Together with the prices received for commodities, the cost of inputs is a key factor determining business profitability and hence the structure and management of constituent enterprises.

Between 2013 and 2014:
- the price index for all inputs was 5.2% lower;
- energy and lubricant prices were 3.4% lower;
- fertiliser prices were 5.6% lower;
- average prices for animal feedingstuffs were 13.4% lower;
- seed prices were 13.9% lower;
- plant protection products increased by 5.1%.

Overall since 2000:
- all input prices have risen over the period;
- The increase in fertiliser prices in 2008 was due to increases in global energy prices;
- animal feedingstuffs prices have increased over the period;
- plant protection product prices have remained relatively stable;
- seed prices have risen over the period, and tended to fluctuate.
Exchange rates are also a key factor. The chart opposite shows the sterling exchange rates with both the dollar and the euro.

This indicator was updated in March 2015. The next update will be in March 2016.

**Further information and contact**

Background information can be found in the accompanying fact sheet.

For queries or information on this indicator contact Defra’s Observatory team on +44 (0) 1904 455058 or email observatory@defra.gsi.gov.uk
**Indicator A4: Input prices**

<table>
<thead>
<tr>
<th><strong>Indicator</strong></th>
<th>Input prices</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Data</strong></td>
<td>Indices of input prices</td>
</tr>
<tr>
<td><strong>Geographic coverage</strong></td>
<td>UK</td>
</tr>
<tr>
<td><strong>Years</strong></td>
<td>2000 – 2014 (2010=100)</td>
</tr>
<tr>
<td><strong>Source</strong></td>
<td>Defra, Agricultural price index.</td>
</tr>
<tr>
<td><strong>Origin of data</strong></td>
<td>The data to form the indices come from a variety of sources.</td>
</tr>
<tr>
<td><strong>Updates</strong></td>
<td>This indicator will be updated annually. The next update will be in March 2016.</td>
</tr>
</tbody>
</table>

**Background**

This indicator uses data from the Agricultural Price Index (API) to monitor changes in input prices. The costs of inputs together with the prices received for commodities are key factors in determining business profitability. Following the decoupling of support in 2005, production decisions should be more sensitive to the costs of inputs relative to the value of the product.

The agricultural price indices provide a framework for price reporting, measuring the prices of inputs (and outputs) against a base period. Both monthly and annual indices are available.

In 2013, the Agricultural Price Index for 1988 onwards was reweighted using 2010 as a base year. The charts display information from 2000 onwards. Annual data from 1988 are available within the accompanying dataset.

**Statistical & methodological information**

The API is constructed using a Laspeyres type index. It is usually rebased every 5 years and the current base year is 2010=100. The API is overseen by Eurostat who try to ensure that the rebasing timetable and methodologies used are standard across the EU.

**Further information**


Exchange rate data can be found in the statistics section of the Bank of England website: [http://www.bankofengland.co.uk/statistics/index.htm](http://www.bankofengland.co.uk/statistics/index.htm)