

Agricultural producer and input prices, 1st half 2021

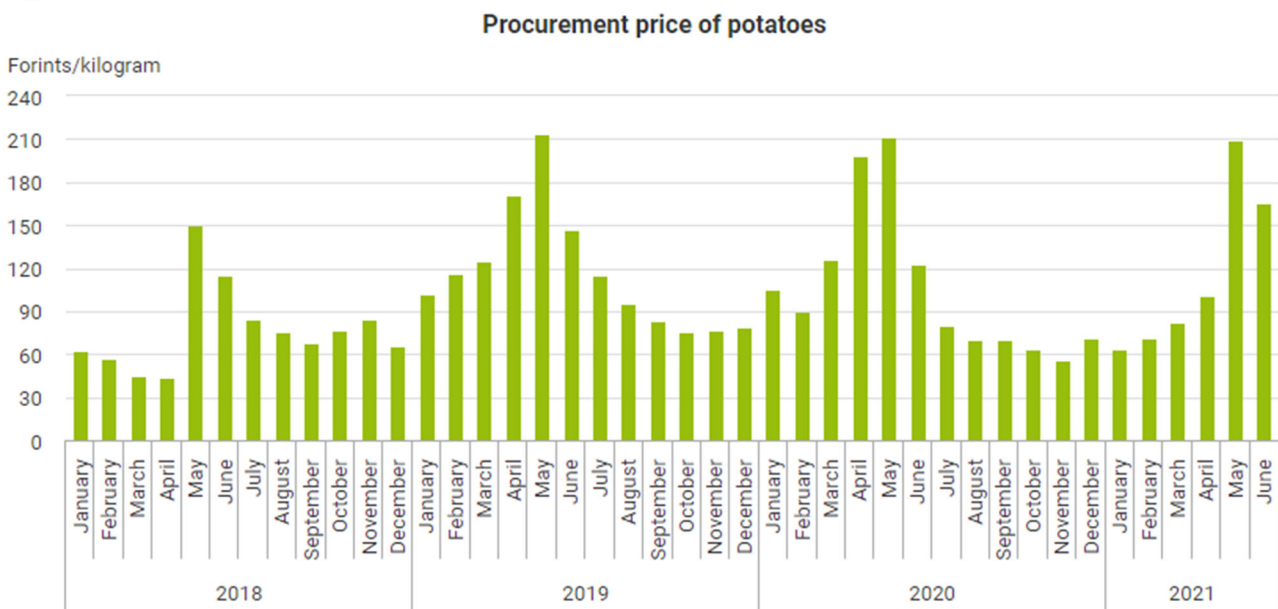
Agricultural producer prices were 14% higher in the 1st half of 2021 than in the same period of the previous year. This was due to a 23% increase in crop product prices, the price of live animals and animal products was reduced by 1.8%. As an effect of the keen international demand, cereals and oil crops became significantly more expensive (by 34% and 41%, respectively). A price increase was recorded for all major components of agricultural inputs, the highest one (22%) for animal feedingstuffs.

Keen international demand raises cereal and oil crop prices

The increase in producer prices in the 1st half of 2021 was primarily consistent with a rise in crop product prices. **Cereal and oil crop prices grew dynamically, by 34% and 41%, respectively, in total.** The price rise was among others due to the keen international demand for forage plants, with a significant price increase all over the world. The stocks were reduced worldwide as an impact of the intensive demand.

Although the price of potatoes became 17% lower in the first half of the year as a whole, it was up by 25% in June compared to the same month of the previous year. New potatoes started to be sold with a delay of approximately two weeks, so there was an about one-month delay in the seasonal price increase.

Figure 1



The price of sour cherry sold for industrial processing was 146 forints per kilogram, which was 18% lower than the price in the corresponding period last year. The fruit became cheaper despite the sold quantity remaining substantially smaller than in the same period of the previous year. Owing to the unfavourable weather (spring frosts, substantial amount of precipitation in June) fewer and poorer-quality sour cherries were produced.

Price of pigs for slaughter stagnates in second quarter

Live animal prices were reduced by 5.8% in the 1st half of 2021, within which the price of poultry for slaughter rose by 4.9% and that of cattle for slaughter by 8.5%, while the price of pigs for slaughter was lowered by 19%. The peak of the procurement price of the latter animal species was 542 forints per kilogram in March 2020, after which this price decreased as an effect of sales problems (for example, a significant decrease in catering demand, a slowdown in China’s imports) all over Europe owing to the Covid-19 epidemic. No more than 344 forints were offered for a kilogram of pigs for slaughter in February 2021, however, the procurement price of these animals was up by 21% in March 2021 compared to the previous month, to 419 forints. The price of pigs for slaughter stagnated in the second quarter.

