



## Agricultural Price Index – July 2018

The Agricultural Price Index (API) is an index of the price of agricultural outputs and inputs for the UK used to show change over time. More details on the index including how it is produced are in the Background section at the end of this document.

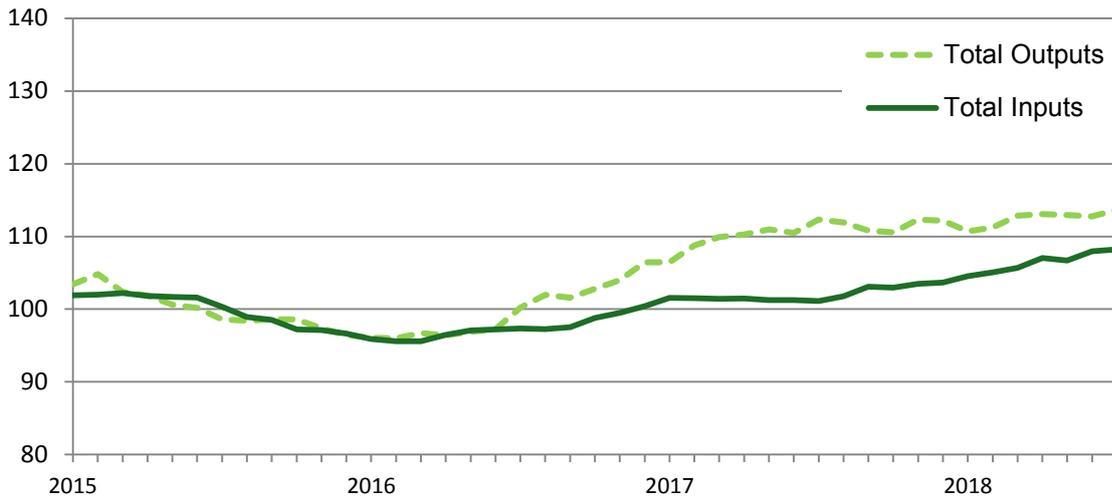
### Key points at July 2018

Item	Change	
	Yearly (July 2017)	Monthly (June 2018)
<b>All outputs</b>	↑ 1.2%	↑ 0.8%
<b>All inputs</b>	↑ 7.0%	↑ 0.3%
<i>Outputs</i>		
Crop products	↑ 4.1%	↑ 5.6%
Cereals	↑ 11%	↑ 1.3%
Fresh fruit	↓ 1.5%	↑ 24%
Fresh Vegetables	↑ 15%	↑ 12%
Forage Plants	↑ 26%	↓ 10%
Animals and animal products	↓ 1.2%	↓ 3.0%
Sheep & lambs	↓ 5.4%	↓ 18%
Milk	↑ 2.8%	↑ 5.2%
<i>Inputs</i>		
Energy and lubricants	↑ 18%	↑ 0.3%
Veterinary Services	↑ 14%	↔0.0%

