,7	12,0	14,7	11,1	3,2	10,1	7,3	10,4	7,7	12,3	8,2
			Indices	c)	13,5	8,0	8,9	13,7	16,6	14,9	7,3	9,1	7,9	14,3	10,2	14,9	10,8
			nominaux	d)	17,0	8,6	11,8	14,7	17,0	13,8	11,2	3,1	13,3	22,3	12,6	10,1	12,3
			Deflated	a)	3,7	2,5	-1,1	6,8	7,0	2,5	-2,6	11,2	2,9	-0,9	2,2	3,6	2,3
			indices /	b)	6,1	3,9	-0,1	10,9	11,8	8,2	-4,2	6,6	2,6	-2,9	3,2	5,8	3,5
			Indices	c)	10,3	4,2	2,3	12,6	13,2	11,1	-0,9	5,1	3,0	1,0	5,3	7,4	5,6
			déflatés	d)	13,8	5,0	5,1	13,4	13,4	10,0	3,3	-1,2	8,0	7,4	7,6	2,9	7,1

$$(1) \text{ On the base / sur la base } 1985 = 100 \quad a = \frac{10/88-12/88}{10/87-12/87} \quad b = \frac{01/89-03/89}{01/88-03/88} \quad c = \frac{04/89-06/89}{04/88-06/88} \quad d = \frac{07/89-09/89}{07/88-09/88}$$

Tab. 3 EC Indices of purchase prices of the means of agricultural production :
 Rates of change of the price indices for EUR 10 (in %) (1)
 Indices CE des prix d'achat des moyens de production agricoles :
 Taux de variation des indices des prix pour EUR 10 (en%) (1)

	07/88-09/88	10/88-12/88	01/89-03/89	04/89-06/89	07/89-09/89
	07/87-09/87	10/87-12/87	01/88-03/88	04/88-06/88	07/88-09/88
Nominal indices / Indices nominaux					
01 Goods & serv.currently cons. in agricult. Biens & serv.de cons.courante de l'agric.	4,2	5,2	6,5	6,9	4,3
1. Seeds / Semences	-2,9	2,9	5,4	4,5	5,9
2. Animals for rearing/Animaux d'élevage	2,6	7,9	16,1	23,1	26,5
3. Energy / Energie	-3,7	-4,7	3,9	7,2	6,9
4. Fertilizers / Engrais	1,3	1,4	2,3	3,1	3,4
5. Plant protection products / Produits de protection des cultures	1,7	1,6	1,6	2,2	2,1
6. Animal feedingstuffs/Alim.des animaux	8,3	9,9	9,8	9,2	2,5
7. Small tools / Petit outillage	3,3	3,8	4,0	4,3	4,1
8. Maintenance and repair of plant / Entretien et réparation du matériel	4,8	4,6	4,7	4,8	5,0
9. Maintenance and repair of buildings / Entretien et réparat.des bâtim.d'expl.	4,1	4,4	5,6	5,9	6,3
10. Veterinary services/Serv.vétérinaires	2,0	0,4	0,9	1,3	3,4
11. General expenses / Frais généraux	3,7	3,7	3,3	3,2	2,8
02 Goods & serv. contr.to agricult.investm. Biens et serv.conc.aux invest.de l'agric.	5,2	5,2	5,4	5,9	5,7
12. Machinery / Machines	4,8	5,1	5,2	5,7	5,4
13. Buildings / Ouvrages	6,2	5,4	5,8	6,2	6,2
Deflated indices / Indices déflatés					
01 Goods & serv.currently cons. in agricult. Biens & serv.de cons.courante de l'agric.	0,6	1,3	2,0	2,0	-0,4
1. Seeds / Semences	-6,2	-0,8	1,1	0,1	1,3
2. Animals for rearing/Animaux d'élevage	-0,5	4,3	11,6	18,1	22,2
3. Energy / Energie	-7,4	-8,8	-0,6	2,5	2,4
4. Fertilizers / Engrais	-2,3	-2,4	-2,1	-1,7	-1,2
5. Plant protection products / Produits de protection des cultures	-1,9	-2,3	-2,9	-2,7	-2,6
6. Animal feedingstuffs/Alim.des animaux	4,6	5,8	5,1	4,1	-2,5
7. Small tools / Petit outillage	-0,6	-0,5	-0,9	-1,1	-1,0
8. Maintenance and repair of plant / Entretien et réparation du matériel	1,2	0,7	0,1	-0,3	-0,1
9. Maintenance and repair of buildings / Entretien et réparat.des bâtim.d'expl.	0,4	0,2	0,5	0,4	0,9
10. Veterinary services/Serv. vétérinaires	-1,4	-3,3	-3,4	-3,4	-1,2
11. General expenses / Frais généraux	0,4	0,1	-0,8	-1,2	-1,4
02 Goods & serv.contr. to agricult.investm. Biens & serv.conc.aux invest.de l'agric.	1,0	0,7	0,2	0,3	0,2
12. Machinery / Machines	0,9	0,9	0,3	0,4	0,2
13. Buildings / Ouvrages	1,3	0,2	-0,1	-0,1	-0,1

