

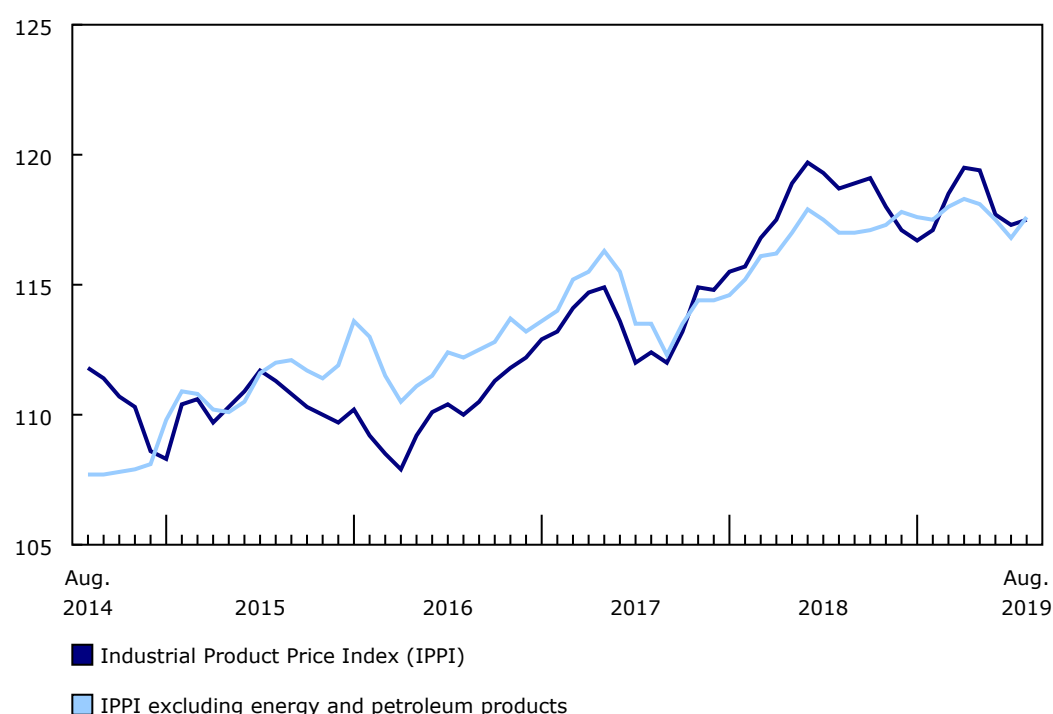
Industrial product and raw materials price indexes, August 2019

Released at 8:30 a.m. Eastern time in *The Daily*, Monday, September 30, 2019

Prices for products manufactured in Canada rose 0.2% in August. Higher prices for meat, fish and dairy products and for primary non-ferrous metal products were mostly offset by lower prices for energy and petroleum products. Prices for raw materials purchased by manufacturers operating in Canada fell 1.8%, mainly as a result of lower prices for crude energy products.

Chart 1
Prices for industrial products increase

index (2010=100)



Source(s): Table [18-10-0029-01](#).

Industrial Product Price Index

On a monthly basis, the Industrial Product Price Index (IPPI) increased 0.2% in August, after falling 0.3% the previous month. From July to August, the Canadian dollar depreciated 1.3% relative to the US dollar. If the exchange rate had remained constant, the IPPI would have edged down 0.1%.

Of the 21 major commodity groups, 14 were up, 5 were down and 2 were unchanged.

Prices for meat, fish and dairy products contributed the most to the growth of the IPPI, increasing 2.7%, following two consecutive monthly declines. This growth was mostly led by higher prices for fresh and frozen pork (+9.9%).



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Primary non-ferrous metal products (+2.4%) also contributed significantly to the gain in the IPPI, mostly on higher prices for unwrought precious metals and precious metal alloys (+7.0%). This was the largest increase in unwrought precious metals and precious metal alloys since July 2016 (+9.1%).

The growth of the IPPI was primarily moderated by lower energy and petroleum product prices (-2.8%), particularly motor gasoline (-6.3%). The IPPI excluding energy and petroleum products rose 0.7%.

Year over year, the IPPI fell (-1.0%) for a third consecutive month in August, mostly on lower energy and petroleum product prices (-9.9%). Prices for meat, fish and dairy products (+7.5%) were the biggest factor moderating this decrease.

Raw Materials Price Index

On a monthly basis, the Raw Materials Price Index (RMPI) fell 1.8% in August, following a 1.3% increase in July. Of the six major commodity groups, three were down, two were up and one was unchanged.

Crude energy products (-4.3%) were the main source of the decline in the RMPI, particularly because of lower prices for conventional crude oil (-4.4%). An increase in the global crude oil supply and greater market uncertainty contributed to this decrease.