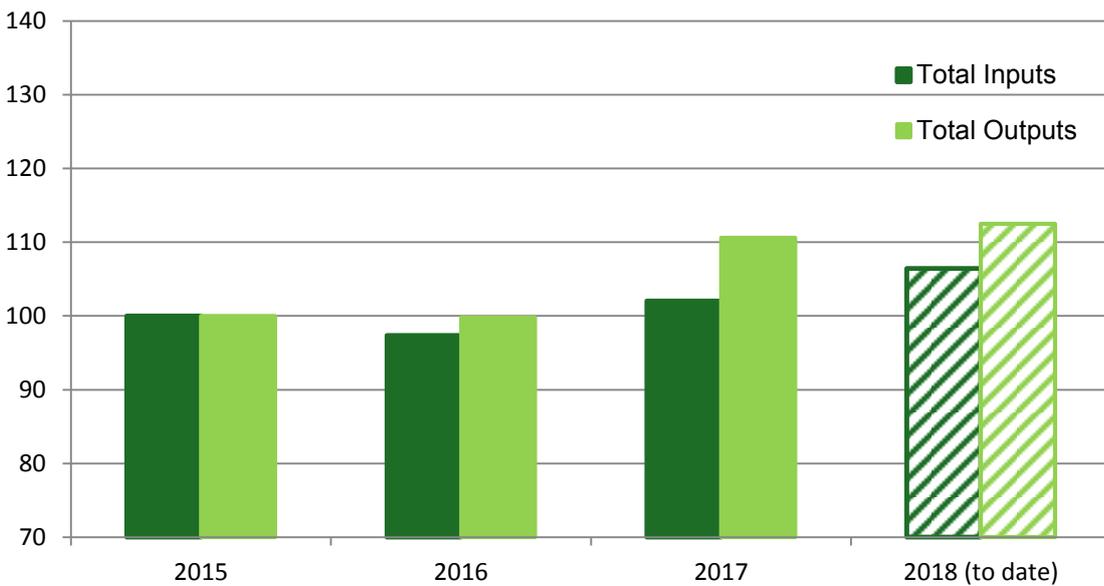
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**Figure 1: Monthly indices for total Outputs and total Inputs to July 2018 (2015=100)**

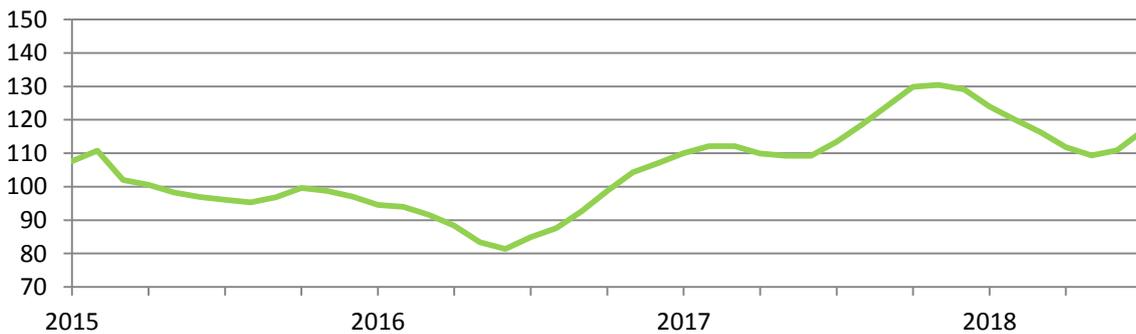


**Figure 2: Annual average indices for total Inputs and total Outputs to July 2018 (2015=100)**



**Figure 3: Milk price index to July 2018<sup>1</sup>**

(2015=100)



<sup>1</sup> For more detail visit <https://www.gov.uk/government/collections/milk-prices-and-composition>

