



18 July 2013

## May Agricultural Price Index

The Agricultural Price Index (API) measures the monthly price changes in agricultural outputs and inputs for the UK. 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. This is split into 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.

### *Key points*

This is the first publication with 2010 as the base year. New weights have been calculated for each of the items based on their 2010 usage. Slight changes to the data series will be seen when compared to 2005 base year price series due to the change in weights.

The most notable changes between the price series for the two base years are found in Industrial crops, Vegetables and horticultural products and Fruit price series.

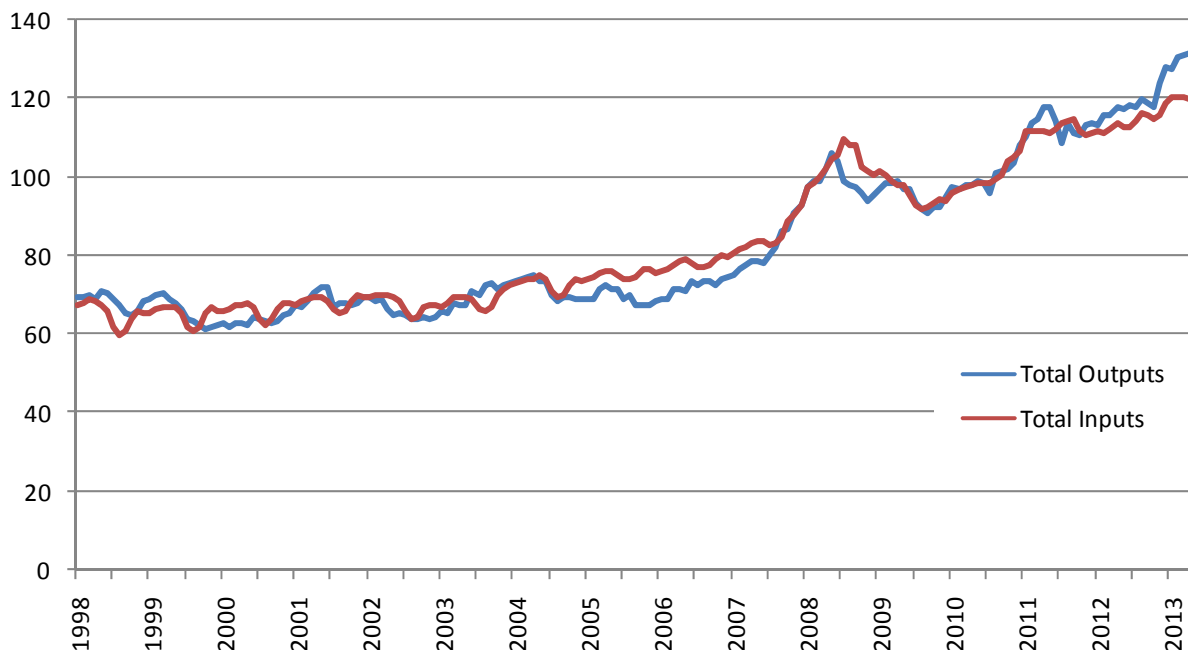
These changes are due to increases or decreases in the weights associated with a particular crop. For example, the weight attributed to oilseed rape has increased significantly since 2005, due to increased production in that time. Changes to the monthly distribution of weights for crops will also affect the overall price series.

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**Figure 1: Agricultural price indices (2010=100)**



The price index for all outputs rose by 1.0 per cent in May and remains 12 per cent higher than the same time last year. The price index for all inputs fell by 1.2 per cent in May but remains 4.6 per cent higher than this time last year.

### *Outputs*

Potato prices continue to increase due to low supply of last season potatoes and a later than usual start to the harvest of new season potatoes

The fall in fresh fruit prices of 28 per cent in May was driven by a 32 per cent fall in strawberries. The decline in strawberry price is due to an increase in supply, particularly of class 2 strawberries.

Overall there was little change in vegetable prices but this was not the same story for the individual vegetables. Tomatoes prices fell by 20 per cent in May due to heavy supplies of imported produce although they still remain 6.8 per cent higher than the same time last year. Reduced supplies of lettuce and onions saw their prices increase by 27 and 16 per cent respectively in May.

