



## Agricultural Price Index – January 2020

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 January 2020

#### Outputs

- Outputs overall continue to be lower compared to the previous year, down 1.7 points from January 2019. This is driven by lower prices for the majority of crop outputs, with cereals, potatoes and forage plants showing the largest fall in this time. This price drop was somewhat offset by significant price increases for fresh fruit, and price increases across all livestock.
- Outputs overall show a continued recovery from the decline of the previous months (up 1.4 points from December 2019). This is driven by price increases in the majority of categories, with particularly large increases for fresh fruit, forage plants and sheep and lambs.

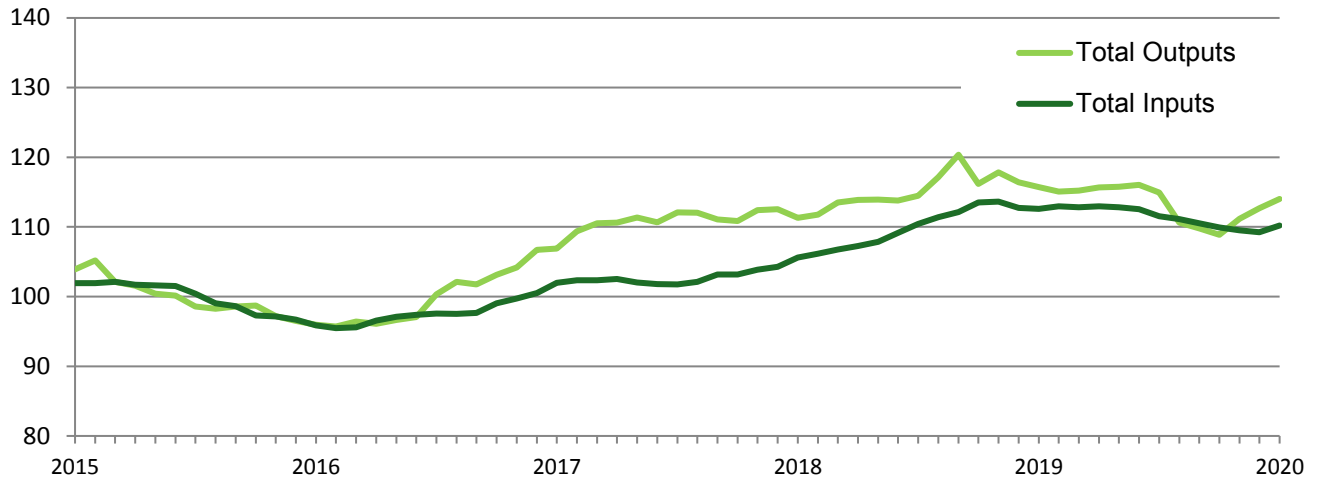
#### Inputs

- Inputs this month continue to be lower in comparison to the previous year, down 2.4 points from January 2019. This is driven by a significant price decreases across several sectors, particularly feedstuffs and fertilisers, and is only partially offset by increases in plant protection products and energy prices.
- Inputs show an increase on the previous month (up 1.0 points), with a large increase in plant protection product prices primarily driving this increase, and smaller increases in energy and feedstuff prices. This is partially offset by a significant decrease in fertiliser prices.

