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### TRENDS IN THE EC AGRICULTURAL PRICE INDICES (OUTPUT AND INPUT) IN THE SECOND QUARTER OF 1993

#### Producer prices of agricultural products (output)

*Real prices continue to fall  
(1st Quarter 1993, -9.6%; 2nd Quarter 1993, -5.5%)*

The average monthly index of the producer prices of **agricultural products** (including fruit and vegetables) for the Community as a whole (EUR 12) decreased (-0.9%) in *nominal* terms in the second quarter of 1993 relative to the corresponding quarter of the previous year (see Table 1). This was the fifth consecutive quarterly nominal price decline. In *real* terms, prices declined (-5.5%) relative to the second quarter of 1992; an increase in the real index relative to the previous year has not now been observed since 1989. Nevertheless, the decline in real price in the second quarter of 1993 was more moderate than in the first quarter (-9.6%).

Real producer prices for **crop products** overall were lower (-6.2%) compared with the same period of 1992. The fall was especially marked

for fruit (-19.7%), other crop products (-17.7%) and wine must or wine (-11.6%). The drop in the fruit price index was mainly due to a sharp decline in the price index for fresh fruit in several Member States: Germany (-66.0%), Belgium (-56.1%), the Netherlands (-48.7%), Denmark (-47.1%) and France (-40.2%). In the case of Germany and France the drop in the fresh fruit price index now observed was larger than the rise noted in the second quarter of 1992. The fall in the real price index for wine must and wine was principally due to a sharp fall in Luxembourg (-26.7%) and Germany (-25.7%) even though the index rose in Portugal (+20.4%). Real producer prices rose for cereals and rice (+3.4%), flowers etc. (+2.6%) and fresh vegetables (+1.0%).

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Real producer prices for **animals and animal products** fell (-4.9%) compared to the corresponding quarter of 1992 at a somewhat smaller rate than crop products. The fall was mainly due to a continued very steep decline in the pig price (-29.5%). The real price index for other animals and other animal products also fell (-6.1% and -11.6% respectively). The real pig price index fell in all northern Member States, especially the Netherlands (-46.3%), Denmark (-35.0%), Germany (-34.2%), France (-31.7%), Luxembourg (-32.7%) and Belgium (-30.9%). On the other hand, there was a marked rise in the real price index for sheep and lambs (+12.1%), cattle excluding calves (+7.8%) and eggs (+3.8%). The index for sheep and lambs rose strongly in the United Kingdom (+39.3%) and Ireland (+26.1%) even though it fell in some other Member States, notably the Netherlands (-17.5%) and Italy (-12.6%). The rise in the real cattle price index was mainly due

to a sharp rise in the United Kingdom (+26.5%) and also in Italy (+16.1%) and Spain (+12.1%). Cattle prices fell in Denmark (-4.1%) and Greece (-8.5%).

Across **Member States** (see Table 2) the overall index of real producer prices of agricultural products continued to fall in almost all continental countries, most steeply in the Netherlands (-14.2%), Germany (-13.9%), Belgium (-12.3%) and Denmark (-11.8%). The real price index rose slightly in Italy (+1.6%) and more strongly in the United Kingdom (+7.8%) and Ireland (+4.1%).

Average monthly price indices for Portugal are shown for the first time in this issue of the Rapid Report on Agricultural Price Indices. The real index fell for both crop products (-6.5%) and animals and animal products (-4.3%), rates close to the Community values.

### **Purchase prices of the means of agricultural production (input 00)**

*Continued rise in nominal terms (3.6%)*

*Modest decline in real terms (-0.9%)*

The average monthly index for the purchase prices of the **means of agricultural production (input 00)** for the second quarter of 1993 continued to rise (+3.6%) in *nominal* terms for the Community (EUR 12) relative to the corresponding quarter of 1992. However the nominal rise was less than inflation and so the *real* price index fell slightly (-0.9%) continuing the pattern seen in each quarter since 1989 (see Table 3).

