

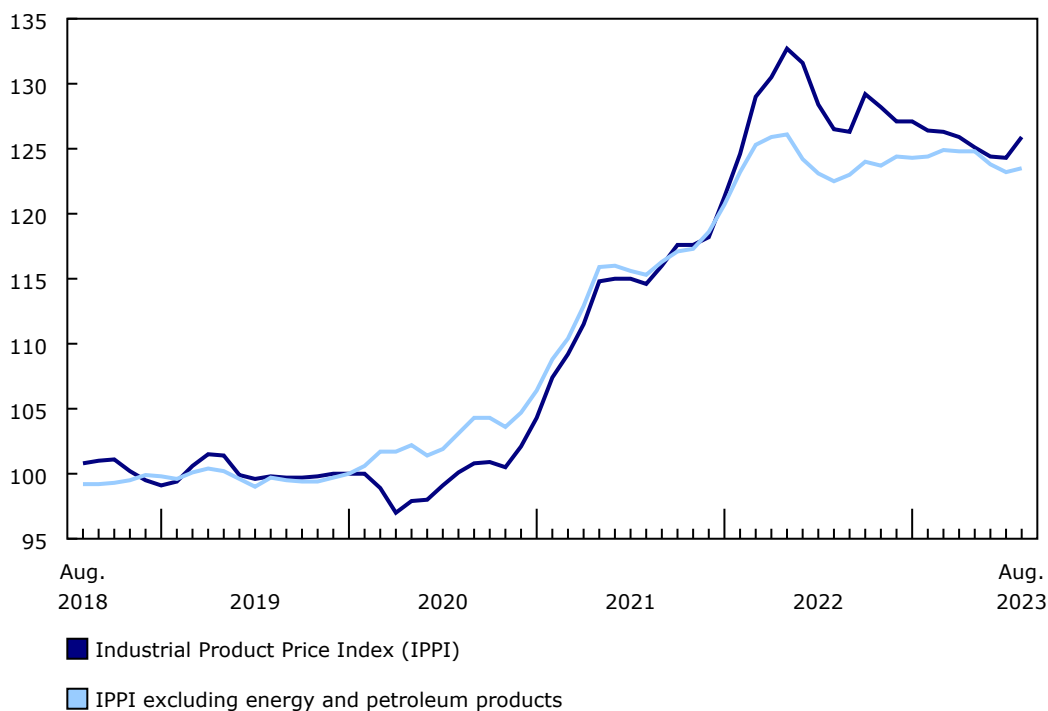
# Industrial product and raw materials price indexes, August 2023

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Prices of products manufactured in Canada, as measured by the Industrial Product Price Index (IPPI), rose 1.3% month over month in August and fell 0.5% year over year. Prices of raw materials purchased by manufacturers operating in Canada, as measured by the Raw Materials Price Index (RMPI), increased 3.0% on a monthly basis in August and posted a 4.3% year-over-year decline.

## Chart 1 Prices for industrial products increase

index (January 2020=100)



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

## Industrial Product Price Index

The IPPI rose 1.3% month over month in August. This was the first monthly increase in the IPPI since October 2022 (+2.3%). Year over year, the IPPI was down 0.5% in August 2023.

Higher prices for refined petroleum energy products (+10.6%) led the monthly increase in IPPI. Increases were widespread within this category in August, including gains for diesel (+16.8%) and finished motor gasoline (+4.2%). These increases coincided with a month-over-month increase in the average price of crude oil—the main input used to produce refined petroleum. West Texas Intermediate crude oil, a main oil reference price used in North America, started July at around \$70 USD per barrel and closed August at around \$83 USD per barrel. This upward trend in crude was influenced by the expectation of the Organization of the Petroleum Exporting Countries and its partners (OPEC+) continuing its voluntary production restriction on crude production by its members. Compared with August 2022, prices for refined petroleum energy products fell 8.4%.