	Table 1 Index of Prices of Agricultural Outputs and Inputs UK (2015=100)			Yearly	Monthly
	Jul-17	Jun-18	Jul-18	July 2017 to July 2018	June 2018 - July 2018
<b>All Outputs</b>	112.3	112.8	113.6	1.2%	0.8%
<b>Crop products</b>	115.3	113.6	120.0	4.1%	5.6%
Cereals	113.5	124.2	125.8	10.8%	1.3%
Wheat	116.3	124.6	127.0	9.2%	2.0%
Barley	109.6	123.8	124.6	13.8%	0.6%
Oats	120.5	115.9	115.8	-3.9%	-0.1%
Potatoes	126.5	115.1	116.6	-7.8%	1.2%
Industrial Crops	116.0	107.4	110.6	-4.7%	3.0%
Oilseed Rape	120.9	114.3	114.5	-5.3%	0.1%
Sugar Beet	86.7	86.7	86.7	0.0%	0.0%
Forage plants	116.3	162.5	146.4	25.8%	-9.9%
Fresh Vegetables	110.1	112.9	126.3	14.7%	11.9%
Fresh Fruit	129.5	102.7	127.6	-1.5%	24.2%
Flowers and plants	104.6	104.6	104.6	0.0%	0.0%
<b>Animals and animal products</b>	110.1	112.2	108.8	-1.2%	-3.0%
Animals (for slaughter & export)	110.6	115.8	107.4	-2.9%	-7.2%
Cattle and calves	105.8	108.2	102.8	-2.8%	-4.9%
Pigs	125.7	113.8	114.0	-9.3%	0.2%
Sheep and lambs	118.7	136.6	112.3	-5.4%	-17.7%
All Poultry	104.5	114.8	107.2	2.5%	-6.6%
Animal products	109.2	106.8	111.3	2.0%	4.2%
Milk	113.4	110.9	116.6	2.8%	5.2%
Eggs	85.0	82.1	82.1	-3.5%	0.0%
<b>All Inputs</b>	101.1	108.0	108.2	7.0%	0.3%
<b>All goods and services currently consumed</b>	101.0	108.1	108.4	7.4%	0.3%
Seeds	99.5	103.7	103.7	4.2%	0.0%
Energy and lubricants	102.6	120.9	121.4	18.3%	0.3%
Fertilisers and soil improvers	78.0	95.6	98.2	25.9%	2.7%
Plant protection products	102.3	104.1	104.2	1.8%	0.0%
Veterinary services	101.0	114.6	114.6	13.6%	0.0%
Animal feedingstuffs	105.4	110.8	110.6	5.0%	-0.2%
Straight feedingstuffs	110.1	118.3	117.6	6.8%	-0.5%
Compound feedingstuffs	103.2	107.5	107.5	4.1%	0.0%
Maintenance of Materials	103.2	106.2	106.8	3.5%	0.6%
Maintenance of Buildings	104.3	110.0	110.1	5.5%	0.1%
Other goods and services	104.1	105.6	105.6	1.4%	0.0%
<b>Goods and services contributing to investment</b>	101.8	107.2	107.4	5.5%	0.1%
Materials	101.3	107.0	107.0	5.7%	0.0%
Buildings	103.0	107.7	108.1	5.0%	0.4%

## Background

The output series reflects the price farmers receive for their products, also referred to as farm gate price. Information is collected for all major crops (for example wheat and potatoes) and on livestock and livestock products (for example sheep, milk and eggs).

The input series reflects the price farmers pay for goods and services. The series is in two groups: goods and services currently consumed; and goods and services contributing to investment. Goods and services currently consumed refer to items that are used up in the production process, for example fertiliser or seed. Goods and services contributing to investment relate to items that are required but not consumed in the production process, such as tractors or buildings.

## Data uses

Farmers use the agricultural price index to help set prices for their output and monitor the price paid for inputs. Analysts in Government, industry and academia use the data to assess the impact that price changes have on industry and consumers.

The Office of National Statistics (ONS) uses API data in the production of the Producer Price Index (PPI), which is one of the key measures of inflation.

## Methodology

Defra collect prices from a wide variety sources to produce the monthly API. This includes data from our own surveys, information from the Agricultural, Horticultural Development Board (AHDB), and the ONS. For some items we only receive quarterly or annual data, for example, electricity prices. When no new data are available estimates are made based on previous values until new data becomes available.

The methodology used is described in the [Handbook for EU Agricultural Prices](#) and is standard across the EU.

## Weights

Each price point is assigned a weight which reflects its contribution to the overall index. The weights for each item represent their annual monetary value from the Agricultural Accounts. For example, if the annual value of animal feed purchased is three times more than fertilisers then the annual weight for animal feed will also be three times more than for fertiliser. Where monthly data is available, monthly and quarterly weights for outputs reflect the pattern of sales volumes across the year. For example, if the volume of sales for apples in October is double that in June, then the October weight for apples is double the weight for June. Monthly and quarterly weights for input items do not vary within the year. The weights are recalculated every five years to reflect more recent data. The April 2018 index was the first to be produced using weights based on 2015, replacing weights based on 2010.

## Revisions

Figures in this notice are provisional and subject to revision.