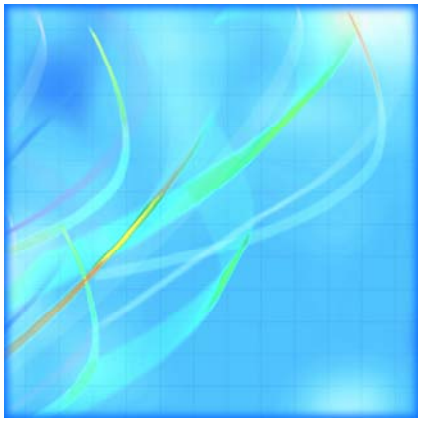
Catalogue no. 21-007-X

Farm Product Price Index

February 2012



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Statistics Canada
Agriculture Division

Farm Product Price Index

February 2012

Published by authority of the Minister responsible for Statistics Canada

April 2012

Catalogue no. 21-007-X, vol. 12, no. 2

ISSN 1496-2284

Frequency: Monthly

Ottawa

Cette publication est également disponible en français.

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Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
p	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the *Statistics Act*
E	use with caution
F	too unreliable to be published
*	significantly different from reference category ($p < 0.05$)

Acknowledgements

This publication was prepared under the direction of:

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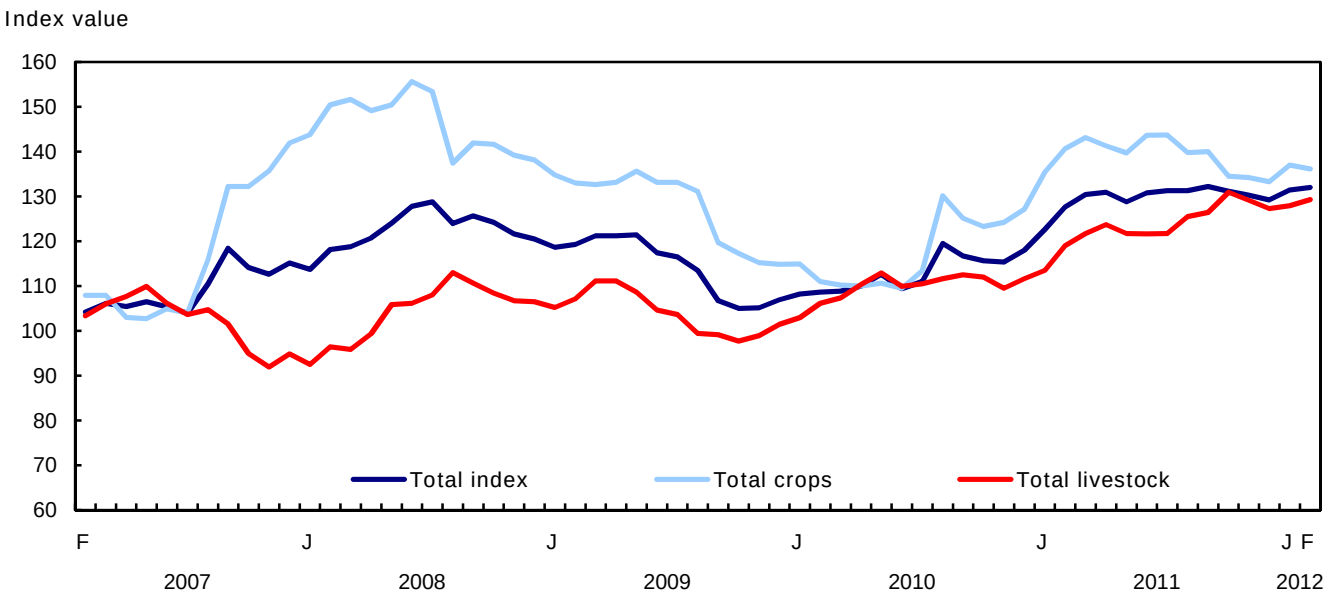
Highlights

Prices farmers received for their commodities in February rose 3.4% from February 2011, as the increase in overall livestock and animal product prices more than offset lower crop prices. The total index has trended upwards since August 2010; however there has been a continual slow-down of growth since October 2011. The last three months have posted single digit increases.

Chart 1
Farm product price index (FPPI) (1997=100)



Analysis – February 2012

Prices farmers received for their commodities in February rose 3.4% from February 2011, as the increase in overall livestock and animal product prices more than offset lower crop prices. The total index has trended upwards since August 2010; however there has been a continual slow-down of growth since October 2011. The last three months have posted single digit increases.