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Prices for chemicals and chemical products increased 3.5% month over month in August 2023, following seven months of consecutive declines. The monthly gain was mainly attributable to higher prices for petrochemicals (+12.6%) and fertilizers, pesticides and other chemical products (+6.9%). Higher prices for petrochemicals were partly due to the increase in the price of petroleum. Prices for fertilizers, pesticides and other chemical products partially rebounded in August after posting a record monthly decline in July (-12.1%).

Prices for motorized and recreational vehicles were up 0.5% in August, mainly on higher prices for motor vehicle engines and motor vehicle parts (+1.1%). In August, the Canadian dollar depreciated 2.0% against the US dollar. As many prices in this category are reported in US dollars, the movement in the exchange rate partially contributed to the monthly price increase in this group.

Prices for meat, fish and dairy products rose 1.2% in August. Increases were seen among several types of meat products (+1.9%), including fresh and frozen beef and veal (+3.1%), fresh and frozen pork (+2.6%), and fresh and frozen chicken (+3.0%). Higher prices for beef were partly influenced by an increase in export demand. In July, the value of Canada's beef exports to the world and to the United States both rose on a monthly basis, after posting declines for three consecutive months. Compared with July 2022, the export value of Canadian beef to the United States increased 22.9%. While demand was strong, supply remained tight for cattle. As of August 1, the number of cattle on feed fell in both Canada and the United States compared with the same date in 2022, and slaughter counts were also down year over year in the month of August 2023.

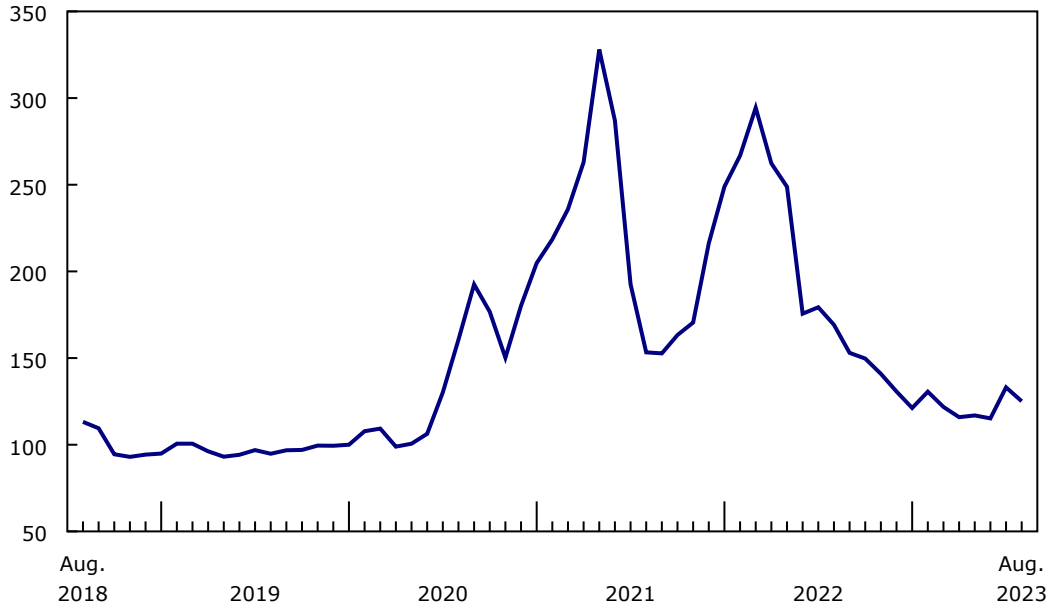
Fresh and frozen pork prices rose for a fifth consecutive month in August, with higher domestic and US demand coupled with shrinking inventory contributing to the ongoing upward trend. In July, the total export value for both Canadian live hog and pork meat to the United States rose for the second consecutive month. In the meantime, US pork cold storage fell for a third month in a row in July 2023 and was 10.0% lower compared with July 2022.