There was a slight fall of 1.1 per cent in animal and animal produce prices in May with poultry seeing the largest fall of 8.2 per cent. However, animal and animal produce still remain 6.4 per cent higher than the same time last year.

### *Inputs*

Motor fuel fell by 3.5 per cent in May and is 6.9 per cent lower than May last year.

Nitrogen prices down by 14 per cent as demand is low and companies are reducing prices to try and secure sales.

There is little change in the price of animal feeds which remain 16 per cent higher than the same time last year.

## Revisions

This is the first publication with 2010 as the base year. New weights have been calculated for each of the items based on their 2010 usage. The entire API series, all the way back to 1988, has been updated with 2010 as the base year. Slight changes to the data series will be seen when compared to 2005 base year price series due to the change in weights.

The change in base year provided an opportunity to update the list of items that we collect data for. We have also in some instances changed the source of price data for certain items. List of changes can be found in Annex I.

## 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) use 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 the data for the previous month is carried forward 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 item is assigned a weight which reflects their contribution to the overall index. The weights are based upon the value of the item, for example, if the value of animal feed is three times more than fertilisers then the weight for animal feed will be three times more than the fertiliser.

The overall weight for an item is either split equally between the 12 months or reflects the yearly pattern of sales or purchases. For example, if the sales of apples in October are double June sales then October weight is double the June weight for apples. Some outputs are seasonal, for example strawberries, and these will only have a weight for the months they are in season.

To note all weights are based upon base year data which is 2010.

**Table 1 Index of Agricultural Outputs UK (2010=100)**

	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	1 month change	12 month change
<b>All Outputs</b>	128.1	127.3	130.4	131.1	131.7	133.0	1.0%	11.8%
<b>Crop products</b>	147.1	144.0	146.9	142.5	144.6	146.1	1.1%	17.7%
Cereals	180.4	176.7	180.3	173.1	171.0	168.7	-1.3%	16.5%
Wheat	177.4	172.3	177.3	168.8	167.7	166.6	-0.6%	18.7%
Barley	186.1	185.2	184.3	178.0	177.7	174.9	-1.6%	8.9%
Oats	204.5	206.3	210.6	212.7	200.8	195.2	-2.8%	5.3%
Potatoes	171.9	173.7	176.5	187.0	188.9	215.0	13.8%	53.2%
Industrial Crops	126.9	126.4	128.6	130.2	131.1	134.8	2.8%	2.0%
Oilseed Rape	138.1	138.3	141.9	144.3	145.8	143.3	-1.7%	0.8%
Sugar Beet	108.0	108.0	108.0	108.0	108.0	108.0	0.0%	7.8%
Forage plants	111.8	115.3	116.3	116.1	117.1	118.5	1.2%	11.5%
Fresh Vegetables	111.3	110.9	110.3	120.8	124.2	122.1	-1.7%	17.1%
Fresh Fruit	143.4	140.4	148.8	153.1	160.5	125.6	-21.8%	18.7%
Flowers and plants	110.5	109.0	109.3	109.7	109.5	113.2	3.4%	2.3%
Other crop products	114.2	114.2	114.2	114.2	114.2	114.2	0.0%	0.0%
<b>Animals and animal products</b>	116.2	117.0	119.1	124.0	124.3	122.9	-1.1%	6.4%
Animals (for slaughter & export)	111.9	113.5	116.3	124.4	124.9	123.4	-1.2%	4.4%
Cattle and calves	134.2	134.6	136.3	141.9	142.2	141.6	-0.4%	9.7%
Pigs	113.5	112.1	110.0	110.6	113.4	115.5	1.8%	8.7%
Sheep and lambs	85.5	82.6	90.7	108.9	114.0	120.1	5.4%	6.0%
All Poultry	101.9	103.3	104.3	116.0	113.2	104.6	-7.6%	-7.6%
Animal products	122.9	123.2	123.4	123.4	123.4	122.4	-0.8%	8.9%
Milk	122.2	121.7	121.9	121.9	122.0	120.9	-0.9%	9.7%
Eggs	129.2	133.9	133.9	133.9	133.5	133.5	0.0%	4.9%

