



February 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.

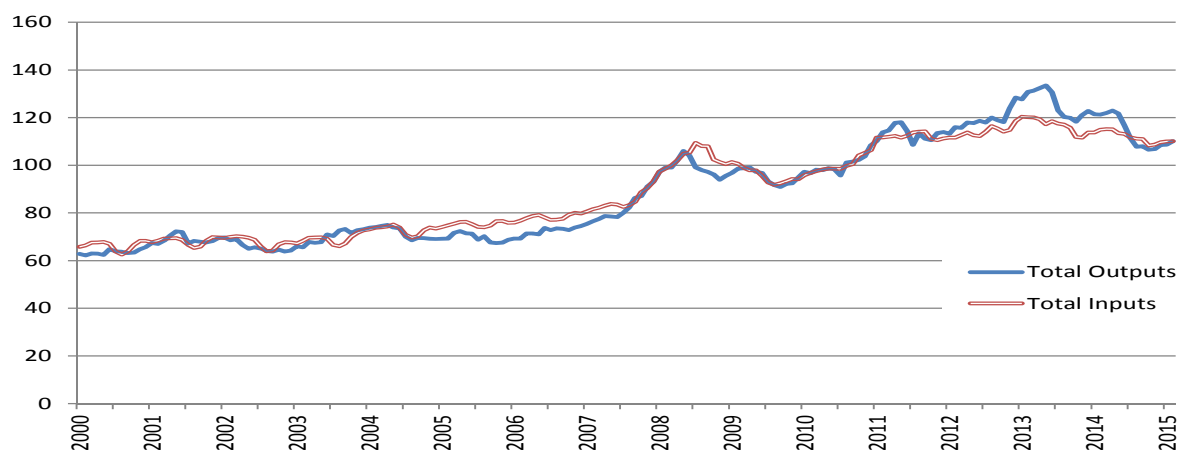
Key points

In February 2015, compared to the previous month, the monthly price index for all outputs rose by 1.3% and the price index for all inputs rose by 0.1%.

In general prices are lower than the same time last year with the price index for all outputs and inputs down 9.2% and 4.2% respectively.

Figure 1: Agricultural price indices

(2010=100)



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Outputs

In February 2015, compared to last month, the price index for all crop products rose by 1.5%.

The fresh vegetable price index fell 5.7% month on month. Cauliflower prices fell by 20% as demand fell and quality was low whereas the price for cabbages, onions and mushrooms all rose as supplies dropped.

This month's pig price index fell 4.2% compared to January 2015, the ninth consecutive monthly decrease and is currently 18.2% lower than the same month last year. Ample supplies, reduced demand and pressure on prices in the EU have all contributed to the lower prices.

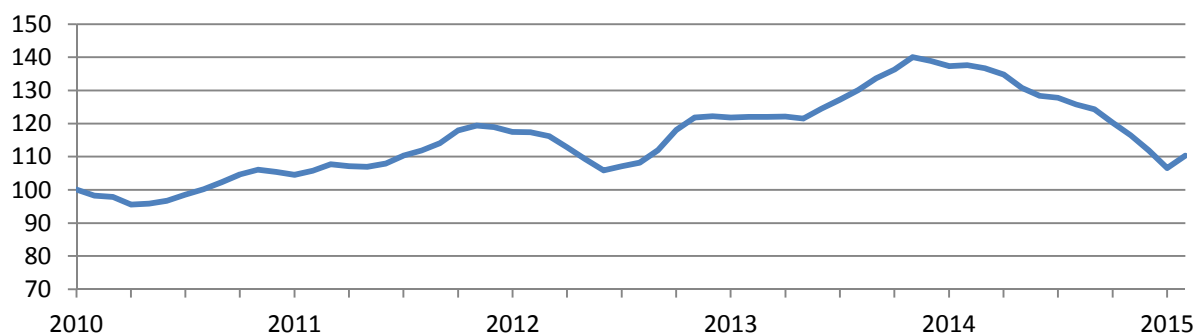
In February 2015 main crop potato price index rose by 4.5% compared to January, however overall potatoes were down 20% on this time last year.

The February milk price index rose by 3.6% which follows the seasonal price pattern usually seen as volumes fall ahead of the spring flush. When compared to the same month last year the milk price is down 20%. 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 February 2015, compared to last month, Animal feed prices rose by 0.2%, but remain lower than the same time last year, currently 14% lower.

Data revisions

Outputs: Flowers and Plants category figures have been amended back to January 2014 due to revised data being available.

