

TRENDS IN THE EU AGRICULTURAL PRICE INDICES (OUTPUT AND INPUT) IN THE FOURTH QUARTER OF 1994

Producer prices of agricultural products (Output)

Continued real price rise

(4th Quarter 1994, +2.6%; 3rd Quarter 1994, +3.2%)

The average monthly index of **producer prices of agricultural products** (including fruit and vegetables) for the Union as a whole (EUR 12, but still excluding the new German Länder) rose +7.4% in nominal terms in the fourth quarter of 1994 relative to the corresponding quarter of the previous year (see Table 1). The price rise was greater than inflation and so the real price index increased (+2.6%). Thus the real price rise observed in the third quarter of 1994 was continued.

Real producer prices for **crop products** in the Union as a whole continued to increase strongly (+8.3%) relative to the fourth quarter of 1993. This rise was mainly due to price increases for fresh vegetables (+5.9%), olives and olive oil (+7.9%), fruit (+9.8%), wine must and wine (+17.5%) and a

remarkable increase for root crops (+42.1%). The rise in the price index for root crops was mainly due to potatoes, with a price increase of +102%, while the price index for sugarbeet fell (-6.7%). The price index for cereals and rice declined for the sixth successive quarter (-3.7%). This price decrease, a consequence of the reform of the Common Agricultural Policy, was seen for feeding barley (-2.1%), soft wheat (-3.0%) and grain maize (-4.7%).

Real producer prices for **animals and animal products** declined (-2.1%), in contrast to crop products. Declines were recorded for most groups of animals and animal products, notably milk (-1.3%), cattle excluding calves (-3.8%), calves (-6.5%), poultry (-11.4%) and eggs (-18.3%). The real price index for pigs,

which had declined steeply over several quarters, rose strongly in the fourth quarter of 1994 (+6.9%) continuing the increase seen in the third quarter (+5.4%). Nevertheless the pig price index, which was 101.2 in September 1989, was still very low (57.8) in the fourth quarter of 1994.

Across **Member States** (see Table 2) the real producer price index for agricultural products rose strongly in Germany (+5.1%), Italy (+6.2%) and Greece (+7.5%). Changes in the other Member States were in the range $\pm 3.7\%$. For crop products, strong price

increases were recorded in Italy (+10.9%), Belgium (+11.1%), the Netherlands (+12.0%), the United Kingdom (+13.7%) and Germany (+27.7%). Only three Member States reported a decline in the real crop price index: France (-1.3%), Denmark (-5.2%) and Ireland (-9.3%). For animals and animal products, real price declines were seen in all Member States except Italy and Greece where prices rose +0.1% and +3.0% respectively. The steepest price falls were seen in Belgium (-5.1%) and Portugal (-9.1%).

Purchase prices of the means of agricultural production (Input)

Continued rise in nominal terms (+2.1%)

Moderate decline in real terms (-1.3%)

The average monthly index for the purchase prices of the **means of agricultural production (Input 00)** for the fourth quarter of 1994 continued to rise in nominal terms (+2.1%) for the Union (EUR 12, excluding the new German "Länder") relative to the corresponding quarter of 1993 (see Table 3). However, this nominal rise was less than inflation and so the real price index fell (-1.3%) continuing the trend seen in each quarter since 1989.

The index of the prices of goods and services for **current consumption in agriculture (Input 01)** decreased in real terms (-1.6%) mainly as a result of the decline in the price of feedingstuffs (-4.6%) and energy (-3.6%) continuing the trend seen throughout 1994. The decrease in the

price of feedingstuffs was partly due to a fall in the purchase price of cereals and milling by-products (-4.5%), which followed the decline in the producer price of cereals during 1994 (see above).

The real index for the purchase price of goods and services contributing to **agricultural investment (Input 02)** declined slightly (-0.2%) relative to the fourth quarter of 1993. Small decreases were seen for both machinery (-0.1%) and buildings (-0.5%)

Across **Member States** (see Table 4) the index of the real prices of the means of agricultural production declined in all Member States and most strongly in Greece (-4.3%) and Portugal (-10.8%).

