

## Producer prices continue to climb

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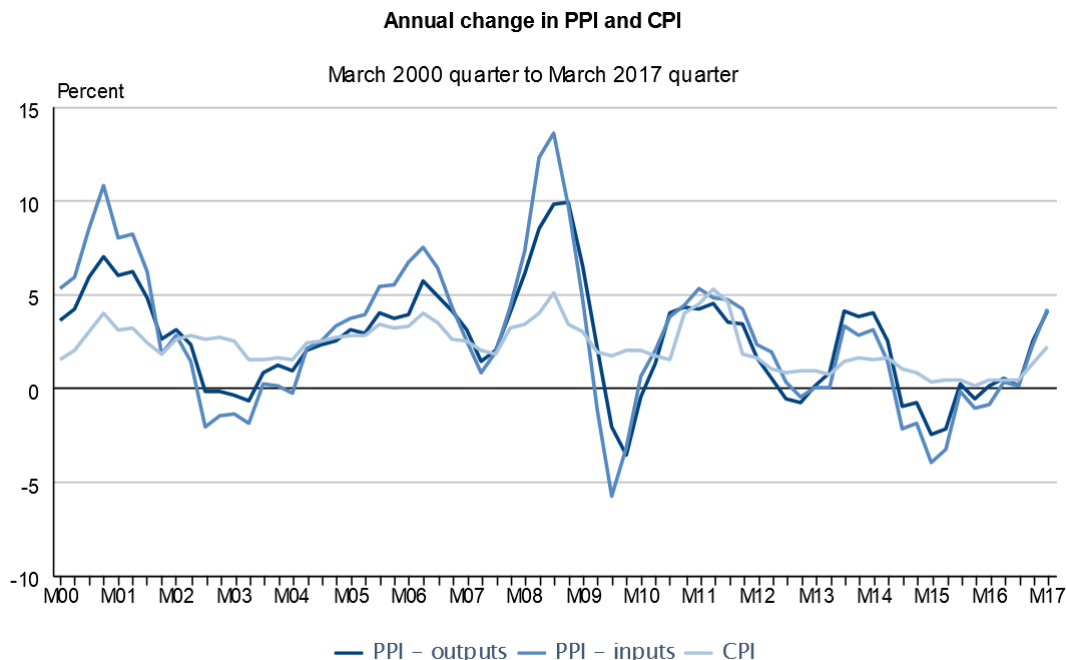
Producer output prices rose 1.4 percent in the March 2017 quarter, while input prices rose 0.8 percent, Stats NZ said today.

In the March quarter, producer output prices were influenced by higher prices received for dairy products, while higher crude oil prices pushed up the input costs at oil refineries.

In the year to the March 2017 quarter, producer output prices increased 4.1 percent, and input prices increased 4.2 percent.

"The prices paid by fuel manufacturers were up 43 percent in the year, mainly due to higher crude oil prices," business prices manager Sarah Williams said. In March 2016, the prices fuel manufacturers paid were at the lowest level since the June 2003 quarter. This industry produces refined fuels that are used by many other industries.

In the March 2017 year, prices received by dairy cattle farmers and dairy product manufacturers rose 49 percent and 22 percent, respectively. Farm-gate milk prices increased from \$3.90 to \$6.00 per kilo of milk solids, and dairy manufacturers received higher prices for milk powder.



Source: Stats NZ

In comparison, the consumers price index, which measures the price of goods and services paid by households, increased 2.2 percent in the year to the March 2017 quarter, also influenced by rising fuel prices. In the year, the average price paid by households for 1 litre of 91 octane petrol rose 12 percent – from \$1.69 to \$1.90.

### Ends

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Authorised by Liz MacPherson, Government Statistician, 17 May 2017