Compared with the same month in 2011, the livestock and animal products index continued to grow (+8.7%) while the crops index (-3.2%) declined for the first time since August 2010.

Advances continued for all livestock commodities, ranging from 2.6% for dairy to 16.5% for cattle and calves. With the exception of hogs in May 2011, all livestock commodities have recorded year-over-year growth for the last fourteen months. Lower supplies of cattle and hogs in North America and higher input costs for supply-managed commodities have supported the year-over-year growth trends.

The decline in the crops index was largely the result of a drop in the grains index (-10.6%). This marks the third consecutive decline for the grains index which had started its year-over-year growth trend in September 2010. In February, the International Grains Council again increased its forecast for a record global 2011/12 grain crop.

The decline in the total crops index was moderated by increases in the oilseeds index (+3.8%) and the specialty crops index (+24.5%).

On a monthly basis, the FPPI increased for the second consecutive month, up 0.5% in February. The increase was primarily the result of higher prices for livestock and animal products (+1.1%) as the overall crops index dropped (-0.7%).

Related products

Selected publications from Statistics Canada

21-010-X	Net farm income - Agriculture economic statistics
21-011-X	Farm cash receipts - Agriculture economic statistics
21-012-X	Farm operating expenses and depreciation charges - Agriculture economic statistics
21-013-X	Value of farm capital - Agriculture economic statistics
21-014-X	Farm debt outstanding - Agriculture economic statistics
21-015-X	Direct payments to agriculture producers - Agriculture economic statistics
21-016-X	Balance sheet of the agricultural sector - Agriculture economic statistics
21-017-X	Agriculture value added account - Agriculture economic statistics
21-018-X	Farm business cash flows - Agriculture economic statistics
21-207-X	Statistics on income of farm families
21-208-X	Statistics on revenues and expenses of farms
21-525-X	Understanding measurements of farm income

Selected CANSIM tables from Statistics Canada

002-0005	Farm operating expenses and depreciation charges
002-0021	Farm product price index (FPPI)
002-0022	Farm product price index (FPPI)
002-0043	Farm product prices, crops and livestock

