



## April 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.

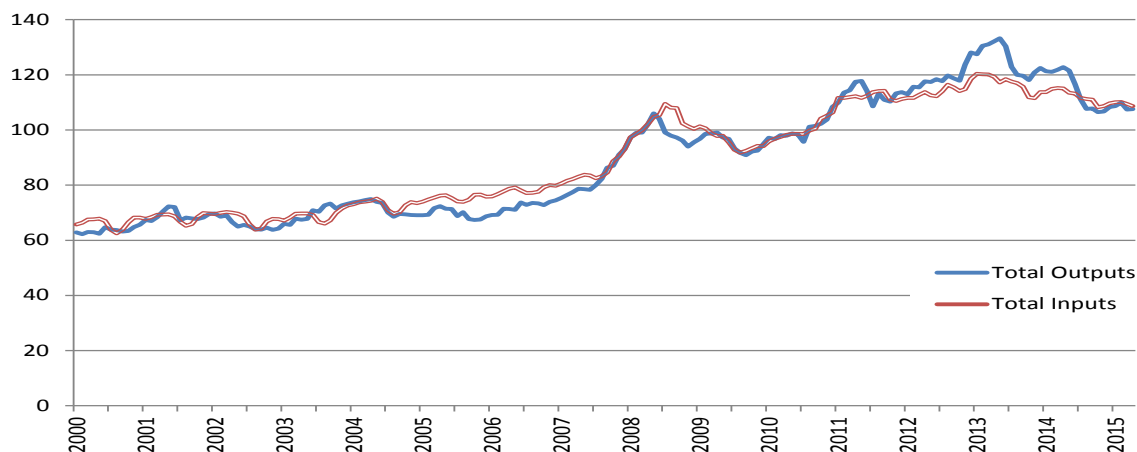
### Key points

In April 2015, compared to the previous month, the monthly price index for all outputs rose by 0.2% and the price index for all inputs fell by 0.7%.

In general, prices are lower than the same time last year with the price index for all outputs and inputs down 12.4% and 5.6% respectively.

### Figure 1: Agricultural price indices

(2010=100)



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## Outputs

In April 2015, compared to last month, the price index for all crop products rose by 2.2%.

The fresh vegetable price index rose 12.5%. Good demand and increased supply of new season produce offset the rise in price of root crops such as beetroot and turnips driven by lack of supply.

Cauliflower prices fell by 8.7% with high volumes of domestic crop keeping prices down. The price for cucumbers fell 7.9% as seasonal supplies increased including imports. Savoy cabbage and carrot prices rose as supplies decreased.

Cereal prices remained low, 19% down compared to the same month last year. Farmers are retaining high stocks following the very large harvest.

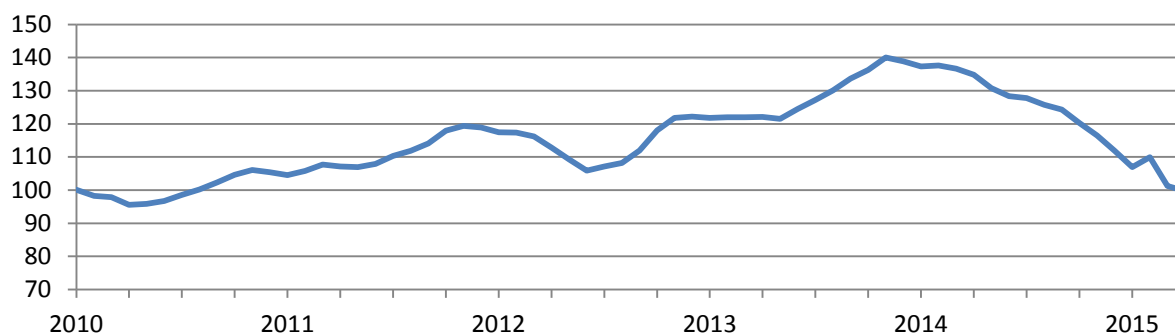
The March milk price index fell by 1.5%. When compared to the same month last year the milk price is down 26% and is at its lowest since July 2010.

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 April 2015, Animal feedingstuffs fell by 1% compared to last month.

This reflects the low cereal prices following the large harvest and retention of grain stocks by farmers. Prices are 14% lower than the same time last year.

## Data revisions

Inputs: Red diesel, Derv, Other fertilisers and soil improvers, Veterinary products, Veterinary fees, Bank charges, Materials and Buildings have been revised in March 2015 due to updated figures being received.

Outputs: Potatoes has been revised in March 2015 and Milk has been revised in February and March 2015 due to updated figures being received.

