



18 January 2018

# Agricultural Price Index – November 2017

The Agricultural Price Index (API) is an index of the price of agricultural outputs and inputs for the UK used to show change over time. More details on the index including how it is produced are in the Background section at the end of this document.

#### Item Change Yearly (Nov 2016) Monthly (Oct 2017) All outputs **1 6.9% ① 0.9% 4.1% ①** 1.4% All inputs Outputs Crop products **① 1.8%** ₽ 0.2% Cereals **①** 13% **① 0.7% ① 14% ①** 1.2% Wheat **① 11%** ₽ 0.3% Barley Potatoes ₽ 27% **① 9%** Animals and animal products **① 11% ① 0.3%** Milk **企 25%** ① 0.3% Inputs **Energy and lubricants ①** 7.7% **û 8.2%** Maintenance of buildings **①** 5.7% **① 0.9%**

#### Key points at November 2017

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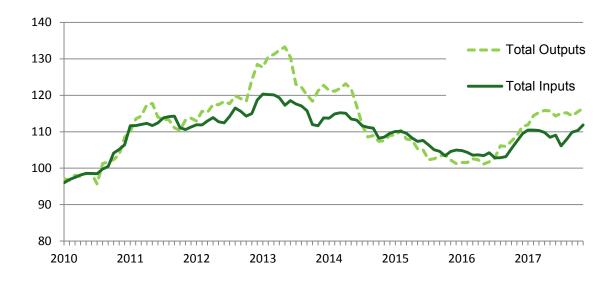
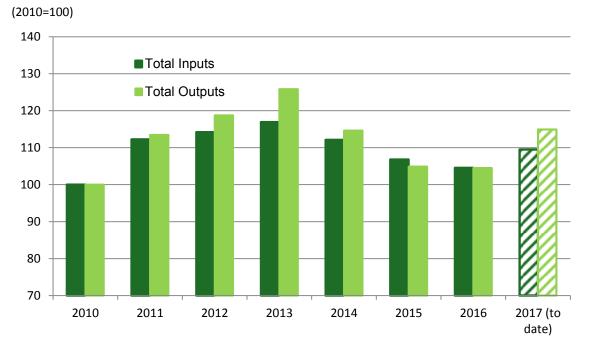


Figure 1: Monthly indices for total Outputs and total Inputs to November 2017 (2010=100)

Figure 2: Annual average indices for total Inputs and total Outputs to November 2017







<sup>1</sup> For more detail visit <u>https://www.gov.uk/government/collections/milk-prices-and-composition</u>

Table 1 Index of Agricultural Outputs UK (2010=100)				Yearly November 2016 to November	Monthly October 2017 - November
	Nov-16	Oct-17	Nov-17	2017	2017
All Outputs	109.0	115.4	116.5	6.9%	0.9%
	100.0	110.1	110.0	0.070	0.070
Crop products	110.9	110.0	112.8	1.8%	0.2%
Cereals	107.9	121.2	122.0	13.1%	0.7%
Wheat	106.4	120.0	121.4	14.1%	1.2%
Barley	112.7	125.1	124.7	10.6%	-0.3%
Oats	118.1	118.6	120.7	2.2%	1.8%
Potatoes	141.3	94.3	102.8	-27.2%	9.0%
Industrial Crops	110.2	106.7	107.7	-2.3%	1.0%
Oilseed Rape	123.3	118.9	119.2	-3.3%	0.3%
Sugar Beet	87.7	87.7	87.7	0.0%	0.0%
Forage plants	98.1	106.7	109.1	11.2%	2.2%
Fresh Vegetables	114.3	111.0	105.2	-8.0%	-5.2%
Fresh Fruit	111.0	106.5	117.1	5.6%	10.0%
Flowers and plants	106.8	104.8	105.4	-1.3%	0.6%
Other crop products	102.9	102.9	102.9	0.0%	0.0%
Animals and animal products	107.7	118.8	119.2	10.7%	0.3%
Animals (for slaughter & export)	110.4	116.3	116.5	5.5%	0.1%
Cattle and calves	123.1	130.0	131.8	7.0%	1.3%
Pigs	105.4	109.9	107.2	1.7%	-2.5%
Sheep and lambs	97.9	100.7	98.7	0.8%	-2.0%
All Poultry	106.1	112.2	113.7	7.1%	1.3%
Animal products	103.0	123.6	123.8	20.3%	0.2%
Milk	103.5	128.9	129.2	24.8%	0.3%
Eggs	100.2	98.0	98.0	-2.3%	0.0%
All Inputs	107.4	110.3	111.9	4.1%	1.4%
All goods and services currently consumed	106.6	109.7	111.4	4.5%	1.6%
Seeds	99.5	98.1	98.8	-0.7%	0.7%
Energy and lubricants	109.5	109.0	117.9	7.7%	8.2%
Fertilisers and soil improvers	84.4	96.2	98.2	16.5%	2.2%
Plant protection products	97.3	99.3	97.7	0.4%	-1.6%
Veterinary services	108.5	108.9	108.9	0.3%	0.0%
Animal feedingstuffs	109.1	111.3	112.2	2.9%	0.8%
Straight feedingstuffs	108.3	107.0	108.6	0.3%	1.5%
Compound feedingstuffs	109.5	114.3	114.5	4.5%	0.2%
Maintenance of Materials	113.2	116.1	116.2	2.7%	0.1%
Maintenance of Buildings	110.1	115.4	116.4	5.7%	0.9%
Other goods and services	112.1	117.5	118.1	5.4%	0.5%
Goods and services contricuting to investment	111.4	113.6	114.0	2.3%	0.3%
Materials	111.6	113.3	113.5	1.6%	0.2%
Buildings	108.4	112.4	113.1	4.3%	0.6%
Other (Engineering and soil improvement operations)	116.2	118.4	118.8	2.3%	0.4%

# Background

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.

### 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 <u>Handbook for EU Agricultural Prices</u> 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.