

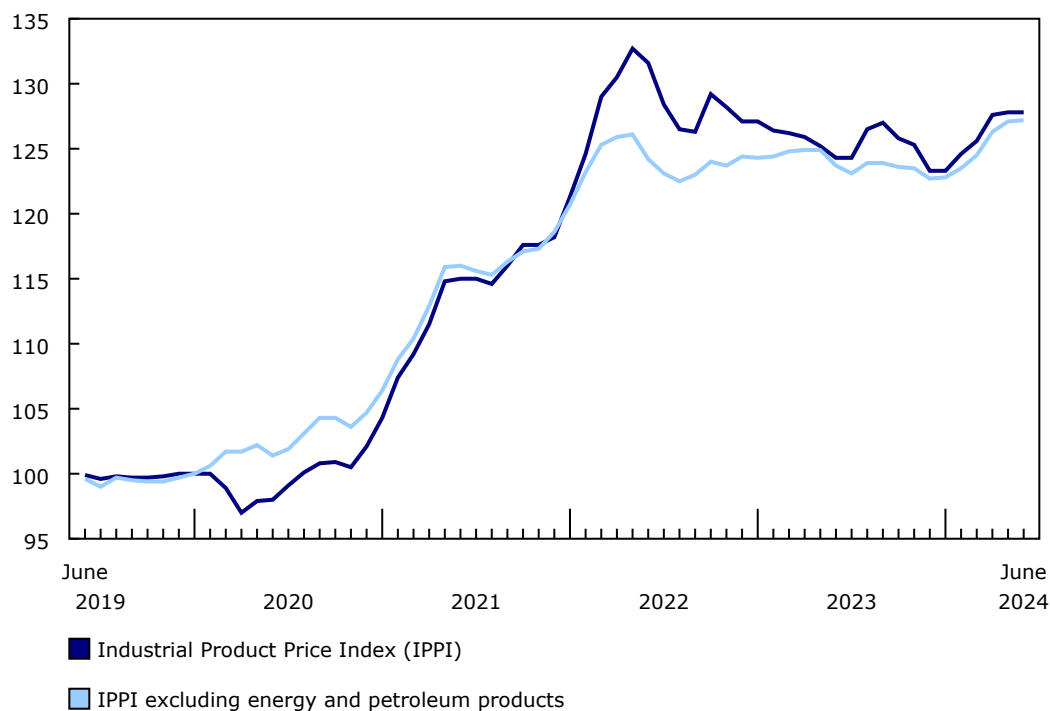
Industrial product and raw materials price indexes, June 2024

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, July 19, 2024

Prices of products manufactured in Canada, as measured by the Industrial Product Price Index (IPPI), were unchanged month over month in June and increased 2.8% year over year. Prices of raw materials purchased by manufacturers operating in Canada, as measured by the Raw Materials Price Index (RMPI), declined 1.4% month over month in June and were up 7.5% year over year.

Chart 1 Prices for industrial products unchanged in June

index (January 2020=100)



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

Industrial Product Price Index

The IPPI was unchanged month over month in June after increasing 0.2% from April to May.

Prices for meat, fish and dairy products (+2.4%) were the largest contributor to the IPPI for the month of June, posting a fourth consecutive month-over-month increase. Prices for fresh and frozen beef and veal (+5.6%) and fresh and frozen pork (+4.6%) drove the increase. The prices for both meats were supported by an increase in seasonal demand entering the summer months. At the same time, beef supply continued to be tight. According to Agriculture and Agri-Food Canada, cattle slaughter in June was down by 13.3% in Canada and by 4.2% in the United States compared with June 2023. [Stocks of frozen and chilled beef and pork in cold storage were both lower in the second quarter of 2024 compared with the second quarter of 2023.](#)



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Prices for pulp and paper products increased 1.7% on a monthly basis in June 2024, mainly due to higher prices for wood pulp (+2.9%). Wood pulp supply has been tight recently, contributing to higher prices for the third consecutive month. Lately, increased shipping costs have limited pulp and paper product exports from Asia to North American and European markets, holding down supply further.

Multiple product groups decreased in price from May to June.