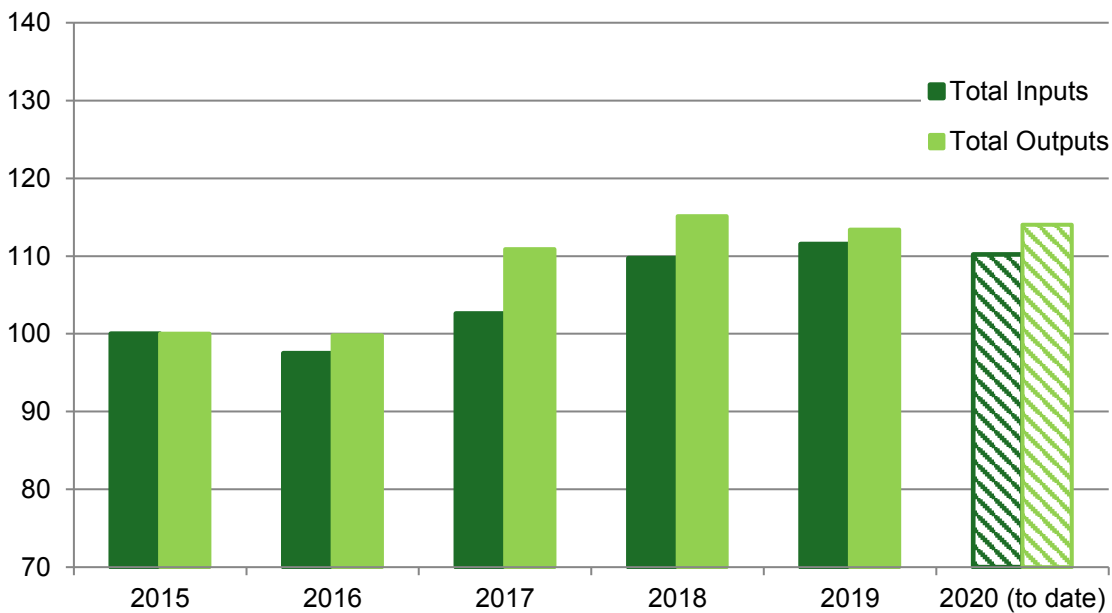
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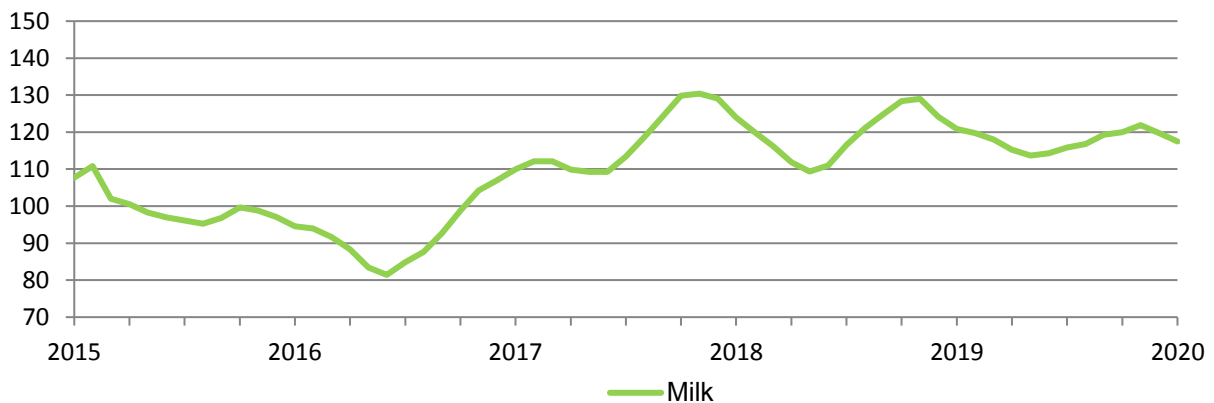
**Figure 1: Monthly indices for total Outputs and total Inputs to January 2020 (2015=100)**



