



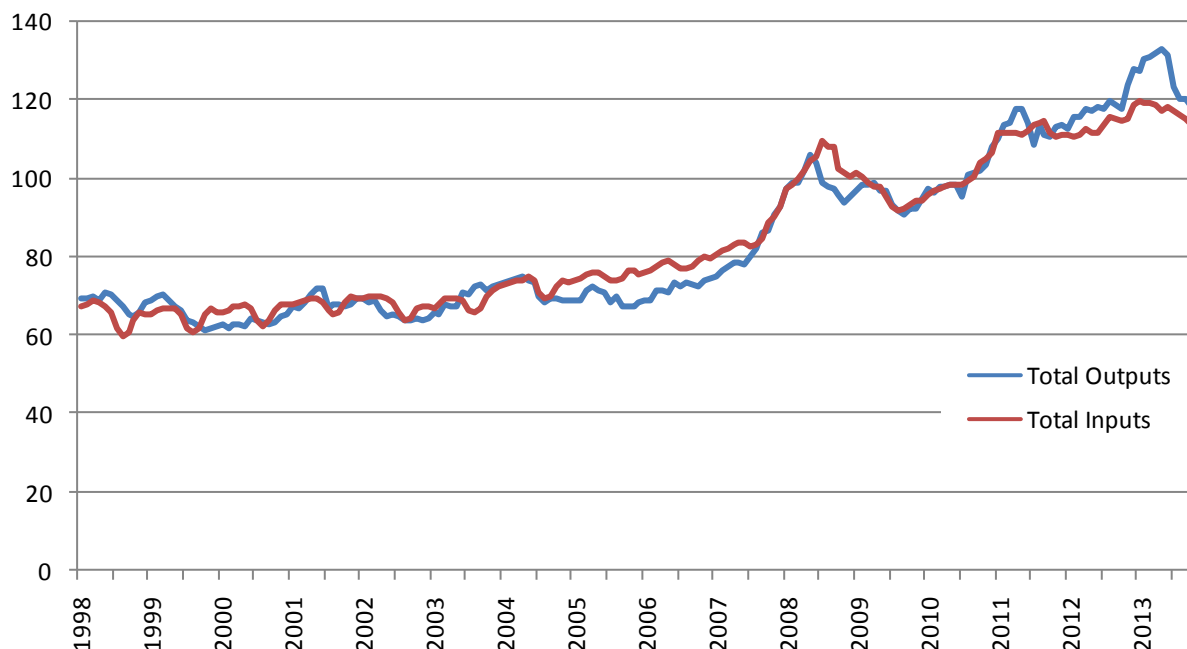
## October Agricultural Price Index

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 301 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 fell for the fifth month running by 1.5% in October, primarily due to a fall in potatoes and fresh fruit prices. Despite the recent falls, the index for outputs still remains 0.4% higher than the same time last year. The price index for all inputs also fell by 1.5% in October. This was the fourth consecutive month with a fall in the input index, which is now 0.8% lower than this time last year.

### *Outputs*

Good progress with the potato harvest has seen their prices to continue to fall. Potato prices fell by 16% in October and are now 27% lower than the higher prices seen this time last year.

Increased supply of home grown top fruit has seen the prices drop by more than 20% in October. This has pushed the overall price for fresh fruit down by 16% and fresh fruit are now 17% lower than this time last year when supplies were tight due to the bad weather.

Milk prices increased for the fifth month running. Prices are now 15% higher than this time last year following a 1.6% rise in October.

Livestock prices are little changed on September. Cattle prices fell for the fourth consecutive month but are still 5% higher than this time last year. Both sheep and poultry prices recovered, by 2.3% and 5.2%, following the drop in prices seen in September.

### *Inputs*

There has been little movement in input prices in October. The exception has been the 8.9% fall in fertiliser prices. The fall is on the back of lower global urea valuation and fertiliser prices are now 16% lower than this time last year.

## **Revisions**

Revisions were made to data for motor fuels, other fertilisers, fungicides, insecticides, other plant protection products, veterinary service, maintenance of materials, plant and machinery for cultivation, farm machinery and installations, tractors, other vehicles and engineering and soil improvement operations. Changes will be noticed in the data back to January 2012.

