

Industrial product and raw materials price indexes, February 2023

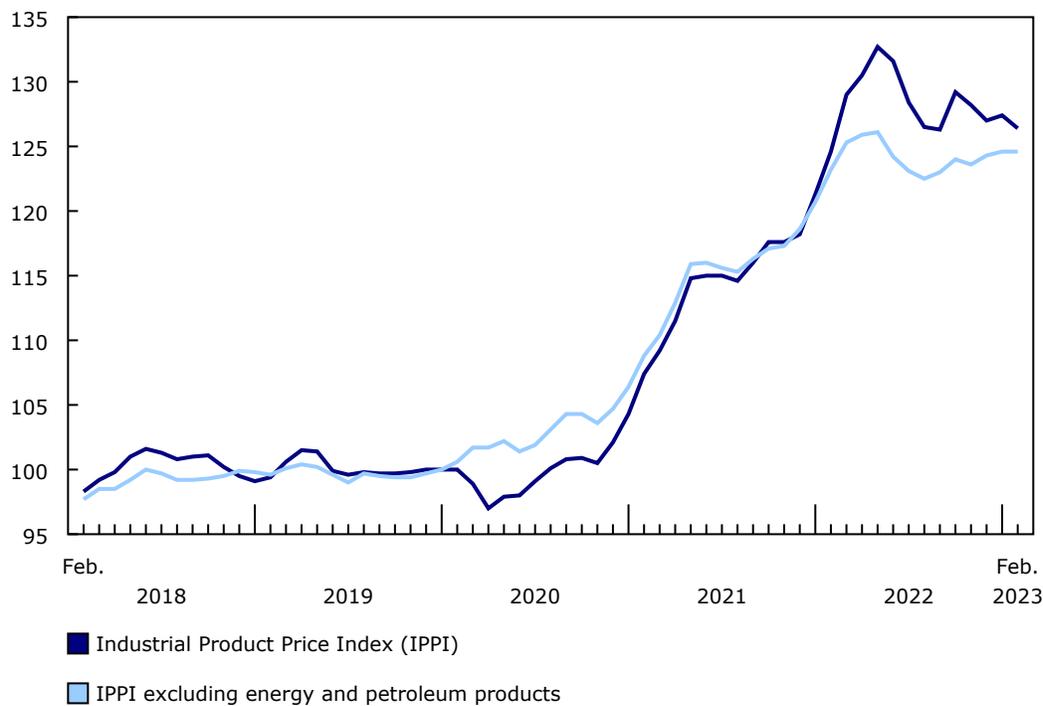
Released at 8:30 a.m. Eastern time in *The Daily*, Friday, March 17, 2023

Industrial Product Price Index

Prices of products manufactured in Canada, as measured by the Industrial Product Price Index (IPPI), declined 0.8% month over month in February and rose 1.4% year over year. Prices of raw materials purchased by manufacturers operating in Canada, as measured by the Raw Materials Price Index (RMPI), decreased 0.4% on a monthly basis in February and were down 5.2% year over year.

Chart 1 Prices for industrial products decrease

index (January 2020=100)



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

The IPPI declined 0.8% month over month in February, following a 0.3% increase in January. Year over year, the IPPI was up 1.4%.

Prices for energy and petroleum products fell 5.8% on a monthly basis in February. Prices decreased for diesel (-11.7%) and finished motor gasoline (-2.9%). [US inventories of distillate fuel oil](#) (including diesel) have been building since October 2022 and in February 2023, they reached their highest level in a year. Warmer than expected weather in the first quarter of the year in the United States and Europe was also a factor in the monthly decline for diesel, as it is closely related to heating fuel which saw reduced demand.



