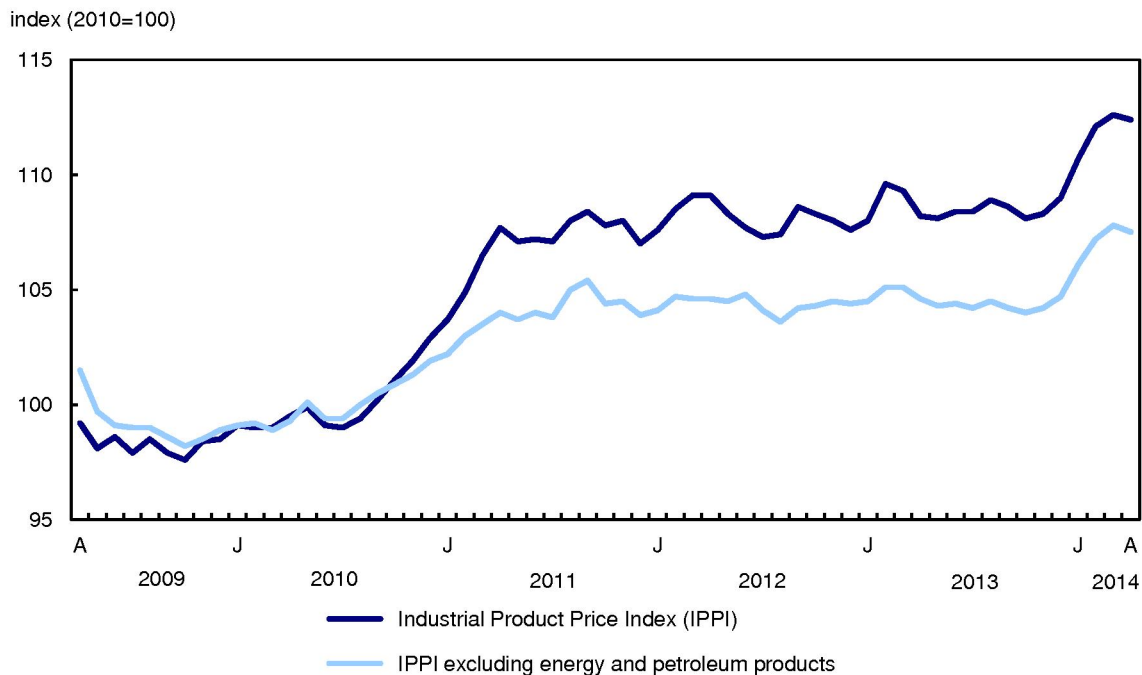


# Industrial product and raw materials price indexes, April 2014

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The Industrial Product Price Index (IPPI) declined 0.2% in April, mainly because of lower prices for primary non-ferrous metal products. The Raw Materials Price Index (RMPI) increased 0.1%, led by animals and animal products.

**Chart 1**  
**Prices for industrial goods decrease**



## Industrial Product Price Index, monthly change

The IPPI declined 0.2% in April, after rising 0.4% in March. This was the first decline in the IPPI since October 2013. Of the 21 major product groups, 2 were up, 15 were down and 4 were unchanged.

The decrease of the IPPI was mainly attributable to lower prices for primary non-ferrous metal products (-1.9%). Unwrought precious metals and precious metal alloys (-4.2%) was the main reason for the decline in this commodity group. This was the largest decrease for unwrought precious metals and precious metal alloys since July 2013. After peaking in September 2011, unwrought precious metals and precious metal alloys have generally been trending downwards. Over the 31-month period since that peak, unwrought precious metals and precious metal alloys have declined 30.3%.

The IPPI was moderated by higher prices for meat, fish, and dairy products (+2.5%). Fresh and frozen pork (+7.9%) increased for the fourth consecutive month and was the main reason for the increase in this commodity group. The rise in fresh and frozen pork was mainly attributable to higher prices for hogs.



Motorized and recreational vehicles (-0.6%) declined for the first time since September 2013, led by lower prices for passenger cars and light trucks (-0.7%), motor vehicle engines and motor vehicle parts (-0.5%), as well as aircraft (-1.0%). The decline in motorized and recreational vehicle prices was closely linked to the appreciation of the Canadian dollar relative to the US dollar.

Chemicals and chemical products (-0.6%) declined for the second consecutive month, led by lower prices for petrochemicals (-4.4%). Plastic resins rose by 1.8% in April, moderating the decline for chemicals and chemical products.