(1) On the base / sur la base 1985 = 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 %) (1)
 Indices CE des prix d'achat des moyens de production agricoles: Taux de variation des indices des prix par Etat membre (en %) (1)

			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	Nominal indices / Indices nominaux	a)	3,7	4,4	4,6	5,5	5,2	1,3	7,2	5,6	8,7	6,7	5,2
		b)	6,0	5,8	6,1	6,6	5,9	1,8	7,5	6,4	7,3	10,1	6,5
		c)	6,9	6,1	6,5	6,2	5,9	3,2	8,0	7,3	5,4	11,4	6,9
		d)	6,0	3,2	4,0	2,5	2,4	3,2	3,7	4,5	2,6	11,0	4,3
	Deflated indices / Indices déflatés	a)	2,0	1,4	-0,6	4,4	3,5	-0,7	0,6	2,8	4,1	-6,5	1,3
		b)	3,5	2,3	0,2	5,6	3,2	-0,9	-0,2	3,0	2,6	-3,2	2,0
		c)	3,9	2,4	0,1	5,1	2,8	-0,3	-0,2	3,3	0,7	-1,6	2,0
		d)	3,2	-0,2	-2,2	1,4	-0,8	-0,3	-3,7	0,1	-2,1	-2,4	-0,4
of which / dont : Animal feedingstuffs / Aliments pour animaux	Nominal indices / Indices nominaux	a)	10,4	12,5	5,8	11,3	8,5	1,9	11,2	10,3	12,6	9,3	9,9
		b)	8,7	11,7	6,4	11,6	7,4	2,4	10,2	9,8	11,7	17,9	9,8
		c)	7,5	10,3	6,0	10,3	5,5	4,2	11,2	11,0	7,9	20,2	9,2
		d)	0,4	1,2	3,0	2,7	-1,0	2,1	1,0	4,0	2,3	18,6	2,5
	Deflated indices / Indices déflatés	a)	8,6	9,2	0,6	10,1	6,7	-0,1	4,4	7,4	7,8	-4,2	5,8
		b)	6,1	8,0	0,5	10,6	4,7	-0,3	2,3	6,3	6,8	3,7	5,1
		c)	4,5	6,4	-0,5	9,2	2,5	0,7	2,8	7,0	3,0	6,2	4,1
		d)	-2,3	-2,2	-3,2	1,5	-4,1	-1,3	-6,2	-0,3	-2,4	4,2	-2,5
Goods and services contributing to agricultural investment / Biens et services concourant aux investissements de l'agriculture	Nominal indices / Indices nominaux	a)	2,2	4,5	6,2	2,6	4,2	2,1	4,9	4,3	6,1	12,0	5,2
		b)	2,3	4,4	6,1	3,0	4,9	6,5	5,4	4,5	4,7	13,9	5,4
		c)	2,4	4,6	6,8	3,0	5,3	6,9	6,4	4,9	5,3	14,1	5,9
		d)	2,4	4,0	6,7	3,0	5,0	6,9	6,3	5,0	4,3	13,7	5,7
	Deflated indices / Indices déflatés	a)	0,6	1,4	1,0	1,5	2,5	0,1	-1,6	1,5	1,6	-1,8	0,7
		b)	-0,2	1,0	0,3	2,1	2,3	3,7	-2,2	1,2	0,1	0,1	0,2
		c)	-0,4	0,9	0,4	2,0	2,2	3,3	-1,6	1,0	0,6	0,8	0,3
		d)	-0,3	0,6	0,3	1,8	1,7	3,3	-1,4	0,6	-0,6	-0,1	0,2

$$(1) \text{ On the base / sur la base } 1985 = 100 \quad a = \frac{10/88-12/88}{10/87-12/87} \quad b = \frac{01/89-03/89}{01/88-03/88} \quad c = \frac{04/89-06/89}{04/88-06/88} \quad d = \frac{07/89-09/89}{07/88-09/88}$$

