



January 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.

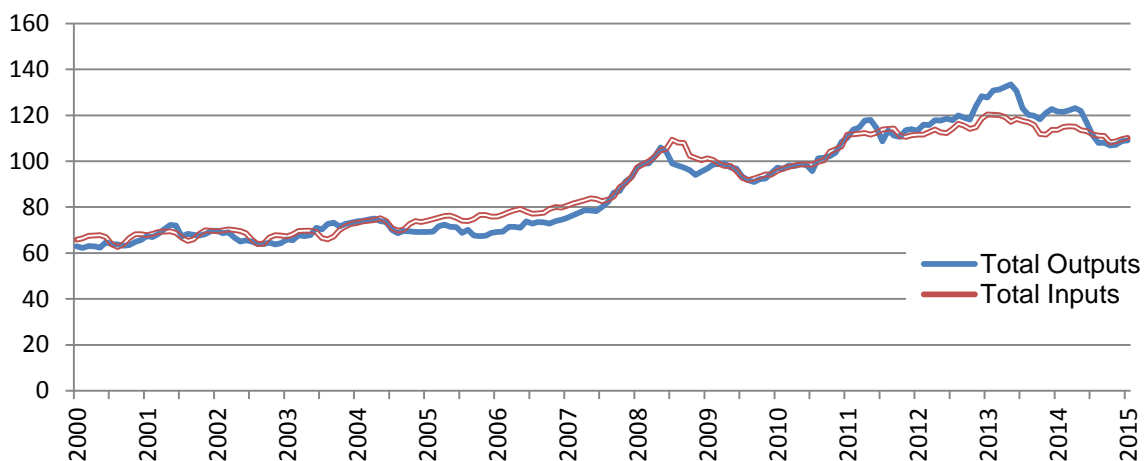
Key points

In January 2015, compared to the previous month, the monthly price index for all outputs rose by 0.3% and the price index for all inputs rose by 0.4%.

In general prices are lower than the same time last year with the price index for all outputs and inputs down 10% and 3.1% respectively.

Figure 1: Agricultural price indices

(2010=100)



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Outputs

In January 2015 compared to last month:

The price index for all crop products rose by 1.9%.

The fresh vegetable price index rose 14%. Cauliflower prices fell by 15% as supplies increased due to French imports whereas the price for cabbages, lettuce, onions and mushrooms all rose as supplies dropped.

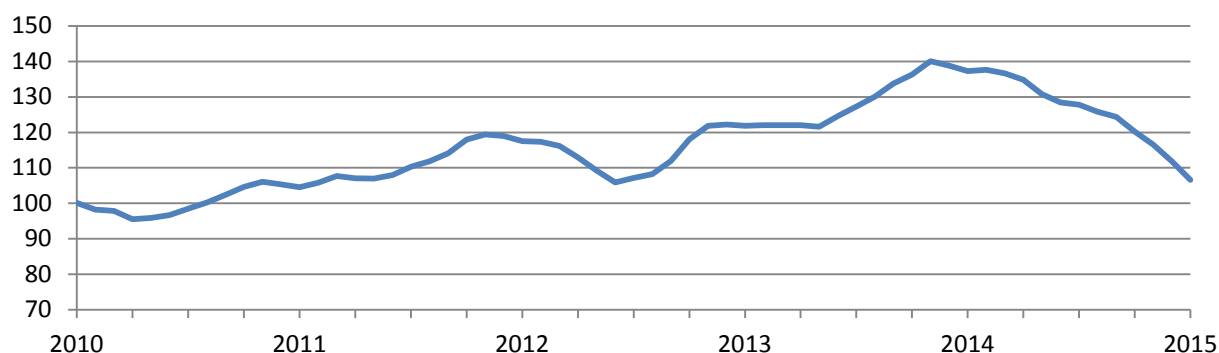
Main crop potato price index rose by just 0.4% after the usual high demand in December, however overall potatoes were down 25% on this time last year.

The milk price index continues to fall and is down 4.7%. Continued high levels of domestic milk production, the ban on dairy imports to Russia and falling returns from global commodity markets have resulted in the overall fall in the milk price as the majority of UK milk processors have reduced the payments to farmers for liquid milk. When compared to the same month last year the milk price is down 22% . For more detailed information on milk prices please see the link below to our website.

<https://www.gov.uk/government/collections/milk-prices-and-composition>

Figure 2: Milk price index

(2010=100)



Inputs

In January 2015 compared to last month:

Animal feed prices rose by 1%, straight feed prices rose by 1.6% while compound feed prices rose by 0.6%. Straight feed prices rose due to the rise in cereal prices but are still 13% lower than in January 2014.