The *real* index for purchase prices of goods and services for **current consumption in agriculture (input I)** fell (-1.3%). Real purchase prices continued to rise for energy and lubricants (+2.9%) and for maintenance and repair of plant (+2.2%). Real prices continued to fall steeply for animals for rearing and

production (-14.6%). There was a notable drop in price for fertilizers and soil improvers (-8.6%).

The *real* index for purchase prices of goods and services contributing to **agricultural investment (input II)** continued to be practically unchanged (+0.2%) relative to the second quarter of 1992. There was a slight rise in the real price of machinery (+0.5%) and a slight fall in the real price of buildings (-0.4%).

Across **Member States** (see Table 4), the real overall input price index fell in Portugal (-9.3%), Germany (-4.9%) and the Netherlands (-3.7%). The index rose in the United Kingdom (+4.2%) and Italy (+2.8%)

## Comparison of trends in output and input prices Agricultural terms of trade

*Continued decline (-4.7%)*

Agricultural terms of trade, the total output price index divided by the total input price index expressed as a percentage, fluctuated about 100 from 1985, the base year, until early 1992 (see graph), after which it fell steeply to reach a value of 91.1 in the second quarter of 1993. This value for the Community (EUR 12) is lower (-4.7%) than the corresponding quarter of 1992, and continues the decline noted in the first quarter of 1993 (-8.5%).

Across Member States, there was an improvement in the terms of trade in Ireland (+4.4%), Portugal (+4.3%) and the United Kingdom (+3.4%). However several Member States showed a marked decline in terms of trade, notably Greece (-9.3%), Germany (-9.5%), Belgium (-10.0%) the Netherlands (-10.9%) and Denmark (-11.9%).

**Real Agricultural Terms of Trade**

	1th Quarter 1993		2nd Quarter 1993	
	Index (1985=100)	01/93-03/93 01/92-03/92 (%)	Index (1985=100)	04/93-06/93 04/92-06/92 (%)
B	93.7	-12.6	92.7	-10.0
DK	83.8	-11.3	81.7	-11.9
D	85.8	-11.4	85.1	- 9.5
GR	90.2	-13.8	88.8	- 9.3
E	93.7	- 9.2	94.5	- 1.3
F	90.5	-12.6	90.9	- 5.2
IRL	104.6	1.4	109.6	4.4
I	93.4	- 7.7	90.9	- 1.2
L	89.2	- 7.5	87.0	- 6.7
NL	98.3	-10.1	91.8	-10.9
P	94.0	0.1	96.9	4.3
UK	94.1	0.4	94.4	3.4
EUR 11	92.2	- 8.5	91.1	- 4.7

**Trend in Agricultural Terms of Trade**  
February 1985 to December 1990 in EUR 11  
February 1991 to May 1993 in EUR 12

