

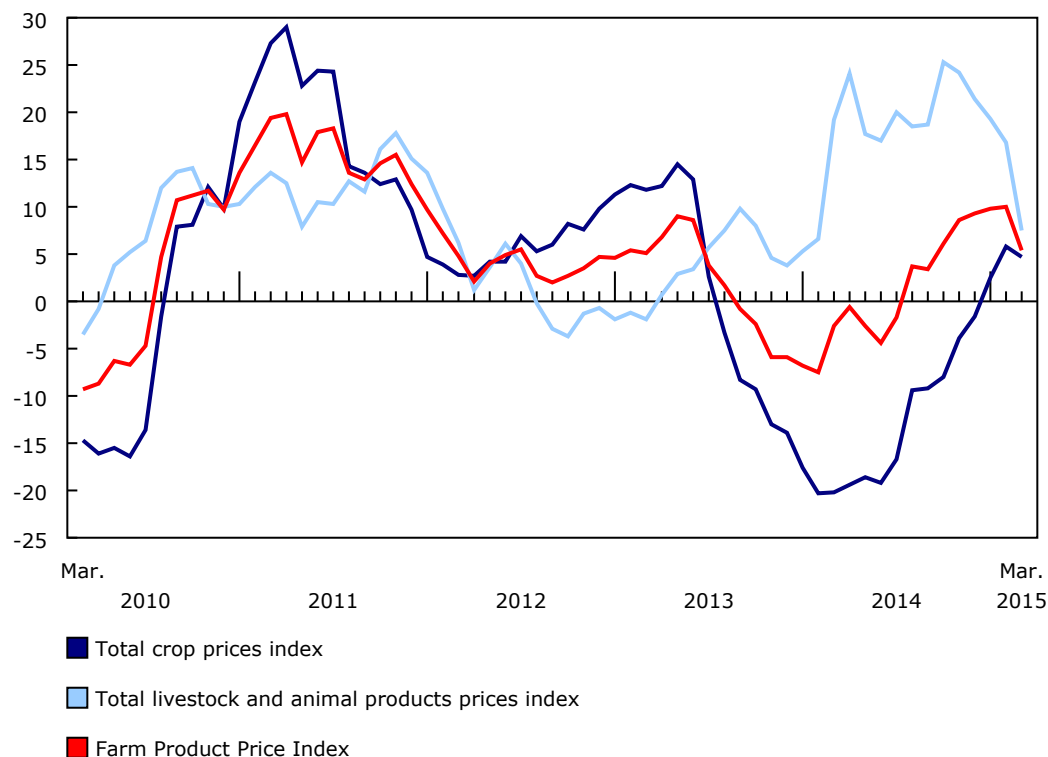
Farm Product Price Index, March 2015

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The Farm Product Price Index (FPPI) increased 5.4% in March compared with March 2014, mainly as a result of higher cattle and grain prices. This was the eighth consecutive year-over-year increase, which began in August 2014 and was mainly the result of higher livestock prices.

Chart 1
The 12-month change in the Farm Product Price Index

12-month % change



Source(s): CANSIM table [002-0068](#).

The livestock and animal products index rose 7.5% in March compared with March 2014, continuing a year-over-year growth trend that started in April 2013.

The main contributor to the increase continued to be prices for cattle and calves, which rose 44.6%. Tight supplies and the depreciation of the Canadian dollar relative to the US currency (from March 2014 to March 2015, the Canadian dollar depreciated 12.0% relative to the US dollar) have contributed to the higher prices. Canada's beef cow herd continued to contract. As of January 1, 2015, it was down 2.0%, its lowest level since 1992. Meanwhile, the US beef cow herd rose 2.1%, the first increase since January 2006, but remained at its third lowest level since 1962.

Also contributing to the year-over-year increase, but to a lesser extent, were gains in the eggs (+1.4%) and poultry (+0.2%) index.



The advance of the livestock and animal products index over the 12-month period was moderated by declines in the hogs (-32.2%) and dairy (-3.4%) index. The decline in the hogs index followed a 10.8% drop in February, which was the first decline on a year-over-year basis since April 2013. Hog prices had increased over North American supply concerns following the outbreak of porcine epidemic diarrhea virus. In the latest hog inventory releases, however, the number of US market hogs were up 7.7% compared with 2014, while in Canada they were up 1.9%.

The crops index was up 4.7% in March compared with March 2014, the third consecutive year-over-year gain which began in January 2015, after a slide that had started in August 2013. The main contributors to the increase were the grains (+8.6%) and specialty crops (+29.1%) indexes. Moderating the increase were lower oilseeds (-0.9%), fruits (-6.2%) and vegetable indexes (-1.3%), while potatoes (+0.1%) were virtually unchanged. Despite the International Grain Council forecasting an increase in total world grain stocks by the end of this 2014/2015 crop year, lower Canadian production and limited supplies of higher quality grains for selected crops such as durum, barley and corn have kept upward pressures on prices for these grains.

Compared with February, the FPPI edged up 0.5%, as a 1.3% increase in the livestock and animal products index more than offset a 0.4% decline in the crops index.

Note to readers

The growth rate of the total Farm Product Price Index (FPPI) is derived from a weighted average of the component indices using a different set of weights in consecutive months; it is not a weighted average of the growth rates of its crop and livestock components. Given this, the growth rate of the composite FPPI can lie outside the growth rate of these components.

**Table 1
Farm Product Price Index**

	March 2014 ^r	February 2015 ^r	March 2015 ^p	February to March 2015	March 2014 to March 2015
	(2007=100)			% change	
Farm Product Price Index	128.6	134.8	135.5	0.5	5.4
Crops	111.3	117.0	116.5	-0.4	4.7
Grains	97.9	105.6	106.3	0.7	8.6
Oilseeds	128.2	127.4	127.0	-0.3	-0.9
Specialty crops	115.2	152.6	148.7	-2.6	29.1
Fruit	102.5	97.7	96.1	-1.6	-6.2
Vegetables	119.5	117.0	118.0	0.9	-1.3
Potatoes	139.5	135.0	139.6	3.4	0.1
Livestock and animal products	148.7	157.7	159.8	1.3	7.5
Cattle and calves	168.3	232.8	243.4	4.6	44.6
Hogs	183.7	130.8	124.6	-4.7	-32.2
Poultry	123.9	123.9	124.2	0.2	0.2
Eggs	132.9	134.6	134.8	0.1	1.4
Dairy	114.8	111.0	110.9	-0.1	-3.4

^r revised

^p preliminary

Source(s): CANSIM table [002-0068](#).

Available in CANSIM: tables [002-0068](#) to [002-0070](#).

Definitions, data sources and methods: survey number [5040](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).