Data revisions

Outputs: The Animal products figures have been revised back to November 2014 due to updated milk prices being supplied by Northern Ireland and Scotland.

Inputs: The Veterinary services and Other goods and services categories have been revised back to October 2014 due to updated figures being received from the Office for National Statistics.

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)

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	1 month change	12 month change
All Outputs	107.9	108.2	106.8	107.1	108.8	109.1	0.3%	-10.4%
Crop products	100.4	100.6	98.0	99.3	102.5	104.4	1.9%	-12.1%
Cereals	106.9	103.9	101.0	103.3	107.1	109.8	2.5%	-16.3%
Wheat	107.5	103.2	99.5	102.5	106.5	107.1	0.6%	-20.2%
Barley	106.2	105.9	105.5	107.3	109.7	117.1	6.7%	-5.9%
Oats	100.7	99.3	100.6	98.0	100.8	107.7	6.8%	-6.7%
Potatoes	112.1	99.9	89.0	85.8	87.4	87.7	0.4%	-24.9%
Industrial Crops	88.3	97.9	98.0	97.5	98.8	99.6	0.8%	-8.8%
Oilseed Rape	85.9	88.2	88.7	90.5	92.7	95.4	2.9%	-13.8%
Sugar Beet	106.7	106.7	105.7	105.7	105.7	105.7	0.0%	-1.0%
Forage plants	100.6	98.5	95.7	97.0	99.0	100.1	1.1%	-10.0%
Fresh Vegetables	91.6	91.7	86.9	84.8	84.4	96.1	13.9%	-9.4%
Fresh Fruit	103.3	99.9	98.5	96.4	97.6	102.2	4.7%	-10.7%
Flowers and plants	112.0	113.7	114.2	115.3	116.7	116.1	-0.5%	1.0%
Other crop products	98.7	98.7	98.7	98.7	98.7	98.7	0.0%	0.0%
Animals and animal products	115.1	114.6	112.2	112.7	112.7	112.0	-0.7%	-9.3%
Animals (for slaughter & export)	108.1	108.6	108.2	110.1	112.5	113.9	1.2%	-2.2%
Cattle and calves	122.3	124.4	120.8	122.8	127.8	129.8	1.6%	0.4%
Pigs	111.4	109.9	107.1	103.0	101.1	98.5	-2.5%	-16.7%
Sheep and lambs	96.0	88.6	90.1	100.0	107.9	111.6	3.4%	8.2%
All Poultry	96.3	100.5	104.4	104.9	105.8	105.4	-0.4%	-1.6%
Animal products	125.1	123.9	120.2	117.1	112.9	108.5	-3.9%	-19.9%
Milk	125.8	124.4	120.2	116.6	111.9	106.6	-4.7%	-22.4%
Eggs	119.5	119.5	119.0	119.0	119.0	119.2	0.2%	-5.7%

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

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	1 month change	12 month change
All Inputs	111.2	111.0	108.3	108.6	109.7	110.2	0.4%	-3.1%
All goods and services currently consumed in agriculture	111.5	111.2	107.9	108.3	109.6	110.2	0.5%	-5.0%
Seeds	90.6	90.7	91.3	91.6	92.4	94.0	1.7%	-9.8%
Energy and lubricants	117.7	117.9	116.0	116.3	117.4	117.2	-0.2%	-7.3%
Fertilisers and soil improvers	105.7	107.5	105.9	105.8	107.0	107.9	0.8%	0.8%
Plant protection products	123.6	104.8	96.9	96.2	96.0	104.4	8.7%	3.2%
Veterinary services	107.0	107.4	107.5	107.5	107.6	107.9	0.3%	1.4%
Animal feedingstuffs	115.4	115.0	108.6	110.7	111.8	112.9	1.0%	-11.2%
Straight feedingstuffs	109.1	107.2	103.6	108.5	110.4	112.2	1.6%	-12.9%
Compound feedingstuffs	120.1	119.7	112.0	112.1	112.7	113.4	0.6%	-10.0%
Maintenance of Materials	110.7	110.5	110.2	110.1	110.2	110.7	0.4%	0.1%
Maintenance of Buildings	110.9	110.8	110.8	110.9	110.5	109.7	-0.7%	-0.6%
Other goods and services	109.9	109.8	109.9	109.9	110.3	110.3	0.0%	0.3%
Goods and services contributing to investment	109.8	110.0	110.1	110.3	110.1	110.1	0.1%	6.5%
Materials	110.3	110.6	110.6	110.7	110.4	110.7	0.3%	10.0%
Buildings	108.4	108.3	108.3	108.4	108.1	107.6	-0.5%	-0.4%
Other (Engineering and soil improvement operations)	110.2	110.3	111.0	112.3	112.3	112.3	0.0%	2.6%