**Figure 2: Annual average indices for total Inputs and total Outputs to January 2020 (2015=100)**

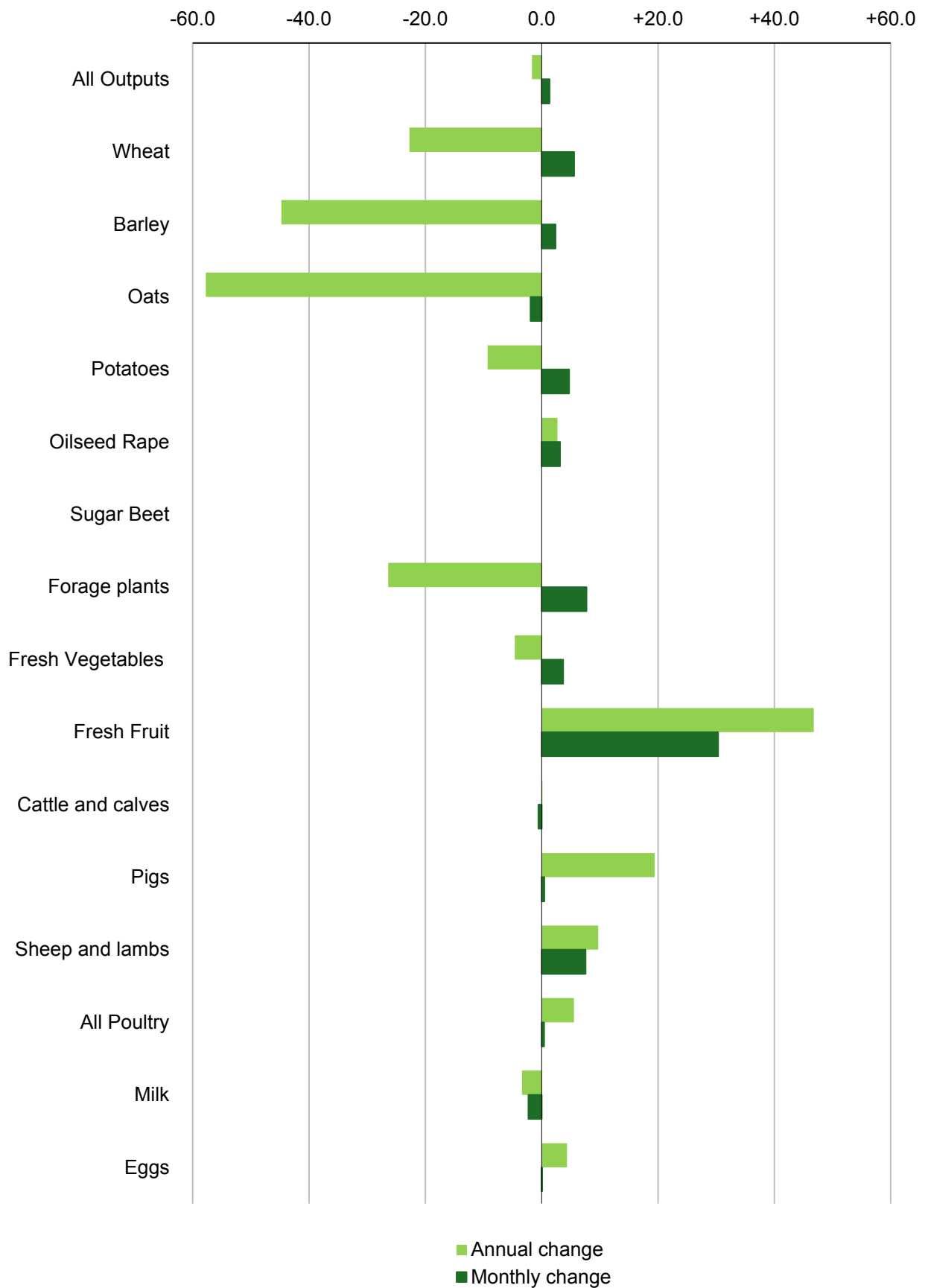


**Figure 3: Milk price index to January 