



19 September 2019

Agricultural Price Index – July 2019

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

Key points at July 2019

- Outputs overall are slightly higher in comparison to July 2018 (up 0.4 points), largely driven by higher prices for potatoes, oats and fresh vegetables, and offset by lower prices for other cereals, forage plants and most livestock.
- Outputs overall show a decrease on the previous month (down 0.8 points) driven by ongoing price decreases for most cereals, and large decreases for sheep and lambs and fresh fruit. These decreases were somewhat offset by increases for fresh vegetables and pigs.
- Inputs overall continue to be higher in comparison to the previous year, up 2.5 points from July 2018. This can be attributed to higher prices across the majority of inputs, the most significant of which are increases for plant protection products, fertilisers, energy and feeding stuffs.
- Inputs show a slight decrease on the previous month (down 0.4 points), with declines in fertiliser, energy and feedstuff prices driving this change.

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Figure 1: Monthly indices for total Outputs and total Inputs to July 2019 (2015=100)

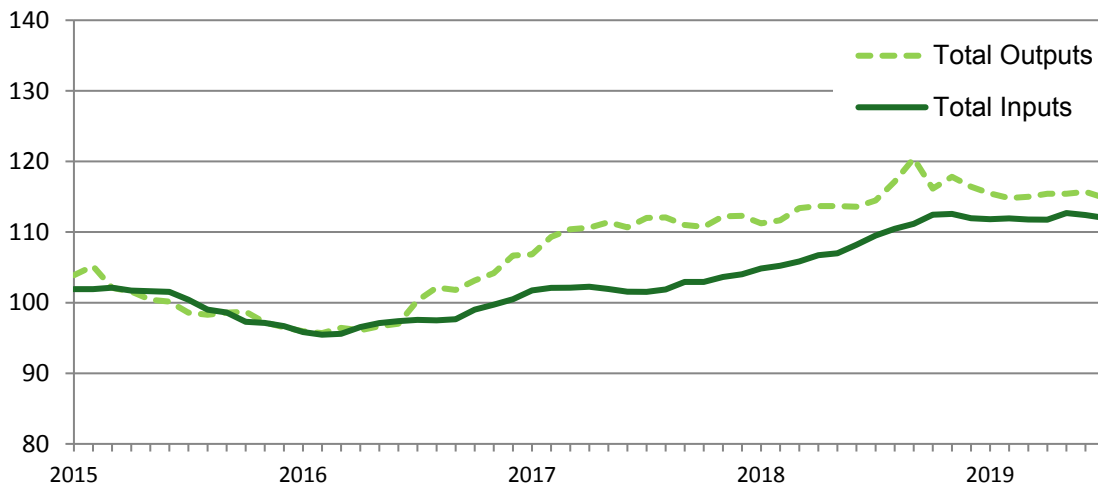


Figure 2: Annual average indices for total Inputs and total Outputs to July 2019 (2015=100)

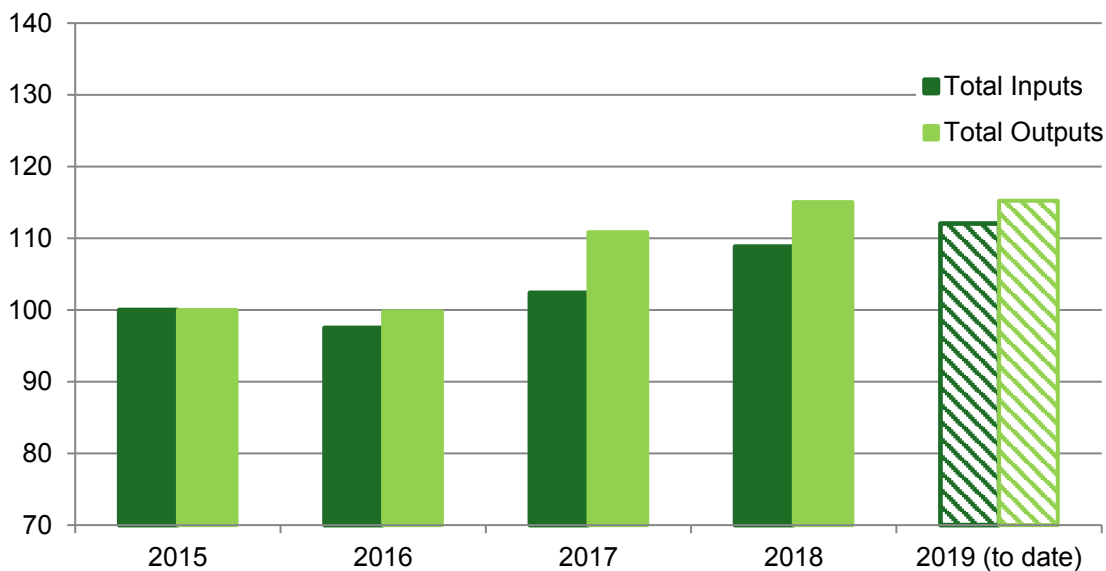
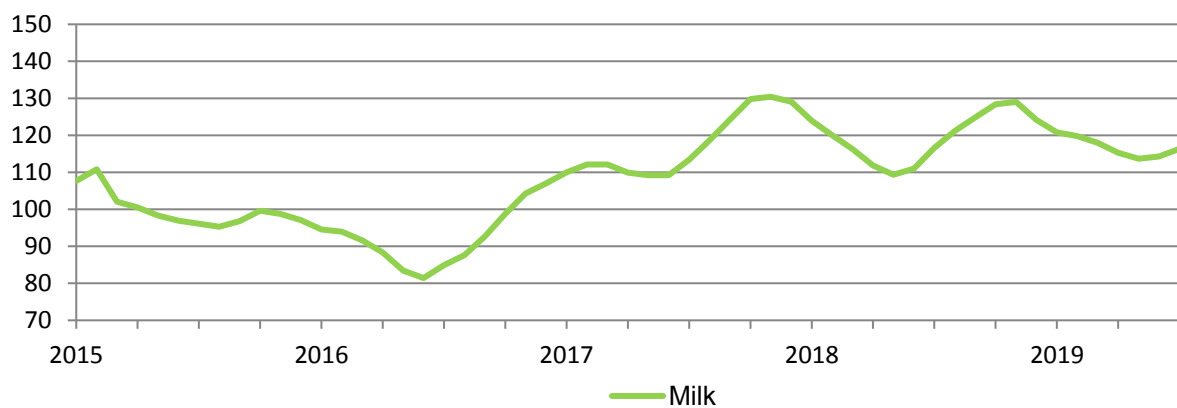


