



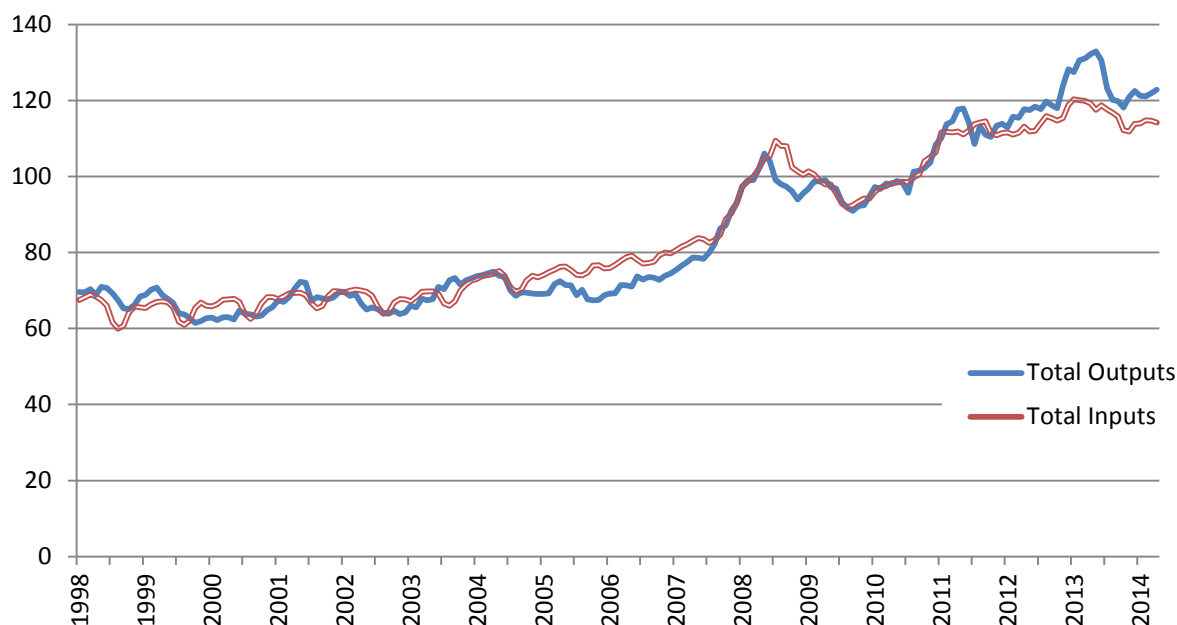
April Agricultural Price Index

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

Figure 1: Agricultural price indices (2010=100)



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The price index for all outputs rose by 0.8% while the price index for all inputs fell by 0.4% in April. Overall the prices are lower than the same time last year as the price index for all outputs is 7.0% lower and the price index for all inputs is 4.2% lower than this time last year.

Output

Compared to last year all price indices for crops are down primarily due to the shortage of supply at this time last year due to the poor harvest in 2012. The largest difference is seen with the following crops whose prices are significantly lower than last year: potatoes (43%); fresh fruit (34%); cereals (19%) and oilseed rape (19%).

There was reduced demand and increased supplies of imported produce which led to home grown fresh fruit prices falling by 12% in April.

Oilseed rape prices rose by 5.3% in April as supplies tighten and global demand increases for.

Sheep and lamb prices rose 5.4% in April as tight supplies and increased demand at Easter continue to push prices up. Prices are 9.5% higher than the same time last year.

Poultry prices rose for the second month by 5.7% in April but are still 1.7% below last year

Inputs

Energy and lubricant prices fell for the third month running. Prices fell by 1.3% in April and are now 3.5% lower than this time last year.

Animal feedingstuffs rose by 0.7% although prices are still 11% lower than the same time last year; straight feedingstuffs rose by 2.2% in April while compound feedingstuff prices fell by 0.6%. Straight feedingstuff prices have risen due to increased cereal prices.

Fertiliser prices fell by 2.2% in April and are still 9.1% lower than the same time last year. Prices remain steady with most of the spring fertiliser market already ordered, but some local offers are available as the end of the season approaches.