Comparison of trends in output and input prices

Agricultural terms of trade

Continued increase (+3.9%)

The real **agricultural terms of trade**, calculated by dividing the real output price index by the real input price index, fluctuated about the base level of the index, i.e. 100, from 1985 to 1991. In 1992 it fell sharply and reached a low of 89.0 in the third quarter of 1993. Since then it has

recovered to a level of 94.9 in the fourth quarter of 1994 (see Graph below). With the rise in the real price index for agricultural products and the continued decline in the real price index for the means of agricultural production, the agricultural terms of trade improved (+3.9%) in the fourth quarter of

1994. This follows an even larger increase in the third quarter (+5.0%).

Across **Member States** (see Table below) there was an improvement in the terms of

trade for most Member States, especially Italy (+6.8%), Portugal (+12.0%) and Greece (+12.3%). Declines in the terms of trade were seen only in Luxembourg (-0.7%), France (-1.8%) and Ireland (-2.1%).

Methodological notes

Deflation: The EU agricultural price indices (output and input) are available in Eurostat's NewCRONOS database (PRAG domain) in both nominal and deflated form. By using the deflated indices it is possible to avoid 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 for each Member State. The terms "deflated" and "real" are used synonymously.

Rebasing: Eurostat and the Member States are in the process of changing the price indices from the base 1985=100 to 1990=100. Several Member States continue to calculate the agricultural price indices for the fourth quarter of 1994 on the base 1985=100. Belgium, Denmark, Greece,

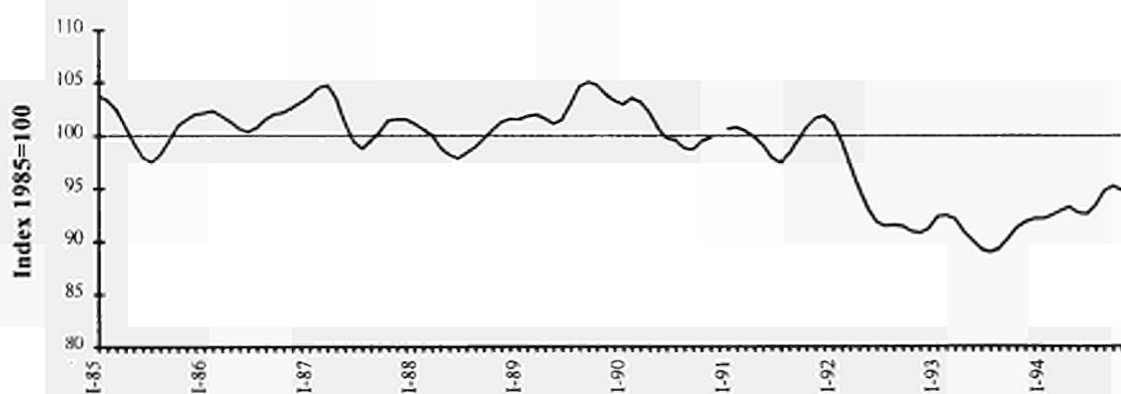
Italy, the United Kingdom (for both output and input indices in each case) and France (for output indices) already use the new base 1990=100. Eurostat re-referenced these indices to the base 1985=100, which remains the base for all indices presented in this *Statistics in Focus*.

Real Agricultural Terms of Trade

EUROSTAT	3rd Quarter 1994		4th Quarter 1994	
	Index (1985=100)	87.94-89.94	Index (1985=100)	10.94-12.94
		(%)		(%)
B	98.1	11.6	96.5	2.8
DK	78.5	1.0	79.0	1.0
D	87.3	3.6	89.6	5.9
GR	95.6	7.2	97.8	12.3
E	106.4	11.9	105.9	3.3
F	88.2	2.5	89.1	-1.8
IRL	106.8	-2.3	105.8	-2.1
I	93.0	7.6	94.0	6.8
L	84.8	-2.4	90.2	-0.7
NL	93.5	1.5	102.7	4.8
P	103.3	4.0	116.2	12.0
UK	93.1	0.6	92.2	4.4
EUR 12	93.5	5.0	94.9	3.9



Trend in Agricultural Terms of Trade
1985 to 1990 EUR 11 (without Portugal), 1991 to 1994 EUR 12
(Three Monthly Moving Average)