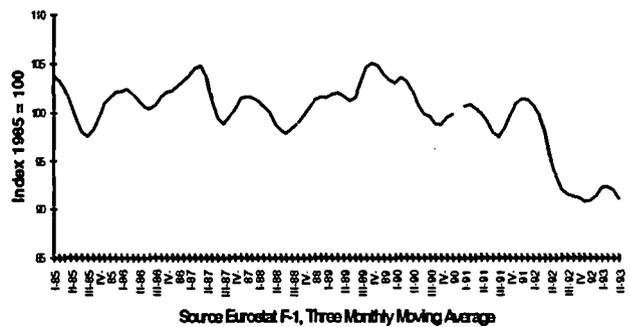


Table 1

**EC Index of producer prices of agricultural products:  
Rates of change of the price indices for EUR 12 (in %) (1)**

	04/92-06/92 04/91-06/91	07/92-09/92 07/91-09/91	10/92-12/92 10/91-12/91	01/93-03/93 01/92-03/92	04/93-06/93 04/92-06/92
<b>NOMINAL INDICES</b>					
<b>0 TOTAL</b>	<b>-1.0</b>	<b>-4.1</b>	<b>-7.8</b>	<b>-5.6</b>	<b>-0.9</b>
<b>1 CROP PRODUCTS</b>	<b>-4.8</b>	<b>-10.5</b>	<b>-14.7</b>	<b>-8.7</b>	<b>-1.2</b>
11 Cereals and rice	-6.6	-4.0	0.1	4.2	7.2
12 Root crops	-15.9	-24.3	-24.3	-21.8	-4.5
13 Fruit	7.1	-23.8	-33.8	-29.0	-16.6
14 Fresh vegetables	-8.0	-3.6	-18.6	-4.8	8.6
15 Wine must and wine	-3.5	-7.0	-9.5	-8.5	-6.2
16 Olives and olive oil	-17.3	-17.5	-11.8	-5.4	5.1
17 Seeds	-2.1	-2.3	-1.2	1.7	-0.1
18 Flowers etc.	-3.8	7.9	-8.1	2.2	5.6
19 Other crop products	5.0	-4.4	-4.9	-6.8	-7.6
<b>2 ANIMALS &amp; ANIMAL PRODUCTS</b>	<b>3.3</b>	<b>2.8</b>	<b>-0.4</b>	<b>-2.3</b>	<b>-0.5</b>
21 Animals	4.6	3.3	-1.5	-5.7	-3.3
21A Calves	7.1	9.1	5.2	2.5	4.9
21B Cattle excluding calves	1.6	5.3	7.5	8.5	11.8
21C Pigs	11.0	1.7	-12.7	-24.0	-25.5
21D Sheep and lambs	3.8	13.2	5.8	-0.9	15.6
21E Poultry	-2.1	-3.6	-2.7	0.1	4.0
21F Other animals	-5.1	-3.5	-0.8	0.1	1.3
22 Milk	2.0	3.1	2.0	2.8	3.5
23 Eggs	-4.2	-5.3	-5.1	1.8	6.9
24 Other animal products	5.3	8.5	11.9	8.9	-6.7
<b>DEFLATED INDICES</b>					
<b>0 TOTAL</b>	<b>-6.3</b>	<b>-8.2</b>	<b>-11.7</b>	<b>-9.6</b>	<b>-5.5</b>
<b>1 CROP PRODUCTS</b>	<b>-11.0</b>	<b>-15.2</b>	<b>-18.9</b>	<b>-12.5</b>	<b>-6.2</b>
11 Cereals and rice	-11.8	-8.4	-3.7	0.5	3.4
12 Root crops	-20.0	-26.3	-27.7	-25.4	-9.7
13 Fruit	0.3	-27.4	-37.7	-32.3	-19.7
14 Fresh vegetables	-15.2	-10.9	-23.1	-6.9	1.0
15 Wine must and wine	-8.1	-11.7	-14.0	-13.6	-11.6
16 Olives and olive oil	-24.5	-24.3	-17.9	-11.7	-2.2
17 Seeds	-7.0	-6.2	-4.5	-1.1	-2.8
18 Flowers etc.	-9.7	2.2	-12.0	-1.3	2.6
19 Other crop products	-6.4	-17.2	-16.5	-17.1	-17.7
<b>2 ANIMALS &amp; ANIMAL PRODUCTS</b>	<b>-1.4</b>	<b>-1.5</b>	<b>-4.8</b>	<b>-6.7</b>	<b>-4.9</b>
21 Animals	-0.1	-1.2	-6.2	-10.2	-7.8
21A Calves	1.5	5.0	0.4	-3.1	0.1
21B Cattle excluding calves	-2.5	1.8	3.8	4.6	7.8
21C Pigs	6.0	-3.5	-17.7	-28.2	-29.5
21D Sheep and lambs	-2.0	7.5	-0.8	-5.5	12.1
21E Poultry	-6.5	-7.7	-6.5	-4.4	-0.4
21F Other animals	-12.2	-10.9	-8.3	-5.5	-6.1
22 Milk	-2.6	-0.6	-1.6	-1.4	-0.8
23 Eggs	-9.6	-10.3	-10.7	-3.2	3.8
24 Other animal products	-2.4	0.9	2.5	0.4	-11.6

(1) On the base 1985 = 100

Table 2

EC Index of producer prices of agricultural products : Rates of change of the price indices by Member State (in %) (1)