Figure 3: Milk price index to July 2019¹ (2015=100)



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

Figure 4: Monthly and annual index changes for selected outputs (2015=100)

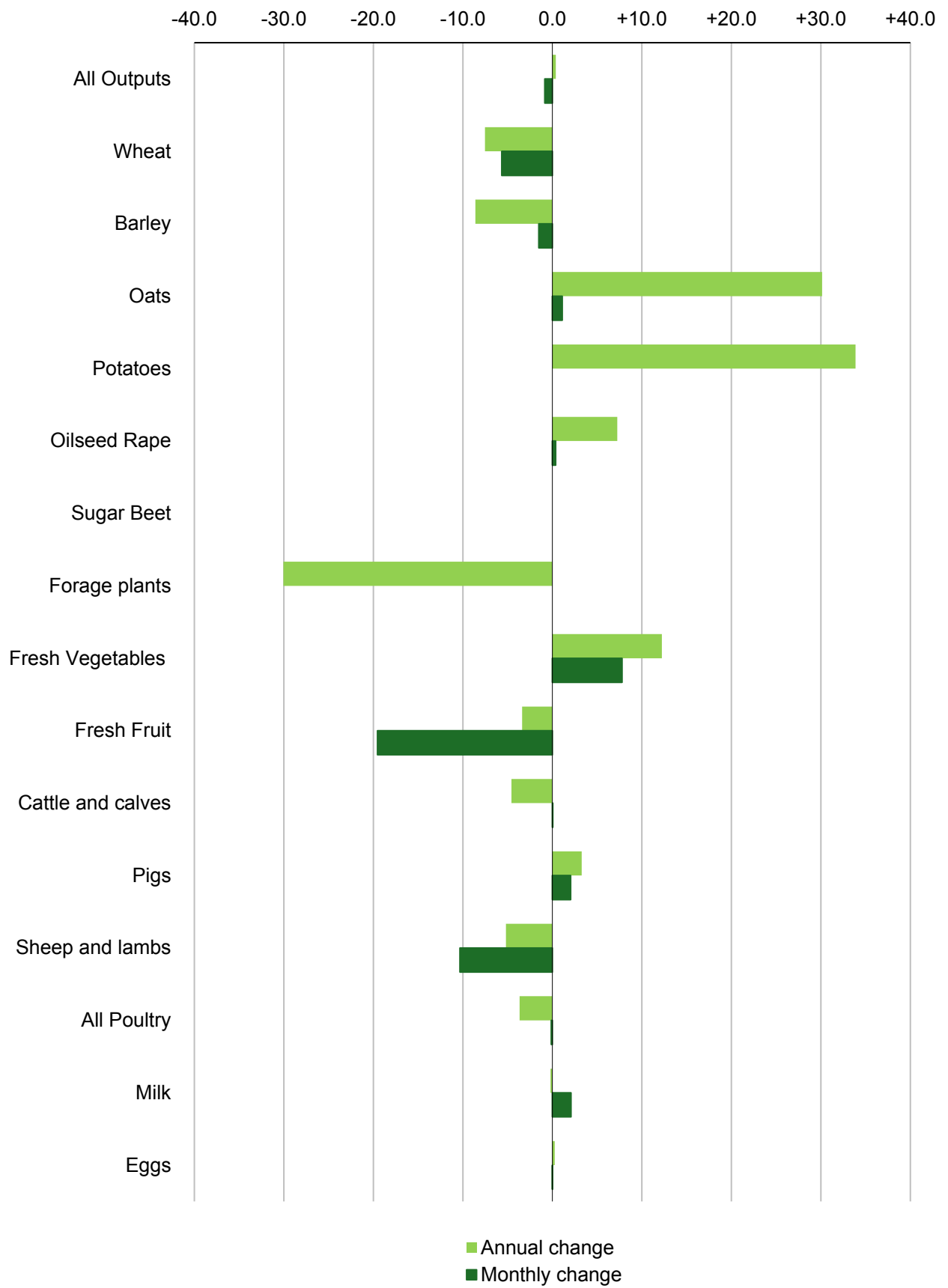


Figure 5: Monthly and annual index changes for selected inputs (2015=100)