To a lesser extent, energy and petroleum products (-0.2%) declined for the first time since October 2013, primarily as a result of lower prices for natural gas liquids and related products (-14.0%).

Some Canadian producers who export their products report their prices in US dollars. Consequently, the 1.1% increase in the value of the Canadian dollar relative to the US dollar may have had the effect of decreasing the IPPI. Without the measurable effect of the exchange rate, the index would have risen 0.1% instead of decreasing 0.2%.

### **Industrial Product Price Index, 12-month change**

The IPPI increased 3.9% during the 12-month period ending in April, after rising 3.0% in March.

Compared with April 2013, the growth of the IPPI was mainly attributable to energy and petroleum products (+9.5%), specifically diesel fuel (+13.4%), light fuel oils (+13.3%) and motor gasoline (+10.9%). The IPPI excluding energy and petroleum products rose 2.8% on a year-over-year basis.

Motorized and recreational vehicles (+4.9%) also contributed to the year-over-year increase in the IPPI, as a result of higher prices for passenger cars and light trucks (+5.3%), motor vehicle engines and motor vehicle parts (+3.3%) and aircraft (+9.6%). On a year-over-year basis, prices for motorized and recreational vehicles have been on an upward trend since July 2013.

Compared with April 2013, meat, fish, and dairy products rose 10.4%, mainly as a result of higher prices for fresh and frozen pork (+47.9%).

To a lesser extent, chemicals and chemical products (+4.9%) and primary ferrous metals (+7.3%) also contributed to the year-over-year increase in the IPPI.

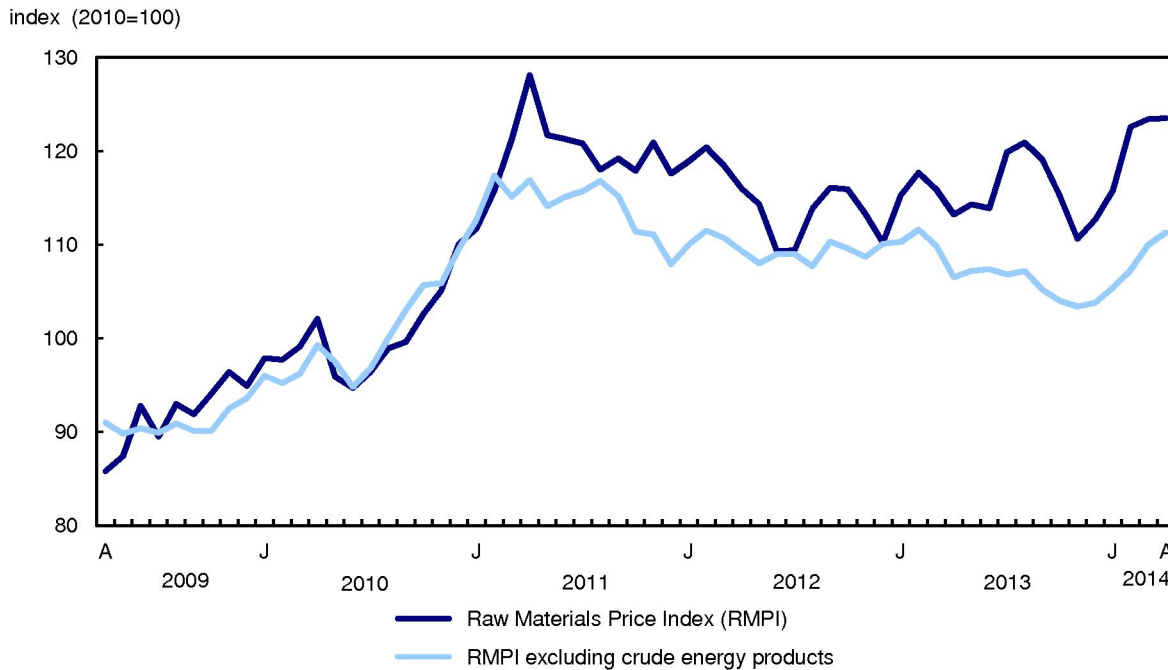
The gain in chemicals and chemical products was mostly a result of higher prices for petrochemicals (+6.3%), ammonia and chemical fertilizers (+13.4%) as well as plastic resins (+10.6%).

The year-over-year advance of primary ferrous metal products (+7.3%) was led by higher prices for iron and steel basic shapes (+10.6%) as well as wire and other rolled and drawn steel products (+9.0%).