Selected surveys from Statistics Canada

3436	Farm Product Prices Survey
5040	Farm Product Price Index

Statistical tables

Table 1
Farm Product Price Index, by province

	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat-chewan	Alberta	British Columbia	Canada
	(1997 = 100)										
Annual											
2000	99.6	112.0	101.8	108.3	99.6	95.7	87.9	87.8	96.6	101.9	95.0
2001	102.0	118.9	105.3	116.9	103.6	101.6	97.0	98.9	104.8	102.0	102.0
2002	101.6	150.5	99.1	125.0	102.3	101.9	101.6	110.5	109.0	109.9	106.1
2003	102.1	122.5	103.1	110.6	101.2	100.3	95.5	102.8	100.6	109.2	101.3
2004	105.0	108.9	111.3	110.9	105.9	101.0	94.2	94.7	95.1	107.0	99.4
2005	105.4	114.4	119.0	122.2	105.6	99.8	92.0	83.6	93.3	106.6	96.8
2006	106.4	135.5	124.3	133.5	106.2	99.8	92.1	85.3	92.8	106.4	97.4
2007	112.0	131.2	123.3	126.0	109.7	106.2	105.8	116.0	105.7	105.8	108.7
2008	117.1	140.8	124.5	130.5	117.5	113.8	118.7	147.9	120.0	112.3	122.2
2009	118.8	161.9	117.2	137.2	116.1	113.9	108.2	120.9	109.5	108.9	113.8
2010											
January	129.3	147.7	135.8	134.0	113.7	112.2	104.1	108.5	98.6	109.0	108.2
February	131.3	139.6	141.8	130.9	116.3	113.5	105.1	106.4	99.7	110.0	108.6
March	122.2	142.9	117.8	129.9	114.1	113.3	105.0	106.9	103.4	108.6	108.8
April	121.8	147.5	118.1	124.3	114.6	112.8	107.4	105.8	106.5	110.1	110.0
May	123.2	146.8	122.7	122.1	117.2	115.6	112.7	107.7	108.7	110.5	112.6
June	122.5	159.5	119.7	127.5	117.3	112.9	108.6	102.5	103.9	111.3	109.4
July	123.2	180.1	121.7	135.8	119.1	114.3	111.4	101.8	105.5	116.1	111.0
August	121.9	175.1	138.0	167.1	123.8	117.2	116.5	122.5	112.2	121.4	119.5
September	118.5	183.4	132.1	147.2	123.3	115.7	115.9	119.6	109.8	114.9	116.7
October	117.1	156.8	126.5	145.3	118.7	112.9	112.1	122.8	111.1	114.4	115.6
November	116.3	148.4	121.2	139.1	114.2	114.9	114.9	123.4	110.3	110.9	115.3
December	115.6	147.9	119.8	138.6	119.0	120.5	119.3	121.4	112.5	115.2	118.0
Annual	121.6	154.2	127.3	138.0	118.1	114.6	110.8	112.2	106.9	113.5	112.8
2011 [1]											
January	124.2	171.3	138.9	147.5	122.0	122.5	122.4	125.8	119.8	116.2	122.6
February	127.3	177.9	141.0	150.7	129.2	125.4	127.6	132.3	124.3	118.4	127.6
March	124.6	168.7	135.5	155.0	130.7	126.4	130.0	139.7	127.3	119.0	130.4
April	124.0	171.1	135.9	155.8	136.2	127.6	131.4	136.7	128.5	118.4	130.9
May	125.9	171.5	138.9	155.1	133.9	125.5	128.2	137.7	126.0	118.1	128.8
June	125.2	163.5	134.6	153.1	133.5	125.8	132.2	145.6	125.4	118.3	130.8
July	126.1	162.9	136.2	150.8	130.2	128.8	132.9	146.9	126.3	115.7	131.3
August	127.8	185.6	140.2	163.3	133.3	133.7	132.1	137.2	128.6	118.2	131.3
September	129.4	165.9	141.6	164.2	134.3	131.2	129.1	140.6	126.1	121.4	132.2
October	125.7	165.9	143.1	170.6	137.4	130.5	127.7	136.0	124.8	124.5	131.1
November	127.8	162.6	141.8	167.8	138.3	130.2	126.8	134.2	124.2	122.2	130.3
December	127.0	164.2	140.2	165.6	136.1	131.5	126.7	128.2	124.1	122.6	129.2
Annual	126.4	170.8	139.5	158.3	132.8	128.1	128.5	135.3	125.6	119.6	129.5
2012 [1]											
January	127.3	163.6	140.5	160.2	135.6	130.4	129.3	136.3	128.3	121.5	131.4
February	127.4	170.8	140.7	163.4	137.2	130.8	129.4	137.8	127.9	121.1	132.0