The prices of primary non-ferrous metal products declined 0.4% month over month in June after posting three straight monthly increases. Prices for unwrought nickel and nickel alloys fell 10.3% in June, the largest decline since March 2023 (-11.4%). After four straight months of higher prices, the nickel price drop in June 2024 was a price correction that took into account the high level of supply from producers in Asia. Meanwhile, prices for unwrought copper and copper alloys (-4.5%) also decreased from May to June, partly due to abundant supply. In June, the combined stock of the metal in the world's three foremost metal exchanges reached its highest mark in nearly three years.

Prices for energy and petroleum products decreased 0.4% in June, falling for the second consecutive month. Finished motor gasoline prices fell 3.5% compared with May. In contrast, diesel prices rose 3.3% month over month in June. Tepid demand and rising inventories pushed down gasoline prices, whereas the shift toward higher gasoline production due to the summer driving season caused a fall in diesel inventories that supported diesel prices in June.

Year over year

The IPPI was 2.8% higher on a year-over-year basis in June, the third straight year-over-year increase.

The largest upward contributors to June's year-over-year increase included unwrought silver and silver alloys (+30.5%), unwrought gold and gold alloys (+23.6%), diesel fuel (+9.7%), and unwrought copper and copper alloys (+18.6%). Silver and gold prices were often supported by safe haven investment demand in the 12 months ending in June 2024, and silver prices have recently benefitted from stronger industrial demand. Copper prices have been pressured upward in part because of supply concerns.

Partly offsetting the IPPI's year-over-year increase, multiple product groups declined year over year in June. Most notably, prices were down on a year-over-year basis for finished motor gasoline (-5.0%), unwrought nickel and nickel alloys (-14.9%), and canola or rapeseed oil (-24.1%). On average, the nickel and canola markets had high levels of supply over the 12 months ending in June 2024.

Raw Materials Price Index

The RMPI declined 1.4% month over month in June following a 1.5% decline in May.

Prices for crude energy products (-1.2%) were the largest driver of the RMPI's monthly decline in June, falling for the second month in a row. Synthetic crude oil prices fell 3.1% month over month in June while conventional crude oil prices edged down 0.1%. Prices were down to start the month as the Organization of the Petroleum Producing Countries and its partners (OPEC+) announced that some of the group's voluntary production cuts would be gradually phased out starting in the fall of 2024. Later in June, the initial price drop was considered by the market to be an overreaction to the OPEC+ announcement, so prices began to rebound, particularly in light of greater geopolitical tensions in the Middle East.

The prices of metal ores, concentrates and scrap were down 1.7% in June compared with May. Several different metals played a role in the decrease, including nickel ores and concentrates (-10.4%), iron ores and concentrates (-9.4%), and copper ores and concentrates (-7.1%). Iron ore prices were pushed down by market fundamentals in June. The commodity's price is heavily influenced by developments in the Chinese market, where it is primarily used as a steelmaking input. On the supply side, rising stockpiles at Chinese ports weighed on prices. Concurrently, soft demand for steel in China adversely affected iron ore demand and weighed on iron ore prices in turn.

Prices for crop products (-1.9%) fell on a monthly basis in June after increasing over the previous three months. Canola prices decreased 5.6% in June relative to May. North American canola production expectations improved in June, pushing down prices. Wheat prices (-3.5%) decreased as well in the month. In overseas markets, pressure to quickly sell harvested wheat exerted downward pressure on prices that influenced the Canadian market.

