



Agricultural Price Index – August 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 August 2019

Outputs

- Outputs overall are significantly lower compared to the peak seen in August 2018 (down 6.5 points). This is driven by lower prices for cereals and potatoes, with lower prices also recorded for fresh vegetables, and the majority of livestock and animal products. This was only partially offset by higher prices for pigs, fresh fruit and industrial crops.
- Outputs overall show a large decrease on the previous month (down 4.1 points) driven by significant price decreases for all cereals and potatoes following the new harvest, and additional decreases for fresh fruit and vegetables and sheep. Notable exceptions to the general downward trend were milk and oilseed rape, which saw moderate increases.

Inputs

- Inputs overall continue to be higher in comparison to the previous year, up 1.4 points from August 2018. This can be attributed to higher prices across the majority of inputs, most significantly for plant protection products and to a lesser extent fertilisers and energy.
- Inputs show a slight decrease on the previous month (down 0.3 points), with significant declines in feedstuff prices driving this change, somewhat offset by increases in fertiliser and energy prices.

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

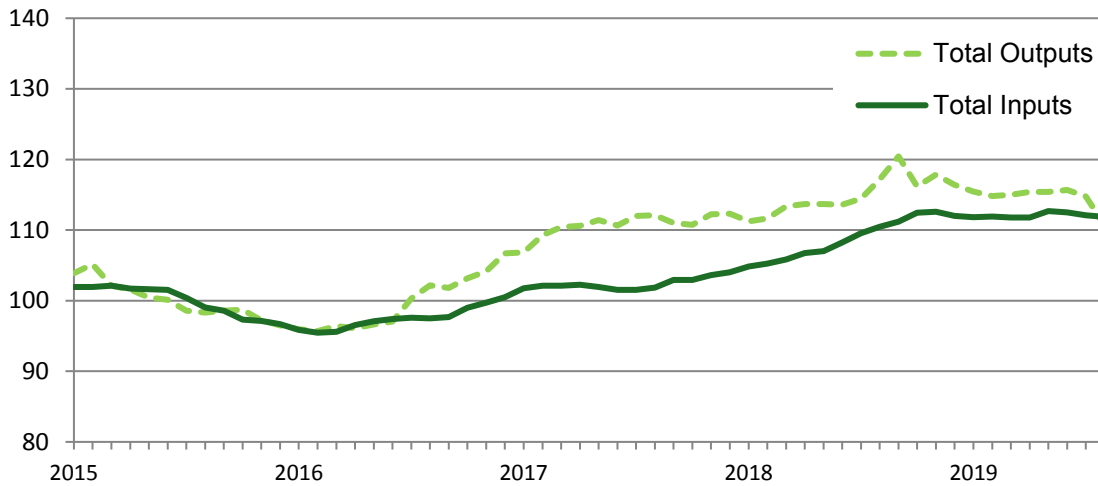


Figure 2: Annual average indices for total Inputs and total Outputs to August 2019 (2015=100)

