



April Agricultural Price Index

The Agricultural Price Index (API) measures 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).

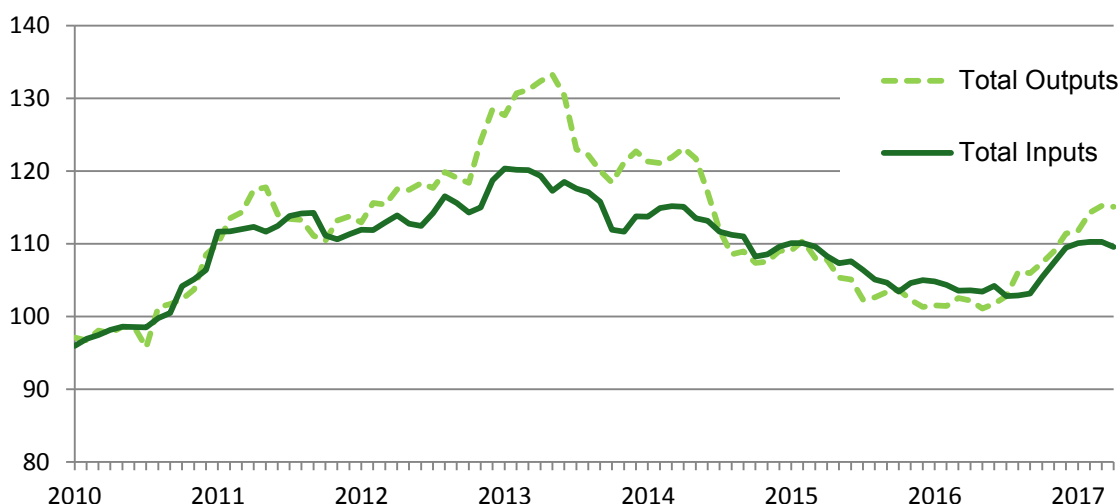
The input series reflects the price farmers pay for goods and services. The series is in two groups: goods and services currently consumed; and goods and services contributing to investment. Goods and services currently consumed refer to items that are used up in the production process, for example fertiliser 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 2017, the monthly price index for all outputs was 13% higher than April 2016 and the price index for all inputs was 5.7% higher.

Figure 1 shows the monthly price indices for total agricultural inputs and outputs from January 2010 to April 2017.

Figure 1: Monthly indices for total Outputs and total Inputs



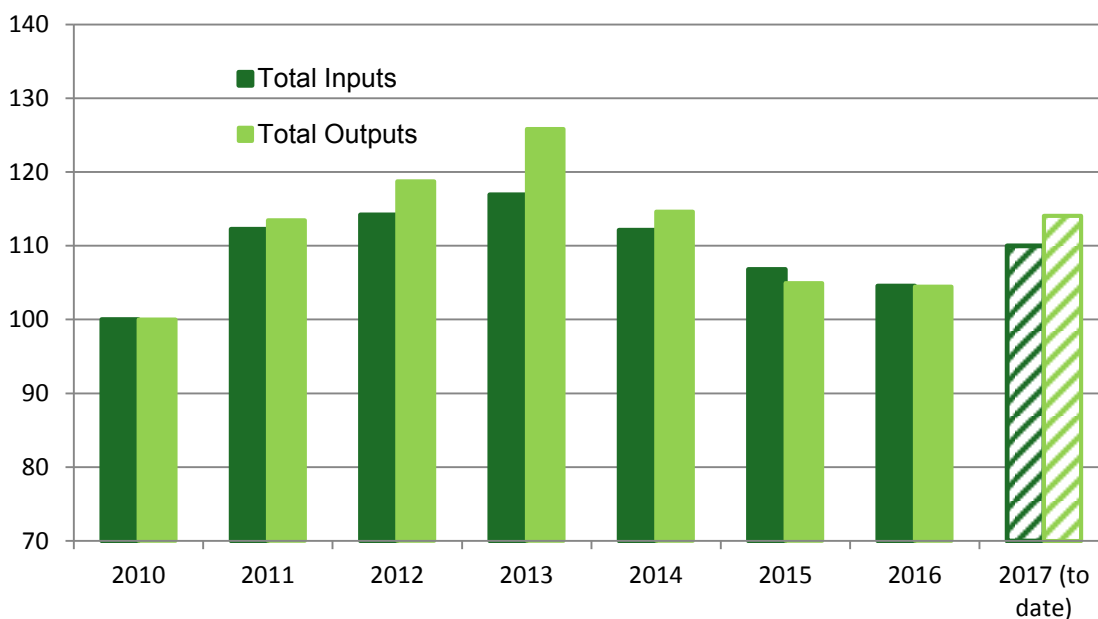
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Figure 2 shows a comparison of the average annual price indices for total agricultural inputs and outputs from January 2010 to April 2017.