			B	DK	D(2)	GR	E	F	IRL	I	L	NL	P	UK	EUR12
Total	Nominal indices	a)	-0.7	-0.7	-2.3	4.6	-10.3	-8.1	5.0	-7.4	0.8	-4.0	-5.0	3.0	-4.1
		b)	-6.8	-6.1	-8.9	-0.8	-13.5	-11.4	0.7	-7.5	-3.2	-13.3	-10.1	2.3	-7.8
		c)	-12.3	-9.9	-11.3	0.2	-7.8	-11.4	1.6	-2.2	-5.6	-10.5	-3.1	4.6	-5.6
		d)	-10.0	-11.0	-10.3	7.1	0.8	-7.3	4.8	6.3	-5.3	-12.3	0.1	9.2	-0.9
	Deflated indices	a)	-2.9	-2.7	-5.6	-8.9	-15.0	-10.0	2.1	-11.8	-2.3	-7.2	-13.2	-0.7	-8.2
		b)	-8.9	-7.5	-12.2	-13.8	-17.7	-13.0	-1.7	-11.6	-6.1	-15.9	-17.3	-0.8	-11.7
		c)	-14.7	-11.1	-15.0	-13.0	-11.6	-13.3	0.1	-6.4	-9.0	-12.8	-10.5	2.8	-9.6
		d)	-12.3	-11.8	-13.9	-7.8	-3.7	-9.1	4.1	1.6	-8.5	-14.2	-5.4	7.8	-5.5
Crop products	Nominal indices	a)	-16.2	2.7	-12.7	2.0	-16.5	-17.7	-6.0	-12.5	-1.0	-9.0	-8.0	-5.5	-10.5
		b)	-20.1	-2.6	-16.2	-5.2	-20.6	-20.2	-10.3	-14.2	-13.8	-19.8	-14.7	-4.7	-14.7
		c)	-16.1	-1.4	-15.0	-2.9	-10.9	-16.5	-9.7	-5.6	-13.8	-7.8	-7.6	0.3	-8.7
		d)	-6.5	0.4	-12.2	7.3	0.3	-10.1	-15.0	6.6	-13.7	-9.1	-1.0	2.6	-1.2
	Deflated indices	a)	-18.1	0.6	-15.6	-11.1	-20.9	-19.4	-8.6	-16.7	-4.0	-12.0	-15.9	-8.8	-15.2
		b)	-21.8	-4.0	-19.2	-17.6	-24.5	-21.6	-12.5	-18.1	-16.3	-22.3	-21.5	-7.5	-18.9
		c)	-18.4	-2.7	-18.5	-15.7	-14.6	-18.2	-11.0	-9.7	-16.9	-10.1	-14.5	-1.5	-12.5
		d)	-8.9	-0.6	-15.7	-7.6	-4.1	-11.8	-15.6	1.8	-16.6	-11.1	-6.5	1.3	-6.2
Animal products	Nominal indices	a)	7.2	-2.2	2.1	11.2	-0.5	2.7	6.7	1.2	1.1	-1.4	-1.7	7.7	2.8
		b)	0.8	-7.7	-6.0	11.2	-2.7	-1.7	2.3	3.7	-1.5	-9.1	-5.5	6.3	-0.4
		c)	-10.3	-14.0	-9.8	8.9	-3.3	-5.9	3.1	3.4	-4.3	-12.4	1.2	7.3	-2.3
		d)	-11.8	-16.1	-9.5	6.7	1.5	-4.2	7.7	5.9	-3.9	-14.0	1.3	13.3	-0.5
	Deflated indices	a)	4.8	-4.3	-1.3	-3.1	-5.8	0.5	3.7	-3.7	-2.0	-4.6	-10.2	4.0	-1.5
		b)	-1.5	-9.1	-9.4	-3.4	-7.5	-3.5	-0.2	-1.0	-4.4	-11.9	-13.0	3.2	-4.8
		c)	-12.8	-15.1	-13.5	-5.4	-7.3	-7.8	1.6	-1.1	-7.7	-14.5	-6.2	5.4	-6.7
		d)	-14.1	-16.9	-13.2	-8.2	-3.0	-6.1	6.9	1.2	-7.2	-15.9	-4.3	11.8	-4.9

(1) On the base 1985 = 100

a = 07/92-09/92  
07/91-09/91

b = 10/92-12/92  
10/91-12/91

c = 01/93-03/93  
01/92-03/92

d = 04/93-06/93  
04/92-06/92

(2) Data for the Federal Republik of Germany in its boundaries prior to 3 October 1990, including West Berlin.