Year over year

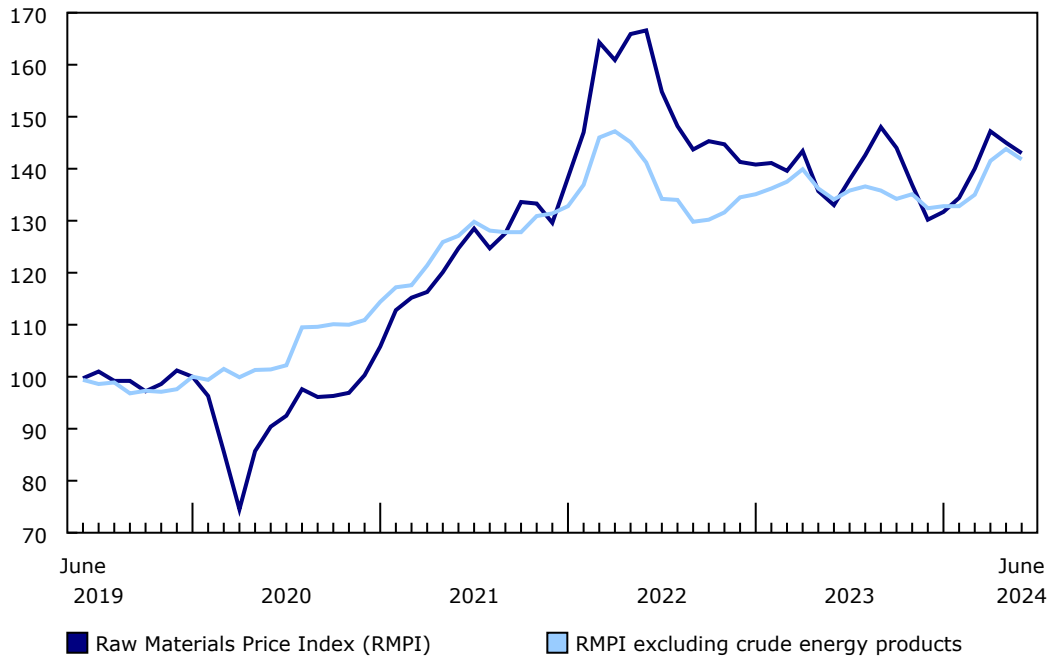
The RMPI rose 7.5% year over year in June, the fourth consecutive year-over-year increase. A base effect is largely behind the notable year-over-year increase, as the RMPI fell 5.4% month over month in May 2023, followed by a monthly decline of 2.0% in June 2023. The prices of metal ores, concentrates and scrap (-5.5%) were the biggest contributor to the June 2023 decrease while the prices of crude energy products dropped 9.8% in May 2023.

In line with the base period decrease in June 2023 and the previous month's decrease in May 2023, the largest upward contributors to the RMPI's yearly increase in June 2024 were conventional crude oil (+13.9%), gold, silver, and platinum group metal ores and concentrates (+24.4%), and synthetic crude oil (+12.2%).

Conversely, the largest downward contributors that moderated the RMPI's year-over-year gain in June included canola (-14.1%), nickel ores and concentrates (-15.0%), logs and bolts (-9.6%), and grains (except wheat) (-7.6%).

Chart 2
Prices for raw materials decline in June

index (January 2020=100)



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

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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.

Basket update

The IPPI and RMPI will be implementing a basket update in the fall. The indexes currently reflect 2016 production values. With this update, the weighting pattern of forthcoming index values will reflect 2019 production values of Canadian manufacturers. The IPPI and RMPI series are being migrated from the North American Product Classification System (NAPCS) 2017 Version 2.0 to NAPCS 2022 Version 1.0 as part of the basket update process. IPPI series aggregated according to the North American Industry Classification System (NAICS) 2017 Version 3.0 will also be migrated to NAICS 2022 Version 1.0. This process will result in several modifications including the addition of new series, the termination of series, and updates made to titles and definitions. Series that existed in our previous basket and did not experience a code change will continue to be calculated relative to the same base period (January 2020 = 100). New series introduced under the classifications system migration will be based one month prior to the reference period when these series are released.

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.

Next release

The industrial product and raw materials price indexes for July will be released on August 21.