Figure 2

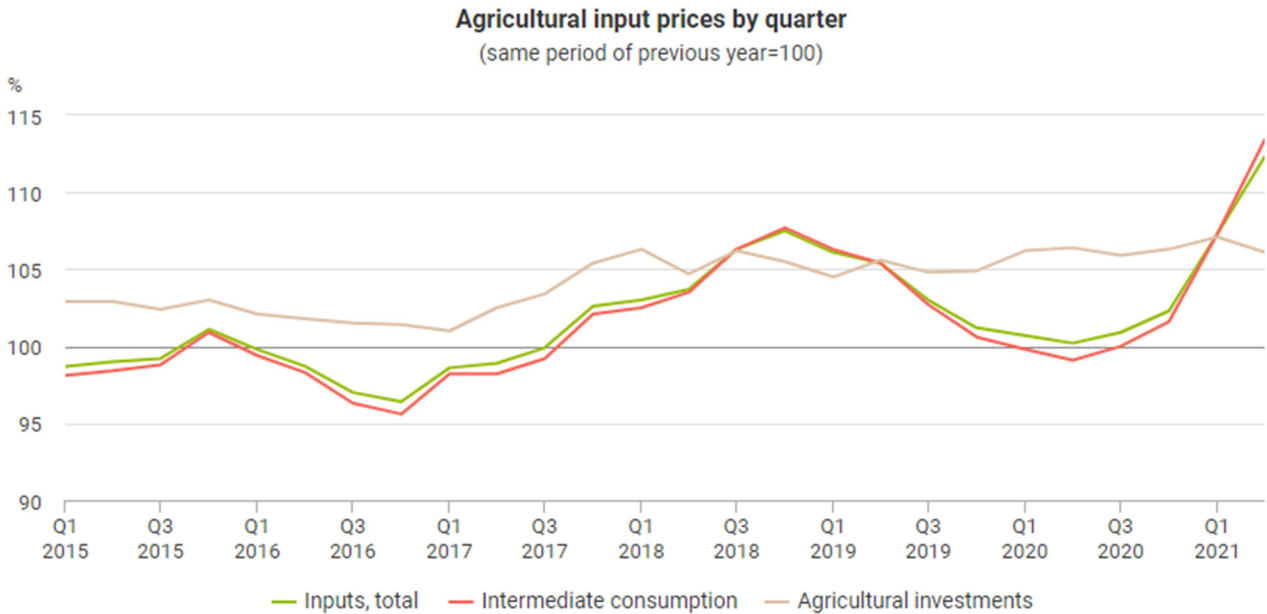
Average procurement price of pigs for slaughter, by month



Highest increase in animal feedingstuff prices

The **9.7% rise in agricultural input prices** in the 1st half of 2021 was due to a 10% growth in the prices of intermediate consumption and a 6.6% increase in the price level of agricultural investments.

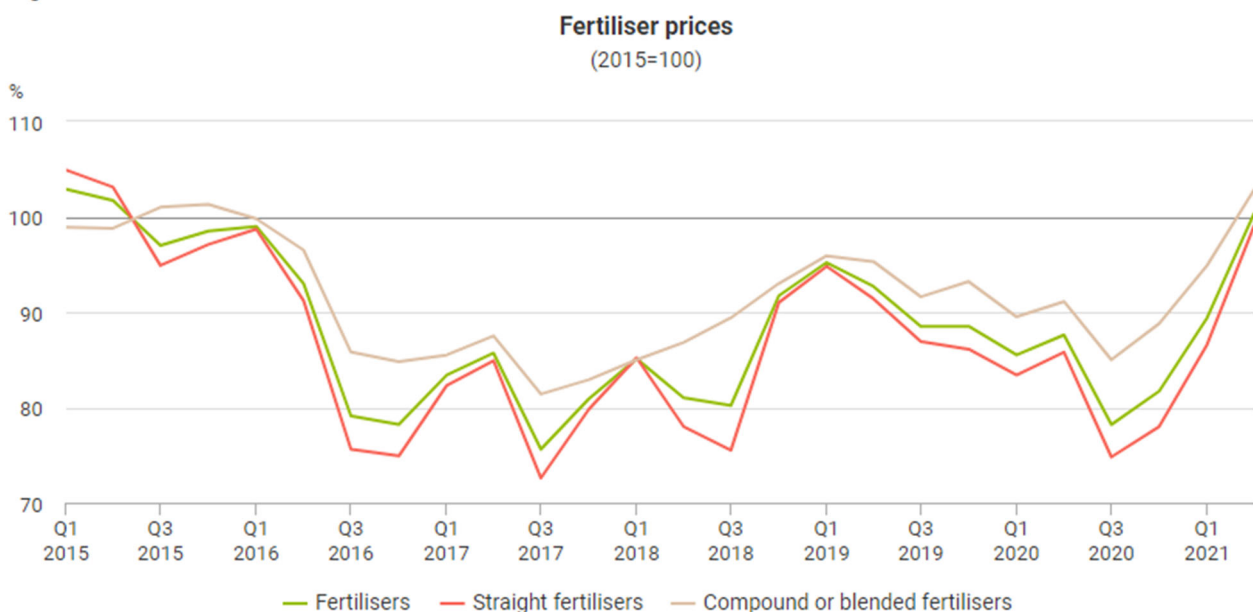
Figure 3



All components of intermediate consumption became more expensive, **animal feedingstuffs** to the highest extent, **by 22%**. Within this, straight feedingstuffs cost 34% and compound feedingstuffs 14% more. Because of an increase in base material prices, animal feedingstuff prices increased continuously over the last year, a sudden rise started in the last quarter of 2020. The prices were 7.5% higher compared to the previous quarter.

A sudden growth was observed in **fertiliser prices** as well, there was a **price rise of 9.6%** compared to the 1st half of 2020. This may have been owing to a substantial increase in the prices of the energy carriers that are the base materials of fertilisers. The prices were up by 23% in the 2nd quarter of 2021 compared to the last quarter of 2020, so they reached the price level recorded more than five years earlier.

Figure 4



Plant protection products became 4.6% and veterinary medicinal products 3.9% more expensive compared to the corresponding period of the previous year. **Energy and lubricant prices increased by 9.8%**, within which the price of motor fuels was 14% higher.

Within agricultural investments, **the price level of investments in buildings rose by 7.8% and that of investments in machinery and equipment by 6.0%**. The agricultural terms of trade slightly narrowed in the first half of the year compared to the same period last year, their value was 104.0%.

Further data and information

[Methodology](#)

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