



17 September 2013

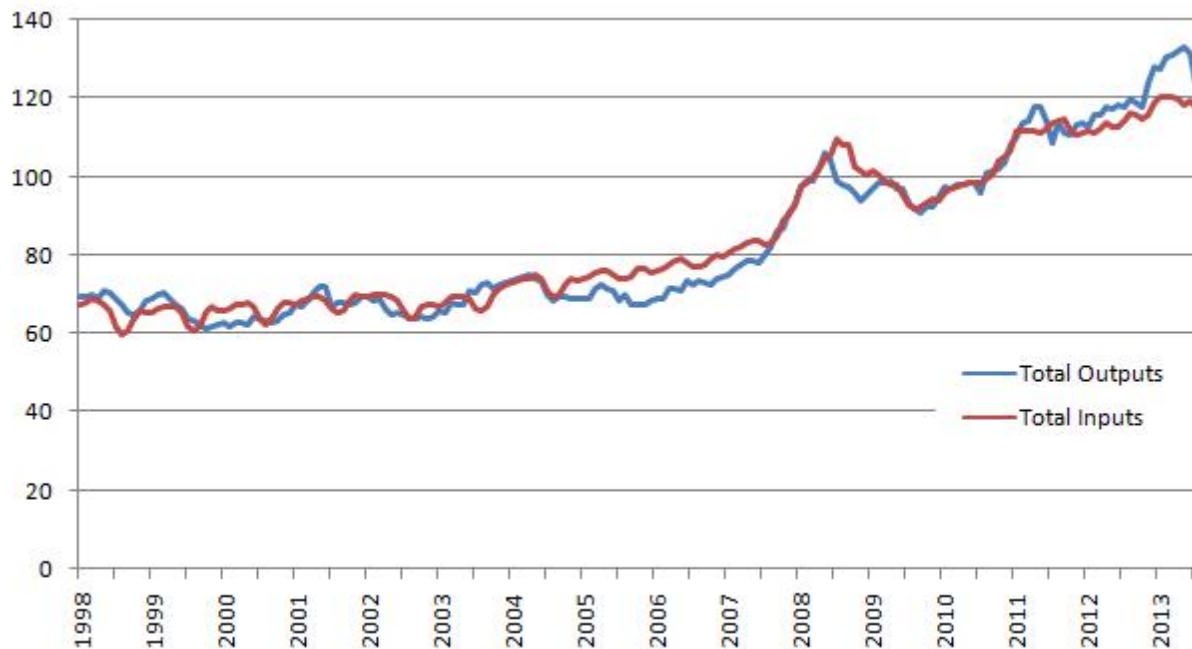
## July Agricultural Price Index

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 by 6.2 per cent in July but remains 4.9 per cent higher than the same time last year. The price index for all inputs fell by 1.1 per cent in July but remains 2.9 per cent higher than this time last year.

### *Outputs*

All crop outputs, apart from forage crops, saw their prices fall in July.

Cereal prices have fallen 8.3 per cent in July, but remain 0.4 per cent higher than this time last year. The fall is due to a drop in demand from traders as expected global production of cereals is expected to rise.

It is a similar story for oilseed rape, although the UK harvest may be down on last year, global supply is pushing prices down. Oilseed rape fell by 13 per cent in July and is 11 per cent lower than this time last year.

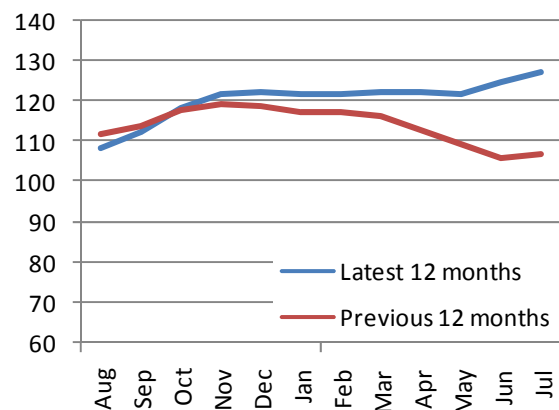
Potato prices fell by 46 per cent on the month. This was driven by early potato prices, which showed a significant fall of 58 per cent in July as the season come to an end.

Vegetable prices fell 13 per cent in July and are 11 per cent lower than this time last year. Cauliflowers fell by 57 per cent in July, and are 48 per cent lower than this time last year. Significantly increased supplies and low demand due to the warm weather have contributed to the fall in price.

It is quite a different story for livestock as animals and animal products rose by 0.2 per cent in July and by 11 per cent when compared to this time last year.

Milk was the main contributor to this rise in animal and animal products, with a 1.9 per cent increase in July and 19 per cent higher than this time last year. At the start of this milk year (April to July) milk yields are 2.0 per cent down on the same period last year. Dairy product prices on the global market have also seen an uplift which has helped to keep milk prices high.