Source Eurostat F-1

Table 1

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

	10/93-12/93 10/92-12/92	01/94-03/94 01/93-03/93	04/94-06/94 04/93-06/93	07/94-09/94 07/93-09/93	10/94-12/94 10/93-12/93
NOMINAL INDICES					
0 TOTAL	3.4	2.8	5.3	7.8	7.4
1 CROP PRODUCTS	5.4	3.0	8.1	13.8	13.5
11 Cereals and rice	-8.9	-13.2	-14.9	-3.5	-0.3
12 Root crops	22.2	37.2	42.9	39.3	42.0
13 Fruit	10.1	10.2	19.1	15.6	15.6
14 Fresh vegetables	12.0	-2.6	7.6	32.5	12.8
15 Wine must and wine	0.0	6.8	11.8	12.7	22.0
16 Olives and olive oil	15.4	19.4	14.3	11.9	13.9
17 Seeds	0.2	-0.2	1.5	1.2	0.6
18 Flowers etc.	6.1	-4.4	5.9	6.2	1.5
19 Other crop products	9.6	9.4	8.5	3.3	2.9
2 ANIMALS AND ANIMAL PRODUCTS	1.6	2.5	2.6	2.3	1.7
21 Animals	0.6	2.2	2.7	2.7	2.3
21A Calves	8.6	12.5	4.8	-2.8	-2.5
21B Cattle excluding calves	5.8	4.0	1.2	-1.3	-1.0
21C Pigs	-12.4	-6.6	3.1	8.8	10.4
21D Sheep and lambs	2.3	9.9	6.2	4.8	11.5
21E Poultry	8.8	3.2	1.2	1.9	-8.7
21F Other animals	1.1	3.3	6.9	12.9	12.3
22 Milk	2.4	2.5	3.3	2.9	3.0
23 Eggs	8.7	5.7	-4.1	-6.0	-13.3
24 Other animal products	-6.2	-6.3	4.7	9.3	7.4
DEFLATED INDICES					
0 TOTAL	-1.4	-2.3	0.5	3.2	2.6
1 CROP PRODUCTS	-0.2	-3.3	2.8	9.3	8.3
11 Cereals and rice	-13.6	-17.7	-19.0	-6.9	-3.7
12 Root crops	15.0	25.5	33.3	34.3	42.1
13 Fruit	5.7	6.6	12.2	11.9	9.8
14 Fresh vegetables	6.3	-10.9	5.5	24.3	5.9
15 Wine must and wine	-4.8	2.7	8.1	8.7	17.5
16 Olives and olive oil	7.5	11.6	6.0	4.2	7.9
17 Seeds	-2.3	-2.7	-1.0	-1.8	-3.2
18 Flowers etc.	1.3	-8.6	0.3	1.3	2.9
19 Other crop products	5.1	6.2	5.5	-2.0	-4.4
2 ANIMALS AND ANIMAL PRODUCTS	-2.4	-1.6	-1.5	-1.8	-2.1
21 Animals	-3.3	-1.6	-1.0	-1.1	-1.1
21A Calves	3.7	8.2	-0.2	-8.3	-6.5
21B Cattle excluding calves	2.1	0.8	-1.6	-4.1	-3.8
21C Pigs	-15.4	-9.6	0.0	5.4	6.9
21D Sheep and lambs	-0.8	4.9	0.9	-0.9	7.4
21E Poultry	4.3	-1.0	-3.3	-2.0	-11.4
21F Other animals	-3.8	-4.1	-0.1	5.7	8.7
22 Milk	-2.0	-1.9	-1.4	-1.6	-1.3
23 Eggs	5.0	2.1	-8.4	-10.7	-18.3
24 Other animal products	-13.6	-14.2	-4.1	-0.3	-0.2