### **Raw Materials Price Index, monthly change**

The RMPI edged up 0.1% in April, after rising 0.7% in March. It was the fifth consecutive monthly increase. Of the six major commodity groups, two were up and four were down.

**Chart 2**  
**Prices for raw materials rise**



The increase of the RMPI was mainly attributable to higher prices for animals and animal products (+4.4%), which posted a fourth straight monthly gain. Live animals (+7.1%), in particular hogs (+14.1%), were responsible for the increase in the animals and animal products group. The upward trend in hog prices that began in January 2014 is partly due to the porcine epidemic diarrhea virus.

To a lesser extent, crop products (+1.0%) also contributed to the increase of the RMPI, largely because of higher prices for other crop products (+1.1%) and canola (+2.8%).

Conversely, the increase of the RMPI was moderated mostly by crude energy products (-0.8%), down for a second consecutive month. Lower prices for conventional crude oil (-0.9%) led the decline for this commodity group. The RMPI excluding crude energy products increased 1.2% in April.

Metal ores, concentrates and scrap also moderated the increase in the RMPI, down 1.4% compared with March.

### Raw Materials Price Index, 12-month change

The RMPI increased 9.1% during the 12-month period ending in April, after advancing 6.5% in March.

Compared with April 2013, the increase in the RMPI was mainly attributable to higher prices for crude energy products (+13.5%), particularly conventional crude oil (+13.6%). The RMPI excluding crude energy products was up 4.5% on a year-over-year basis.

To a lesser extent, animals and animal products (+18.1%) also contributed to the year-over-year increase in the RMPI, primarily because of higher prices for live animals (+31.7%), particularly hogs (+64.5%).

Conversely, the growth of the RMPI over a 12-month period was moderated by crop products (-4.7%) as well as metal ores, concentrates and scrap (-1.9%).

### Note to readers

For vectors that have a concordance, Industrial Product Price Index historical data (prior to January 2010) based on the new basket (2010=100) and the North American Product Classification System (NAPCS) are now available on CANSIM.

The concordance between the old CANSIM vectors and the new CANSIM vectors is available in the [Concordance table between PCG and NAPCS vectors](#).

With each release, data for the previous six months may have been revised. The indexes are not seasonally adjusted.

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

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

The conversion of prices received in US dollars is based on the average monthly exchange rate (noon spot rate) established by the Bank of Canada, and it is available on CANSIM in table 176-0064 (series v37426). 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 **Raw Materials Price Index (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.

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

|  | Relative importance <sup>1</sup> | April 2013   | March 2014 <sup>r</sup> | April 2014 <sup>P</sup> | March to April 2014 | April 2013 to April 2014 |
|--|----------------------------------|--------------|-------------------------|-------------------------|---------------------|--------------------------|
|  | %                                | (2010=100)   |                         |                         | % change            |                          |
| <b>Industrial Product Price Index (IPPI)</b>                       | <b>100.00</b>                    | <b>108.2</b> | <b>112.6</b>            | <b>112.4</b>            | <b>-0.2</b>         | <b>3.9</b>               |
| <b>IPPI excluding energy and petroleum products</b>                | <b>86.40</b>                     | <b>104.6</b> | <b>107.8</b>            | <b>107.5</b>            | <b>-0.3</b>         | <b>2.8</b>               |
| <b>Aggregation by commodities</b>                                  |                                  |              |                         |                         |                     |                          |
| Meat, fish and dairy products                                      | 7.21                             | 106.5        | 114.7                   | 117.6                   | 2.5                 | 10.4                     |
| Fruit, vegetables, feed and other food products                    | 7.53                             | 113.2        | 112.1                   | 112.3                   | 0.2                 | -0.8                     |
| Beverages (except juices)  | 1.92                             | 105.1        | 104.7                   | 104.7                   | 0.0                 | -0.4                     |
| Tobacco products   | 0.25                             | 113.9        | 121.0                   | 120.9                   | -0.1                | 6.1                      |
| Textile and leather products                                       | 0.57                             | 104.2        | 106.4                   | 106.3                   | -0.1                | 2.0                      |
| Clothing, footwear and accessories                                 | 0.51                             | 101.3        | 102.4                   | 102.3                   | -0.1                | 1.0                      |
| Chemicals and chemical products                                    | 8.46                             | 109.9        | 116.0                   | 115.3                   | -0.6                | 4.9                      |
| Plastic and rubber products  | 2.79                             | 104.8        | 107.0                   | 106.9                   | -0.1                | 2.0                      |
| Lumber and other wood products                                     | 2.27                             | 111.2        | 104.7                   | 104.1                   | -0.6                | -6.4                     |
| Pulp and paper products  | 4.09                             | 100.5        | 103.0                   | 102.2                   | -0.8                | 1.7                      |
| Energy and petroleum products                                      | 13.60                            | 130.8        | 143.5                   | 143.2                   | -0.2                | 9.5                      |
| Primary ferrous metal products                                     | 3.32                             | 98.5         | 105.9                   | 105.7                   | -0.2                | 7.3                      |
| Primary non-ferrous metal products                                 | 8.03                             | 104.5        | 105.6                   | 103.6                   | -1.9                | -0.9                     |
| Fabricated metal products and construction materials               | 3.17                             | 99.9         | 103.2                   | 103.2                   | 0.0                 | 3.3                      |
| Motorized and recreational vehicles                                | 17.23                            | 100.5        | 106.0                   | 105.4                   | -0.6                | 4.9                      |
| Machinery and equipment  | 5.73                             | 103.6        | 105.0                   | 104.9                   | -0.1                | 1.3                      |
| Electrical, electronic, audiovisual and telecommunication products | 4.69                             | 102.5        | 103.1                   | 102.8                   | -0.3                | 0.3                      |
| Furniture and fixtures   | 1.49                             | 101.7        | 102.2                   | 102.2                   | 0.0                 | 0.5                      |
| Cement, glass, and other non-metallic mineral products             | 2.34                             | 104.1        | 105.0                   | 104.9                   | -0.1                | 0.8                      |
| Packaging materials and containers                                 | 2.38                             | 104.6        | 107.4                   | 107.4                   | 0.0                 | 2.7                      |
| Miscellaneous products   | 2.41                             | 107.5        | 109.3                   | 108.4                   | -0.8                | 0.8                      |