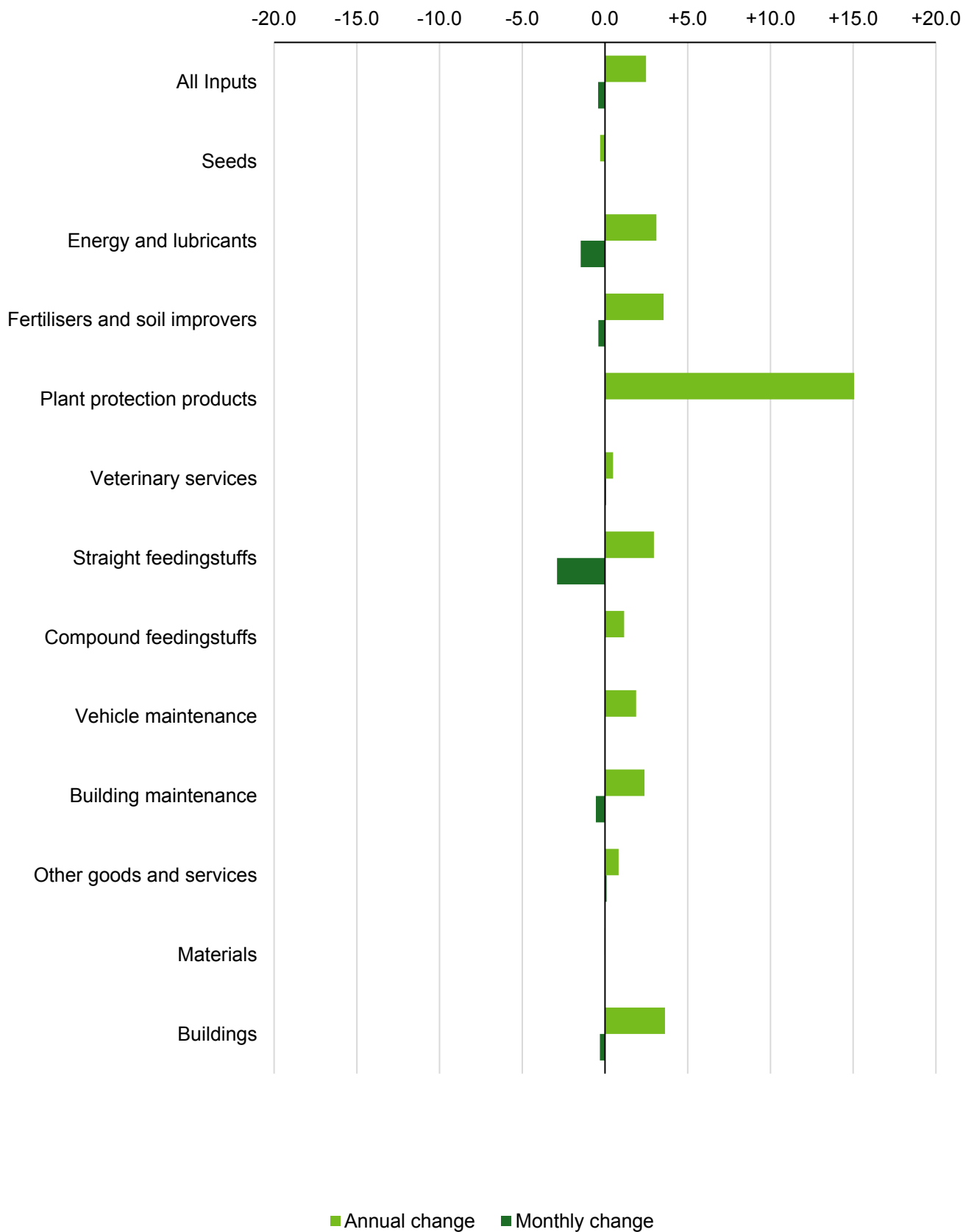


	Table 1 Index of Prices of Agricultural Outputs and Inputs UK (2015=100)			Yearly	Monthly
	Jul-18	Jun-19	Jul-19	July 2018 to July 2019	June 2019 to July 2019
All Outputs	114.5	115.7	114.8	+0.4	-0.8
Crop products	122.0	127.8	125.7	+3.6	-2.2
Cereals	134.3	132.1	127.0	-7.2	-5.0
Wheat	134.2	132.3	126.6	-7.5	-5.7
Barley	135.2	128.1	126.6	-8.6	-1.5
Oats	116.1	145.1	146.2	+30.1	+1.1
Potatoes	116.6	150.4	150.4	+33.9	0.0
Industrial Crops	113.9	122.3	121.9	+8.0	-0.4
Oilseed Rape	114.5	121.4	121.8	+7.3	+0.4
Sugar Beet ⁽¹⁾	116.2	116.2	116.2	0.0	0.0
Forage plants	146.4	116.3	116.3	-30.0	0.0
Fresh Vegetables	122.1	126.5	134.3	+12.2	+7.8
Fresh Fruit	127.6	143.7	124.2	-3.4	-19.5
Animals and	108.7	107.2	106.6	-2.1	-0.6
Animals	107.4	105.6	104.3	-3.1	-1.3
Cattle and calves	102.8	98.2	98.2	-4.6	+0.0
Pigs	114.0	115.2	117.2	+3.3	+2.0
Sheep and lambs	112.3	117.5	107.1	-5.2	-10.3
All Poultry	107.2	103.6	103.5	-3.7	-0.1
Animal products	111.1	109.4	110.9	-0.2	+1.4
Milk	116.6	114.3	116.4	-0.2	+2.1
Eggs	81.6	81.9	81.9	+0.3	+0.0
All Inputs	109.5	112.4	112.0	+2.5	-0.4
All goods and services currently consumed	110.0	113.3	112.8	+2.8	-0.5
Seeds	103.9	103.6	103.6	-0.3	0.0
Energy and lubricants	121.4	125.9	124.5	+3.1	-1.5
Fertilisers and soil improvers	99.9	103.9	103.5	+3.5	-0.4
Plant protection products	104.2	119.2	119.2	+15.1	0.0
Veterinary services	114.7	115.2	115.2	+0.5	+0.1
Animal feedingstuffs	114.6	117.2	116.3	+1.7	-0.9
Straight feedingstuffs	119.9	125.7	122.8	+3.0	-2.9
Compound feedingstuffs	112.1	113.3	113.3	+1.2	0.0
Vehicle maintenance	106.7	108.6	108.6	+1.9	+0.0
Building maintenance	110.0	113.0	112.4	+2.4	-0.6
Other goods and services	105.9	106.6	106.7	+0.8	+0.1
Goods and services contributing to investment	107.5	108.7	108.6	+1.1	-0.1
Materials	107.2	107.1	107.1	-0.0	+0.0
Buildings	108.3	112.2	111.9	+3.6	-0.3

(1) Sugar beet prices are provided annually and with a delay of upwards of a year.

