



16 May 2019

## Agricultural Price Index – March 2019

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.

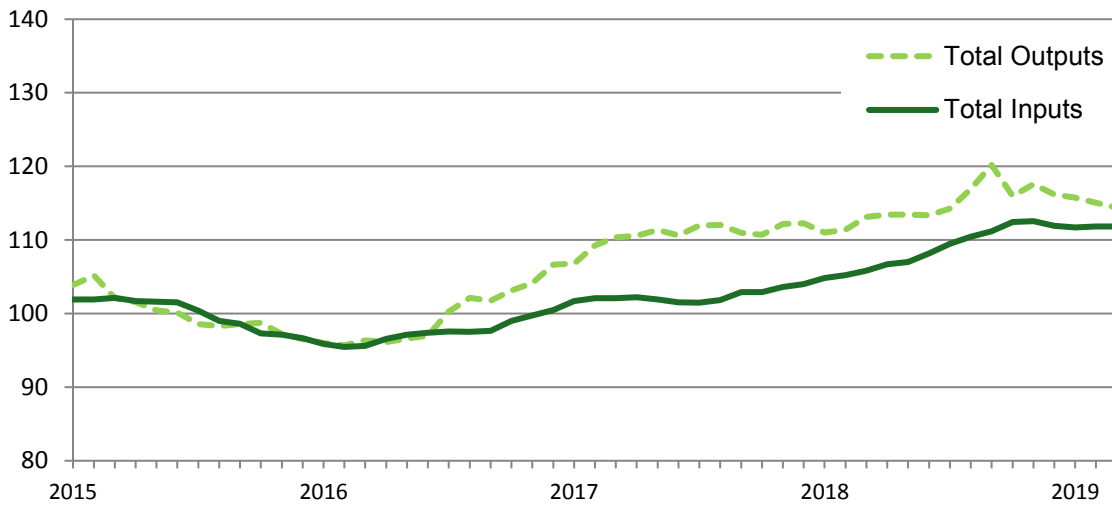
### Key points at March 2019

- Outputs show a slight decline on the previous month (down 0.6 points) driven by a continuing fall in cereal prices, particularly barley, and a decline in several livestock prices, most notably pigs. These declines were somewhat offset by rises in the prices of both sheep and fresh vegetables.
- Outputs show an overall year-on-year increase in comparison to March 2018 (up 1.3 points), with significant increases in crop prices including cereals, fruit and vegetables and potato prices largely driving this. This increase was slightly offset by reductions in prices for forage crops and a range of livestock and animal products.
- Inputs show no change in comparison to the previous month, with falling fertiliser and straight feedstuff prices balanced by increasing energy and maintenance costs, and little change across the majority of categories.
- Inputs continue to show a substantial rise in comparison to the previous year, up 6.0 points from March 2018. This annual increase is driven by price rises across the majority of inputs, the most significant of which were large increases in fertiliser, energy and feeding stuff prices.

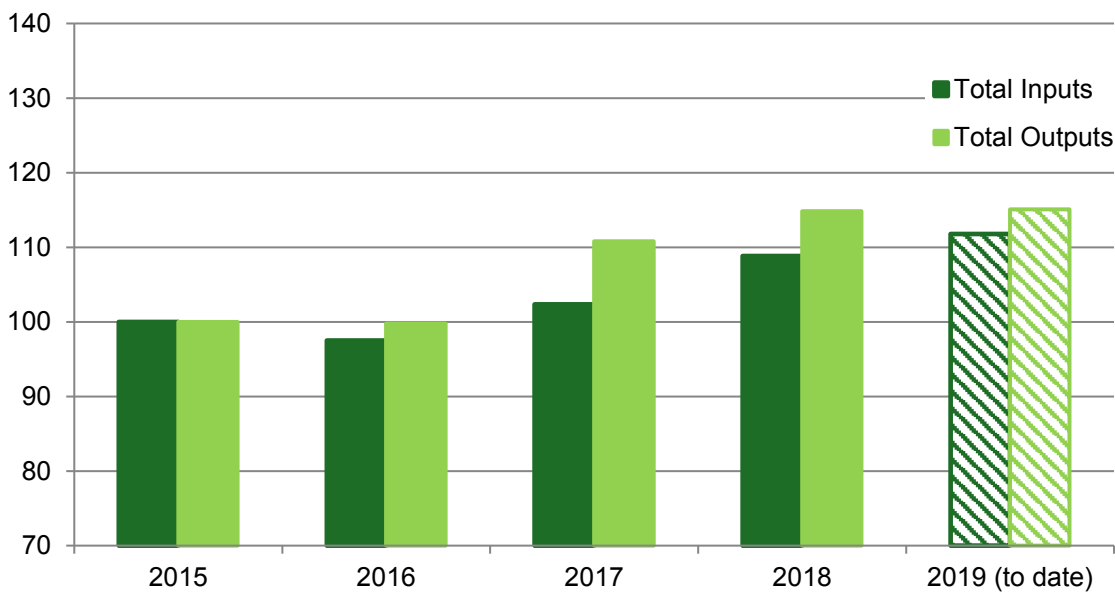
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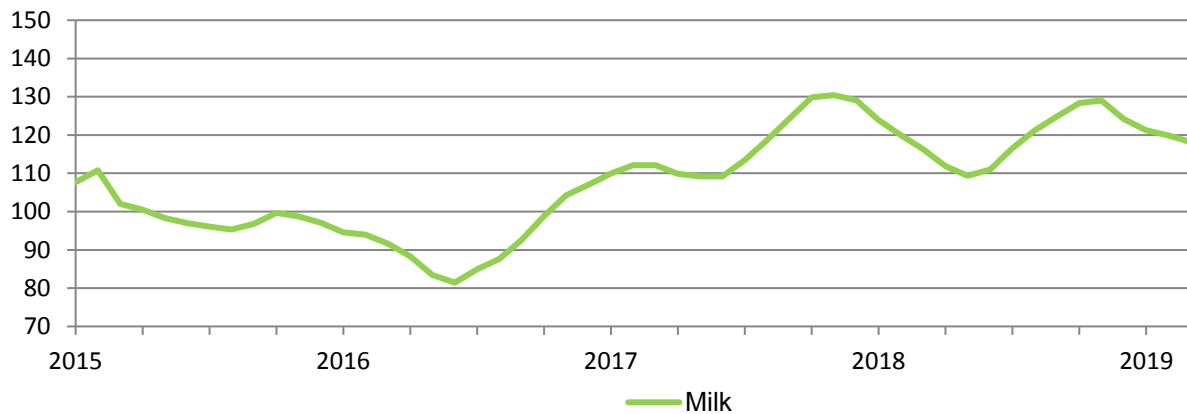
**Figure 1: Monthly indices for total Outputs and total Inputs to March 2019 (2015=100)**