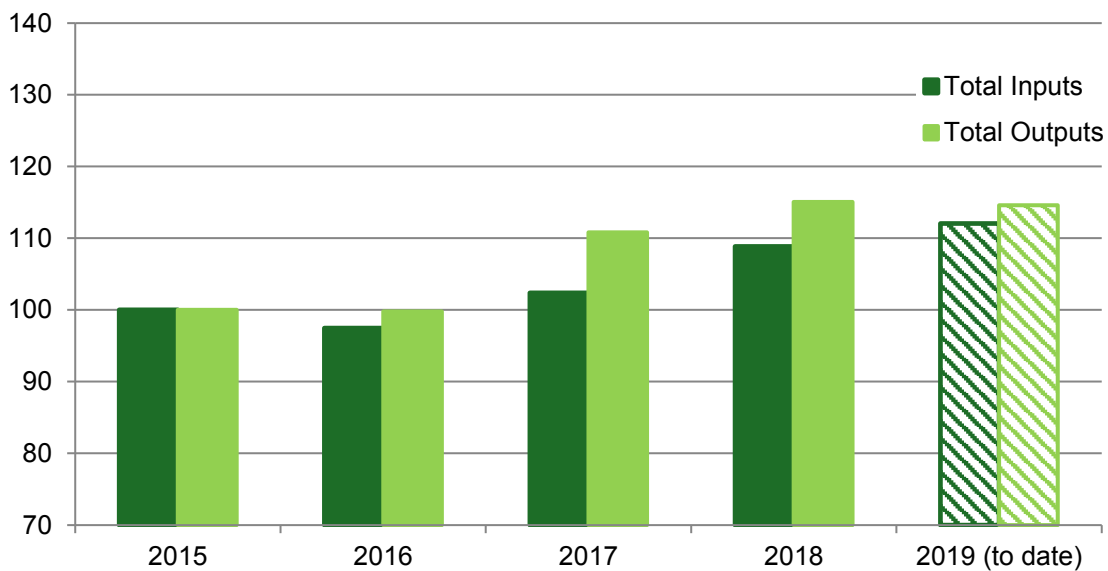
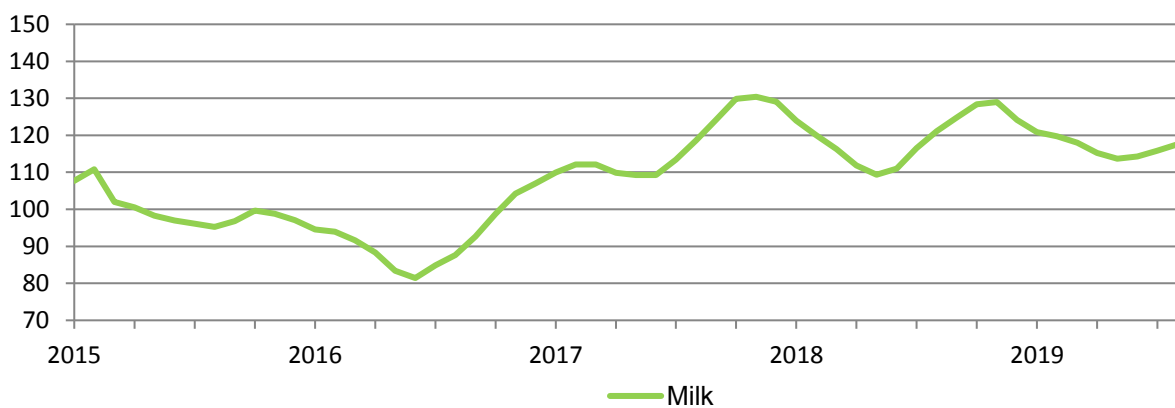


Figure 3: Milk price index to August 2019¹ (2015=100)



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)

