

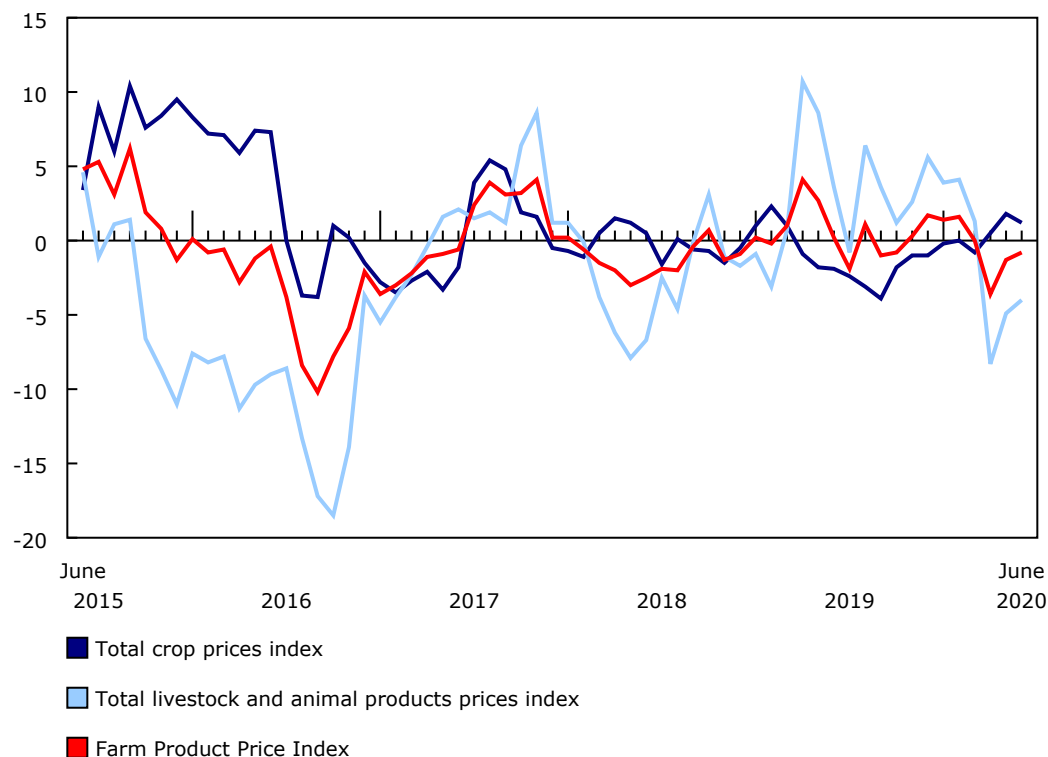
# Farm Product Price Index, June 2020

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The Farm Product Price Index (FPPI) decreased 0.8% in June compared with the same month a year earlier, a result of lower prices for hogs, grains and cattle. Following year-over-year gains in the first three months of 2020, the index started its decline in April as the COVID-19 pandemic began to impact the red meat sector.

**Chart 1**  
**Twelve-month change in the Farm Product Price Index**

12-month % change



Source(s): Table 32-10-0098-01.

Lower prices for hogs and cattle was the main reason for the 4.0% drop in the livestock and animal products index in June, compared with the same period last year, as COVID-19 outbreaks reduced meat processing capacity, primarily in the second quarter.

The hog index decreased 19.0% in June compared with the previous year. The decline in hog prices began in April after making gains in the first three months of 2020, as the pandemic reduced processing capacity, particularly in the United States (US). US slaughter levels for the first quarter of 2020 were above those for the previous year, but had fallen below last year's levels in the second quarter of 2020. Canadian exports of live hogs were also lower in the first half of 2020 compared with a year earlier, as oversupply issues in the US reduced demand.

The cattle and calves index edged down 0.1%, the fourth consecutive year-over-year monthly decline as cattle processing plants also faced temporary closures because of outbreaks of COVID-19. At the end of the first quarter of 2020, slaughter levels in both Canada and the US were above last year's levels, but by the end of June, slaughter for the first half of the year had fallen below 2019 levels.



Moderating the June decrease in the livestock and animal products index were increases in supply-managed commodities—ranging from 0.3% for unprocessed milk to 4.8% for poultry.

The crops index rose 1.2% in June, compared with the same month last year, as a decline in the grains index was more than offset by gains in all other crop commodity groups. Increases ranged from 0.8% for oilseeds to 27.4% for specialty crops.

While most specialty crop prices increased, rising lentil prices were a main contributor to the gain. The export pace for lentils remained strong, with crop year exports up to the end of June 2020 almost 40% higher than those for the same period of the previous crop year.

The oilseeds index increased 0.8% over June 2019, the second consecutive increase following a year-over-year decline that began in November 2018. While canola and soybean prices have been pressured by abundant world oilseed supplies and Chinese import restrictions on Canadian canola, a record crush pace this crop year and an increased export pace in the first half of 2020 provided some recent support for prices. Flaxseed prices were higher because of stable world demand and tighter domestic supplies.

The grains index declined 2.2% from the same period last year, as ample world supplies of wheat and barley for the 2019/2020 crop year continued to weigh on prices. The decrease in the grains index was tempered by an increase in durum prices compared with June 2019. Durum prices have found support this crop year from tighter world supplies, as well as from strong demand for pasta during the early stages of the pandemic.

**Table 1**  
**Farm Product Price Index**

	June 2019 <sup>r</sup>	May 2020 <sup>P</sup>	June 2020 <sup>P</sup>	May to June 2020	June 2019 to June 2020
	(2007=100)			% change	
<b>Farm Product Price Index</b>	<b>133.1</b>	<b>133.0</b>	<b>132.1</b>	<b>-0.7</b>	<b>-0.8</b>
<b>Crops</b>	<b>124.2</b>	<b>125.9</b>	<b>125.7</b>	<b>-0.2</b>	<b>1.2</b>
Grains	114.2	113.3	111.7	-1.4	-2.2
Oilseeds	125.7	127.1	126.7	-0.3	0.8
Specialty crops	114.6	137.3	146.0	6.3	27.4
Fruit	116.0	120.8	119.8	-0.8	3.3
Vegetables	149.4	153.3	153.3	0.0	2.6
Potatoes	173.8	172.3	181.3	5.2	4.3
<b>Livestock and animal products</b>	<b>144.3</b>	<b>141.1</b>	<b>138.6</b>	<b>-1.8</b>	<b>-4.0</b>
Cattle and calves	169.4	161.6	169.2	4.7	-0.1
Hogs	166.5	160.0	134.9	-15.7	-19.0
Poultry	123.0	129.4	128.9	-0.4	4.8
Eggs	144.2	145.9	146.1	0.1	1.3
Dairy	107.6	108.2	107.9	-0.3	0.3

<sup>r</sup> revised

<sup>P</sup> preliminary

Source(s): Table [32-10-0098-01](#).

**Available tables:** [32-10-0098-01](#) and [32-10-0100-01](#).

**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; [STATCAN.infostats-infostats.STATCAN@canada.ca](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)) or Media Relations (613-951-4636; [STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca](mailto:STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca)).