**Figure 2: Annual average indices for total Inputs and total Outputs to March 2019 (2015=100)**

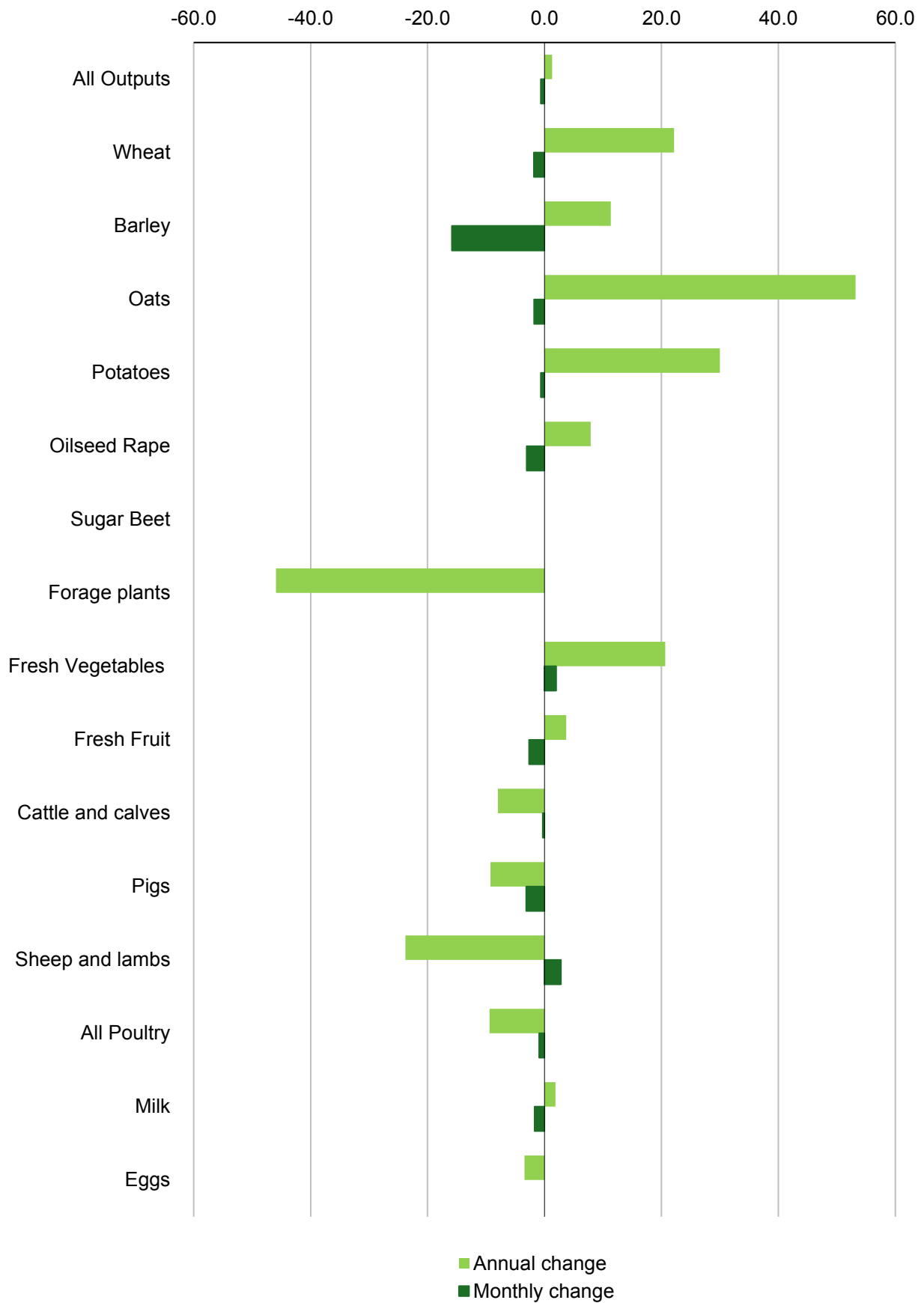


**Figure 3: Milk price index to March 2019<sup>1</sup> (2015=100)**



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

**Figure 4: Monthly and annual index changes for selected outputs (2015=100)**



**Figure 5: Monthly and annual index changes for selected inputs (2015=100)**



**Table 1 Index of Prices of Agricultural Outputs and Inputs UK (2015=100)**

				<b>Yearly</b>	<b>Monthly</b>
	Mar-18	Feb-19	Mar-19	March 2018 to March 2019	February 2019 to March 2019
<b>All Outputs</b>	113.1	115.0	114.4	1.3	-0.6
<b>Crop products</b>	114.0	130.2	128.9	14.9	-1.3
Cereals	120.8	146.3	141.7	20.8	-4.6
Wheat	120.0	143.9	142.1	22.1	-1.8
Barley	125.5	152.7	136.9	11.3	-15.8
Oats	113.3	168.3	166.5	53.2	-1.8
Potatoes	109.0	139.6	138.9	30.0	-0.6
Industrial Crops	107.2	120.2	118.9	11.8	-1.2
Oilseed Rape	116.5	127.4	124.4	7.9	-3.0
Sugar Beet	97.5	97.5	97.5	0.0	0.0
Forage plants	162.3	116.3	116.3	-45.9	0.0
Fresh Vegetables	107.9	126.5	128.5	20.7	2.0
Fresh Fruit	133.2	139.6	137.0	3.7	-2.7
<b>Animals and animal products</b>	112.6	107.1	106.5	-6.2	-0.7
Animals	113.1	102.3	102.1	-11.0	-0.2
Cattle and calves	107.3	99.6	99.3	-8.0	-0.3
Pigs	110.6	104.5	101.4	-9.2	-3.1
Sheep and lambs	135.3	108.7	111.5	-23.8	2.8
All Poultry	110.4	101.9	101.0	-9.4	-0.9
Animal products	111.9	114.4	113.0	1.1	-1.4
Milk	116.3	119.9	118.2	1.9	-1.7
Eggs	84.0	80.6	80.6	-3.4	0.0
<b>All Inputs</b>	105.8	111.8	111.8	6.0	0.0
<b>All goods and services currently consumed</b>	106.0	112.6	112.6	6.6	0.0