1. Since August 2010, current initial prices are used for wheat and barley in Western Canada and for wheat in Ontario.

Table 2
Index of total crop prices, by province

	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat-chewan	Alberta	British Columbia	Canada
						(1997 = 100)					
Annual											
2000	x	118.9	103.5	117.5	93.7	85.8	76.4	80.4	81.6	95.1	84.3
2001	x	127.1	101.7	134.7	96.1	91.3	87.8	94.3	92.4	92.0	93.1
2002	x	188.7	96.4	158.0	107.2	99.3	105.2	113.5	112.2	114.6	109.3
2003	x	143.0	105.1	123.0	103.1	99.0	100.0	106.3	109.8	114.7	105.1
2004	x	116.0	123.8	122.3	102.8	99.2	95.1	96.3	103.5	114.2	100.6
2005	x	124.0	141.2	145.8	97.6	91.4	83.5	76.4	85.0	103.1	88.2
2006	x	163.3	156.0	174.9	109.8	91.8	88.6	80.8	88.1	104.3	92.6
2007	x	153.5	150.0	149.4	114.7	102.9	120.6	128.9	124.8	102.9	117.5
2008	x	166.6	137.7	152.7	134.5	115.8	150.1	176.5	161.1	109.1	144.8
2009	x	204.6	122.9	166.6	130.3	115.8	125.4	135.6	137.2	100.8	126.7
2010											
January	x	178.9	127.8	153.0	119.4	111.9	114.2	119.1	118.8	100.6	114.9
February	x	160.1	127.0	149.0	117.4	110.3	111.9	112.3	117.5	98.7	111.0
March	x	170.2	131.9	143.0	116.2	109.6	110.7	110.6	116.2	99.4	110.2
April	x	179.9	130.3	134.3	116.2	109.9	108.8	105.8	114.4	103.0	110.0
May	..	174.7	132.7	122.9	115.0	111.8	110.2	105.2	112.8	103.2	110.6
June	x	196.4	128.9	137.7	116.8	110.4	109.1	104.7	111.7	105.1	109.5
July	x	238.2	136.3	165.4	126.0	113.3	112.8	105.1	113.3	113.9	113.4
August	x	228.8	168.6	231.7	142.6	118.0	125.2	124.8	128.5	120.1	130.1
September	x	237.5	151.8	187.6	134.9	114.4	127.5	130.4	130.1	107.1	125.1
October	x	192.4	146.5	180.6	125.4	112.4	124.8	130.7	130.9	102.2	123.3
November	x	180.8	128.2	169.1	123.4	116.2	131.4	131.4	130.6	98.2	124.2
December	x	177.5	125.1	162.3	125.8	122.1	135.4	132.2	133.3	108.0	127.1
Annual	x	187.5	141.5	166.6	125.8	113.5	119.1	117.9	122.3	106.4	118.0
2011 [1]											
January	x	214.6	142.0	177.8	145.9	126.0	142.7	137.4	142.9	105.8	135.4
February	x	222.9	140.2	191.6	153.9	130.4	147.0	143.1	146.1	105.6	140.6
March	x	206.5	140.9	194.6	156.6	128.8	149.0	151.5	147.3	107.0	143.1
April	x	210.2	142.7	193.3	160.2	126.2	151.1	147.9	147.2	105.2	141.3
May	..	210.9	142.6	192.1	155.5	123.3	149.2	151.4	148.8	105.0	139.7
June	x	194.6	143.0	178.0	154.6	125.0	158.5	159.2	149.6	104.4	143.6
July	x	196.9	144.6	182.7	141.5	130.3	160.6	159.4	150.2	103.5	143.7
August	x	247.2	156.8	206.5	139.8	136.3	149.4	148.1	150.9	107.8	139.8
September	x	197.6	156.0	209.5	142.9	132.4	140.5	147.2	145.3	107.3	140.0
October	x	198.5	154.7	214.2	148.4	127.9	137.5	138.6	135.8	108.1	134.5
November	x	192.8	149.9	211.7	151.9	127.6	136.3	138.4	136.5	106.5	134.2
December	x	198.3	148.1	210.2	155.7	129.1	136.1	132.4	135.7	105.8	133.3
Annual	x	207.6	150.8	198.0	148.3	128.0	144.2	143.9	144.5	105.7	138.0
2012 [1]											
January	x	193.0	154.9	199.3	151.3	128.9	140.6	142.6	141.7	107.3	137.0
February	x	203.9	155.9	206.9	153.4	129.2	139.4	141.7	139.3	106.3	136.1