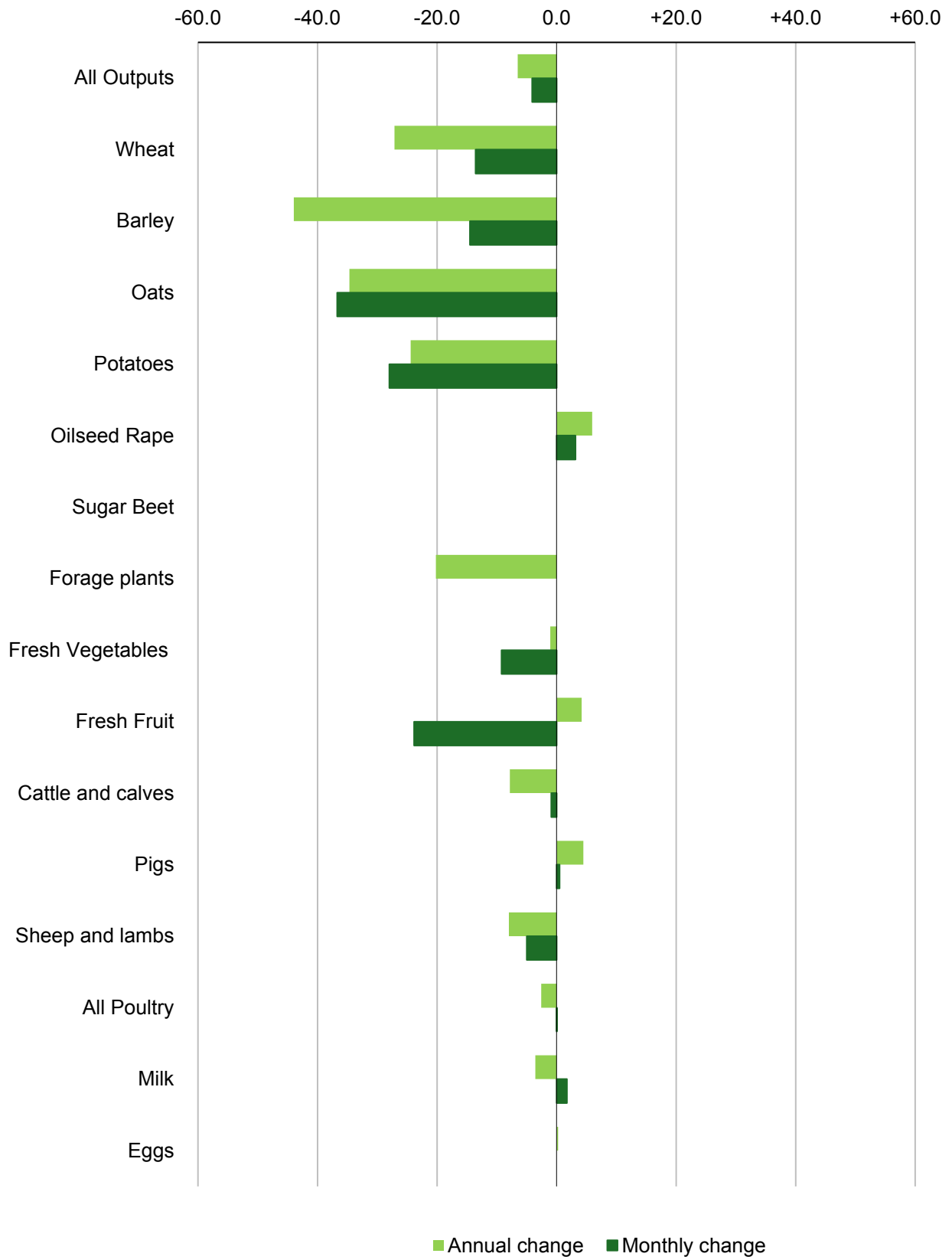


Figure 5: Monthly and annual index changes for selected inputs (2015=100)