Prices for pulp and paper products rose 1.8% on a monthly basis in August 2023, mainly due to higher prices for wood pulp (+5.3%), which posted its first monthly increase since March 2023.

Prices for softwood lumber fell 6.0% month over month in August, after posting a 15.5% increase in July. On a yearly basis, prices were down 26.1% in August. The monthly price decline was partly attributable to a slowdown in construction activities, as well as an increase in supply with some previously curtailed production returning to operation across North America.

**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**

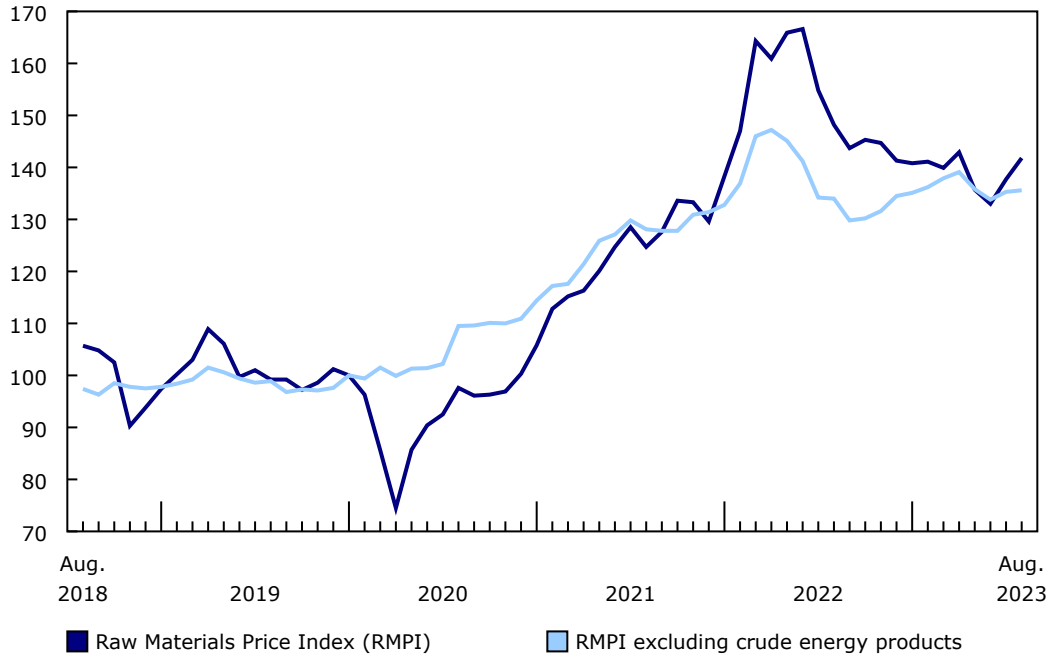
The RMPI increased 3.0% month over month in August and fell 4.3% compared with the same month in 2022. Excluding crude energy products, the RMPI rose 0.2% month over month and 1.2% year over year.

Prices for crude energy products rose 7.4% in August 2023, after posting a 7.8% increase in July. Compared with August 2022, prices for crude energy products dropped 11.9%. The monthly increase was mainly due to higher prices for conventional crude oil (+7.8%) and synthetic crude oil (+7.2%).

Prices for animals and animal products rose 0.9% in August. Prices for hogs were up 3.9%, while prices for fish, crustaceans, shellfish and other fishery products increased 3.2%.

**Chart 3**  
**Prices for raw materials increase**

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. 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.

## Increased sample size for certain series

Effective with the release of April 2023 data, the sample size for certain IPPI and RMPI indexes has been increased to improve their quality. The complete list of these indexes can be obtained upon request.

## Next release

The industrial product and raw materials price indexes for September will be released on October 19.