Statistics
Canada

Statistique
Canada

Canada

Prices for primary non-ferrous metal products fell 2.4% month over month in February, after increasing for four consecutive months, with all three types of precious metals moving downward. Unwrought silver and silver alloys dropped 7.6%, the largest month-over-month decrease since July 2022 (-10.3%), and unwrought platinum group metals and their alloys posted a decline of 9.7%, the largest month-over-month decline since March 2020 (-15.5%). Unwrought gold and gold alloys (-2.3%) also contributed to the monthly decrease in this group, to a smaller extent. A stronger US dollar and rising US bond yields both played a part in declining prices for precious metals.

Conversely, prices for primary ferrous metal products (+1.7%) were up month over month for the first time since June 2022, mainly on higher prices for basic and semi-finished iron or steel products (+1.7%). The monthly increase was partly attributed to [price increases from North American steelmakers](#) as supply was tighter than expected. According to data from the American Iron and Steel Institute, the [steel production capacity utilization in the United States was down by 6.8 percentage points year over year](#) for the week ending February 18.

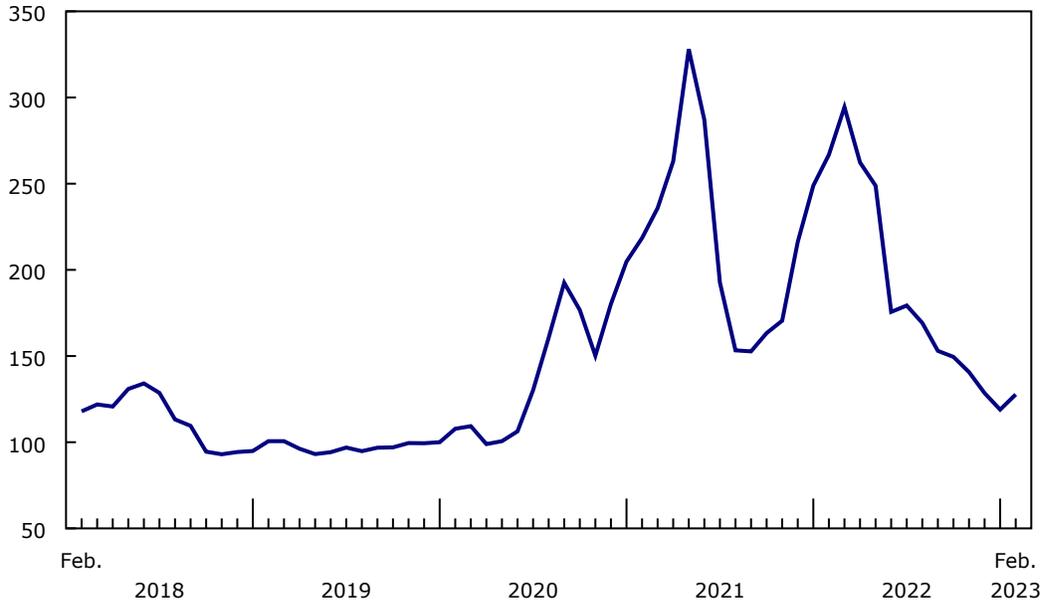
Prices for softwood lumber rose 7.4% month over month in February, after falling for six consecutive months. In February, prices were 27.7% higher compared with January 2020, prior to the COVID-19 pandemic. The monthly price increase was mostly attributable to curtailed production in British Columbia, amidst a backdrop of rising interest rates and slowing housing starts in the United States.

Prices for meat, fish and dairy products rose 1.1% in February, mainly on higher prices for dairy products (+1.9%) and meat products (+0.8%). This was the largest month-over-month increase since May 2022 (+1.4%). Starting February 1, 2023, the Canadian Dairy Commission [increased the farm gate milk price by 2.2%](#), partly due to rising input costs such as feed and fuel in the past year. Prices for fresh and frozen chicken were up 4.9% month over month in February. Compared with February 2022, chicken prices were 10.7% higher, partly due to higher feed prices and tight supply. According to United States Department of Agriculture (USDA) data, [cold storage of chicken in the United States dropped 7%](#) in January 2023. The USDA also estimated that [US poultry production in the first quarter of 2023 will fall 3.1% compared with the previous quarter](#). Prices for fresh and frozen pork (-3.5%) fell for a fourth consecutive month in February, with higher supply and rising inventory levels both playing a part in the ongoing downward trend. US pork cold storage rose 13.4% in January and was 19.2% higher than January 2022. According to the USDA, hog prices in the first quarter of 2023 are expected to drop approximately 12% compared with the fourth quarter of 2022.