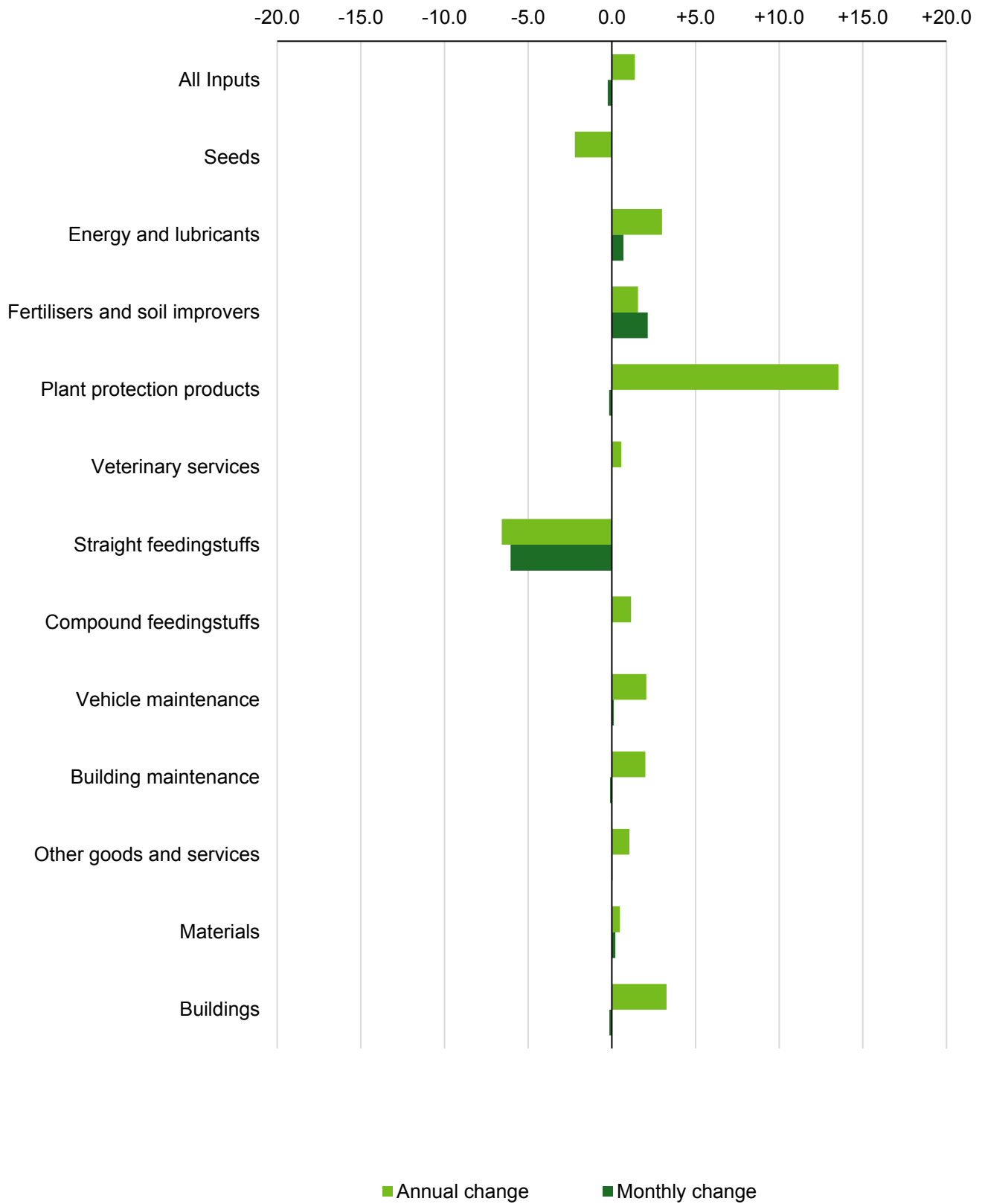


Table 1 Index of Prices of Agricultural Outputs and Inputs UK (2015=100)

	Aug-18	Jul-19	Aug-19	Yearly August 2018 to August 2019	Monthly July 2019 to August 2019
All Outputs	117.2	114.8	110.7	-6.5	-4.1
Crop products	125.3	125.7	115.4	-9.9	-10.3
Cereals	147.0	127.0	112.6	-34.4	-14.5
Wheat	140.2	126.6	113.1	-27.1	-13.6
Barley	156.1	126.6	112.1	-44.0	-14.5
Oats	144.2	146.2	109.5	-34.7	-36.7
Potatoes	146.9	150.4	122.5	-24.4	-28.0
Industrial Crops	118.1	121.9	123.3	+5.2	+1.4
Oilseed Rape	119.0	121.8	124.9	+6.0	+3.2
Sugar Beet ⁽¹⁾	116.2	116.2	116.2	0.0	0.0
Forage plants	136.5	116.3	116.3	-20.2	0.0
Fresh Vegetables	126.2	134.4	125.2	-1.0	-9.2
Fresh Fruit	96.2	124.2	100.4	+4.2	-23.8
Animals and animal products	110.6	106.4	106.8	-3.7	+0.4
Animals	107.6	104.3	103.3	-4.2	-1.0
Cattle and calves	105.2	98.2	97.4	-7.8	-0.9
Pigs	113.3	117.2	117.8	+4.5	+0.5
Sheep and lambs	110.1	107.1	102.2	-8.0	-5.0
All Poultry	106.1	103.5	103.5	-2.6	+0.0
Animal products	115.1	110.4	112.1	-3.0	+1.7
Milk	121.1	115.8	117.6	-3.6	+1.8
Eggs	81.6	81.9	81.9	+0.3	0.0
All Inputs	110.5	112.1	111.9	+1.4	-0.3
All goods and services currently consumed	111.1	112.9	112.5	+1.4	-0.3
Seeds	105.8	103.6	103.6	-2.2	0.0
Energy and lubricants	122.2	124.5	125.2	+3.0	+0.7
Fertilisers and soil improvers	104.1	103.5	105.6	+1.6	+2.1
Plant protection products	105.5	119.2	119.1	+13.5	-0.2
Veterinary services	114.8	115.3	115.3	+0.6	+0.0
Animal feedingstuffs	115.6	116.2	114.3	-1.3	-1.9
Straight feedingstuffs	123.2	122.6	116.6	-6.6	-6.0
Compound feedingstuffs	112.1	113.3	113.3	+1.2	0.0
Vehicle maintenance	107.0	109.0	109.1	+2.1	+0.1
Building maintenance	110.3	112.4	112.3	+2.0	-0.1
Other goods and services	106.1	107.1	107.2	+1.1	+0.0
Goods and services contributing to investment	107.6	108.8	108.9	+1.3	+0.1
Materials	107.3	107.6	107.8	+0.5	+0.2
Buildings	108.4	111.8	111.6	+3.3	-0.1

(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.