(1) On the base 1985 = 100

Table 2

EU 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)	0.0	-4.6	-2.2	16.1	13.8	-1.5	8.3	-3.0	0.4	-0.8	11.2	-3.6	2.8
		b)	10.8	-0.4	0.2	15.8	12.3	2.6	5.0	1.3	-2.8	3.1	11.2	-0.1	5.3
		c)	11.5	0.1	4.8	15.0	14.7	3.3	-0.6	10.0	-2.4	1.4	8.4	1.2	7.8
		d)	2.1	-0.4	8.0	19.1	7.0	-0.6	-1.3	10.4	-0.9	4.8	4.1	6.5	7.4
	Deflated indices	a)	-2.4	-6.3	-5.4	4.8	8.4	-3.1	6.6	-7.0	-2.1	-3.7	4.8	-5.9	-2.3
		b)	8.0	-2.3	-2.8	4.6	7.1	0.8	2.2	-2.6	-4.8	0.2	5.1	-2.6	0.5
		c)	8.7	-2.0	1.7	3.2	9.5	1.7	-3.2	5.9	-4.5	-1.2	3.3	-1.1	3.2
		d)	0.1	-2.4	5.1	7.5	2.6	-2.2	-3.5	6.2	-2.9	2.1	-0.1	3.7	2.6
Crop products	Nominal indices	a)	-3.5	-9.0	-3.9	16.8	17.8	-5.1	14.7	-6.4	0.6	0.9	22.6	-9.6	3.0
		b)	14.7	-5.4	0.9	15.6	13.9	4.2	30.7	2.2	-0.7	11.5	17.6	4.1	8.1
		c)	24.4	-0.9	18.3	14.0	18.6	9.3	2.3	14.8	0.9	10.4	13.9	9.1	13.8
		d)	13.3	-3.2	31.2	21.2	10.2	0.3	-7.2	15.3	2.6	15.0	12.7	16.7	13.5
	Deflated indices	a)	-5.8	-10.6	-7.0	5.4	12.2	-6.7	12.8	-10.3	-1.9	-2.0	15.5	-11.7	-3.3
		b)	11.8	-7.3	-2.1	4.3	8.6	2.5	27.1	-1.7	-2.8	8.4	11.1	1.5	2.8
		c)	21.3	-3.0	14.9	2.3	13.3	7.5	-0.4	10.6	-1.2	7.5	8.6	6.6	9.3
		d)	11.1	-5.2	27.7	9.3	5.7	-1.3	-9.3	10.9	0.6	12.0	8.2	13.7	8.3
Animal products	Nominal indices	a)	1.7	-2.4	-1.6	14.4	8.4	1.7	7.6	2.1	0.3	-2.0	-0.1	-0.3	2.5
		b)	8.6	2.3	-0.1	16.5	10.0	1.1	2.1	-0.1	-3.1	-1.7	4.5	-2.4	2.6
		c)	5.5	0.5	-0.3	17.3	9.3	-1.1	-1.0	3.3	-2.9	-3.3	2.4	-2.5	2.3
		d)	-3.2	0.8	-0.5	14.2	2.5	-1.3	-0.5	4.1	-1.4	-1.3	-5.3	1.5	1.7
	Deflated indices	a)	-0.7	-4.0	-4.7	3.3	3.2	-0.1	5.8	-2.2	-2.1	-4.8	-5.8	-2.6	-1.6
		b)	5.9	0.3	-3.0	5.2	4.9	-0.6	-0.7	-3.9	-5.1	-4.5	-1.3	-4.8	-1.5
		c)	2.9	-1.5	-3.2	5.4	4.4	-2.7	-3.6	-0.5	-5.0	-5.8	-2.3	-4.7	-1.8
		d)	-5.1	-1.2	-3.1	3.0	-1.7	-2.9	-2.8	0.1	-3.4	-3.9	-9.1	-1.1	-2.1