TRENDS IN THE EC AGRICULTURAL PRICE INDICES(OUTPUT AND INPUT)

3rd Quarter 1989

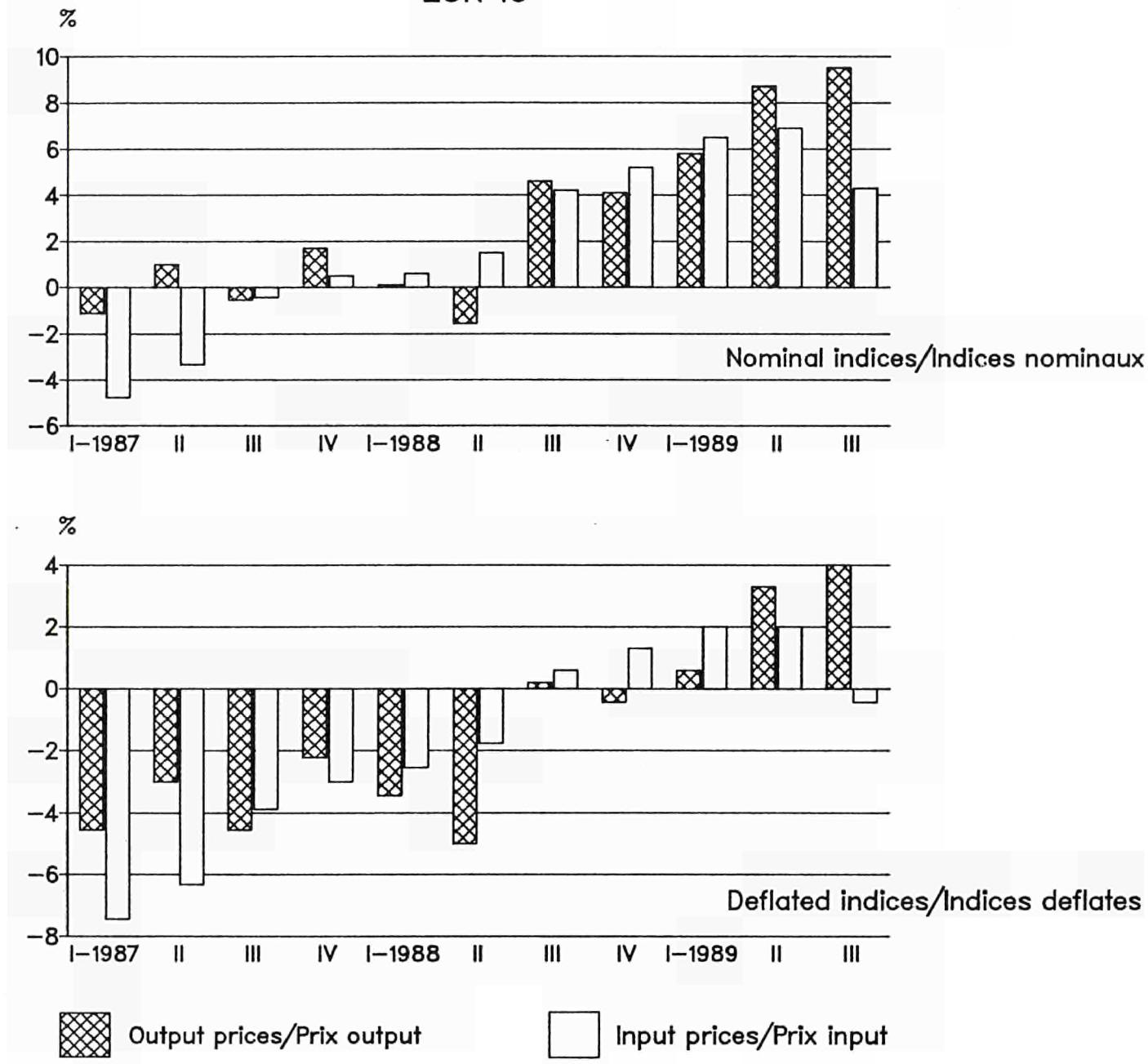
EVOLUTION DES INDICES CE DES PRIX AGRICOLES(OUTPUT ET INPUT)