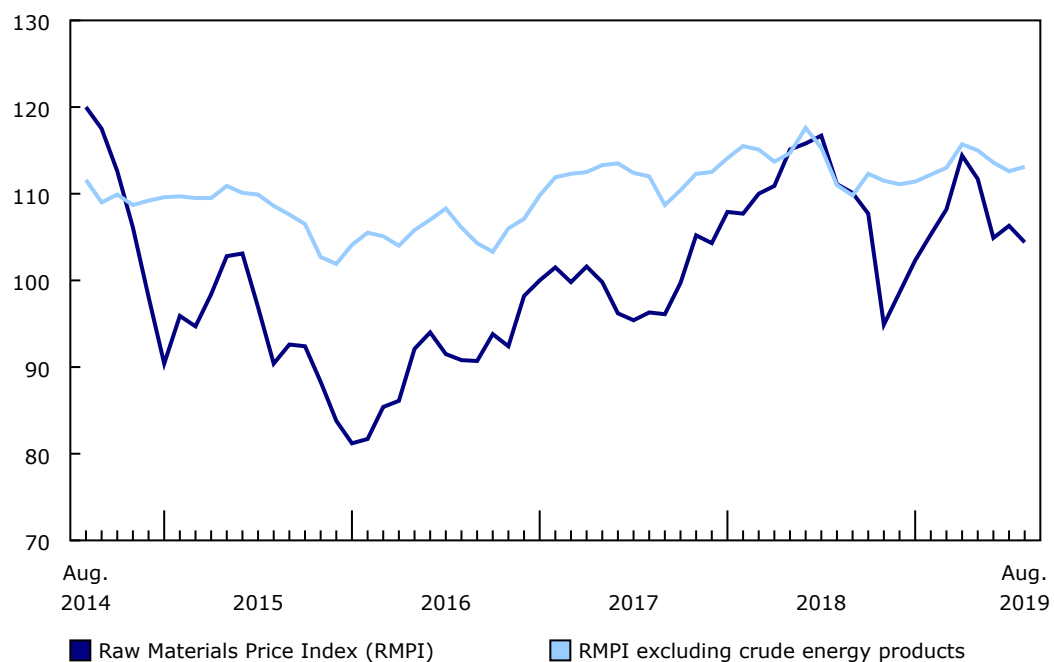
The RMPI excluding crude energy products increased 0.4%. Prices for animals and animal products (+2.0%), as well as metal ores, concentrates and scrap (+0.9%), were responsible for this gain.

The increase in animals and animal products was mostly driven by higher prices for hogs (+8.7%). On a year-over-year basis, hog prices rose 37.5% in August.

Compared with August 2018, the RMPI fell 6.0%, after posting an 8.9% decrease in July. The decline was primarily due to crude energy products (-14.5%).

Chart 2
Prices for raw materials decrease

index (2010=100)



Source(s): Table [18-10-0034-01](#).

Note to readers

The Industrial Product Price Index (IPPI) and the Raw Materials Price Index (RMPI) are available at the Canada level only. Selected commodity groups within the IPPI are also available by region.

With each release, data for the previous six months may have been revised. The indexes are not seasonally adjusted.

The **Industrial Product Price Index** reflects the prices that producers in Canada receive as goods leave the plant gate. It does not reflect what the consumer pays. Unlike the Consumer Price Index, the IPPI excludes indirect taxes and all the costs that occur between the time a good leaves the plant and the time the final user takes possession of it, including transportation, wholesale and retail costs.

Canadian producers export many goods. They often indicate their prices in foreign currencies, especially in US dollars, which are then converted into Canadian dollars. In particular, this is the case for motor vehicles, pulp, paper and wood products. Therefore, a rise or fall in the value of the Canadian dollar against its US counterpart affects the IPPI. However, the conversion into Canadian dollars reflects only how respondents provide their prices. This is not a measure that takes the full effect of exchange rates into account.

The conversion of prices received in US dollars is based on the average monthly exchange rate established by the Bank of Canada and available in table 33-10-0163-01 (series v111666275). Monthly and annual variations in the exchange rate, as described in the release, are calculated according to the indirect quotation of the exchange rate (for example, CAN\$1 = US\$X).

The **Raw Materials Price Index** reflects the prices paid by Canadian manufacturers for key raw materials. Many of those prices are set on the world market. However, as few prices are denominated in foreign currencies, their conversion into Canadian dollars has only a minor effect on the calculation of the RMPI.

Products

Statistics Canada has launched the [Producer Prices Portal](#) as part of a suite of portals for prices and price indexes. This webpage provides Canadians with a single point of access to a wide variety of statistics and measures related to producer prices. The portal offers an array of information on topics such as manufacturing, construction, professional services, distributive trades and financial services. The portal will be updated regularly as new information becomes available.