1. Since August 2010, current initial prices are used for wheat and barley in Western Canada and for wheat in Ontario.

Table 3
Index of total livestock and animal product prices, by province

	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat-chewan	Alberta	British Columbia	Canada
	(1997 = 100)										
Annual											
2000	97.9	104.4	100.8	101.7	101.7	103.8	103.2	113.9	107.7	107.5	105.2
2001	99.6	110.5	107.0	103.8	106.3	110.0	109.5	116.3	114.2	110.3	110.5
2002	98.5	102.3	100.2	100.4	100.4	103.7	98.7	104.0	107.5	105.1	103.4
2003	99.0	96.6	101.9	101.6	100.4	101.0	91.4	94.6	95.2	103.7	98.1
2004	101.0	99.8	105.0	102.6	107.0	102.1	94.0	91.5	90.2	99.9	98.3
2005	100.2	102.2	107.9	104.9	108.5	106.7	101.6	101.9	97.5	109.0	103.9
2006	96.1	101.4	109.1	104.4	104.9	106.5	96.4	97.2	95.1	107.5	101.4
2007	99.8	103.5	110.1	108.3	107.8	108.7	92.2	91.2	95.4	107.7	101.8
2008	104.4	108.8	116.8	113.4	111.0	111.4	89.5	89.9	97.5	114.5	103.9
2009	105.4	108.6	112.5	115.2	110.7	111.6	92.4	93.6	95.0	115.9	104.0
2010											
January	116.5	111.0	132.0	117.8	110.5	111.7	94.2	89.9	88.9	116.1	102.9
February	118.0	116.1	137.4	115.0	113.9	114.1	98.3	95.2	91.5	118.6	106.1
March	108.6	110.7	112.0	118.5	111.7	114.2	99.6	100.5	99.1	116.4	107.3
April	108.2	107.5	112.2	115.9	115.7	114.0	105.0	104.8	104.0	116.1	110.3
May	109.3	112.0	117.3	116.0	118.1	117.7	108.7	113.4	104.3	116.7	112.9
June	108.8	111.8	114.3	115.7	115.7	115.1	105.4	107.1	100.3	116.5	109.9
July	108.7	112.1	112.8	113.7	116.7	114.8	107.5	108.8	101.6	115.1	110.5
August	107.7	114.0	112.5	116.4	116.0	116.3	107.0	113.2	103.0	115.2	111.6
September	105.6	116.1	120.1	116.3	119.4	117.3	109.1	105.6	102.4	121.4	112.5
October	107.7	114.5	111.0	118.1	117.5	114.7	102.2	110.0	103.0	125.5	112.0
November	107.6	111.8	115.6	116.7	110.9	113.2	100.1	111.1	101.7	124.1	109.5
December	105.8	114.0	115.4	120.3	116.0	118.4	105.2	105.8	103.2	121.8	111.6
Annual	109.5	112.6	119.4	116.6	115.2	115.0	103.5	105.3	100.4	119.4	109.8
2011											
January	113.0	116.5	131.4	124.6	115.3	119.4	104.8	104.6	108.3	123.8	113.5
February	115.7	121.7	132.9	122.8	122.5	122.5	110.5	115.7	113.9	127.1	119.0
March	112.5	121.5	128.3	126.2	123.6	124.9	112.7	121.0	118.3	128.5	121.7
April	111.9	122.3	129.0	128.1	124.8	128.4	114.1	120.1	120.7	129.9	123.7
May	114.1	122.6	131.7	128.6	125.5	126.8	112.5	115.2	116.3	129.5	121.7
June	113.1	123.4	127.5	132.5	127.1	126.0	110.8	118.6	114.4	130.3	121.6
July	114.2	120.0	130.5	127.0	125.9	126.5	110.3	120.4	115.6	129.1	121.7
August	113.6	124.6	130.5	128.1	131.5	129.6	117.3	122.1	118.9	130.5	125.5
September	114.1	126.5	133.4	128.4	131.2	128.8	118.0	133.7	117.4	135.0	126.4
October	114.2	126.4	137.6	136.2	132.9	133.6	119.0	138.0	123.0	139.3	130.9
November	114.8	127.7	138.5	134.1	133.1	132.3	118.5	132.2	121.4	138.5	129.1
December	114.2	122.1	135.5	133.6	129.7	133.0	118.4	127.9	121.4	134.4	127.3
Annual	113.8	124.9	132.2	129.0	127.0	127.6	114.0	122.3	117.4	132.1	123.5
2012											
January	114.7	128.1	132.8	131.1	129.7	131.1	118.9	130.0	124.5	134.1	127.9
February	114.8	129.7	133.2	132.0	131.1	131.3	120.4	135.8	125.3	134.0	129.3