Lack of change in this index monthly or yearly is not necessarily representative of the price changes within this market.

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 estimates are made based on previous values 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 price point is assigned a weight which reflects its contribution to the overall index. The weights for each item represent their annual monetary value from the Agricultural Accounts. For example, if the annual value of animal feed purchased is three times more than fertilisers then the annual weight for animal feed will also be three times more than for fertiliser. Where monthly data is available, monthly and quarterly weights for outputs reflect the pattern of sales volumes across the year. For example, if the volume of sales for apples in October is double that in June, then the October weight for apples is double the weight for June. Monthly and quarterly weights for input items do not vary within the year. The weights are recalculated every five years to reflect more recent data. The April 2018 index was the first to be produced using weights based on 2015, replacing weights based on 2010.

National Statistics Status

National Statistics status means that our statistics meet the highest standards of trustworthiness, quality and public value, and it is our responsibility to maintain compliance with these standards.

These statistics last underwent a full assessment [[Assessment Report 271 Statistics on Agriculture](#)] against the [Code of Practice for Statistics](#) in 2014.

Since the latest review by the Office for Statistics Regulation, we have continued to comply with the Code of Practice for Statistics. We have also made improvements to enhance the quality of this publication as part of our regular 5-year rebasing, which has included updating the range of prices collected based on availability and quality, and improving weighting methodology in line with Eurostat guidance.

Revisions

Figures in this notice are provisional and subject to revision.