Figure 2: Comparison of annual average indices for total Inputs and total Outputs

(2010=100)



Outputs

Overall the price index for all crop products was 11% higher in April 2017 compared to April 2016.

For all crop products the price index fell 0.5% between March and April 2017 compared to a 2.1% rise between the same two months a year earlier.

Cereal price levels in 2017 continued their upturn and overall the cereal price index was 28% higher in April 2017 compared to April 2016. The cereal price index rose 0.4% between March and April 2017. Wheat and oats both saw price increases between March and April 2017, with oats seeing the largest increase of 9.6% and barley a price decrease of 2.7%. In comparison there was a 2.4% fall in the cereal price index between the same two months last year.

The potato price index was 7.9% higher in April 2017 compared to April 2016. The potato price index saw a fall of 1.1% between March 2017 and April 2017 caused by limited free-buy demand and low export trade. In comparison, the potato price index rose by 16% between March 2016 and April 2016.

In April 2017 the oilseed rape index was 32% higher than April 2016. Low yields and a lower than usual planted area has led to higher prices compared to the previous year.

For animals and animal products the price index was 13% higher in April 2017 compared to April 2016.

April 2017 saw the pig price index 38% higher than a year earlier. The pig price rose 3.0% between March and April 2017. Tight supplies and a strong export demand for UK pigmeat

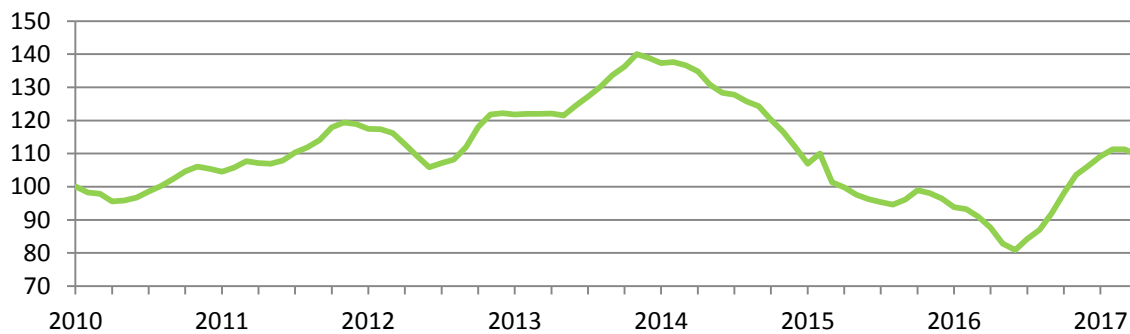
have contributed to the increase. In comparison, the price fell 0.9% between March and April 2016.

Milk production increased in April 2017, almost matching the same period last year. The price index for milk fell by 1.6% between March and April 2017 compared to a 3.6% decrease in the same two months last year.

Figure 3 shows the price index for milk between January 2010 and March 2017. 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 3: Milk price index

(2010=100)



Inputs

Compared to the previous year, in April 2017 the price index for all of the individual input items increased, with the exception of materials which decreased by 0.3%.

The energy and lubricants price index was 17% higher in April 2017 compared to April 2016. This reflects the price increase of petroleum products over previous months.

The price index for straight feedingstuffs was 18% higher in April 2017 compared to April 2016. This reflects raw material cost increases over previous months and the low value of sterling.

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) uses 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.

Revisions

Figures in this notice are provisional and subject to revision. In this edition there are slight revisions from 2014 to the fresh vegetable index as a correction was made to the unit price measure for 6 vegetable commodities.

Table 1 Index of Agricultural Outputs UK (2010=100)