Table 4
Sub-indexes of crops and livestock and animal product prices, Canada

	Grains	Oilseeds	Specialty crops	Fruit	Vege-tables	Potatoes	Total crops	Cattle and calves	Hogs	Poultry	Eggs	Dairy	Total livestock	Total index
	(1997 = 100)													
Annual														
2000	83.1	65.0	82.5	97.6	105.0	119.6	84.3	118.8	87.7	91.2	95.4	107.5	105.2	95.0
2001	95.1	74.5	101.9	96.6	106.1	124.8	93.1	125.8	94.8	95.6	98.9	109.6	110.5	102.0
2002	111.0	94.1	124.5	103.4	115.5	166.8	109.3	117.5	76.0	91.9	100.6	112.2	103.4	106.1
2003	105.9	92.7	113.4	103.7	116.0	135.4	105.1	98.3	74.3	95.7	102.0	119.1	98.1	101.3
2004	94.1	95.2	102.5	108.7	116.8	119.4	100.6	87.6	89.7	97.9	105.6	119.9	98.3	99.4
2005	76.7	74.5	85.2	116.8	112.6	125.9	88.2	102.7	83.3	96.4	99.5	128.0	103.9	96.8
2006	84.1	72.2	80.2	124.4	118.2	148.6	92.6	102.7	72.5	93.2	101.0	130.3	101.4	97.4
2007	133.3	97.5	120.8	124.1	114.3	135.0	117.5	99.4	68.8	102.1	105.0	137.2	101.8	108.7
2008	168.6	133.5	185.8	126.0	118.8	150.7	144.8	98.9	67.7	114.9	117.9	139.9	103.9	122.2
2009	129.9	116.5	158.1	112.3	126.0	179.8	126.7	97.5	67.3	116.6	118.0	142.4	104.0	113.8
2010														
January	106.6	108.2	161.3	111.9	124.2	167.1	114.9	87.7	72.9	114.5	109.3	143.1	102.9	108.2
February	104.4	104.4	152.7	111.6	123.3	161.0	111.0	92.0	76.4	114.7	116.5	145.6	106.1	108.6
March	102.6	104.1	144.5	109.1	123.2	165.7	110.2	98.7	77.4	113.6	116.6	142.9	107.3	108.8
April	100.0	102.5	138.1	112.0	125.3	167.1	110.0	104.2	82.7	112.0	116.4	143.3	110.3	110.0
May	98.4	104.9	132.6	112.8	126.3	161.8	110.6	105.7	92.8	111.3	115.9	143.1	112.9	112.6
June	99.3	105.9	126.6	115.6	124.0	170.5	109.5	102.8	85.5	110.0	116.7	141.1	109.9	109.4
July	102.6	112.4	135.2	122.3	122.6	198.6	113.4	105.0	86.5	109.9	116.0	141.2	110.5	111.0
August	126.0	117.5	130.9	144.0	124.0	214.0	130.1	106.1	89.8	110.0	116.1	140.6	111.6	119.5
September	126.2	118.5	131.3	127.2	126.9	180.3	125.1	105.7	87.9	110.3	116.7	143.0	112.5	116.7
October	125.9	117.5	130.9	113.3	130.0	170.1	123.3	108.8	77.4	110.5	116.7	148.1	112.0	115.6
November	126.7	123.1	132.6	101.5	128.0	164.9	124.2	108.1	69.6	112.5	117.7	147.6	109.5	115.3
December	127.7	131.9	128.9	107.4	125.9	156.8	127.1	107.2	76.9	112.7	117.8	149.6	111.6	118.0
Annual	111.9	112.7	135.9	121.2	125.4	171.0	118.0	103.0	81.0	111.8	116.0	144.1	109.8	112.8
2011 [1]														
January	141.0	135.5	118.1	120.3	129.2	176.0	135.4	111.0	78.8	116.9	113.5	146.7	113.5	122.6
February	147.1	135.7	128.4	121.2	129.6	179.5	140.6	116.7	87.4	117.2	117.0	150.5	119.0	127.6
March	145.8	143.0	143.0	122.9	128.7	178.2	143.1	123.1	87.4	121.6	118.9	150.6	121.7	130.4
April	146.0	145.3	148.1	121.0	126.0	181.1	141.3	125.1	91.4	122.7	123.6	149.5	123.7	130.9
May	147.3	146.6	148.1	119.4	125.5	177.2	139.7	121.2	90.2	125.7	123.7	148.9	121.7	128.8
June	149.2	150.8	160.9	122.3	127.0	174.6	143.6	119.6	92.7	126.9	124.2	146.4	121.6	130.8
July	149.9	150.2	154.7	119.6	129.7	180.9	143.7	121.2	93.0	128.4	127.2	144.0	121.7	131.3
August	148.2	147.0	159.7	122.8	130.6	212.7	139.8	123.4	101.4	131.4	129.0	145.5	125.5	131.3
September	136.1	140.7	190.0	121.5	129.9	189.0	140.0	126.3	93.9	132.7	128.4	149.8	126.4	132.2
October	131.7	134.7	178.2	123.8	127.4	182.7	134.5	130.7	97.3	133.2	128.3	154.4	130.9	131.1
November	128.0	136.5	172.8	128.5	127.1	181.6	134.2	129.1	93.1	133.4	128.9	156.1	129.1	130.3
December	124.1	136.8	154.5	130.6	129.5	181.8	133.3	130.2	91.5	130.4	130.8	154.6	127.3	129.2
Annual	139.7	140.6	157.1	122.8	128.2	183.1	138.0	123.1	91.5	126.8	124.5	149.7	123.5	129.5
2012 [1]														
January	135.0	138.1	167.2	125.0	127.8	182.0	137.0	133.7	91.0	129.1	129.8	152.3	127.9	131.4
February	131.5	140.8	159.9	124.0	127.6	188.3	136.1	135.9	92.4	125.8	129.4	154.4	129.3	132.0
Importance of group in current month [2]														
February	17.2	17.1	2.6	0.5	1.9	2.8	46.1	18.4	10.1	6.0	1.8	13.9	53.9	100.0

1. Since August 2010, current initial prices are used for wheat and barley in Western Canada and for wheat in Ontario.
2. Weights for sub-indexes do not add up to total index due to other crops and other livestock not shown in this table.