Prices for intermediate food products were down 3.3% on a monthly basis in February, mainly due to lower prices for margarine and cooking oils (-6.7%), as well as grain and oilseed products, not elsewhere classified (n.e.c.) (-2.9%).

Chart 2
Softwood lumber (except tongue and groove and other edge worked lumber)

index (January 2020=100)



Source(s): Table 18-10-0266-01.

Raw Materials Price Index

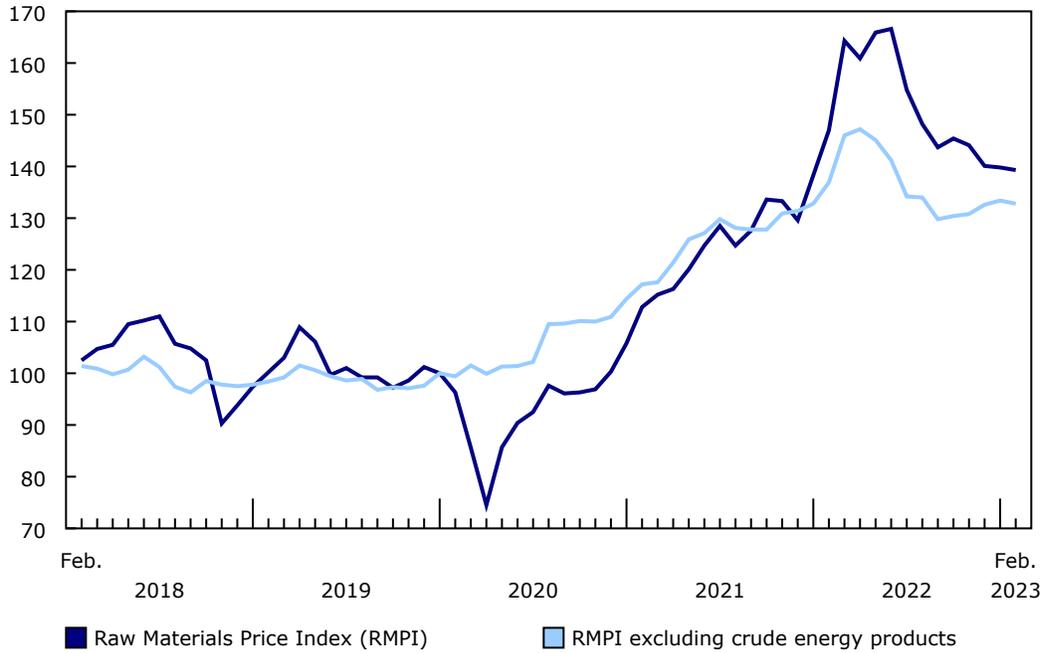
The RMPI decreased 0.4% in February and fell 5.2% compared with the same month in 2022.

Metal ores, concentrates and scrap were down 1.5% in February 2023, after posting three straight monthly gains. Lower prices for gold, silver, and platinum group metal ores (-2.5%) were mainly responsible for the decrease. Lead and zinc ores and concentrates (-5.0%) also fell compared with January.

Prices for crude energy products fell 0.3% in February, a fourth consecutive monthly decrease. Compared with February 2022, crude energy products dropped 8.5%, the first year-over-year decrease since January 2021. The decline was mainly due to lower prices for natural gas (-11.5%). Natural gas prices were particularly affected by warmer than expected February weather in the United States and Europe. The price of conventional crude oil was unchanged in February.