Seeds	104.8	104.4	107.1	2.2	2.7
Energy and lubricants	110.7	117.7	119.7	9.1	2.0
Fertilisers and soil improvers	96.5	107.2	104.7	8.3	-2.5
Plant protection products	106.5	106.3	106.3	-0.3	0.0
Veterinary services	101.3	115.2	115.5	14.2	0.3
Animal feedingstuffs	108.2	119.7	119.1	10.9	-0.6
Straight feedingstuffs	117.7	128.8	126.8	9.1	-2.0
Compound feedingstuffs	103.9	115.6	115.6	11.7	0.0
Vehicle maintenance	105.8	107.8	108.5	2.7	0.7
Building maintenance	108.5	112.5	113.2	4.8	0.7
Other goods and services	105.6	106.2	106.4	0.8	0.2
<b>Goods and services contributing to investment</b>	105.1	108.4	108.5	3.4	0.1
Materials	104.2	107.5	107.3	3.2	-0.1
Buildings	107.2	110.4	111.1	3.9	0.6

## 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.

## National Statistics Status

National Statistics status means that our statistics meet the highest standards of trustworthiness, quality and public value, and it is our responsibility to maintain compliance with these standards.

These statistics last underwent a full assessment [[Assessment Report 271 Statistics on Agriculture](#)] against the [Code of Practice for Statistics](#) in 2014.

Since the latest review by the Office for Statistics Regulation, we have continued to comply with the Code of Practice for Statistics. We have also made improvements to enhance the quality of this publication as part of our regular 5-year rebasing, which has included updating the range of prices collected based on availability and quality, and improving weighting methodology in line with Eurostat guidance.

## **Revisions**

Figures in this notice are provisional and subject to revision.