



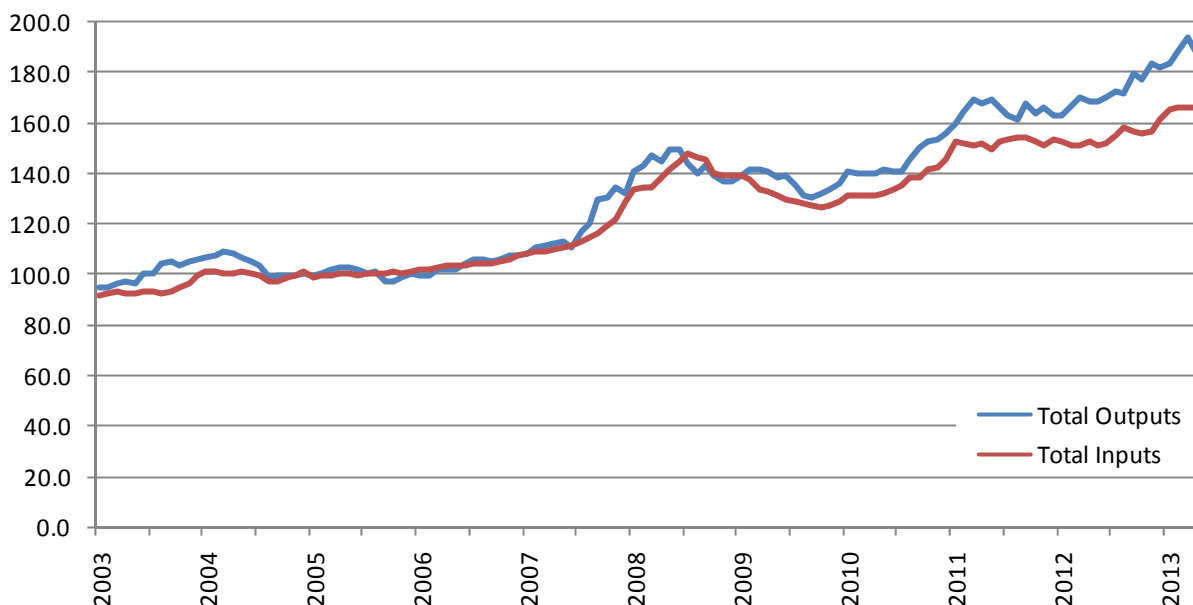
April Agricultural Price Index

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 (2005=100)



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The price index for all outputs fell by 2.9 per cent in April but is still 12 per cent higher than the same time last year. The price index for all inputs rose by 0.1 per cent in April and is 9 per cent higher than this time last year.

Outputs

The crop product index rose by 4.8 per cent in April and is 22 per cent higher than this time last year.

Cereal prices are currently 21 per cent higher than this time last year with all cereal categories showing significant annual price rises with the exception of milling oats where prices fell by 3.5 per cent, cereal prices remain high reflecting the wet 2012 harvest.

Potato price rises have slowed and have only risen 1.0 per cent in April but they still remain 107 per cent above this time last year.

Fresh vegetables fell 1.4 per cent in April but still remain 25 per cent above this time last year. Cauliflowers, tomatoes and lettuce have all shown significant price drops which have been off set by price rises for cabbages; carrots and onions.

Fresh fruit fell by 6 per cent in April but still remain 45 per cent above this time last year.

Chart 2 Fresh vegetable price index (2005 = 100)

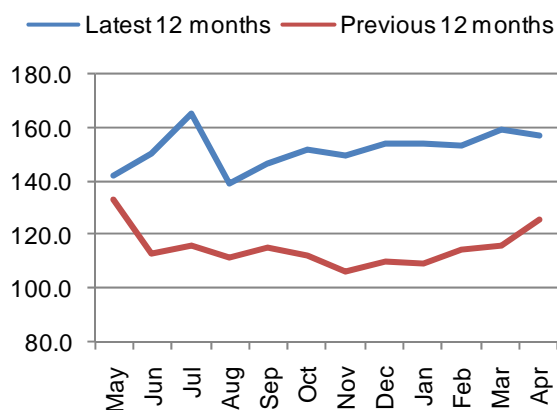
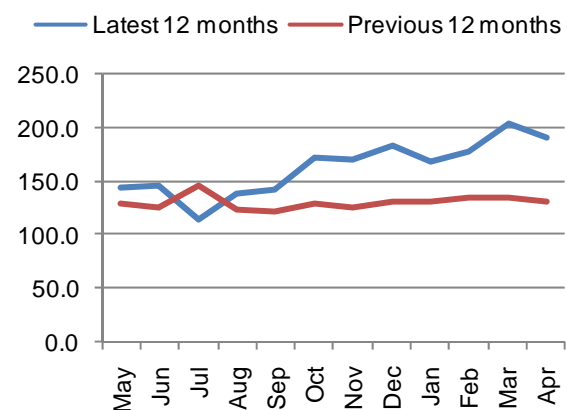


Chart 3 Fresh fruit price index (2005 =100)



Animal and animal product prices rose by 0.9 per cent this month and are now 6 per cent higher than the same time last year. Animals for slaughter rose by 0.8 per cent in April, calf prices have risen 22 per cent in April but prices still remain 28 per cent below this time last year.