2020<sup>1</sup> (2015=100)**

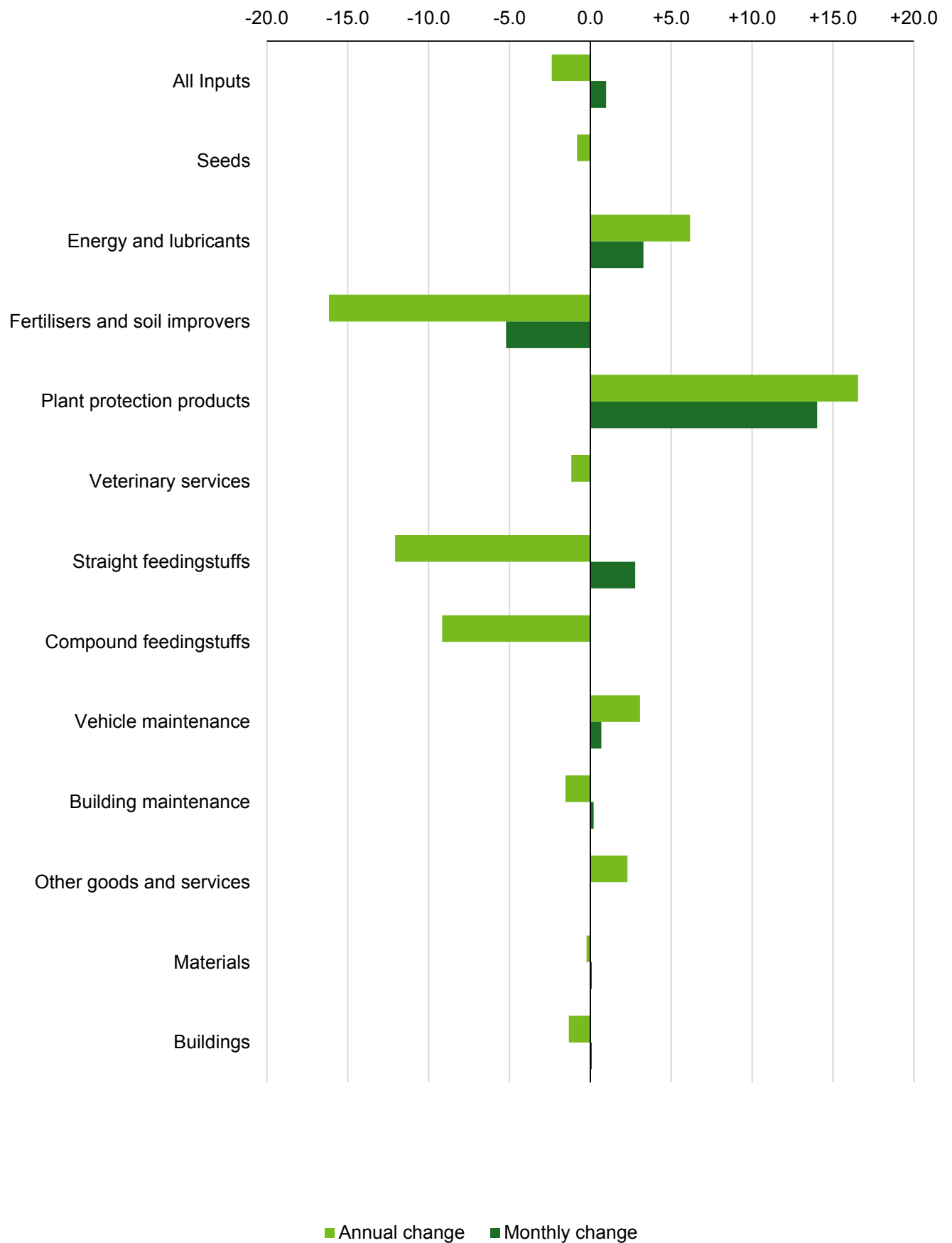


<sup>1</sup> For more detail visit <https://www.gov.uk/government/collections/milk-prices-and-composition>

