

Industrial Product Price Index: Flash estimates, April 2021

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The Industrial Product Price Index (IPPI) rose 1.7% in April. Year over year, the IPPI increased by 14.2%, the largest increase since February 1980 (+15.3%).

The lumber and other wood products (+6.5%) group led the increase in the IPPI, posting its fifth consecutive monthly gain. The group was driven mostly by softwood lumber, which increased by 10.2% month over month. Prices for softwood lumber were 166.3% higher than April of 2020. This is the largest year-over-year increase recorded since the series began in 1956, and the second consecutive month that the series has set that record. The large increase is mostly attributable to strong demand for residential construction in the United States.

Prices for meat, fish and dairy products rose 4.1%, their fourth consecutive monthly increase. The gain was mostly caused by higher prices for fresh and frozen beef and veal (+17.0%), as well as fresh and frozen pork (+7.3%). The rise in meat prices was partially attributable to strong domestic and global demand.

Prices of primary ferrous metal products gained 2.7% in April, their eighth consecutive monthly increase, and were 15.4% higher than April 2020. Robust demand for steel in China is a key factor behind this upward price trend.

Prices for chemicals and chemical products increased by 1.5%. The gain was mostly caused by higher prices for plastic resins (+8.7%), which have been rising since December 2020.

Prices for fruit, vegetables, feed and other food products were up by 1.4% month over month and 12.4% year over year. The rise was mostly attributable to higher prices for grain and oilseed products n.e.c. (+5.5%) and margarine and cooking oils (+8.4%).

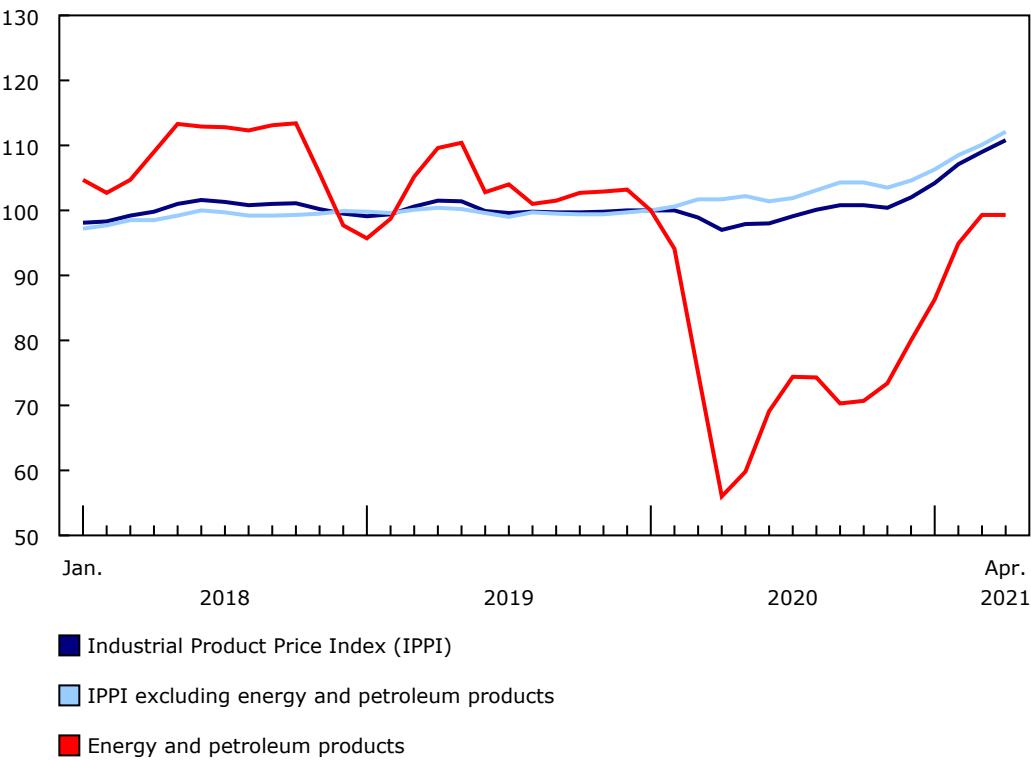
Prices for pulp and paper products were up by 3.4%, mostly because of the price of wood pulp, which rose 7.1% from March to April. The price increase was partially attributable to demand from China, the primary export destination for Canadian wood pulp.



Chart 1

Industrial Product Price Index (January 2018 to April 2021)