									Yearly	Monthly	
	Mar-16	Apr-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	April 2016 to April 2017	March 2017 - April 2017	March 2016 - April 2016
All Outputs (1)	102.5	102.2	109.0	111.4	111.8	114.3	115.2	115.1	12.6%	-0.1%	0.3%
Crop products (1)	105.1	107.3	110.8	114.5	115.5	117.8	120.0	119.4	11.3%	-0.5%	2.1%
Cereals	97.5	95.2	107.9	114.3	113.6	117.3	121.2	121.6	27.8%	0.4%	-2.4%
Wheat	94.9	93.1	106.4	113.1	112.7	116.0	119.5	121.0	30.0%	1.3%	-2.0%
Barley	102.4	101.3	112.7	117.3	115.3	120.0	124.6	121.2	19.6%	-2.7%	-1.1%
Oats	105.2	104.8	118.1	120.3	120.8	123.8	124.7	136.6	30.4%	9.6%	-0.5%
Potatoes	130.3	151.6	141.4	150.6	152.6	160.2	165.4	163.6	7.9%	-1.1%	16.4%
Industrial Crops	95.9	96.9	110.2	112.8	114.5	114.8	115.9	114.2	17.8%	-1.5%	1.1%
Oilseed Rape	96.8	98.5	123.3	127.6	130.8	131.3	132.5	129.6	31.6%	-2.2%	1.7%
Sugar Beet	93.4	93.4	87.7	87.7	87.7	87.7	87.7	87.7	-6.0%	0.0%	0.0%
Forage plants	91.7	93.8	98.0	98.1	99.2	100.5	101.1	102.6	9.4%	1.4%	2.3%
Fresh Vegetables (1)	115.9	120.8	114.3	113.4	120.3	119.6	118.5	118.6	-1.8%	0.1%	4.3%
Fresh Fruit	104.7	105.2	111.0	108.0	109.9	113.3	125.9	110.6	5.1%	-12.1%	0.5%
Flowers and plants	106.2	106.4	106.4	107.5	106.6	106.6	106.3	105.5	-0.9%	-0.8%	0.2%
Other crop products	102.9	102.9	102.9	102.9	102.9	102.9	102.9	102.9	0.0%	0.0%	0.0%
Animals and animal products	100.9	99.3	107.6	109.5	109.5	111.9	112.2	112.6	13.4%	0.4%	-1.6%
Animals (for slaughter & export)	106.7	105.2	110.4	112.1	110.5	113.4	113.9	115.2	9.5%	1.2%	-1.4%
Cattle and calves	118.6	116.1	123.1	130.3	126.9	128.5	127.8	125.1	7.7%	-2.1%	-2.1%
Pigs	78.7	79.4	105.4	106.7	106.0	105.3	106.1	109.3	37.7%	3.0%	0.9%
Sheep and lambs	112.1	109.7	97.9	100.1	98.1	98.9	104.1	107.5	-2.0%	3.3%	-2.2%
All Poultry	104.6	103.6	106.1	103.4	99.4	104.7	104.3	108.3	4.6%	3.8%	-1.0%
Animal products	92.8	89.5	102.9	105.3	107.9	109.6	109.8	108.3	21.0%	-1.4%	-3.6%
Milk	91.0	87.7	103.5	106.3	109.2	111.3	111.3	109.6	24.9%	-1.6%	-3.6%
Eggs	104.4	100.2	100.2	100.2	100.7	100.7	100.7	100.7	0.4%	0.0%	-4.0%

(1) Figures have been revised as a result of a correction to historical data back to April 2014 for 6 vegetable commodities

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

									Yearly	Monthly	
	Mar-16	Apr-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	April 2016 to April 2017	March 2017 - April 2017	March 2016 - April 2016
All Inputs	103.6	103.6	107.4	109.5	110.1	110.2	110.3	109.5	5.7%	-0.7%	0.0%
All goods and services currently consumed in agriculture	102.4	102.4	106.6	109.1	109.7	109.9	109.9	109.2	6.6%	-0.6%	0.0%
Seeds	96.7	99.5	100.4	101.3	99.1	99.7	100.2	100.1	0.5%	-0.1%	3.0%
Energy and lubricants	90.7	88.6	109.5	113.2	117.2	115.6	108.6	103.3	16.6%	-4.9%	-2.3%
Fertilisers and soil improvers	88.1	83.8	84.4	95.8	93.9	93.8	94.1	92.7	10.7%	-1.4%	-4.9%
Plant protection products	104.9	103.9	97.3	95.4	107.2	109.1	107.5	106.3	2.3%	-1.1%	-1.0%
Veterinary services	107.9	108.0	108.5	108.5	108.5	108.5	108.4	108.4	0.4%	0.0%	0.1%
Animal feedingstuffs	101.5	103.0	109.1	110.7	112.7	113.1	113.8	113.4	10.1%	-0.4%	1.4%
Straight feedingstuffs	95.5	96.8	108.3	111.3	112.4	113.0	115.0	114.6	18.3%	-0.4%	1.3%
Compound feedingstuffs	104.8	106.9	109.5	110.3	113.0	113.2	113.2	112.6	5.3%	-0.5%	2.0%
Maintenance of Materials	111.7	111.8	113.2	113.4	113.0	112.8	113.3	114.0	1.9%	0.7%	0.1%
Maintenance of Buildings	106.8	107.0	110.1	110.7	111.7	112.9	113.1	114.3	6.8%	1.1%	0.2%
Other goods and services	110.1	110.9	112.1	112.1	112.5	112.9	113.4	114.2	2.9%	0.7%	0.7%
Goods and services contributing to investment	110.0	110.0	111.3	111.2	111.9	111.9	112.2	111.4	1.2%	-0.8%	0.1%
Materials	110.8	110.6	111.6	111.3	111.8	111.6	111.9	110.3	-0.3%	-1.5%	-0.1%
Buildings	106.0	106.1	108.4	108.8	109.6	110.4	110.6	111.4	5.0%	0.8%	0.1%
Other (Engineering and soil improvement operations)	113.8	115.1	115.7	116.0	117.1	116.6	117.8	117.8	2.4%	0.0%	0.9%