<sup>r</sup> revised

<sup>P</sup> preliminary

1. The relative importance is based on the annual 2010 values of production.

**Table 2**  
**Raw Materials Price Index – Not seasonally adjusted**

|  | Relative importance <sup>1</sup> | April 2013   | March 2014 <sup>r</sup> | April 2014 <sup>P</sup> | March to April 2014 | April 2013 to April 2014 |
|--|----------------------------------|--------------|-------------------------|-------------------------|---------------------|--------------------------|
|  | %                                | (2010=100)   |                         |                         | % change            |                          |
| <b>Raw Materials Price Index (RMPI)</b>                    | <b>100.00</b>                    | <b>113.2</b> | <b>123.4</b>            | <b>123.5</b>            | <b>0.1</b>          | <b>9.1</b>               |
| <b>RMPI excluding crude energy products</b>                | <b>51.83</b>                     | <b>106.5</b> | <b>110.0</b>            | <b>111.3</b>            | <b>1.2</b>          | <b>4.5</b>               |
| Crude energy products                                      | 48.17                            | 120.4        | 137.7                   | 136.6                   | -0.8                | 13.5                     |
| Crop products  | 8.68                             | 133.1        | 125.6                   | 126.9                   | 1.0                 | -4.7                     |
| Animals and animal products                                | 15.51                            | 112.8        | 127.6                   | 133.2                   | 4.4                 | 18.1                     |
| Non-metallic minerals                                      | 1.85                             | 106.7        | 106.8                   | 106.3                   | -0.5                | -0.4                     |
| Logs, pulpwood, natural rubber and other forestry products | 2.84                             | 101.4        | 111.3                   | 110.9                   | -0.4                | 9.4                      |
| Metal ores, concentrates and scrap                         | 22.96                            | 92.8         | 92.3                    | 91.0                    | -1.4                | -1.9                     |

<sup>r</sup> revised

<sup>P</sup> preliminary

1. The relative importance is based on the annual 2010 values of raw material inputs into production.

**Available in CANSIM: tables 329-0074 to 329-0077 and 330-0008.**

Table 329-0074: Industrial Product Price Index, by major commodity aggregations.

Table 329-0075: Industrial Product Price Index, by commodity.

Table 329-0076: Industrial Product Price Index, for selected groups, by region.

Table 329-0077: Industrial Product Price Index, by North American Industry Classification System.

Table 330-0008: Raw Materials Price Index, by commodity.

**Definitions, data sources and methods: survey numbers 2306 and 2318.**

The industrial product and raw materials price indexes for May will be released on June 27.

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 (613-951-4636; [mediahotline@statcan.gc.ca](mailto:mediahotline@statcan.gc.ca)).