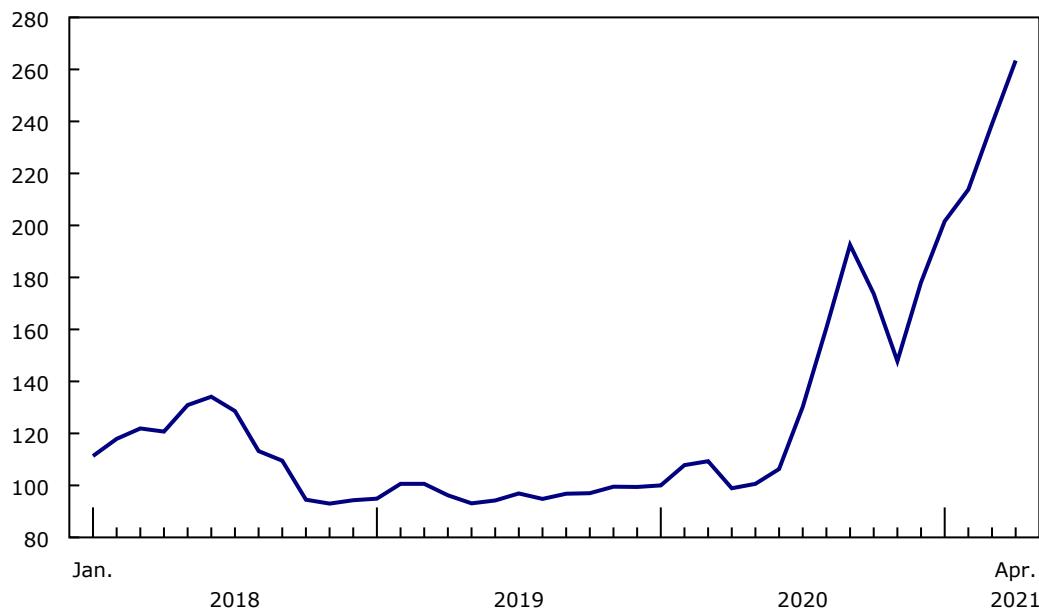
index (January 2020=100)



Note(s): April 2021 data are flash estimates; use with caution.
Source(s): Industrial Product Price Index (2318).

Chart 2 Softwood lumber (January 2018 to April 2021)

index (January 2020=100)



Note(s): April 2021 data are flash estimates; use with caution.

Source(s): Industrial Product Price Index (2318).

Note to readers

To provide Canadians with timely economic data, Statistics Canada is releasing early estimates of the Industrial Product Price Index (IPPI) for March 2021. These are referred to as flash estimates and are subject to revision when the index is officially released on May 31, 2021. Because flash estimates are calculated using preliminary data, these values should be used with caution.

Basket update and methodology changes

Starting with the October 2020 reference period, the IPPI and Raw Materials Price Index (RMPI) are using an updated basket and methodology. The indexes have been converted from 2010 = 100 to January 2020 = 100 and also updated to use a weighting pattern based on the 2016 production values of Canadian manufacturers.

At the same time, the IPPI and RMPI have been modernized with the adoption of a weighted geometric (Jevons) formula and the incorporation of parental imputation as the default imputation methodology for missing price quotes.

The IPPI and RMPI are now using the North American Product Classification System Canada 2017 version 2.0 and the North American Industry Classification System Canada 2017 version 3.0.

Products

The product "Industrial Product Price Index: Annual review, 2020" is now available. This document is a review of how producer prices, as measured by the IPPI, changed in 2020 compared with 2019. The effects of the COVID-19 pandemic on the global economy had a substantial influence on the prices of many commodities sold by manufacturers operating in Canada in 2020. Prices for energy and petroleum products; primary non-ferrous metal products; lumber and other wood products; and meat, fish and dairy products contributed the most to the change in the IPPI in 2020.

Table 1
Industrial Product Price Index – Not seasonally adjusted

	Relative importance ¹	February 2021	March 2021	April 2021 ²	March to April 2021 ²	April 2020 to April 2021 ²
		%	(January 2020=100)		% change	
Industrial Product Price Index (IPPI)	100.0	107.1	109.0	110.8	1.7	14.2
IPPI excluding energy and petroleum products	91.2	108.5	110.1	112.1	1.8	10.2
Meat, fish and dairy products	7.1	102.8	104	108.3	4.1	1.2
Fruit, vegetables, feed and other food products	8.0	108.6	110.4	112	1.4	12.4
Beverages (except juices)	2.0	101.9	97.5	97.2	-0.3	-4.1
Tobacco products	0.3	103	103	109.1	5.9	8.2
Textile and leather products	0.5	98.4	99.2	99.3	0.1	-2.6
Clothing, footwear and accessories	0.4	100.9	101.2	104.3	3.1	4.2
Chemicals and chemical products	8.8	106.5	111.1	112.8	1.5	17.6
Plastic and rubber products	2.8	100.4	99.3	102.8	3.5	1.8
Lumber and other wood products	4.6	164	180.2	191.9	6.5	87.6
Pulp and paper products	3.6	100	99.3	102.7	3.4	-2.6
Energy and petroleum products	8.8	94.9	99.3	99.3	0	77.3
Primary ferrous metal products	2.8	113.6	120.2	123.4	2.7	15.4
Primary non-ferrous metal products	7.1	128.8	127.1	127.9	0.6	30
Fabricated metal products and construction materials	3.3	107.3	109.1	111.2	1.9	10.8
Motorized and recreational vehicles	22.2	99.5	99.1	99.3	0.2	-2.9
Machinery and equipment	6.2	101.2	101.2	100.8	-0.4	-2.1
Electrical, electronic, audiovisual and telecommunications products	3.7	101.1	101.6	102.5	0.9	0
Furniture and fixtures	1.5	101.5	103.4	101.5	-1.8	-1.3
Cement, glass and other non-metallic mineral products	2.2	99.7	99.7	100.4	0.7	0
Packaging materials and containers	2.2	103.9	106.6	109	2.3	8.6
Miscellaneous products	2.0	102.4	103	105.3	2.2	2.9

1. The relative importance is based on the annual 2016 values of production.

2. April 2021 data are flash estimates; use with caution.

Source(s): Industrial Product Price Index ([2318](#)).

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

The product "Industrial Product Price Index: Annual review, 2020" is now available as part of the *Prices Analytical Series* ([62F0014M](#)).

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).