



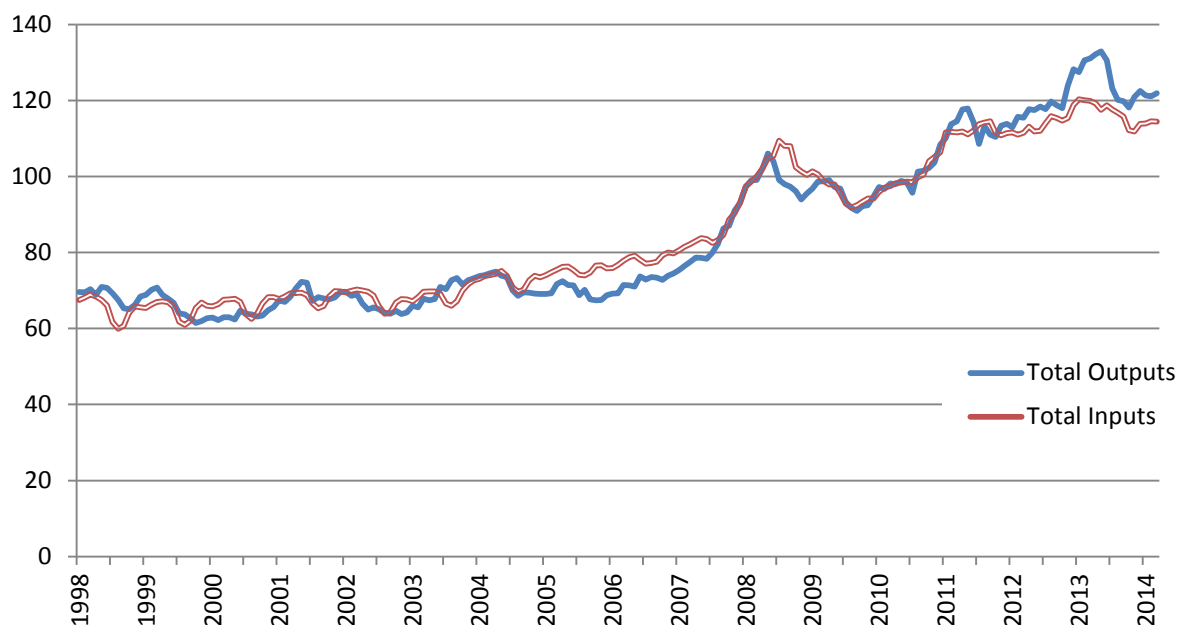
## March Agricultural Price Index

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)**



**Enquiries on this publication to:** Julie Rumsey, Rm 201 Foss House, Kings Pool, 1-2 Peasholme Green, York, YO1 7PX Tel: 01904 455249/455355 email: [prices@defra.gsi.gov.uk](mailto:prices@defra.gsi.gov.uk)

**A National Statistics publication.** National Statistics are produced to high professional standards. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference. For general enquiries about National Statistics, contact the National Statistics Public Enquiry Service: tel. 0845 601 3034 email [info@statistics.gov.uk](mailto:info@statistics.gov.uk). You can find National Statistics on the internet at [www.statistics.gov.uk](http://www.statistics.gov.uk).

The price index for all outputs rose by 0.6% while the price index for all inputs remained unchanged in March. Overall the prices are lower than the same time last year as the price index for all outputs is 6.9% lower and the price index for all inputs is 4.5% 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 (38%); fresh fruit (23%); oilseed rape (22%); and cereals (22%).

There was a strong demand for high quality top fruit led to fresh fruit prices increasing by 7.7% in March.

The political unrest in the Crimea led to slight increase of 1.2% for cereal prices in March as there were concerns over the future supply of cereals.

As supplies tighten and global demand increases for oilseed rape prices rose by 2.3% in March.

Sheep and lamb prices rose 9.3% in March as tight supplies continue to push prices up. Production of home grown mutton and lamb is 1.8% lower than this time last year. Prices are 8.7% higher than the same time last year.

### *Inputs*

Energy and lubricant prices fell for the second month running. Prices fell by 2.5% in March and are now 4.0% lower than this time last year.

Animal feedingstuffs rose by 0.5% although prices are still 12% lower than the same time last year; straight feedingstuffs rose by 2.0% in March while compound feedingstuff prices remained unchanged. Straight feedingstuff prices have risen due to increased cereal prices.

Fertiliser prices rose by 0.4% in March although prices are still 8.2% lower than the same time last year. Prices remain steady with most of the spring fertiliser market already ordered.

