

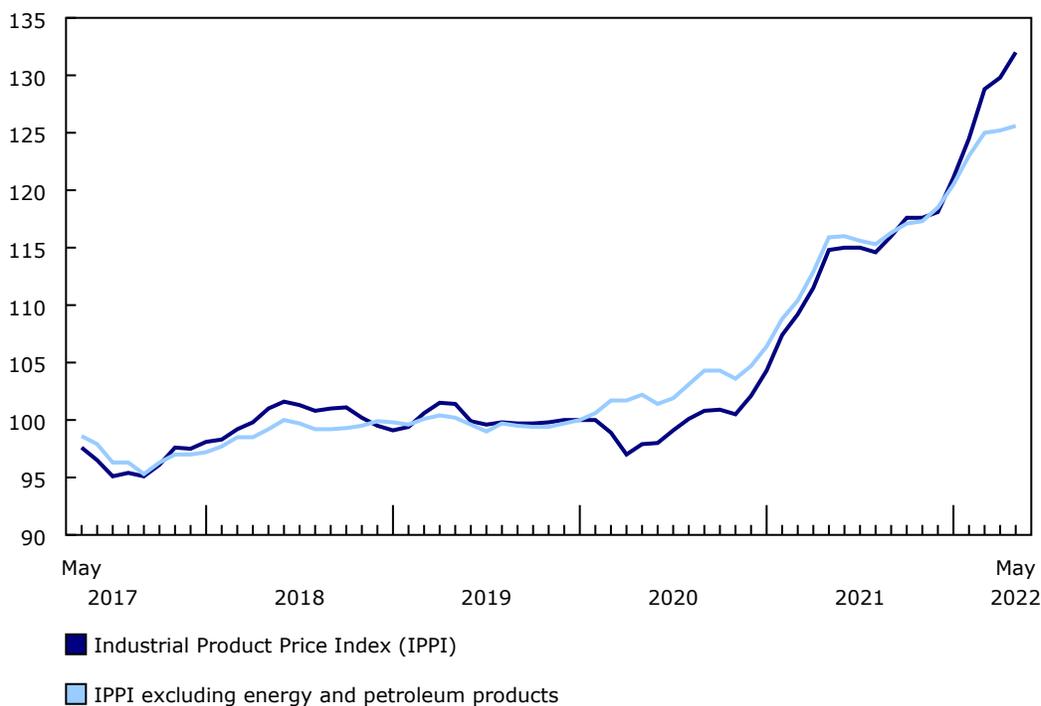
Industrial product and raw materials price indexes, May 2022

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, June 17, 2022

Prices of products manufactured in Canada, as measured by the Industrial Product Price Index (IPPI), rose by 1.7% month over month in May and by 15.0% compared with May 2021. Prices of raw materials purchased by manufacturers operating in Canada, as measured by the Raw Materials Price Index (RMPI), increased 2.5% on a monthly basis in May and posted a 37.4% year-over-year increase.

Chart 1 Prices for industrial products increase

index (January 2020=100)



Source(s): Table 18-10-0265-01.

Industrial Product Price Index

In May, the IPPI rose 1.7% month over month and was 15.0% higher than in May 2021.

Higher prices for energy and petroleum products (+10.7%) led the gain in the IPPI's monthly increase. This commodity group has been rising since January 2022 and prices are 78.5% higher than in May 2021. Motor gasoline (+14.6%) and diesel fuel (+10.9%) drove the monthly gain in this group. Tight supplies of refined petroleum products, along with higher prices for crude oil, played a role in these price increases.

Chemicals and chemical products (+3.5%) posted a fifth consecutive monthly increase in May, driven primarily by higher prices for plastic resins (+7.5%) and petrochemicals (+6.9%). These increases coincided with higher prices for chemical feedstocks such as natural gas and crude oil.



Prices for fruit, vegetables, feed and other food products were up 2.2% in May, a ninth consecutive month-over-month increase. On a year-over-year basis, prices were 15.0% higher. Flour and other grain mill products (+6.7%) and animal feed (+3.2%) both contributed to the gain. Higher grain prices were partially attributable to tightening global supply, especially wheat. India, the world's second largest wheat producer, banned wheat exports following a heat wave which reduced output and drove up their domestic prices.

Additionally, Ukraine's grain exports have been disrupted as major ports are either under Russian control or facing naval blockades. United States Department of Agriculture data indicated that Ukraine was the world's seventh largest wheat producer in 2021. According to a [statement made by the United Nations Food and Agriculture Organization Deputy Director](#) in early May, nearly 25 million tonnes of grain were stuck in Ukraine.