Table 3

**EC Index of purchase prices of the means of agricultural production:  
Rates of change of the price indices for EUR 12 (in %) (1)**

	04/92-06/92 04/91-06/91	07/92-09/92 07/91-09/91	10/92-12/92 10/91-12/91	01/93-03/93 01/92-03/92	04/93-06/93 04/92-06/92
<b>NOMINAL INDICES</b>					
<b>00 TOTAL</b>	<b>3.1</b>	<b>2.2</b>	<b>2.6</b>	<b>3.2</b>	<b>3.6</b>
<b>01 GOODS AND SERVICES CURRENTLY CONSUMED IN AGRICULTURE</b>	<b>2.5</b>	<b>1.4</b>	<b>1.9</b>	<b>2.7</b>	<b>3.1</b>
1. Seeds	-0.5	-3.6	2.5	0.5	1.0
2. Animals for rearing	9.1	1.0	-4.6	-7.3	-8.4
3. Energy	5.5	3.2	5.1	9.8	11.2
4. Fertilizers	-0.5	-0.3	-1.2	-4.0	-5.5
5. Plant protection products	2.6	2.8	2.0	1.9	3.1
6. Animal feedingstuffs	1.0	-0.1	0.8	2.8	3.9
7. Small tools	2.5	2.1	2.3	1.8	2.1
8. Maintenance and repair of plant	6.8	6.1	5.5	6.2	5.8
9. Maintenance and repair of buildings	4.4	4.4	4.1	4.3	4.5
10. Veterinary services	1.3	1.8	2.1	2.6	3.2
11. General expenses	5.8	5.5	5.9	4.8	4.2
<b>02 GOODS AND SERVICES CONTRIBUTING TO AGRICULTURE INVESTMENT</b>	<b>4.9</b>	<b>4.6</b>	<b>4.5</b>	<b>4.7</b>	<b>4.9</b>
12. Machinery	4.7	5.0	5.1	5.0	4.9
13. Buildings	5.2	4.1	3.5	4.0	4.9
<b>DEFLATED INDICES</b>					
<b>00 TOTAL</b>	<b>-2.0</b>	<b>-2.3</b>	<b>-1.9</b>	<b>-1.2</b>	<b>-0.9</b>
<b>01 GOODS AND SERVICES CURRENTLY CONSUMED IN AGRICULTURE</b>	<b>-2.5</b>	<b>-3.0</b>	<b>-2.6</b>	<b>-1.6</b>	<b>-1.3</b>
1. Seeds	-6.0	-7.1	-2.0	-2.6	-2.0
2. Animals for rearing	4.8	-3.4	-9.9	-13.2	-14.6
3. Energy	-1.2	-3.5	-2.5	2.1	2.9
4. Fertilizers	-6.6	-5.1	-5.5	-7.3	-8.6
5. Plant protection products	-2.1	-1.3	-1.8	-1.4	0.1
6. Animal feedingstuffs	-3.6	-4.3	-3.4	-1.4	-0.5
7. Small tools	-2.5	-2.4	-1.8	-2.0	-1.4
8. Maintenance and repair of plant	1.7	1.7	1.5	2.4	2.2
9. Maintenance and repair of buildings	-0.4	0.3	0.3	0.8	0.9
10. Veterinary services	-2.6	-1.6	-1.0	-0.4	0.2
11. General expenses	1.1	1.5	2.0	1.0	0.7
<b>02 GOODS AND SERVICES CONTRIBUTING TO AGRICULTURE INVESTMENT</b>	<b>-0.4</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.2</b>
12. Machinery	-0.3	0.5	0.6	0.6	0.5
13. Buildings	-0.6	-1.1	-1.4	-0.8	-0.4