### **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)**

	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	1 month change	12 month change
<b>All Outputs</b>	119.8	118.1	120.9	122.5	121.3	121.1	121.9	0.6%	-7.0%
<b>Crop products</b>	115.7	110.4	115.9	119.8	118.2	118.3	117.5	-0.7%	-17.5%
Cereals	131.3	133.7	133.3	135.0	131.2	133.1	134.6	1.2%	-22.2%
Wheat	131.5	133.3	133.7	136.8	134.3	134.3	135.0	0.5%	-20.0%
Barley	129.1	132.9	133.5	132.1	124.5	131.4	134.9	2.6%	-24.2%
Oats	157.1	157.2	117.9	115.2	115.4	120.3	126.1	4.8%	-40.7%
Potatoes	122.4	102.9	107.1	112.7	116.8	114.4	116.1	1.6%	-37.9%
Industrial Crops	117.3	110.6	111.0	110.8	109.7	109.0	110.4	1.3%	-15.2%
Oilseed Rape	121.9	110.2	111.9	111.7	110.7	109.6	112.2	2.3%	-22.3%
Sugar Beet	108.0	108.0	108.0	108.0	108.0	108.0	108.0	0.0%	0.0%
Forage plants	105.9	105.2	106.6	109.4	111.2	114.4	117.0	2.2%	-0.7%
Fresh Vegetables	106.1	97.1	97.4	109.4	107.6	100.7	103.0	2.2%	-13.4%
Fresh Fruit	105.6	89.9	96.2	104.0	112.5	110.1	118.7	7.7%	-22.9%
Flowers and plants	110.0	108.1	109.9	110.3	109.5	109.2	109.1	-0.1%	-1.0%
Other crop products	98.7	98.7	98.7	98.7	98.7	98.7	98.7	0.0%	0.0%
<b>Animals and animal products</b>	123.2	122.9	124.5	124.2	123.3	123.0	124.6	1.3%	0.5%
Animals (for slaughter & export)	117.0	116.9	116.7	115.9	116.4	115.2	117.4	1.9%	-5.7%
Cattle and calves	137.5	132.0	130.5	134.3	129.3	126.1	127.1	0.8%	-10.4%
Pigs	120.1	121.2	120.9	120.8	118.2	115.6	114.6	-0.8%	3.6%
Sheep and lambs	93.4	95.6	95.7	98.0	103.1	108.3	118.4	9.3%	8.7%
All Poultry	103.8	108.9	111.1	105.5	107.1	104.0	105.3	1.2%	-9.2%
Animal products	132.9	134.9	137.9	136.9	135.1	135.3	134.8	-0.4%	9.2%
Milk	133.7	136.3	140.0	138.8	136.9	137.3	136.5	-0.6%	11.9%
Eggs	129.0	128.7	128.7	128.7	126.5	126.5	126.5	0.0%	-5.6%

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

	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	1 month change	12 month change
<b>All Inputs</b>	115.7	112.2	111.8	113.8	113.9	114.5	114.5	0.0%	-4.5%
<b>All goods and services currently consumed in agriculture</b>	118.0	113.9	113.7	116.1	116.2	116.1	115.8	-0.2%	-5.9%
Seeds	98.1	104.6	104.6	104.6	104.6	104.6	104.6	0.0%	-11.2%
Energy and lubricants	125.1	121.5	119.6	125.2	126.5	125.3	122.2	-2.5%	-4.0%
Fertilisers and soil improvers	112.4	102.4	100.8	102.7	107.3	110.0	110.4	0.4%	-8.2%
Plant protection products	98.6	98.7	98.8	99.0	100.0	96.4	96.4	0.0%	-2.6%
Veterinary services	105.8	105.8	105.8	105.9	106.4	106.4	106.6	0.2%	-1.1%
Animal feedingstuffs	134.7	126.9	126.5	127.3	127.7	128.6	129.3	0.5%	-11.5%
Straight feedingstuffs	135.2	129.3	128.1	129.1	128.9	130.5	133.1	2.0%	-17.0%
Compound feedingstuffs	134.3	125.3	125.4	126.2	127.0	127.2	127.2	0.0%	-8.0%
Maintenance of Materials	108.9	109.1	109.3	109.3	110.5	110.5	110.5	0.0%	2.6%
Maintenance of Buildings	109.8	109.7	110.1	110.5	110.6	111.2	111.4	0.2%	0.5%
Other goods and services	108.9	108.7	108.9	109.7	109.8	110.3	110.8	0.4%	1.5%
<b>Goods and services contributing to investment</b>	103.0	102.8	102.9	103.0	103.4	106.7	107.1	0.3%	3.9%
Materials	100.5	100.2	100.1	100.2	100.6	107.9	108.4	0.5%	7.7%
Buildings	107.5	107.5	107.8	108.0	108.1	108.5	108.7	0.1%	0.5%
Other (Engineering and soil improvement operations)	107.6	108.2	108.7	108.4	109.4	95.6	95.7	0.1%	-10.0%