Which materials have seen high RAW MATERIAL volatility over the last year? INFLATION 12-MONTH PRICE CHANGE (MAY 2021-MAY 2022) 100% IN CANADA **95.2%** COAL Amid high demand and supply constraints, raw material prices have climbed 37% year over year. Source: Statistics Canada (Jun 2022) CRUDE OIL & BITUMEN In fact, more than half of manufacturers say this is one of their top challenges. Source: CME (Nov 2021) Crude Energy COAL Coal has almost doubled in price over the last year. Metal Ores & Scrap Demand from European countries has risen as Forestry Products & Natural Rubbers they face uncertainties with natural gas imports Animal Products from Russia. Source: Reuters (Apr 2022) Non-metallic Minerals 40% NATURAL GAS 20% TIN, IRON ALLOS, & OTHER ORES NATURAL RUBBER GOLD ORES BEANS, PEAS, NICKEL ORES 5.8% 43.3% & LENTILS FRESH FRUIT & NUTS 8.0% LOGS & FORESTRY PRODUCTS SAND, GRAVEL, & CLAY 8.1% POULTRY 8.3% EGGSINSHELL 8.4% SCRAP METAL CAMERCAUVES 40.3% 10.2% 30.6% LEAD & ZINC ORES **21.2%** POTASH FISH & FISHERY PRODUCTS 24.1% 23.7%

CATTLE & CALVES

Farmers culled a larger proportion of their cattle herds than usual last year in response to high feed costs, which has limited this year's supply.

Source: Globe and Mail (Mar 2022)

LEAD & ZINC ORES

Lead and zinc ore prices rose due to solid demand for car batteries and rising energy prices that reduced smelters' zinc production, respectively.

Source: Financial Post (Apr 2022), Global Newswire (Feb 2022)

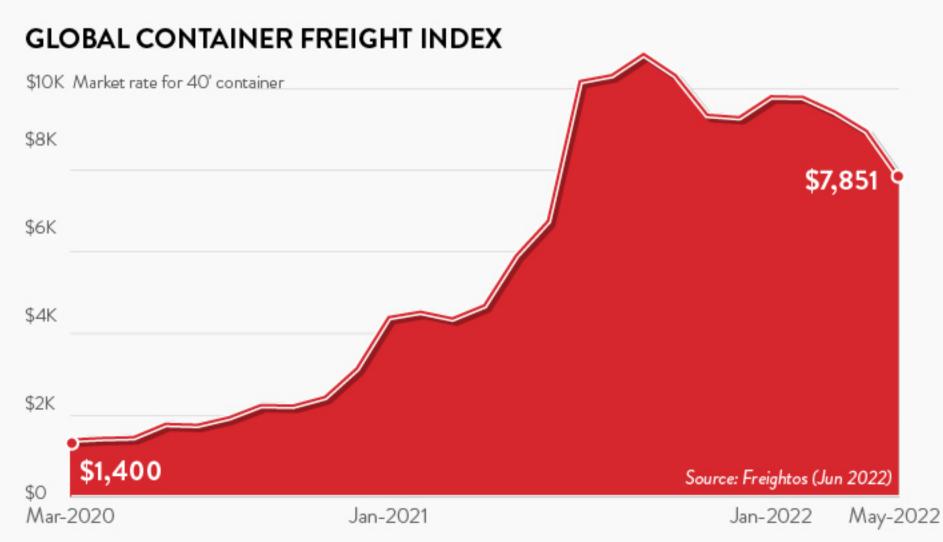


CANOLA

Canada is the largest producer of canola, but the Canadian crop saw a 14-year production low due to drought.

Source: Washington Post (May 2022)

Price pressures in manufacturing go beyond raw materials. For instance, ocean shipping costs are more than 5x higher compared to when the pandemic began.





These cost increases are squeezing the profitability of many manufacturers, and high price volatility is making it harder to predict what prices will be like in the coming months.

Along with escalating costs, manufacturers are also grappling with supply chain disruptions, heightened global uncertainty, and labour shortages.

Ultimately, it has become difficult for manufacturers to plan for the future.



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