Concepts, methodology and data quality

The following information should be used to ensure a clear understanding of the basic concepts that define the data provided in this product, of the underlying methodology of the index, and of key aspects of the data quality. This information will provide you with a better understanding of the strengths and limitations of the data, and of how they can be effectively used and analyzed. The information may be of particular importance to you when making comparisons with data from other sources of information, and in drawing conclusions regarding the significance of changes between different years, or of the differences in index movements between different regions.

Data sources and methodology

The **Farm Product Price Index (FPPI)** measures the change through time in prices received for agricultural commodities at the first transaction point.

General methodology

The FPPI is an annually linked chain index with different index baskets for each calendar month of the year. The index expresses current farm prices as a percentage of prices prevailing in the base period.

Reference period

The FPPI compares, in percentage terms, prices producers received in any given time period to prices in the official base year, which is 1997=100. The reference period for the data collection and compilation is the calendar month. The monthly index is released approximately eight weeks after the end of the reference month. The annual index, which is a weighted average of the monthly indexes, is released with the December index.

Weights and linking

The FPPI is based on a five-year basket that is updated every year. This captures the continual shifts in agricultural commodities produced and sold. The annual weight base is derived from the farm cash receipts series, Catalogue no. 21-011-X. There is a two-year lag in the years used to construct the basket because of the availability of farm cash receipts data and to reduce the number of revisions made to the index. Therefore, the years used to construct the basket for year y are y-6 to y-2.

The seasonal weighting pattern was derived using the monthly marketings from 1994 to 1998. This weighting pattern remains constant and will only be updated periodically, for instance during intercensal revisions or when the time base is revised.

The annual basket is linked into the index every year at the year and not at the month of December.

The current index will be linked back to 1935.

The FPPI has undergone numerous rebasings and reweighting phases during its fifty-year history.

Text table 1
FPPI numerous rebasings and reweighting phases during its fifty-year history

Date of introduction	Basket reference period	Scope of basket	Time base
August 1946	1935 to 1939	1935 to 1956	1935 to 1939=100
September 1969	1960 to 1962	1957 to 1970	1961=100
August 1978	1971	1971 to 1980	1971=100
December 1986	1981 to 1984	1981 to 1991	1981=100
March 1990	1981 to 1984	1991 to 1996	1986=100
April 2001	Annually updated 5 year average	1992 to present	1997=100

Revisions

Data are subject to revision in the event of late receipt of initial or revised data.

During the current calendar year, all months within that calendar year may be subject to revisions. Twice a year, in May and November, revisions to previous years may be incorporated; the previous two years in May and the previous three years in November. Every five years, the index can undergo an historical revision, based on the results of the Census of Agriculture, which affects both prices and quantities. The monthly distribution of commodities is reviewed during the incorporation of Census revisions.

For grains delivered to the Canadian Wheat Board or the Ontario Wheat Producers Marketing Board, the retroactive inclusion of adjustment, interim or final payments may cause changes to the index. In comparing current index numbers with those prior to the final payments being accrued, the following points should be considered. Any subsequent adjustment payments are added to the prices used and the index revised upward accordingly. An increase of $10.00 per tonne in the price of CWB wheat or barley would result in upward revisions in the total indexes for each of the Prairie provinces, in points, as illustrated below.

Text table 2
Upward revisions in the total indexes for Ontario and the Prairie Provinces

Grains	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Canada
Wheat	0.0	1.2	2.2	1.0	0.1	0.7
Barley	..	0.2	0.5	0.4	0.0	0.2

Seasonal adjustment

The FPPI is not adjusted for seasonality, but the seasonal basket is used since the marketing of virtually all farm products is seasonal. The index reflects the mix of agriculture commodities sold in a given month.

The month-to-month growth rate of the total Farm Product Price Index is not a weighted average of the monthly growth rates of its crop and livestock components. This is due to monthly basket shifts from one month to the next. Also, the annual basket update influences the 12-month (e.g., March 2007 to March 2008) growth rates as well as December to January comparisons. Therefore, the total index growth rate may occasionally lie outside the range of its components, depending on the variation of the price movements, the difference between the monthly baskets, and the correlation between price changes and basket changes. These factors may also affect the indexes themselves. In contrast, if the Farm Product Price Index was a simple fixed-weight basket index, then period-to-period movements in the index would measure pure price change effects only and the apparent paradox described above would not occur. However, a fixed basket index for agriculture products has the limitation of being unrepresentative of the mix of products actually sold by farmers, which varies considerably depending on the time of year.