**Figure 2 Milk price indices (2010=100)**



### *Inputs*

There has been a gradual fall in animal feeding stuffs over the last three months of 2.4 percent. However, prices are still 12 per cent higher than the same time last year. The largest monthly fall is in cereal feeding stuff with an 8.6 per cent decrease in July, reflecting a similar fall in cereal prices.

## **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)**

	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	1 month change	12 month change
<b>All Outputs</b>	130.4	131.1	132.1	133.1	131.7	123.5	-6.2%	4.9%
<b>Crop products</b>	146.9	142.5	145.8	146.0	138.3	119.6	-13.5%	-2.2%
Cereals	180.3	173.1	171.0	168.7	162.0	148.5	-8.3%	0.4%
Wheat	177.3	168.8	167.7	166.6	160.2	148.2	-7.5%	3.8%
Barley	184.3	178.0	177.7	174.9	166.8	146.9	-11.9%	-5.9%
Oats	210.6	212.7	200.8	195.2	187.5	175.9	-6.2%	-6.4%
Potatoes	176.5	187.0	207.4	215.0	215.3	116.3	-46.0%	-0.7%
Industrial Crops	128.6	130.2	131.1	134.8	134.7	122.6	-9.0%	-9.8%
Oilseed Rape	141.9	144.3	145.8	143.3	143.1	124.6	-12.9%	-11.4%
Sugar Beet	108.0	108.0	108.0	108.0	108.0	108.0	0.0%	8.5%
Forage plants	116.3	116.1	117.1	118.5	119.6	120.8	1.0%	16.5%
Fresh Vegetables	110.3	120.8	122.1	122.1	128.0	110.7	-13.5%	-10.9%
Fresh Fruit	148.8	153.1	153.6	125.6	106.9	94.3	-11.8%	14.7%
Flowers and plants	109.3	109.7	108.9	112.6	109.6	109.6	0.0%	-0.9%
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>	119.1	124.0	124.2	123.1	126.3	126.5	0.2%	11.0%
Animals (for slaughter & export)	116.3	124.4	124.9	123.4	126.6	125.7	-0.7%	7.4%
Cattle and calves	136.3	141.9	142.2	141.6	143.0	141.2	-1.3%	9.0%
Pigs	110.0	110.6	113.4	115.5	117.5	118.8	1.1%	11.7%
Sheep and lambs	90.7	108.9	114.0	120.1	119.4	113.1	-5.3%	2.3%
All Poultry	104.3	116.0	113.2	104.6	113.1	116.5	3.0%	6.1%
Animal products	123.5	123.4	123.2	122.7	125.9	128.0	1.7%	17.5%
Milk	121.9	122.0	122.1	121.5	124.9	127.2	1.9%	18.7%
Eggs	133.9	133.9	131.9	131.9	131.9	131.7	-0.1%	4.7%

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

	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	1 month change	12 month change
<b>All Inputs</b>	120.1	120.3	119.6	118.1	119.0	117.7	-1.1%	3.0%
<b>All goods and services currently consumed in agriculture</b>	123.3	123.0	122.2	120.4	121.8	120.1	-1.4%	3.1%
Seeds	109.0	109.0	109.0	109.0	109.0	87.6	-19.6%	0.8%
Energy and lubricants	124.2	127.3	125.0	121.4	122.2	122.1	-0.2%	4.1%
Fertilisers and soil improvers	118.2	120.3	118.8	115.4	114.6	113.9	-0.7%	-9.4%
Plant protection products	104.5	105.1	104.8	104.8	105.0	102.0	-2.8%	1.0%
Veterinary services	106.4	108.0	106.5	105.9	105.9	105.8	0.0%	1.5%
Animal feedingstuffs	148.0	146.1	146.6	146.0	144.9	143.1	-1.3%	11.6%
Straight feedingstuffs	161.8	160.3	160.3	158.0	157.5	152.1	-3.5%	14.6%
Compound feedingstuffs	138.4	138.2	137.7	137.1	136.9	136.5	-0.3%	9.3%
Maintenance of Materials	107.1	107.6	107.9	108.1	108.3	108.1	-0.2%	1.4%
Maintenance of Buildings	110.1	110.7	110.0	110.0	110.3	110.3	0.0%	0.9%
Other goods and services	108.4	108.4	110.0	109.8	109.9	109.1	-0.7%	1.8%
<b>Goods and services contributing to investment</b>	105.0	105.6	105.4	105.5	105.6	105.9	0.3%	2.1%
Materials	103.8	104.5	104.4	104.4	104.5	104.9	0.3%	2.5%
Buildings	107.6	108.1	107.5	107.7	107.7	107.8	0.1%	0.7%
Other (Engineering and soil improvement operations)	105.8	106.3	107.0	107.0	107.3	108.1	0.8%	3.3%



**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	118.6
<b>Crop products</b>	70.1	71.9	67.4	73.2	88.0	103.6	89.1	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	67.9	90.2	70.3	92.1	104.4	108.7	86.6	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	114.7
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	114.8
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