The video "[Producer Price Indexes](#)" is available on the Statistics Canada Training Institute webpage. It provides an introduction to Statistics Canada's producer price indexes—what they are, how they are made and what they are used for.

A Historical Timeline of Canadian Producer Price Statistics

The publication "[A Historical Timeline of Canadian Producer Price Statistics](#)," part of the Prices Analytical Series ([62F0014M](#)), was created to showcase the key milestones in the history of Canadian producer price statistics. This historical timeline contains answers to questions such as: "Who collected Canada's first statistics?" and "What do Canadian producer price indexes measure?"

Infographic: Producer Price Indexes at a Glance

The infographic "[Producer Price Indexes at a Glance](#)," part of the series Statistics Canada — Infographics ([11-627-M](#)), demonstrates how producer price indexes for goods and services are calculated and why they are important for the Canadian economy.

Real-time table

Real-time table 18-10-0248-01 will be updated on October 7.

Next release

The industrial product and raw materials price indexes for September will be released on October 31.

Table 1
Industrial Product Price Index – Not seasonally adjusted

	Relative importance ¹	August 2018	July 2019 ^r	August 2019 ^p	July to August 2019	August 2018 to August 2019
	%	(2010=100)			% change	
Industrial Product Price Index (IPPI)	100.00	118.7	117.3	117.5	0.2	-1.0
IPPI excluding energy and petroleum products	86.40	117.0	116.8	117.6	0.7	0.5
Aggregation by commodities						
Meat, fish, and dairy products	7.21	123.1	128.8	132.3	2.7	7.5
Fruit, vegetables, feed and other food products	7.53	115.5	115.5	115.6	0.1	0.1
Beverages (except juices)	1.92	109.0	109.9	109.9	0.0	0.8
Tobacco products	0.25	173.6	179.6	179.7	0.1	3.5
Textile and leather products	0.57	111.8	112.9	113.4	0.4	1.4
Clothing, footwear and accessories	0.51	108.9	109.4	109.3	-0.1	0.4
Chemicals and chemical products	8.46	112.4	108.1	108.2	0.1	-3.7
Plastic and rubber products	2.79	114.3	116.9	117.2	0.3	2.5
Lumber and other wood products	2.27	127.0	122.7	122.6	-0.1	-3.5
Pulp and paper products	4.09	129.3	122.7	121.8	-0.7	-5.8
Energy and petroleum products	13.60	129.9	120.4	117.0	-2.8	-9.9
Primary ferrous metal products	3.32	117.0	112.7	112.8	0.1	-3.6
Primary non-ferrous metal products	8.03	112.5	112.2	114.9	2.4	2.1
Fabricated metal products and construction materials	3.17	123.4	123.5	123.4	-0.1	0.0
Motorized and recreational vehicles	17.23	117.3	118.2	118.8	0.5	1.3
Machinery and equipment	5.73	113.2	113.9	114.1	0.2	0.8
Electrical, electronic, audiovisual and telecommunication products	4.69	110.8	111.2	111.6	0.4	0.7
Furniture and fixtures	1.49	111.8	115.0	115.1	0.1	3.0
Cement, glass, and other non-metallic mineral products	2.34	115.4	116.4	116.7	0.3	1.1
Packaging materials and containers	2.38	127.3	124.5	124.5	0.0	-2.2
Miscellaneous products	2.41	114.7	117.0	118.8	1.5	3.6

^r revised

^p preliminary

1. The relative importance is based on the annual 2010 values of production.

Source(s): Table 18-10-0029-01.

Table 2
Raw Materials Price Index – Not seasonally adjusted

	Relative importance ¹	August 2018	July 2019 ^r	August 2019 ^p	July to August 2019	August 2018 to August 2019
	%	(2010=100)			% change	
Raw Materials Price Index (RMPI)	100.00	111.1	106.3	104.4	-1.8	-6.0
RMPI excluding crude energy products	51.83	111.0	112.6	113.1	0.4	1.9
Crude energy products	48.17	111.2	99.4	95.1	-4.3	-14.5
Crop products	8.68	122.6	126.7	123.9	-2.2	1.1
Animals and animal products	15.51	118.2	124.4	126.9	2.0	7.4
Non-metallic minerals	1.85	114.5	113.0	113.0	0.0	-1.3
Logs, pulpwood, natural rubber and other forestry products	2.84	129.5	125.6	121.7	-3.1	-6.0
Metal ores, concentrates and scrap	22.96	99.2	97.7	98.6	0.9	-0.6

^r revised

^p preliminary

1. The relative importance is based on the annual 2010 values of raw material inputs into production.

Source(s): Table 18-10-0034-01.

Available tables: [18-10-0029-01](#) to [18-10-0032-01](#) and [18-10-0034-01](#).

Definitions, data sources and methods: survey numbers [2306](#) and [2318](#).

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; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).