The price of wood pulp increased 5.4% in May, a fourth consecutive monthly increase. The rise in pulp prices was observed globally and was influenced by supply chain disruptions, unplanned downtimes, and consistent demand. In Europe, sanctions on Russia have reduced the amount of wood available to pulp producers.

Prices for primary non-ferrous metal products fell 8.1% in May; this was the largest monthly drop since October 2011. Prices for unwrought aluminum and aluminum alloys declined 17.6% in May, due in part to higher output from China. Bearish investor sentiment regarding future demand may have also played a role in the decline. Prices for unwrought nickel and nickel alloys (-14.0%) and unwrought copper and copper alloys (-6.1%) also decreased in May. Precious metal prices were affected by higher yields for US treasury bonds, which can make non-yielding assets less appealing to investors. Prices for unwrought silver and silver alloys fell by 9.3%, while prices for unwrought gold and gold alloys were down by 2.8%.

Raw Materials Price Index

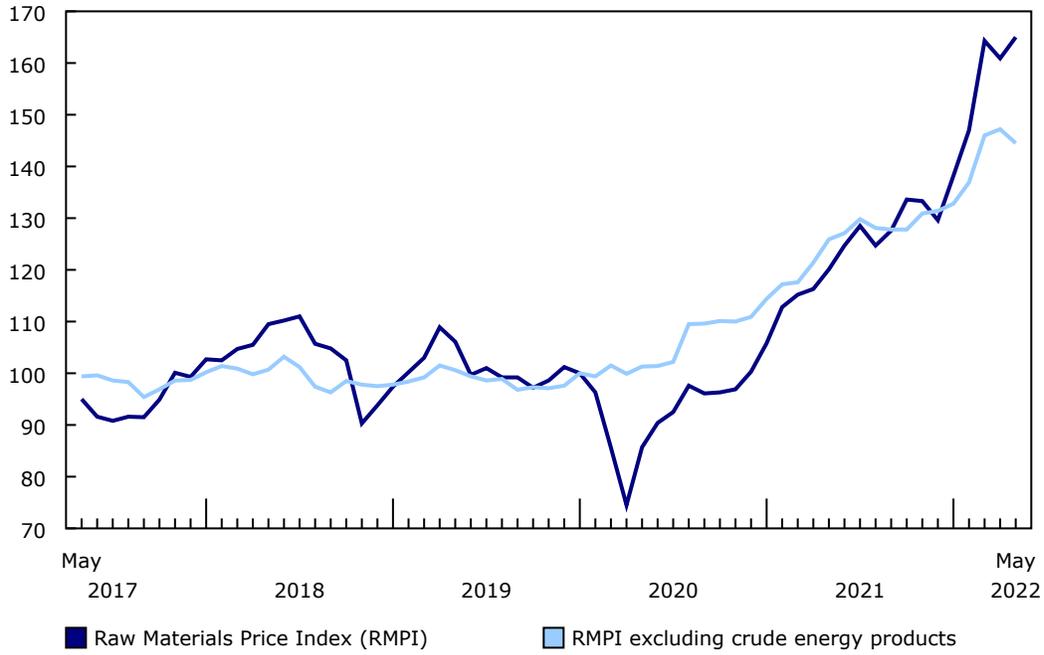
The RMPI increased 2.5% on a monthly basis in May, and posted a 37.4% year-over-year increase.

The monthly gain was mostly due to higher prices for crude energy products (+8.6%). The price for conventional crude oil rose 8.9% in May, following a decline of 7.6% in April. Year over year, conventional crude oil was 82.2% higher in May. Uncertainty about supply continued to put upward pressure on prices, on both a month-over-month and year-over-year basis. In May, [the European Union agreed on new measures](#) against importing Russian oil products, with certain exceptions in cases of emergency. According to the US Energy Information Administration, the Organization of the Petroleum Exporting Countries Plus (OPEC+) production decisions and the rate of drilling among US oil and natural gas producers both played a part in pricing.

Metal ores, concentrates and scrap fell 6.1%, which largely moderated the upward movement in the RMPI. Gold, silver, and platinum group metal ores and concentrates (-6.3%) were mainly responsible for the monthly decline in this group, as rising bond yields made them less attractive to investors. Lead and zinc ores and concentrates (-11.5%), nickel ores and concentrates (-6.1%), and copper ores and concentrates (-8.3%) all fell on concerns about macroeconomic growth. Crop products gained 1.6% in May, mainly on higher prices for wheat (+10.5%), which is facing a global supply shortage.

Chart 2
Prices for raw materials rise

index (January 2020=100)



Source(s): Table 18-10-0268-01.