**Figure 4: Monthly and annual index changes for selected outputs for January 2020 (2015=100)**



**Figure 5: Monthly and annual index changes for selected inputs for January 2020 (2015=100)**



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

|  | Jan-19 | Dec-19 | Jan-20 | Yearly<br>January 2019<br>to January<br>2020 | Monthly<br>December<br>2019 to<br>January<br>2020 |
|--|--------|--------|--------|--|---|
| <b>All Outputs</b>                                   | 115.7  | 112.7  | 114.0  | -1.7   | +1.4  |
| <b>Crop products</b>                                 | 132.4  | 116.3  | 121.0  | -11.5  | +4.7  |
| Cereals  | 148.9  | 115.9  | 120.7  | -28.2  | +4.7  |
| Wheat  | 145.2  | 116.9  | 122.5  | -22.7  | +5.6  |
| Barley   | 159.7  | 112.6  | 115.0  | -44.7  | +2.4  |
| Oats   | 168.3  | 112.5  | 110.6  | -57.7  | -1.9  |
| Potatoes   | 138.2  | 124.2  | 128.9  | -9.3   | +4.7  |
| Industrial Crops                                     | 120.4  | 116.6  | 118.6  | -1.8   | +2.1  |
| Oilseed Rape   | 127.9  | 127.4  | 130.6  | +2.7   | +3.2  |
| Sugar Beet (1)                                       | 100.4  | 100.4  | 100.4  | 0.0  | 0.0   |
| Forage plants  | 153.4  | 119.3  | 127.0  | -26.4  | +7.7  |
| Fresh Vegetables                                     | 127.5  | 119.1  | 122.8  | -4.6   | +3.7  |
| Fresh Fruit  | 133.2  | 149.6  | 180.0  | +46.8  | +30.4   |
| <b>Animals and animal products</b>                   | 107.3  | 110.7  | 110.5  | +3.3   | -0.1  |
| Animals  | 102.9  | 108.2  | 109.2  | +6.3   | +1.0  |
| Cattle and calves                                    | 100.3  | 101.0  | 100.4  | +0.1   | -0.6  |
| Pigs   | 105.6  | 124.6  | 125.1  | +19.5  | +0.5  |
| Sheep and lambs                                      | 110.9  | 113.1  | 120.7  | +9.7   | +7.5  |
| All Poultry  | 101.5  | 106.7  | 107.1  | +5.6   | +0.4  |
| Animal products                                      | 115.1  | 114.5  | 112.9  | -2.2   | -1.7  |
| Milk   | 120.8  | 119.7  | 117.4  | -3.4   | -2.3  |
| Eggs   | 80.3   | 84.7   | 84.7   | +4.4   | +0.0  |
| <b>All Inputs</b>                                    | 112.6  | 109.2  | 110.2  | -2.4   | +1.0  |
| <b>All goods and services currently consumed</b>     | 113.5  | 109.6  | 110.7  | -2.8   | +1.2  |
| Seeds  | 104.5  | 103.7  | 103.7  | -0.8   | 0.0   |
| Energy and lubricants                                | 118.0  | 120.9  | 124.2  | +6.2   | +3.3  |
| Fertilisers and soil improvers                       | 108.3  | 97.4   | 92.2   | -16.2  | -5.2  |
| Plant protection products                            | 111.9  | 114.5  | 128.5  | +16.5  | +14.0   |
| Veterinary services                                  | 115.4  | 114.2  | 114.2  | -1.2   | +0.0  |
| Animal feedingstuffs                                 | 120.0  | 109.0  | 109.9  | -10.1  | +0.9  |
| Straight feedingstuffs                               | 129.6  | 114.8  | 117.6  | -12.1  | +2.8  |
| Compound feedingstuffs                               | 115.6  | 106.4  | 106.4  | -9.2   | 0.0   |
| Vehicle maintenance                                  | 107.7  | 110.1  | 110.8  | +3.1   | +0.7  |
| Building maintenance                                 | 111.7  | 109.9  | 110.1  | -1.5   | +0.2  |
| Other goods and services                             | 108.1  | 110.3  | 110.4  | +2.3   | +0.0  |
| <b>Goods and services contributing to investment</b> | 108.4  | 107.7  | 107.8  | -0.6   | +0.1  |
| Materials  | 107.8  | 107.5  | 107.6  | -0.2   | +0.1  |
| Buildings  | 109.7  | 108.2  | 108.3  | -1.3   | +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.