(1) On the base 1985 = 100

Table 4

## EC Index of purchase prices of the means of agricultural production : Rates of change of the price indices by Member State (in %) (1)

			B	DK	D(2)	GR	E	F	IRL	I	L	NL	P	UK	EUR12
Total	Nominal indices	a)	0.4	0.2	1.3	11.1	0.6	1.0	0.3	3.4	1.3	0.9	-0.4	2.2	2.2
		b)	-0.1	0.1	0.3	14.1	0.5	0.7	-0.3	3.4	1.8	0.7	2.9	4.0	2.6
		c)	0.4	1.6	0.1	16.2	1.5	1.4	0.1	5.9	2.0	-0.5	-3.5	4.2	3.2
		d)	-0.1	1.1	-0.9	18.1	2.1	0.8	0.4	7.6	1.5	-1.6	-4.0	5.6	3.6
	Deflated indices	a)	-1.9	-1.8	-2.1	-3.2	-4.7	-1.2	-2.5	-1.6	-1.8	-2.4	-9.0	-1.3	-2.3
		b)	-2.4	-1.4	-3.3	-0.9	-4.4	-1.2	-2.6	-1.3	-1.1	-2.4	-5.4	1.0	-1.9
		c)	-2.4	0.2	-4.0	0.9	-2.7	-0.7	-1.3	1.3	-1.6	-2.9	-10.6	2.4	-1.2
		d)	-2.6	0.1	-4.9	1.7	-2.4	-1.2	-0.4	2.8	-2.0	-3.7	-9.3	4.2	-0.9
Goods and services currently consumed in agriculture	Nominal indices	a)	0.1	-0.1	0.4	11.5	0.3	0.3	-0.1	1.3	-0.1	0.2	-1.1	1.9	1.4
		b)	-0.5	-0.1	-1.0	14.7	0.4	0.1	-0.6	1.6	0.6	0.1	2.5	4.4	1.9
		c)	-0.1	1.2	-1.1	17.0	1.3	1.0	-0.1	5.9	1.4	-0.6	-4.0	4.6	2.7
		d)	-0.7	0.7	-2.3	18.5	1.7	0.4	0.1	9.3	0.4	-2.0	-4.5	6.1	3.1
	Deflated indices	a)	-2.1	-2.2	-3.0	-2.8	-5.0	-1.8	-2.9	-3.5	-3.2	-3.0	-9.6	-1.7	-3.0
		b)	-2.7	-1.5	-4.5	-0.4	-4.6	-1.8	-3.0	-3.0	-2.3	-3.0	-5.7	1.3	-2.6
		c)	-2.9	-0.2	-5.2	1.6	-2.9	-1.1	-1.6	1.3	-2.2	-3.1	-11.0	2.7	-1.6
		d)	-3.3	-0.3	-6.2	2.0	-2.9	-1.6	-0.7	4.4	-3.0	-4.2	-9.7	4.8	-1.3
Goods and services contributing to agricultural investment	Nominal indices	a)	2.2	1.5	4.4	10.0	1.7	3.3	2.0	5.7	3.9	3.0	6.0	3.8	4.6
		b)	2.2	0.7	4.3	12.5	1.1	2.9	1.2	5.5	4.0	3.0	6.3	2.6	4.5
		c)	3.8	3.1	3.8	14.3	2.3	2.6	1.5	5.9	3.0	0.0	1.1	2.6	4.7
		d)	4.7	2.6	3.4	17.2	3.8	2.2	1.9	5.6	3.4	0.0	0.7	3.1	4.9
	Deflated indices	a)	-0.1	-0.6	0.9	-4.1	-3.7	1.2	-0.9	0.7	0.8	-0.4	-3.1	0.2	-0.1
		b)	-0.1	-0.8	0.6	-2.2	-3.9	1.0	-1.2	0.7	1.0	-0.1	-2.3	-0.4	-0.1
		c)	0.9	1.7	-0.4	-0.8	-1.9	0.5	-0.1	1.4	-0.6	-2.5	-6.3	0.8	0.1
		d)	2.0	1.6	-0.8	0.9	-0.9	0.2	1.2	0.9	-0.2	-2.2	-4.8	1.8	0.2