**Table 1**  
**Industrial Product Price Index – Not seasonally adjusted**

	Relative importance <sup>1</sup>	August 2022	July 2023 <sup>r</sup>	August 2023 <sup>p</sup>	July to August 2023	August 2022 to August 2023
	%	(January 2020=100)			% change	
<b>Industrial Product Price Index (IPPI)</b>	<b>100.00</b>	<b>126.5</b>	<b>124.3</b>	<b>125.9</b>	<b>1.3</b>	<b>-0.5</b>
<b>IPPI excluding energy and petroleum products</b>	<b>91.19</b>	<b>122.5</b>	<b>123.2</b>	<b>123.5</b>	<b>0.2</b>	<b>0.8</b>
<b>Aggregation by commodities</b>						
Meat, fish and dairy products	7.08	113.8	118.1	119.5	1.2	5.0
Fruit, vegetables, feed and other food products	7.96	133.7	134.4	134.5	0.1	0.6
Beverages (except juices)	1.95	112.6	119.5	119.3	-0.2	6.0
Tobacco products	0.31	110.0	123.7	123.7	0.0	12.5
Textile and leather products	0.52	121.8	119.5	121.4	1.6	-0.3
Clothing, footwear and accessories	0.42	107.6	111.6	115.0	3.0	6.9
Chemicals and chemical products	8.79	128.4	115.9	119.9	3.5	-6.6
Plastic and rubber products	2.80	123.2	126.4	126.7	0.2	2.8
Lumber and other wood products	4.58	151.3	131.1	127.8	-2.5	-15.5
Pulp and paper products	3.61	121.6	113.4	115.4	1.8	-5.1
Energy and petroleum products	8.81	161.3	134.5	146.7	9.1	-9.1
Primary ferrous metal products	2.83	150.6	148.0	147.3	-0.5	-2.2
Primary non-ferrous metal products	7.07	130.4	137.8	137.0	-0.6	5.1
Fabricated metal products and construction materials	3.28	144.0	140.2	140.5	0.2	-2.4
Motorized and recreational vehicles	22.19	105.6	111.0	111.6	0.5	5.7
Machinery and equipment	6.18	111.9	117.9	117.7	-0.2	5.2
Electrical, electronic, audiovisual and telecommunications products	3.69	122.5	125.0	125.0	0.0	2.0
Furniture and fixtures	1.52	115.5	114.5	109.8	-4.1	-4.9
Cement, glass and other non-metallic mineral products	2.18	115.5	126.3	126.3	0.0	9.4
Packaging materials and containers	2.17	127.4	131.0	131.1	0.1	2.9
Miscellaneous products	2.04	112.4	114.5	114.9	0.3	2.2

<sup>r</sup> revised

<sup>p</sup> 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 <sup>1</sup>	August 2022	July 2023 <sup>r</sup>	August 2023 <sup>p</sup>	July to August 2023	August 2022 to August 2023
	%	(January 2020=100)			% change	
<b>Raw Materials Price Index (RMPI)</b>	<b>100.00</b>	<b>148.2</b>	<b>137.7</b>	<b>141.8</b>	<b>3.0</b>	<b>-4.3</b>
<b>RMPI excluding crude energy products</b>	<b>66.68</b>	<b>134.0</b>	<b>135.3</b>	<b>135.6</b>	<b>0.2</b>	<b>1.2</b>
Crude energy products	33.32	173.1	142.0	152.5	7.4	-11.9
Crop products	12.30	156.7	151.1	149.3	-1.2	-4.7
Animals and animal products	20.09	126.7	137.7	138.9	0.9	9.6
Non-metallic minerals	3.11	118.9	130.2	130.9	0.5	10.1
Logs, pulpwood, natural rubber and other forestry products	5.81	152.0	119.3	121.9	2.2	-19.8
Metal ores, concentrates and scrap	25.37	126.6	130.5	130.7	0.2	3.2

<sup>r</sup> revised

<sup>p</sup> 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.

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**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](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).