## **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)**

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	1 month change	12 month change
<b>All Outputs</b>	133.1	131.4	123.5	120.4	120.1	118.3	-1.5%	0.4%
<b>Crop products</b>	146.0	137.8	119.6	116.1	116.4	110.7	▼ -4.9%	-12.4%
Cereals	168.7	162.0	148.5	134.0	131.3	134.2	2.2%	-12.3%
Wheat	166.6	160.2	148.2	133.9	131.5	133.9	1.8%	-10.2%
Barley	174.9	166.8	146.9	132.5	129.1	133.2	3.2%	-17.6%
Oats	195.2	187.5	175.9	149.8	157.1	158.2	0.7%	-19.5%
Potatoes	215.0	215.3	116.3	131.6	122.4	102.9	-15.9%	-26.8%
Industrial Crops	134.8	134.7	122.6	113.7	117.3	110.6	-5.7%	-14.3%
Oilseed Rape	143.3	143.1	124.6	114.6	121.9	110.2	-9.6%	-22.6%
Sugar Beet	108.0	108.0	108.0	108.0	108.0	108.0	0.0%	0.0%
Forage plants	118.5	119.6	120.8	112.1	104.1	103.4	-0.7%	0.2%
Fresh Vegetables	122.1	125.8	110.7	105.0	106.5	97.2	-8.7%	-14.8%
Fresh Fruit	125.6	106.9	94.3	98.3	109.6	92.2	-15.9%	-16.8%
Flowers and plants	112.6	109.6	109.6	108.6	110.5	108.0	-2.3%	-1.3%
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>	123.1	126.2	126.6	124.6	123.4	123.0	-0.3%	9.3%
Animals (for slaughter & export)	123.4	126.6	125.7	120.6	117.0	117.0	0.0%	7.0%
Cattle and calves	141.6	143.0	141.2	138.8	137.5	132.0	-4.0%	5.2%
Pigs	115.5	117.5	118.8	118.5	120.1	121.2	0.9%	8.7%
Sheep and lambs	120.1	119.4	113.1	102.9	93.4	95.6	2.3%	8.2%
All Poultry	104.6	113.1	116.5	110.8	103.8	109.3	5.2%	8.9%
Animal products	122.8	125.7	128.0	130.3	133.3	135.0	1.3%	13.5%
Milk	121.6	124.5	127.2	130.0	133.7	135.8	1.6%	15.1%
Eggs	131.9	131.9	131.7	131.7	131.7	131.7	-0.1%	1.9%

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

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	1 month change	12 month change
<b>All Inputs</b>	117.0	118.2	117.1	116.3	115.3	113.6	-1.5%	-0.8%
<b>All goods and services currently consumed in agriculture</b>	119.7	121.3	119.9	118.8	117.5	115.6	-1.6%	-1.2%
Seeds	109.0	109.0	87.6	87.0	87.0	95.8	10.1%	3.1%
Energy and lubricants	121.4	122.2	122.1	124.6	125.1	121.5	-2.9%	-1.2%
Fertilisers and soil improvers	115.3	114.6	113.9	114.3	112.4	102.4	-8.9%	-16.3%
Plant protection products	98.8	98.6	98.7	98.6	98.6	98.7	0.1%	0.4%
Veterinary services	105.8	105.8	105.7	105.8	105.8	105.8	0.0%	1.7%
Animal feedingstuffs	146.1	144.9	142.0	136.8	134.6	135.1	0.4%	0.0%
Straight feedingstuffs	158.0	157.0	151.9	139.6	135.0	136.5	1.1%	-3.2%
Compound feedingstuffs	137.3	137.2	134.8	134.8	134.3	134.2	-0.1%	2.4%
Maintenance of Materials	108.2	108.4	108.2	108.4	108.9	108.9	0.0%	2.1%
Maintenance of Buildings	110.0	110.3	110.3	110.4	110.4	110.4	0.0%	0.3%
Other goods and services	109.8	109.7	109.9	109.2	108.2	108.0	-0.2%	0.5%
<b>Goods and services contributing to investment</b>	102.9	102.9	103.2	103.1	103.1	102.8	-0.4%	2.0%
Materials	100.4	100.4	100.7	100.5	100.5	100.1	-0.4%	2.7%
Buildings	107.6	107.5	107.6	107.9	108.2	107.5	-0.7%	0.1%
Other (Engineering and soil improvement operations)	107.0	107.1	108.1	107.7	107.6	108.1	0.5%	2.5%