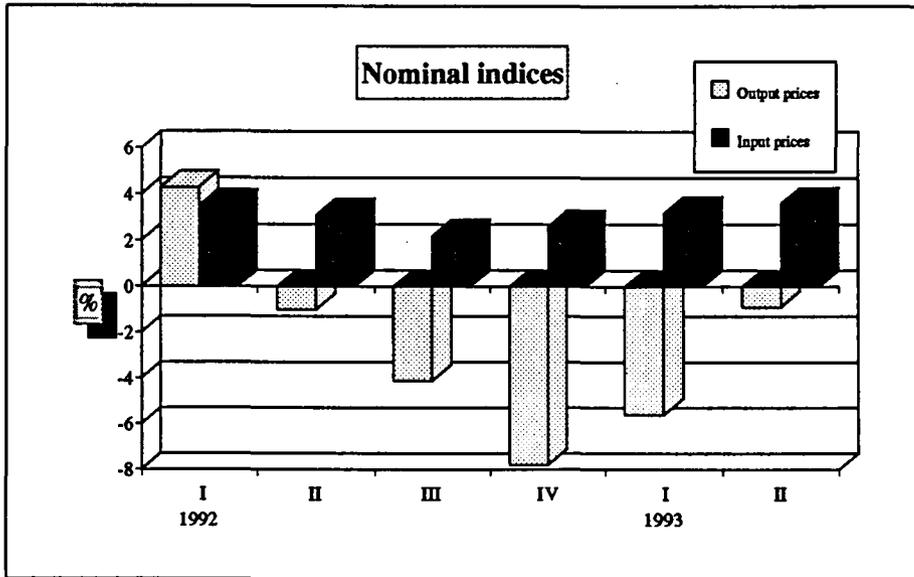
(1) On the base 1985 = 100

a =  $\frac{07/92-09/92}{07/91-09/91}$ b =  $\frac{10/92-12/92}{10/91-12/91}$ c =  $\frac{01/93-03/93}{01/92-03/92}$ d =  $\frac{04/93-06/93}{04/92-06/92}$ 

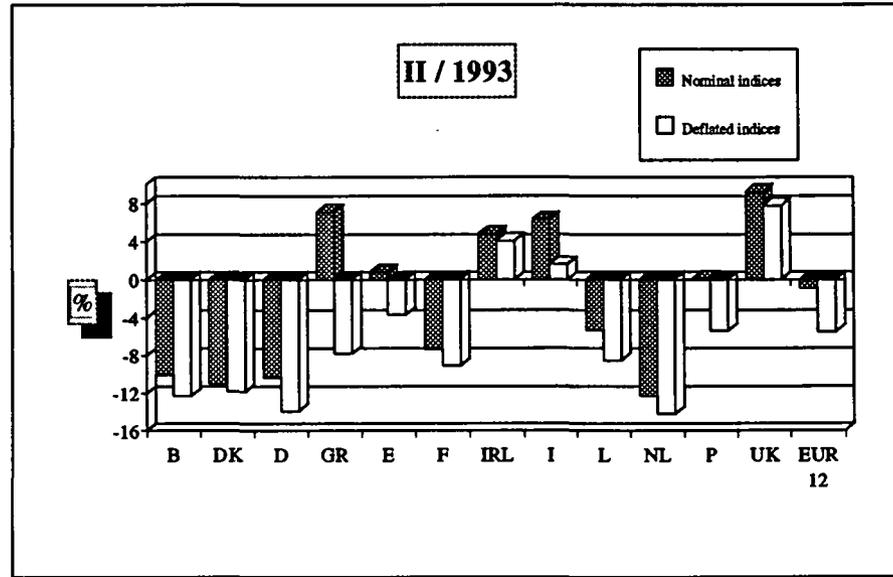
(2) Data for the Federal Republik of Germany in its boundaries prior to 3 October 1990, including West Berlin.

Rates of change of the EC agricultural price indices

EUR 12



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



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