## **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)**

	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	1 month change	12 month change
<b>All Outputs</b>	106.7	108.4	108.7	109.9	107.4	107.6	0.2%	-12.4%
<b>Crop products</b>	98.4	101.5	103.0	104.6	104.0	106.3	2.2%	-11.4%
Cereals	103.3	107.1	108.6	112.4	112.8	112.5	-0.3%	-18.8%
Wheat	102.5	106.5	107.1	110.4	111.2	111.4	0.2%	-20.1%
Barley	107.3	109.7	112.6	117.7	117.4	117.2	-0.2%	-15.0%
Oats	98.0	100.8	107.7	111.0	106.7	110.8	3.8%	-12.3%
Potatoes	85.8	87.4	87.7	91.6	93.9	98.0	4.4%	-17.5%
Industrial Crops	97.5	98.8	99.6	99.9	99.4	99.1	-0.2%	-12.8%
Oilseed Rape	90.5	92.7	95.4	95.8	95.6	95.3	-0.4%	-19.4%
Sugar Beet	105.7	105.7	105.7	105.7	105.7	105.7	0.0%	-1.0%
Forage plants	97.0	99.0	100.1	100.6	100.1	99.7	-0.4%	-15.8%
Fresh Vegetables	84.8	84.4	96.1	90.6	95.6	107.5	12.5%	3.8%
Fresh Fruit	96.4	97.6	102.2	103.8	104.5	97.9	-6.3%	-6.2%
Flowers and plants	109.1	110.5	109.8	110.0	109.6	109.0	-0.6%	0.6%
Other crop products	98.7	98.7	98.7	98.7	98.7	98.7	0.0%	0.0%
<b>Animals and animal products</b>	112.7	112.7	112.1	113.6	109.5	108.4	-1.0%	-12.9%
Animals (for slaughter & export)	110.1	112.5	113.9	115.0	113.5	111.9	-1.4%	-6.2%
Cattle and calves	122.8	127.8	129.8	130.3	128.7	125.0	-2.8%	1.0%
Pigs	103.0	101.1	98.5	94.5	93.0	92.7	-0.3%	-19.6%
Sheep and lambs	100.0	107.9	111.6	112.6	117.8	115.5	-2.0%	-7.5%
All Poultry	104.9	105.8	105.4	107.4	102.5	103.5	0.9%	-8.5%
Animal products	117.1	112.9	109.0	111.5	103.9	102.6	-1.3%	-22.9%
Milk	116.6	111.9	106.9	110.0	101.2	99.7	-1.5%	-26.1%
Eggs	119.0	119.0	120.8	120.8	120.8	120.8	0.0%	-2.8%

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

	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	1 month change	12 month change
<b>All Inputs</b>	108.6	109.7	110.1	110.1	109.5	108.6	-0.8%	-5.7%
<b>All goods and services currently consumed in agriculture</b>	108.3	109.6	110.0	110.1	109.3	108.2	-1.0%	-7.0%
Seeds	91.9	92.7	93.1	93.5	93.3	93.9	0.6%	-10.2%
Energy and lubricants	116.3	117.4	117.1	113.5	105.5	102.2	-3.1%	-15.2%
Fertilisers and soil improvers	105.8	107.0	107.8	109.8	108.1	105.9	-2.1%	-1.6%
Plant protection products	96.2	96.0	104.4	106.1	106.1	104.5	-1.5%	-0.7%
Veterinary services	107.5	107.6	107.5	107.4	107.6	107.6	0.0%	0.9%
Animal feedingstuffs	110.7	111.8	112.9	113.2	113.1	112.0	-1.0%	-14.1%
Straight feedingstuffs	108.5	110.4	112.2	112.5	112.4	110.7	-1.5%	-18.7%
Compound feedingstuffs	112.1	112.7	113.4	113.6	113.5	112.8	-0.7%	-11.0%
Maintenance of Materials	110.1	110.2	110.7	110.9	111.0	110.9	-0.1%	0.9%
Maintenance of Buildings	110.6	110.5	109.7	110.0	109.8	110.4	0.5%	-0.5%
Other goods and services	109.9	110.1	110.0	110.0	110.3	111.0	0.6%	-0.7%
<b>Goods and services contributing to investment</b>	110.3	110.1	110.2	110.3	110.4	110.5	0.1%	2.2%
Materials	110.7	110.4	110.7	110.8	110.7	110.8	0.0%	3.0%
Buildings	108.2	108.1	107.6	107.9	107.8	108.2	0.4%	-0.2%
Other (Engineering and soil improvement operations)	112.3	112.5	112.8	112.9	113.8	113.8	0.0%	2.7%