Concepts and variables measured

Price coverage

The FPPI includes all farm products sold off the farm, which are estimated in the farm cash receipts series published in **Farm Cash Receipts - Agriculture Economic Statistics**, catalogue no. 21-011-X.

Prices are based on either administrative data sources, or monthly surveys of agricultural producers or commodity purchasers. Where possible, administrative data sources are used to reduce response burden. The commodity price is collected at point of first transaction, where the fees deducted before a producer is paid are excluded (e.g., storage, transportation and administrative costs), but any bonuses and premiums that can be attributed to specific commodities are included. Commodity-specific program payments are not included in the price.

Administrative price data come from a wide variety of sources. Many are collected directly from marketing boards, for example, the Ontario Wheat Producers Marketing Board and the Nova Scotia Grain Marketing Board; market associations such as CANFAX. Some are collected and processed by provincial agricultural or statistical departments. Some data are generated from the regulatory activities of Agriculture and Agri-Food Canada and the Canadian Wheat Board.

Where administrative data are not available, prices are collected using the monthly Farm Product Prices Survey, which consists of a series of surveys. There are two farm surveys: the monthly farm Potato Prices Survey and the quarterly farm Ontario Tame Hay and Straw Prices Survey. The reference date for the farm surveys is the 15th of each month and prices are collected by telephone during the five working days following the 15th.

There are two monthly company surveys: the Non- Board Grains and Speciality Crops Survey in the Prairies and the Grain Survey in the Maritimes. Administrative data, the Non-Board Grains and Specialty Crops Survey and the Maritime Grain Survey cover activity for the whole reference month, producing average weighted prices that reflect grades marketed.

There are some commodities within the farm cash receipts series that do not have prices; there are only values. These are generally smaller commodities such as maple, forest, floriculture and nursery products, and the other fruit and vegetable categories. The farm cash receipts for these unpriced items are used to establish the basket shares of these items, while their price movement comes from the aggregate index under which the item falls. For instance, the total vegetable index would be used to proxy the “other vegetable” category.

Data accuracy

The methodology of the index and the price series which construct the index have been designed to control error and to reduce the potential effects of these. However, both administrative and survey data are subject to various kinds of errors. Survey data are mainly subject to response and data capture errors. In reporting prices each month, farm survey respondents are asked to report the average prices prevailing in their neighborhood, taking into account the various grades of each commodity marketed. Thus, average prices reported by these respondents may differ from month to month due to changes in price, quality or both.

Every effort is made to ensure that administrative data are conceptually correct for the use to which they are put. Users should be aware that administrative data are generally compiled for an organization's own needs, and not for survey purposes. Any anomalies or inconsistencies detected are verified with the source, and where necessary, adjustments are made to reconcile data with the conceptual framework of our series. The administrative agencies used are considered to be the best sources available, and data received from them is judged to be of very good quality, even in those circumstances where adjustments have been made. Much price data come from the accounting departments of various marketing agencies, and are originally used to issue cheques to producers, are audited, and so quality is deemed to be excellent.

Comparability of data and related sources

The current methodology (a chained index with monthly baskets) was applied to the index starting with 1992; there was no change in methodology for the indexes before 1992. Although the index levels of the 1997=100 series will be different from those of the 1986=100 series, they will continue to show the same percent changes for the period ending in December 1991. The index prior to 1992 was constructed as a chain fixed-basket index.

Since the index is chained annually, measures of twelve-month price change are not measures of pure price change, as they would be in a direct seasonal basket index, but are distorted by basket shifts.

However, since we calculate unlinked indexes for year y-1 and y based on the basket for years y-6 to y-2, we use this unlinked index to derive a measure of pure price change between any month m of year y-1 and the same month of year y.

The current index includes all farm cash receipts in the basket, whereas the previous index, prior to 1992, had been based upon products that account for about 95% of total farm cash receipts from farming operations. Commodities included in the index vary by province, reflecting the regional agricultural production. For instance there are no special crop sub-indexes in the Maritime provinces.

Other quality indicators and assessments

Statistics Canada had been using the 1980 Standard Industrial Classification system (SIC) for collecting, compiling and disseminating economic statistics on Canada's businesses. Beginning with the 1997 reference year, the North American Industry Classification System (NAICS) was introduced. It adds hatcheries and farms with only Christmas trees to the agricultural sector. The index base weights used for the commodities affected by NAICS were adjusted to reflect the new classification in 1997.