(1) On the base 1985 = 100

a = 01/94-03/94
01/93-03/93

b = 04/94-06/94
04/93-06/93

c = 07/94-09/94
07/93-09/93

d = 10/94-12/94
10/93-12/93

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

Table 3

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

	<u>10/93-12/93</u> 10/92-12/92	<u>01/94-03/94</u> 01/93-03/93	<u>04/94-06/94</u> 04/93-06/93	<u>07/94-09/94</u> 07/93-09/93	<u>10/94-12/94</u> 10/93-12/93
NOMINAL INDICES					
00 TOTAL	2.4	1.8	1.8	1.9	2.1
01 GOODS AND SERVICES CURRENTLY CONSUMED IN AGRICULTURE	1.8	1.2	1.3	1.4	1.6
1. Seeds	-2.5	0.6	5.0	2.9	5.7
2. Animals for rearing	-1.4	4.2	8.9	6.6	9.3
3. Energy	4.7	1.1	0.6	-0.1	0.1
4. Fertilizers	-2.8	1.4	3.6	5.9	7.7
5. Plant protection products	3.4	2.6	0.7	0.4	0.5
6. Animal feedingstuffs	1.8	-0.4	-1.1	-0.8	-1.6
7. Small tools	1.1	1.5	1.0	3.3	5.0
8. Maintenance and repair of plant	6.0	5.2	4.6	4.6	3.7
9. Maintenance and repair of buildings	4.3	4.3	3.5	3.2	3.7
10. Veterinary services	0.2	1.8	2.6	2.0	1.3
11. General expenses	1.9	2.4	2.0	2.0	2.8
02 GOODS AND SERVICES CONTRIBUTING TO AGRICULTURE INVESTMENT	4.1	3.5	3.1	3.2	3.6
12. Machinery	3.9	3.0	2.7	3.1	3.6
13. Buildings	4.3	4.4	3.8	3.3	3.7
DEFLATED INDICES					
00 TOTAL	-1.7	-2.1	-2.1	-1.7	-1.3
01 GOODS AND SERVICES CURRENTLY CONSUMED IN AGRICULTURE	-2.3	-2.6	-2.5	-2.2	-1.6
1. Seeds	-5.0	-3.2	-0.1	-1.4	2.1
2. Animals for rearing	-6.3	0.4	5.8	3.5	6.4
3. Energy	-0.8	-2.9	-3.5	-4.1	-3.6
4. Fertilizers	-6.0	-2.3	-0.4	1.9	3.6
5. Plant protection products	0.2	-0.7	-2.7	-2.8	-2.7
6. Animal feedingstuffs	-2.7	-4.7	-5.1	-4.5	-4.6
7. Small tools	-2.3	-1.6	-2.1	0.1	1.6
8. Maintenance and repair of plant	2.2	1.4	1.0	0.8	0.6
9. Maintenance and repair of buildings	0.7	0.5	0.1	-0.1	0.4
10. Veterinary services	-2.8	-1.5	-0.8	-1.0	-1.7
11. General expenses	-1.0	-0.5	-0.9	-0.8	-0.1
02 GOODS AND SERVICES CONTRIBUTING TO AGRICULTURE INVESTMENT	-0.2	-0.6	-0.8	-0.6	-0.2
12. Machinery	-0.1	-0.8	-0.9	-0.5	-0.1
13. Buildings	-0.4	-0.3	-0.6	-0.8	-0.5

(1) On the base 1985 = 100

Table 4

EU 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)	-0.7	-0.9	0.4	8.4	3.3	0.1	1.9	3.3	0.3	-2.2	1.4	0.8	1.8
		b)	0.4	-1.0	1.1	8.2	3.2	0.3	1.2	1.7	-0.4	-0.9	6.9	-0.5	1.8
		c)	-0.2	-0.9	1.2	7.2	2.5	0.8	1.8	2.2	-0.1	-0.1	4.2	0.6	1.9
		d)	-0.7	-1.4	1.9	1.6	3.6	1.3	0.9	3.4	-0.3	0.1	-7.1	2.0	2.1
	Deflated indices	a)	-3.0	-2.6	-2.9	-2.1	-1.6	-1.6	0.2	-1.0	-2.2	-5.0	-4.5	-1.6	-2.1
		b)	-2.1	-3.0	-1.9	-2.3	-1.6	-1.3	-1.6	-2.2	-2.5	-3.6	1.0	-3.0	-2.1
		c)	-2.6	-2.9	-1.8	-3.7	-2.1	-0.8	-0.9	-1.6	-2.2	-2.7	-0.7	-1.7	-1.7
		d)	-2.7	-3.4	-0.8	-4.3	-0.7	-0.3	-1.4	-0.6	-2.3	-2.6	-10.8	-0.7	-1.3
Goods and services currently consumed in agriculture	Nominal indices	a)	-1.3	-1.4	0.0	7.8	3.1	-0.6	1.5	3.1	-1.4	-2.9	1.0	0.2	1.2
		b)	0.1	-1.5	0.9	8.5	3.0	-0.2	0.8	0.5	-1.6	-1.3	6.8	-1.2	1.3
		c)	-0.5	-1.4	1.1	7.7	1.5	0.6	1.6	1.0	-0.8	-0.3	4.5	0.0	1.4
		d)	-1.2	-2.0	2.2	5.4	3.0	1.2	0.4	2.9	-1.1	-0.1	-8.9	1.5	1.6
	Deflated indices	a)	-3.7	-3.1	-3.2	-2.6	-1.8	-2.2	-0.2	-1.2	-3.8	-5.7	-4.9	-2.1	-2.6
		b)	-2.4	-3.5	-2.1	-2.1	-1.8	-1.9	-1.9	-3.3	-3.6	-4.0	1.0	-3.7	-2.5
		c)	-3.0	-3.4	-1.8	-3.3	-3.0	-1.1	-1.0	-2.7	-2.9	-2.9	-0.4	-2.2	-2.2
		d)	-3.1	-4.0	-0.6	-4.9	-1.3	-0.4	-1.9	-1.1	-3.1	-2.7	-12.6	-1.1	-1.6
Goods and services contributing to agricultural investment	Nominal indices	a)	3.3	0.9	1.5	9.9	4.2	2.4	3.5	3.5	3.2	0.4	5.2	3.3	3.5
		b)	2.4	0.8	1.7	7.6	4.1	2.2	2.6	3.0	1.5	0.4	7.4	2.9	3.1
		c)	2.2	0.7	1.4	6.1	6.1	1.6	2.5	3.5	1.3	0.4	1.3	3.0	3.2
		d)	2.3	0.9	1.2	7.7	5.7	1.6	2.8	4.0	1.2	0.4	8.1	4.1	3.6
	Deflated indices	a)	0.9	-0.8	-1.8	-0.8	-0.8	0.7	1.8	-0.8	0.7	-2.5	-0.9	0.9	-0.6
		b)	-0.2	-1.2	-1.3	-2.9	-0.8	0.5	-0.2	-0.9	-0.7	-2.4	1.5	0.3	-0.8
		c)	-0.3	-1.3	-1.5	-4.7	1.3	0.0	-0.1	-0.3	-0.9	-2.2	-3.5	0.6	-0.6
		d)	0.3	-1.2	-1.5	-2.8	1.4	0.0	0.5	0.0	-0.8	-2.2	3.8	1.4	-0.2