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

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

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 RMPI 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

The product "[Industrial Product Price Index: 2021 Annual Review](#)" is now available. This document is a review of how producer prices, as measured by the IPPI, changed in 2021 compared with 2020. The year 2021 faced a multitude of factors influencing prices, many of which stemmed from the COVID-19 pandemic. Economies reopened slowly as lockdowns were lifted and vaccinations became available, driving up demand.

Statistics Canada launched the [Producer Price Indexes 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 variety of statistics and measures related to producer prices.

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.

Addition of a new table and additional data

Effective February 28, 2022, table 18-10-0272-01 has been added to the Statistics Canada website featuring regional indexes for select refined petroleum products. In addition, tables 18-10-0266-01 and 18-10-0268-01 now contain data for select 6- and 7-digit North American Product Classification System series.

Next release

The industrial product and raw materials price indexes for June will be released on July 20.

Table 1
Industrial Product Price Index – Not seasonally adjusted

	Relative importance ¹	May 2021	April 2022 ^r	May 2022 ^p	April to May 2022	May 2021 to May 2022
	%	(January 2020=100)			% change	
Industrial Product Price Index (IPPI)	100.00	114.8	129.8	132.0	1.7	15.0
IPPI excluding energy and petroleum products	91.19	115.9	125.2	125.6	0.3	8.4
Aggregation by commodities						
Meat, fish and dairy products	7.08	112.4	112.4	114.0	1.4	1.4
Fruit, vegetables, feed and other food products	7.96	114.3	128.6	131.4	2.2	15.0
Beverages (except juices)	1.95	100.8	108.4	108.9	0.5	8.0
Tobacco products	0.31	105.3	112.0	112.0	0.0	6.4
Textile and leather products	0.52	100.0	114.1	117.5	3.0	17.5
Clothing, footwear and accessories	0.42	103.0	102.1	104.4	2.3	1.4
Chemicals and chemical products	8.79	113.9	133.4	138.1	3.5	21.2
Plastic and rubber products	2.80	103.4	118.2	117.2	-0.8	13.3
Lumber and other wood products	4.58	230.5	188.1	186.0	-1.1	-19.3
Pulp and paper products	3.61	104.2	113.8	118.4	4.0	13.6
Energy and petroleum products	8.81	105.1	169.5	187.6	10.7	78.5
Primary ferrous metal products	2.83	135.0	148.9	153.0	2.8	13.3
Primary non-ferrous metal products	7.07	132.5	160.5	147.5	-8.1	11.3
Fabricated metal products and construction materials	3.28	115.7	142.2	142.6	0.3	23.2
Motorized and recreational vehicles	22.19	98.5	104.1	104.7	0.6	6.3
Machinery and equipment	6.18	101.7	108.6	110.8	2.0	8.9
Electrical, electronic, audiovisual and telecommunications products	3.69	103.0	119.0	121.7	2.3	18.2
Furniture and fixtures	1.52	103.2	111.4	113.4	1.8	9.9
Cement, glass and other non-metallic mineral products	2.18	102.2	111.4	111.1	-0.3	8.7
Packaging materials and containers	2.17	111.1	124.5	125.7	1.0	13.1
Miscellaneous products	2.04	103.9	111.6	111.7	0.1	7.5

^r revised

^p preliminary

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

Source(s): Table 18-10-0265-01.

Table 2
Raw Materials Price Index – Not seasonally adjusted

	Relative importance ¹	May 2021	April 2022 ^r	May 2022 ^p	April to May 2022	May 2021 to May 2022
	%	(January 2020=100)			% change	
Raw Materials Price Index (RMPI)	100.00	120.1	160.9	165.0	2.5	37.4
RMPI excluding crude energy products	66.68	125.9	147.2	144.5	-1.8	14.8
Crude energy products	33.32	109.9	184.7	200.6	8.6	82.5
Crop products	12.30	142.5	184.4	187.3	1.6	31.4
Animals and animal products	20.09	112.4	122.9	121.9	-0.8	8.5
Non-metallic minerals	3.11	109.5	131.0	136.5	4.2	24.7
Logs, pulpwood, natural rubber and other forestry products	5.81	118.1	153.8	158.1	2.8	33.9
Metal ores, concentrates and scrap	25.37	132.0	148.7	139.7	-6.1	5.8

^r revised

^p preliminary

1. The relative importance is based on the annual 2016 values of raw material inputs into production.

Source(s): Table 18-10-0268-01.

Available tables: [18-10-0265-01](#) to [18-10-0268-01](#) and [18-10-0272-01](#).

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; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).