**Table 2 Index of Agricultural Inputs UK (2010=100)**

	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	1 month change	12 month change
<b>All Inputs</b>	119.0	120.2	120.1	120.3	119.6	118.1	-1.2%	4.6%
<b>All goods and services currently consumed in agriculture</b>	122.0	123.5	123.3	123.0	122.2	120.5	-1.4%	5.2%
Seeds	93.0	109.0	109.0	109.0	109.0	109.0	0.0%	11.4%
Energy and lubricants	120.0	121.0	124.2	127.3	125.0	121.4	-2.8%	-4.7%
Fertilisers and soil improvers	121.8	118.6	118.2	120.3	118.8	115.4	-2.9%	-7.8%
Plant protection products	99.7	101.4	104.5	105.1	104.8	104.8	0.0%	1.5%
Veterinary services	105.2	106.5	106.4	108.0	106.3	106.3	0.0%	2.0%
Animal feedingstuffs	143.3	147.3	148.0	146.1	146.6	146.0	-0.4%	15.7%
Straight feedingstuffs	161.3	160.7	161.8	160.3	160.3	158.0	-1.4%	20.1%
Compound feedingstuffs	131.7	138.2	138.4	138.2	137.7	137.1	-0.4%	11.9%
Maintenance of Materials	106.6	107.2	107.1	107.6	107.9	108.2	0.3%	1.6%
Maintenance of Buildings	109.2	109.9	110.9	110.6	111.3	110.0	-1.2%	-0.8%
Other goods and services	107.7	108.2	108.4	108.4	109.9	110.1	0.2%	2.1%
<b>Goods and services contributing to investment</b>	104.4	104.8	105.1	105.6	105.7	105.5	-0.2%	0.7%
Materials	103.5	103.8	103.8	104.5	104.4	104.4	0.0%	0.7%
Buildings	106.9	107.4	108.2	108.1	108.4	107.5	-0.8%	-0.2%
Other (Engineering and soil improvement operations)	104.8	105.1	105.8	106.3	107.0	107.0	0.0%	2.3%

**Table 3 Annual Index of Agricultural Outputs UK (2010=100)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>All Outputs</b>	70.1	71.6	69.6	72.3	82.2	98.9	95.0	100.0	113.2	118.7
<b>Crop products</b>	70.1	71.9	67.4	73.2	88.0	103.5	89.2	100.0	118.4	124.1
Cereals	63.7	69.4	59.5	66.2	96.8	124.0	89.6	100.0	144.8	149.7
Wheat	62.2	68.5	57.0	64.2	93.2	121.5	90.5	100.0	141.7	144.3
Barley	68.9	72.5	66.1	71.5	107.9	132.6	88.0	100.0	150.3	160.9
Oats	59.2	64.0	67.6	73.6	91.9	113.1	82.7	100.0	177.8	190.1
Potatoes	67.7	90.3	70.7	92.0	104.2	108.5	86.8	100.0	107.1	121.9
Industrial Crops	71.4	69.9	62.4	64.7	73.6	112.4	93.5	100.0	131.2	129.3
Oilseed Rape	61.4	58.8	49.3	58.9	69.7	118.7	91.5	100.0	143.3	139.1
Sugar Beet	103.1	104.9	101.5	81.2	83.7	93.6	99.0	100.0	96.5	101.7
Forage plants	52.7	57.6	62.6	62.8	73.7	80.5	84.1	100.0	112.6	106.2
Fresh Vegetables	83.0	76.1	79.3	85.3	93.3	91.9	87.8	100.0	94.3	107.1
Fresh Fruit	87.8	77.3	73.9	77.3	84.0	96.6	95.6	100.0	98.0	103.5
Flowers and plants	72.6	70.9	71.5	73.6	77.5	83.6	86.6	100.0	101.4	110.4
Other crop products	46.3	45.5	89.3	93.1	83.7	79.1	103.7	100.0	114.2	114.2
<b>Animals and animal products</b>	70.0	71.4	71.1	71.7	78.0	95.6	99.3	100.0	109.5	114.8
Animals (for slaughter & export)	67.9	68.8	69.0	71.0	73.9	90.2	100.8	100.0	109.6	114.6
Cattle and calves	63.2	66.7	67.3	73.8	75.0	98.4	104.9	100.0	116.4	129.3
Pigs	72.7	73.2	73.5	74.2	76.0	89.5	103.1	100.0	102.1	106.3
Sheep and lambs	67.8	67.0	61.8	63.4	56.7	72.1	91.1	100.0	112.3	105.1
All Poultry	72.1	71.0	73.4	70.1	81.0	89.5	99.5	100.0	102.9	105.0
Animal products	73.3	75.5	74.5	72.7	84.3	104.1	96.9	100.0	109.4	115.2
Milk	73.2	74.9	74.9	72.8	84.3	105.2	96.1	100.0	111.0	113.8
Eggs	76.5	81.0	74.7	76.9	87.8	103.2	105.7	100.0	99.9	124.0