(1) On the base 1985 = 100

a = 01/94-03/94
01/93-03/93

b = 04/94-06/94
04/93-06/93

c = 07/94-09/94
07/93-09/93

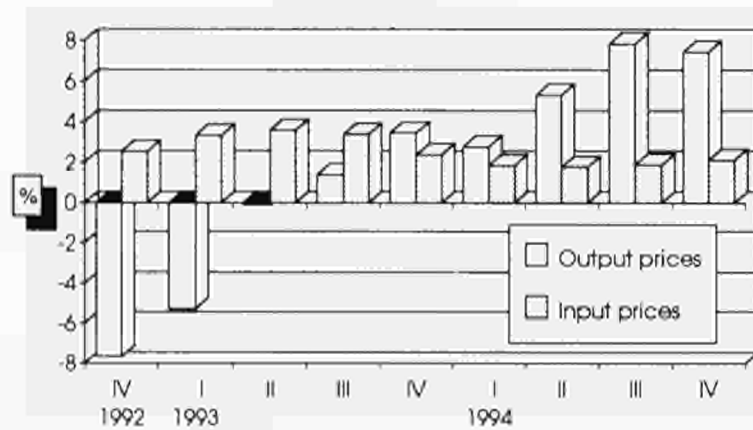
d = 10/94-12/94
10/93-12/93

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

Rates of change of the EU agricultural price indices

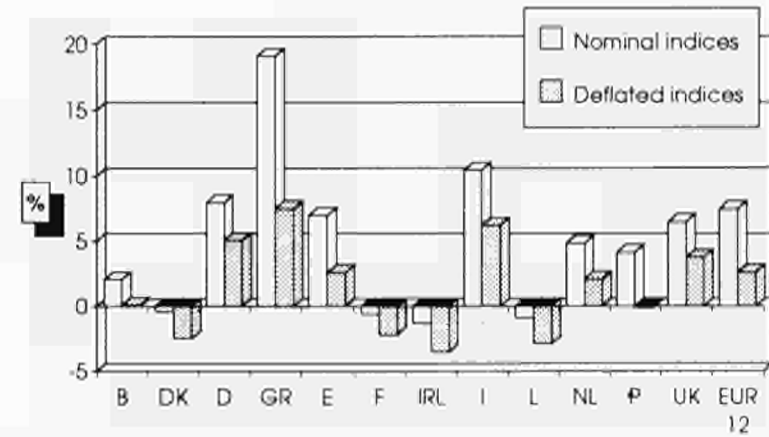
EUR 12

Nominal Indices



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

IV / 1994



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

IV / 1994