Chart 3
Prices for raw materials decrease

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 Canadian 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. Canadian producers often indicate goods' prices in foreign currencies, especially in US dollars, which 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

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 introduces 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 six- and seven-digit North American Product Classification System series.

Next release

The industrial product and raw materials price indexes for March will be released on April 19.

Table 1
Industrial Product Price Index – Not seasonally adjusted

	Relative importance ¹	February 2022	January 2023 ^r	February 2023 ^p	January to February 2023	February 2022 to February 2023
	%	(January 2020=100)			% change	
Industrial Product Price Index (IPPI)	100.00	124.6	127.4	126.4	-0.8	1.4
IPPI excluding energy and petroleum products	91.19	123.2	124.6	124.6	0.0	1.1
Aggregation by commodities						
Meat, fish and dairy products	7.08	110.6	112.8	114.0	1.1	3.1
Fruit, vegetables, feed and other food products	7.96	123.3	135.8	135.4	-0.3	9.8
Beverages (except juices)	1.95	105.2	116.9	116.0	-0.8	10.3
Tobacco products	0.31	109.1	115.7	115.7	0.0	6.0
Textile and leather products	0.52	114.1	126.2	123.9	-1.8	8.6
Clothing, footwear and accessories	0.42	107.2	106.9	109.3	2.2	2.0
Chemicals and chemical products	8.79	129.0	129.1	129.0	-0.1	0.0
Plastic and rubber products	2.80	120.4	124.7	125.8	0.9	4.5
Lumber and other wood products	4.58	193.1	127.1	130.2	2.4	-32.6
Pulp and paper products	3.61	109.4	123.3	122.6	-0.6	12.1
Energy and petroleum products	8.81	137.0	151.1	142.3	-5.8	3.9
Primary ferrous metal products	2.83	158.1	137.9	140.2	1.7	-11.3
Primary non-ferrous metal products	7.07	149.4	150.3	146.7	-2.4	-1.8
Fabricated metal products and construction materials	3.28	137.1	147.6	147.2	-0.3	7.4
Motorized and recreational vehicles	22.19	103.0	110.0	110.1	0.1	6.9
Machinery and equipment	6.18	108.0	115.6	115.8	0.2	7.2
Electrical, electronic, audiovisual and telecommunications products	3.69	119.2	128.4	127.0	-1.1	6.5
Furniture and fixtures	1.52	111.4	118.5	118.5	0.0	6.4
Cement, glass and other non-metallic mineral products	2.18	109.5	123.5	124.7	1.0	13.9
Packaging materials and containers	2.17	120.1	126.7	126.3	-0.3	5.2
Miscellaneous products	2.04	110.7	113.6	113.6	0.0	2.6

^r revised

^p preliminary

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

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

Table 2
Raw Materials Price Index – Not seasonally adjusted

	Relative importance ¹	February 2022	January 2023 ^r	February 2023 ^p	January to February 2023	February 2022 to February 2023
	%	(January 2020=100)			% change	
Raw Materials Price Index (RMPI)	100.00	147.0	139.8	139.3	-0.4	-5.2
RMPI excluding crude energy products	66.68	136.9	133.4	132.8	-0.4	-3.0
Crude energy products	33.32	164.4	150.9	150.5	-0.3	-8.5
Crop products	12.30	168.2	156.8	157.4	0.4	-6.4
Animals and animal products	20.09	118.4	123.2	124.5	1.1	5.2
Non-metallic minerals	3.11	121.5	119.0	119.4	0.3	-1.7
Logs, pulpwood, natural rubber and other forestry products	5.81	145.7	123.2	120.8	-1.9	-17.1
Metal ores, concentrates and scrap	25.37	136.2	134.1	132.1	-1.5	-3.0

^r revised

^p preliminary

1. The relative importance is based on the 2016 annual 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).