3eme Trimestre 1989

Rates of change over 12 months of the agricultural price indices

Taux de variation en 12 mois des indices des prix agricoles

EUR 10



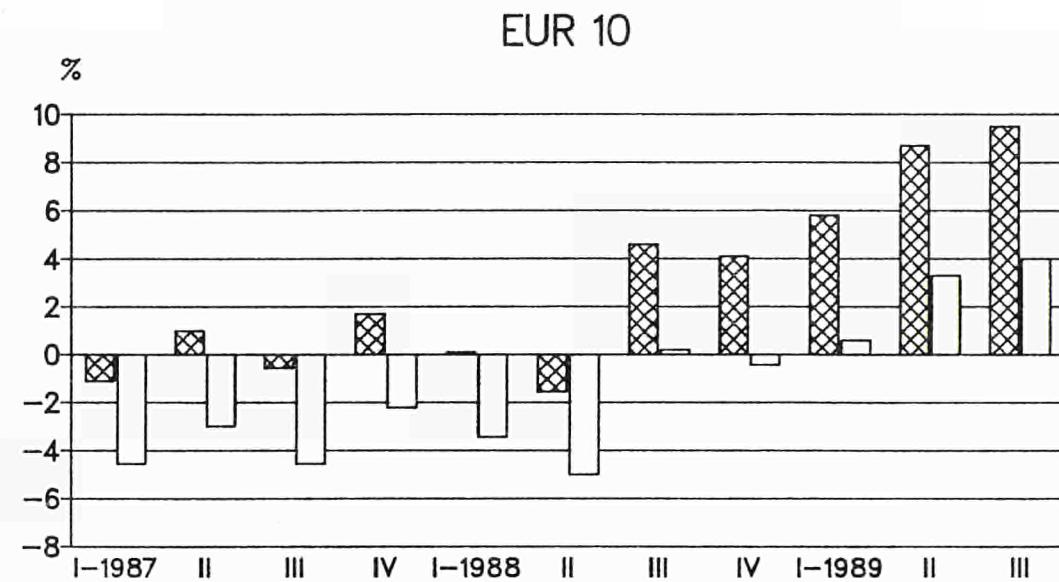
Output prices/Prix output



Input prices/Prix input

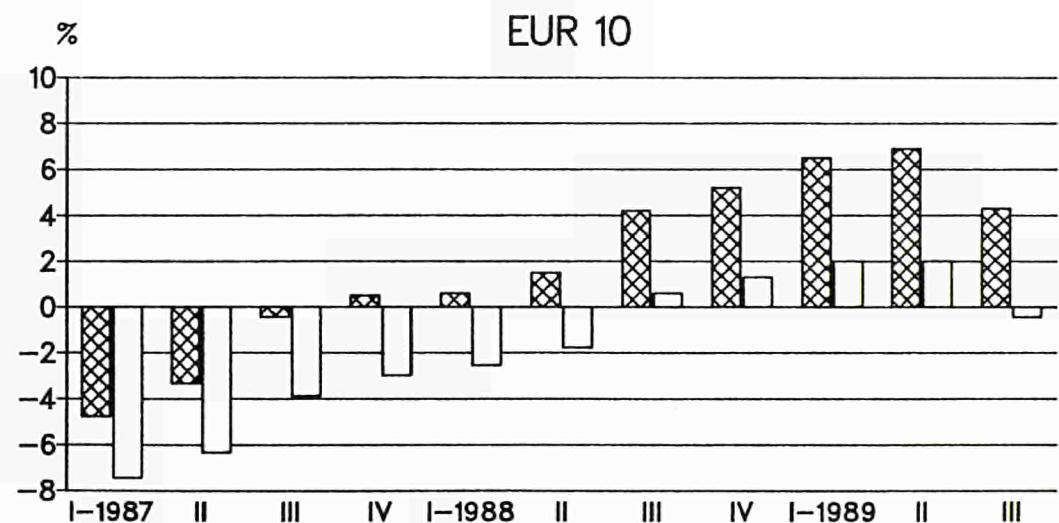
EC Index of producer prices of agricultural products:
Rates of change of the price indices

Indice CE des prix à la production des produits agricoles:
Taux de variation des indices des prix



EC Indices of purchase prices of goods and services currently
consumed in agriculture:
Rates of change of the price indices

Indices CE des prix d'achat des biens et services de consommation
courante de l'agriculture:
Taux de variation des indices des prix