**Table 4 Annual Index of Agricultural Inputs UK (2010=100)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>All Inputs</b>	69.0	72.9	75.3	78.1	84.8	103.2	95.9	100.0	112.2	114.2
<b>All goods and services currently consumed in agriculture</b>	66.2	70.8	73.2	76.2	83.6	105.0	95.7	100.0	113.9	116.1
Seeds	66.9	82.5	93.5	86.3	97.2	111.2	105.0	100.0	105.8	93.6
Energy and lubricants	49.9	54.3	67.3	75.8	78.2	107.0	88.3	100.0	118.2	122.4
Fertilisers and soil improvers	47.8	53.8	58.9	62.6	67.8	148.5	102.3	100.0	130.4	125.2
Plant protection products	89.3	92.1	94.9	97.3	98.8	100.9	102.8	100.0	99.8	101.0
Veterinary services	82.0	84.5	83.9	89.8	91.2	87.6	88.0	100.0	102.0	103.6
Animal feedingstuffs	64.8	68.9	63.7	66.0	80.1	103.7	95.4	100.0	120.8	128.6
Straight feedingstuffs	62.9	66.9	60.0	62.6	81.7	106.1	90.1	100.0	123.1	135.8
Compound feedingstuffs	66.0	70.3	66.2	68.2	79.1	102.2	98.9	100.0	119.2	123.7
Maintenance of Materials	70.3	74.2	79.0	83.5	86.6	91.6	95.8	100.0	104.9	106.5
Maintenance of Buildings	70.3	73.7	76.8	81.6	87.7	94.0	93.8	100.0	107.4	109.8
Other goods and services	73.5	76.8	81.1	83.6	88.3	93.0	93.3	100.0	106.0	107.2
<b>Goods and services contributing to investment</b>	82.8	83.6	86.2	87.9	90.9	94.3	96.9	100.0	103.6	104.0
Materials	87.9	87.2	89.4	90.0	91.8	94.3	97.3	100.0	103.0	102.7
Buildings	71.7	75.5	79.0	83.7	89.3	95.0	95.2	100.0	105.7	107.3
Other (Engineering and soil improvement operations)	77.3	80.0	83.4	84.9	89.0	93.1	97.9	100.0	102.5	104.5

## Annex I

### Changes to data collected from previous API series

#### Following items added to series

##### Vegetables

Red cabbage

White Cabbage

Other winter cabbage

Mushrooms – flat

Mushrooms – cup

##### Plants and Flowers

Cut Flowers

Forced flower bulbs

##### Fruit

Other late season dessert apples

#### Updated data sources

##### Potatoes

Early potatoes

##### Poultry

Broilers

##### Animal feeding stuffs

Oilcakes

Maize gluten feed

Soya bean meal

Sunflower seed meal

Rapeseed meal

Other straights

Molasses

Dried sugar beet pulp

Soya bean

#### Following items removed from series

##### Industrial crops

Hops

Fibre plants

##### Plants and flowers

Pot plants - Chrysanthemums (9 cm)

##### Fruit

Cider apples and perry pears



Poultry

Spent hens  
Poultry for export  
Hatching eggs exported

Other animals

Dogs

Animal feeding stuffs

Other oilcakes

Other goods and services

Leasing milk quota

Materials

Plant and machinery for harvesting  
Farm machinery and installations for crop production  
Other farm machinery and installations