Inputs

There has been very little movement in prices for inputs in April with the overall index for inputs rising by 0.1 per cent. Compared to last year all goods and services currently consumed in agriculture are up 10 per cent. The main contributors to the upward trend are seeds that are up 56 per cent and animal feeding stuff up 14 per cent.

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 2005.

Table 1 Index of Agricultural Outputs UK (2005=100)

	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	1 month change	12 month change
All Outputs	183.4	182.1	183.1	188.6	193.8	188.1	-2.9%	11.6%
Crop products	213.3	212.9	219.6	224.4	228.5	217.6	-4.8%	22.3%
Cereals	277.7	305.8	299.9	306.2	295.7	292.3	-1.1%	21.2%
Wheat	286.0	315.7	305.3	315.0	304.2	298.2	-2.0%	24.2%
Barley	257.2	285.3	284.0	278.0	269.6	269.9	0.1%	12.4%
Oats	303.9	310.6	309.3	312.9	310.8	298.0	-4.1%	10.0%
Potatoes	220.3	237.1	239.6	243.4	258.0	260.6	1.0%	107.1%
Industrial Crops	180.4	178.9	160.5	162.6	163.7	164.6	0.5%	5.3%
Oilseed Rape	282.9	279.1	280.5	287.7	292.7	295.6	1.0%	3.0%
Sugar Beet	106.5	106.5	106.5	106.5	106.5	106.5	0.0%	8.5%
Forage plants	207.6	213.5	222.1	223.9	223.4	229.9	2.9%	16.1%
Fresh Vegetables	150.0	154.2	154.2	153.6	159.3	157.1	-1.4%	25.3%
Fresh Fruit	169.2	183.9	168.1	178.3	203.6	191.0	-6.2%	45.4%
Flowers and plants	164.6	166.6	164.1	164.8	165.5	165.0	-0.3%	-5.9%
Other crop products	132.2	132.2	132.5	132.5	132.5	132.5	0.0%	0.2%
Animals and animal products	162.2	163.5	162.5	165.2	171.8	173.4	0.9%	5.9%
Animals (for slaughter & export)	160.1	162.3	160.2	164.9	177.0	178.5	0.8%	4.8%
Cattle and calves	188.6	197.1	194.6	195.2	203.5	204.6	0.5%	11.1%
Pigs	153.8	154.3	152.2	149.3	150.1	154.0	2.6%	9.2%
Sheep and lambs	138.8	137.4	133.4	146.7	175.5	184.6	5.1%	-8.0%
All Poultry	139.5	139.2	141.6	140.5	153.7	152.5	-0.8%	2.8%
Animal products	165.4	165.2	166.0	165.7	165.4	166.0	0.4%	7.5%
Milk	162.7	163.1	162.5	162.7	162.9	163.0	0.1%	8.1%
Eggs	181.3	181.3	188.8	188.8	188.8	187.9	-0.4%	4.9%

Table 2 Index of Agricultural Inputs UK (2005=100)

	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	1 month change	12 month change
All Inputs	156.2	161.3	165.1	165.8	165.7	165.8	0.1%	8.8%
All goods and services currently consumed in agriculture	162.8	169.2	173.6	174.4	174.2	174.3	0.1%	10.4%
Seeds	129.5	129.5	174.9	174.9	174.9	174.9	0.0%	55.9%
Energy and lubricants	178.1	183.7	183.5	187.5	187.9	185.9	-1.0%	-4.8%
Fertilisers and soil improvers	215.0	214.7	213.3	213.1	215.3	215.4	0.0%	-3.7%
Plant protection products	106.3	105.2	105.2	105.5	105.5	105.5	0.0%	-2.2%
Veterinary services	125.4	125.3	126.8	126.7	128.6	125.5	-2.4%	1.0%
Animal feedingstuffs	217.6	225.2	222.9	224.5	222.6	222.9	0.1%	13.6%
Straight feedingstuffs	242.6	261.3	255.9	259.7	255.3	255.8	0.2%	18.8%
Compound feedingstuffs	198.6	198.5	198.5	198.5	198.5	198.5	0.0%	9.0%
Maintenance of Materials	135.3	135.4	136.2	136.1	136.8	137.0	0.2%	1.5%
Maintenance of Buildings	142.3	141.9	142.9	144.4	144.0	144.8	0.6%	0.7%
Other goods and services	128.2	128.6	129.4	129.7	129.7	130.5	0.6%	1.2%
Goods and services contributing to investment	123.6	124.0	124.3	124.8	125.3	125.3	0.0%	0.6%
Materials	117.6	118.6	118.7	118.8	119.6	119.4	-0.1%	0.4%
Buildings	135.9	135.6	136.3	137.4	137.1	137.6	0.4%	0.5%
Other (Engineering and soil improvement operations)	126.1	125.9	126.2	127.1	127.7	127.6	-0.1%	1.7%