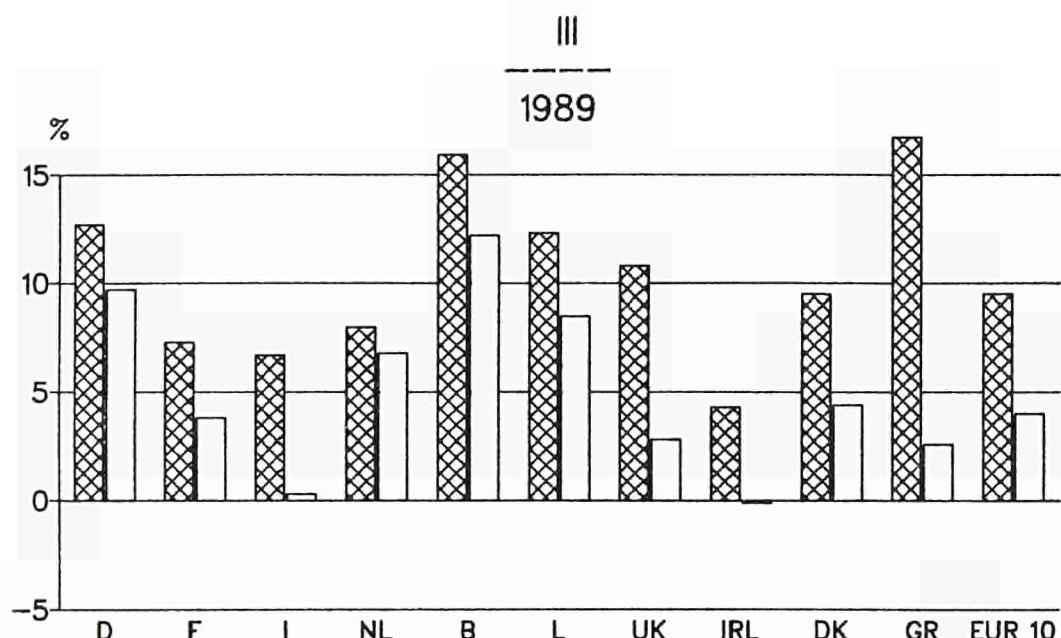
Nominal Indices/Indices nominaux



Deflated Indices/Indices deflates

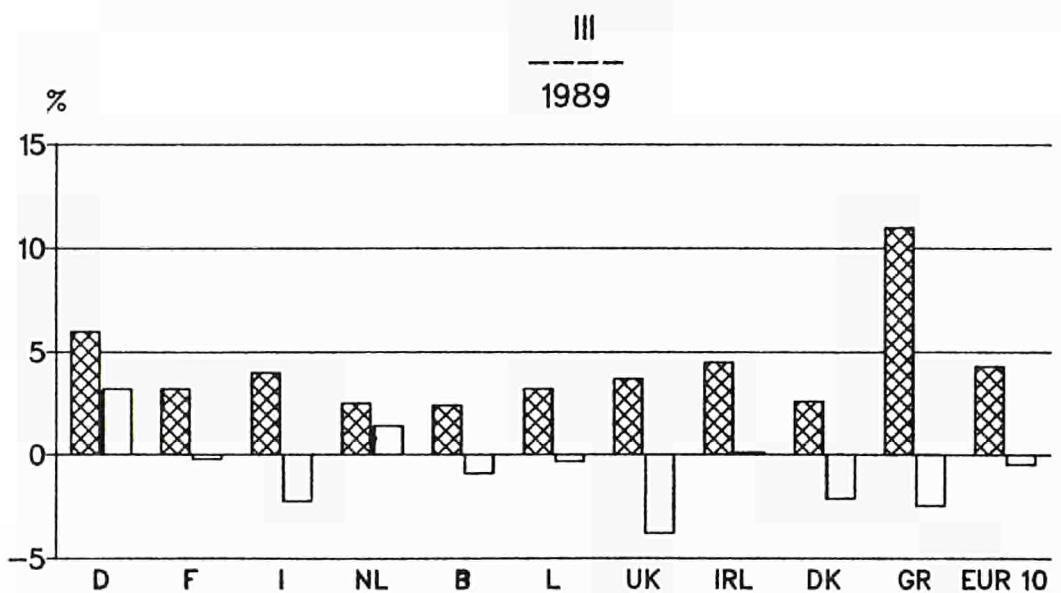
EC Index of producer prices of agricultural products:
Rates of change of the price indices by Member States

Indice CE des prix à la production des produits agricoles:
Taux de variation des indices des prix des Etats Membres



EC Indices of purchase prices of goods and services currently consumed in agriculture:
Rates of change of the price indices by Member States

Indices CE des prix d'achat des biens et services de consommation courante de l'agriculture:
Taux de variation des indices des prix des Etats Membres



Nominal Indices/Indices nominaux



Deflated Indices/Indices deflates