Inputs: Veterinary services, Other goods and services and Fertilisers have been revised in January 2015 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)

	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	1 month change	12 month change
All Outputs	107.9	106.6	106.8	108.5	108.7	110.1	1.3%	-9.2%
Crop products	100.1	97.4	98.7	101.9	103.3	104.9	1.5%	-11.4%
Cereals	103.9	101.0	103.3	107.1	108.6	112.4	3.5%	-15.5%
Wheat	103.2	99.5	102.5	106.5	107.1	110.4	3.0%	-17.8%
Barley	105.9	105.5	107.3	109.7	112.6	117.7	4.6%	-10.4%
Oats	99.3	100.6	98.0	100.8	107.7	111.0	3.1%	-7.7%
Potatoes	99.9	89.0	85.8	87.4	87.7	91.6	4.4%	-19.9%
Industrial Crops	97.9	98.0	97.5	98.8	99.6	99.9	0.3%	-8.0%
Oilseed Rape	88.2	88.7	90.5	92.7	95.4	95.8	0.5%	-12.6%
Sugar Beet	106.7	105.7	105.7	105.7	105.7	105.7	0.0%	-1.0%
Forage plants	98.5	95.7	97.0	99.0	100.1	100.6	0.5%	-12.1%
Fresh Vegetables	91.7	86.9	84.8	84.4	96.1	90.6	-5.7%	-9.8%
Fresh Fruit	99.9	98.5	96.4	97.6	102.2	103.8	1.6%	-5.7%
Flowers and plants	109.6	110.1	111.2	112.6	112.0	112.2	0.2%	1.5%
Other crop products	98.7	98.7	98.7	98.7	98.7	98.7	0.0%	0.0%
Animals and animal products	114.6	112.2	112.7	112.7	111.9	113.7	1.6%	-7.7%
Animals (for slaughter & export)	108.6	108.2	110.1	112.5	113.9	115.0	0.9%	-0.2%
Cattle and calves	124.4	120.8	122.8	127.8	129.8	130.3	0.4%	3.4%
Pigs	109.9	107.1	103.0	101.1	98.5	94.5	-4.1%	-18.2%
Sheep and lambs	88.6	90.1	100.0	107.9	111.6	112.6	1.0%	4.0%
All Poultry	100.5	104.4	104.9	105.8	105.4	107.4	1.9%	3.2%
Animal products	123.9	120.2	117.1	112.9	108.5	111.6	2.9%	-17.7%
Milk	124.4	120.2	116.6	111.9	106.5	110.4	3.6%	-19.8%
Eggs	119.5	119.0	119.0	119.0	119.2	119.2	0.0%	-5.7%

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

	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	1 month change	12 month change
All Inputs	111.0	108.3	108.6	109.7	110.0	110.1	0.1%	-4.2%
All goods and services currently consumed in agriculture	111.2	108.0	108.3	109.6	110.0	110.1	0.1%	-5.3%
Seeds	90.5	91.5	91.8	92.6	93.0	93.4	0.4%	-10.3%
Energy and lubricants	117.9	116.0	116.3	117.4	117.1	113.5	-3.0%	-9.4%
Fertilisers and soil improvers	107.5	105.9	105.8	107.0	107.8	109.7	1.8%	0.1%
Plant protection products	104.8	96.9	96.2	96.0	104.4	106.1	1.6%	1.3%
Veterinary services	107.4	107.5	107.5	107.6	107.4	107.7	0.2%	1.2%
Animal feedingstuffs	115.0	108.6	110.7	111.8	112.9	113.2	0.2%	-11.6%
Straight feedingstuffs	107.2	103.6	108.5	110.4	112.2	112.5	0.3%	-13.8%
Compound feedingstuffs	119.7	112.0	112.1	112.7	113.4	113.6	0.2%	-9.9%
Maintenance of Materials	110.5	110.2	110.1	110.2	110.7	110.9	0.2%	0.4%
Maintenance of Buildings	110.8	110.8	110.6	110.5	109.7	110.0	0.3%	-1.2%
Other goods and services	109.9	110.0	109.9	110.1	109.8	109.9	0.1%	-0.5%
Goods and services contributing to investment	110.0	110.1	110.3	110.1	110.2	110.3	0.1%	1.8%
Materials	110.6	110.6	110.7	110.4	110.7	110.8	0.1%	2.7%
Buildings	108.3	108.3	108.2	108.1	107.6	107.9	0.2%	-0.7%
Other (Engineering and soil improvement operations)	110.3	111.0	112.3	112.5	112.8	112.8	0.0%	2.3%