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)

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	1 month change	12 month change
All Outputs	118.1	120.9	122.5	121.3	121.1	121.9	122.8	0.8%	-7.0%
Crop products	110.4	115.9	119.8	118.0	118.2	117.4	120.2	2.5%	-17.6%
Cereals	133.7	133.3	135.0	131.2	133.1	134.6	138.6	2.9%	-19.0%
Wheat	133.3	133.7	136.8	134.3	134.3	135.0	139.4	3.3%	-16.9%
Barley	132.9	133.5	132.1	124.5	131.4	134.9	137.9	2.3%	-22.4%
Oats	157.2	117.9	115.2	115.4	120.3	126.1	126.5	0.3%	-37.0%
Potatoes	102.9	107.1	112.7	116.8	114.4	116.1	118.7	2.2%	-42.8%
Industrial Crops	110.6	111.0	110.8	109.7	109.0	110.4	114.1	3.4%	-13.0%
Oilseed Rape	110.2	111.9	111.7	110.7	109.6	112.2	118.2	5.3%	-18.9%
Sugar Beet	108.0	108.0	108.0	108.0	108.0	108.0	108.0	0.0%	0.0%
Forage plants	105.2	106.6	109.4	111.2	114.4	117.0	118.5	1.3%	-0.4%
Fresh Vegetables	97.1	97.4	109.4	106.3	100.7	103.0	103.8	0.7%	-13.8%
Fresh Fruit	89.9	96.2	104.0	114.4	110.1	118.7	104.4	-12.0%	-33.7%
Flowers and plants	108.1	109.9	110.3	109.0	108.7	108.5	109.7	1.1%	0.2%
Other crop products	98.7	98.7	98.7	98.7	98.7	98.7	98.7	0.0%	0.0%
Animals and animal products	123.0	124.5	124.2	123.3	123.0	124.7	124.3	-0.3%	0.1%
Animals (for slaughter & export)	116.9	116.7	115.9	116.4	115.2	117.4	118.8	1.2%	-4.9%
Cattle and calves	132.0	130.5	134.3	129.3	126.1	127.1	123.8	-2.6%	-12.9%
Pigs	121.2	120.9	120.8	118.2	115.6	114.6	115.2	0.5%	1.5%
Sheep and lambs	95.6	95.7	98.0	103.1	108.3	118.4	124.8	5.4%	9.5%
All Poultry	108.9	111.1	105.5	107.1	104.0	105.3	111.3	5.7%	-1.7%
Animal products	135.0	138.0	137.0	135.1	135.3	135.0	133.5	-1.1%	8.4%
Milk	136.3	140.1	138.8	136.9	137.2	136.7	135.1	-1.2%	10.7%
Eggs	128.7	128.7	128.7	126.5	126.5	126.5	126.3	-0.1%	-4.2%

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

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	1 month change	12 month change
All Inputs	112.2	111.8	113.8	113.9	114.8	114.7	114.2	-0.4%	-4.2%
All goods and services currently consumed in agriculture	113.9	113.7	116.1	116.2	116.1	115.8	115.3	-0.5%	-5.7%
Seeds	104.6	104.6	104.6	104.6	104.6	104.6	104.6	0.0%	-11.2%
Energy and lubricants	121.5	119.6	125.2	126.5	125.3	122.1	120.5	-1.3%	-3.5%
Fertilisers and soil improvers	102.4	100.8	102.7	107.3	110.0	110.4	108.0	-2.2%	-9.1%
Plant protection products	98.7	98.8	99.0	100.0	96.4	96.4	96.2	-0.1%	-2.7%
Veterinary services	105.8	105.8	105.9	106.4	106.4	106.4	106.4	0.0%	0.0%
Animal feedingstuffs	126.9	126.5	127.3	127.7	128.6	129.3	130.2	0.7%	-11.4%
Straight feedingstuffs	129.3	128.1	129.1	128.9	130.5	133.1	136.0	2.2%	-15.2%
Compound feedingstuffs	125.3	125.4	126.2	127.0	127.2	127.2	126.4	-0.6%	-8.5%
Maintenance of Materials	109.1	109.3	109.3	110.5	110.5	110.5	110.5	0.0%	2.4%
Maintenance of Buildings	109.7	110.1	110.5	110.6	111.2	111.4	111.4	0.0%	1.1%
Other goods and services	108.7	108.9	109.7	109.8	110.3	110.6	110.9	0.3%	0.2%
Goods and services contributing to investment	102.8	102.9	103.0	103.4	108.3	108.7	108.4	-0.2%	5.4%
Materials	100.2	100.1	100.2	100.6	107.9	108.4	107.9	-0.5%	7.5%
Buildings	107.5	107.8	108.0	108.1	108.5	108.7	108.7	0.0%	0.9%
Other (Engineering and soil improvement operations)	108.2	108.7	108.4	109.7	110.2	110.1	110.7	0.5%	3.5%