Table 1
Industrial Product Price Index – Not seasonally adjusted

| | Relative importance ¹ | June 2023 | May 2024 ^r | June 2024 ^p | May to June 2024 | June 2023 to June 2024 |
|---|----------------------------------|--------------------|-----------------------|------------------------|------------------|------------------------|
| | % | (January 2020=100) | | | % change | |
| Industrial Product Price Index (IPPI) | 100.00 | 124.3 | 127.8 | 127.8 | 0.0 | 2.8 |
| IPPI excluding energy and petroleum products | 91.19 | 123.7 | 127.1 | 127.2 | 0.1 | 2.8 |
| Aggregation by commodities | | | | | | |
| Meat, fish and dairy products | 7.08 | 120.4 | 119.9 | 122.8 | 2.4 | 2.0 |
| Fruit, vegetables, feed and other food products | 7.96 | 133.4 | 131.9 | 132.3 | 0.3 | -0.8 |
| Beverages (except juices) | 1.95 | 119.6 | 125.1 | 124.9 | -0.2 | 4.4 |
| Tobacco products | 0.31 | 121.6 | 135.4 | 130.8 | -3.4 | 7.6 |
| Textile and leather products | 0.52 | 120.4 | 120.9 | 120.3 | -0.5 | -0.1 |
| Clothing, footwear and accessories | 0.42 | 112.1 | 115.4 | 115.2 | -0.2 | 2.8 |
| Chemicals and chemical products | 8.79 | 121.4 | 125.2 | 125.1 | -0.1 | 3.0 |
| Plastic and rubber products | 2.80 | 126.4 | 126.4 | 124.8 | -1.3 | -1.3 |
| Lumber and other wood products | 4.58 | 121.9 | 124.9 | 125.4 | 0.4 | 2.9 |
| Pulp and paper products | 3.61 | 115.6 | 119.0 | 121.0 | 1.7 | 4.7 |
| Energy and petroleum products | 8.81 | 130.0 | 134.0 | 133.5 | -0.4 | 2.7 |
| Primary ferrous metal products | 2.83 | 154.9 | 143.4 | 141.8 | -1.1 | -8.5 |
| Primary non-ferrous metal products | 7.07 | 138.8 | 160.2 | 159.5 | -0.4 | 14.9 |
| Fabricated metal products and construction materials | 3.28 | 139.0 | 139.1 | 138.7 | -0.3 | -0.2 |
| Motorized and recreational vehicles | 22.19 | 110.7 | 113.7 | 113.6 | -0.1 | 2.6 |
| Machinery and equipment | 6.18 | 117.1 | 121.1 | 121.3 | 0.2 | 3.6 |
| Electrical, electronic, audiovisual and telecommunications products | 3.69 | 126.8 | 131.7 | 130.5 | -0.9 | 2.9 |
| Furniture and fixtures | 1.52 | 115.6 | 114.0 | 114.1 | 0.1 | -1.3 |
| Cement, glass and other non-metallic mineral products | 2.18 | 125.8 | 135.6 | 135.7 | 0.1 | 7.9 |
| Packaging materials and containers | 2.17 | 130.7 | 132.7 | 131.6 | -0.8 | 0.7 |
| Miscellaneous products | 2.04 | 114.0 | 119.7 | 119.9 | 0.2 | 5.2 |

^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 | June 2023 | May 2024 ^r | June 2024 ^p | May to June 2024 | June 2023 to June 2024 |
|--|----------------------------------|--------------------|-----------------------|------------------------|------------------|------------------------|
| | % | (January 2020=100) | | | % change | |
| Raw Materials Price Index (RMPI) | 100.00 | 133.0 | 145.0 | 143.0 | -1.4 | 7.5 |
| RMPI excluding crude energy products | 66.68 | 134.1 | 143.8 | 141.8 | -1.4 | 5.7 |
| Crude energy products | 33.32 | 131.1 | 147.0 | 145.2 | -1.2 | 10.8 |
| Crop products | 12.30 | 145.7 | 139.5 | 136.9 | -1.9 | -6.0 |
| Animals and animal products | 20.09 | 133.6 | 140.5 | 139.8 | -0.5 | 4.6 |
| Non-metallic minerals | 3.11 | 129.7 | 132.3 | 132.5 | 0.2 | 2.2 |
| Logs, pulpwood, natural rubber and other forestry products | 5.81 | 117.4 | 120.6 | 117.4 | -2.7 | 0.0 |
| Metal ores, concentrates and scrap | 25.37 | 133.5 | 154.7 | 152.1 | -1.7 | 13.9 |

^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).