



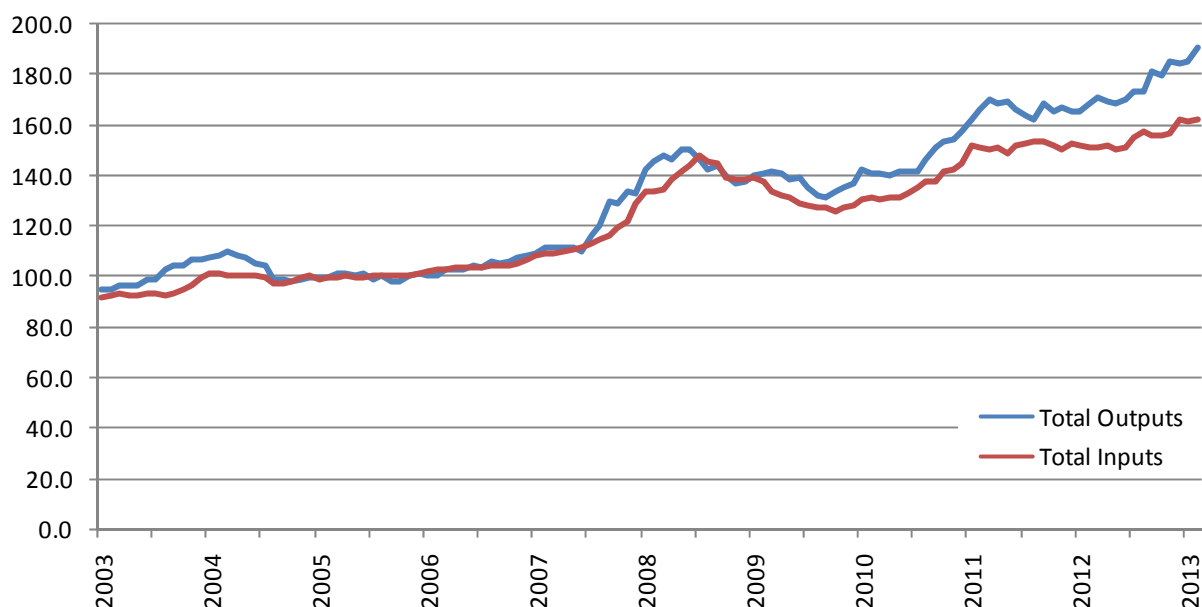
## March Agricultural Price Index

The Agricultural Price Index (API) measures the monthly 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. This is split into 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

**Figure 1: Agricultural price indices (2005=100)**



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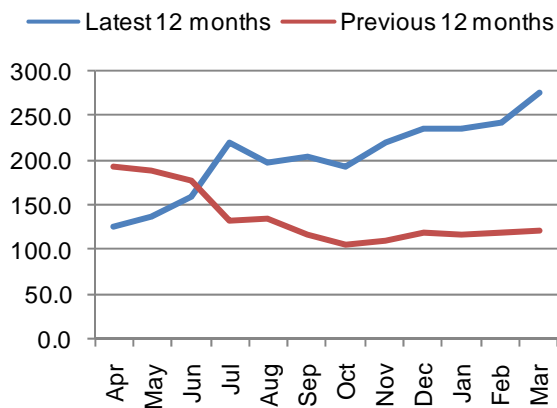
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The price index for all outputs rose by 3.2 per cent in March and is 14.5 per cent higher than the same time last year. The price index for all inputs has fell by 0.1 per cent in March but is 9.7 per cent higher than this time last year.

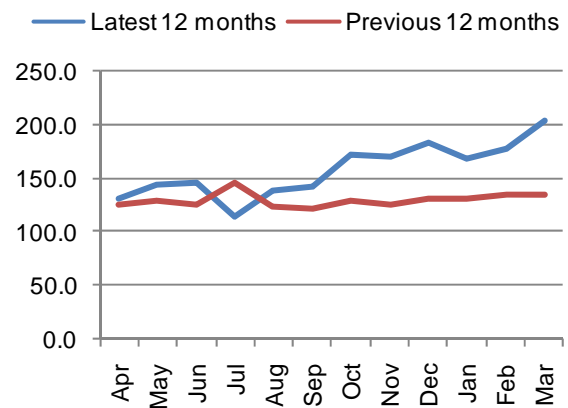
### Outputs

The crop product index rose by 2.8 per cent in March and is 27 per cent higher than this time last year. Price rises in certain crops continue to rise after the wet harvest in 2012. Potato prices remain high and rose by another 14 per cent in March and they now more than double (125 per cent) the price they were last year. Fresh fruit rose by 14 per cent in March and are 50 per cent higher than they were last year. These rises were offset by a fall in cereals prices of 3.4 per cent in March although they are still 25 per cent higher than the same time last year.

**Chart 2 Potato price index (2005 = 100)**



**Chart 3 Fresh fruit price index (2005 = 100)**



Animal and animal product prices rose by 4.0 per cent this month and are now 5.6 per cent higher than the same time last year. Animals for slaughter rose by 7.4 per cent in March which was largely down to an increase in sheep prices that rose by 20 per cent. The rise in sheep prices was due to tight supplies of old season lamb and increased numbers of higher value new season lamb. Despite the sharp rise in sheep prices they are still 12 per cent below last year's price.

### Inputs

There has been very little movement in prices for inputs in March with the overall index for inputs falling by 0.1 per cent. Compared to last year all goods and services currently consumed in agriculture are up 12 per cent. The main contributors to the upward trend are seeds that are up 46 per cent and animal feeding stuff up 16 per cent. Both of these are series are affected by the poor weather conditions in 2012, in particular the poor cereal harvest.

## Revisions

The electricity price series has changed to a monthly rather than an annual series and the index has been backdated. The 2012 data that was previously carried forward is now along with the 2013 data updated.

Veterinary and professional fees have also changed to a monthly data rather than annual data and the index has been backdated. The 2012 data that was previously carried forward is now along with the 2013 data updated.

Broiler series changed and backdated as old series is no longer available. The new series is not showing as marked an increase in price as the old series

The seed series has been backdated, 2012 data that was previously carried forward is now along with the 2013 data updated.

## 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) use 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 2005.

**Table 1 Index of Agricultural Outputs UK (2005=100)**

	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	1 month change	12 month change
<b>All Outputs</b>	177.3	183.4	182.1	182.8	188.6	194.6	3.2%	14.5%
<b>Crop products</b>	203.8	213.3	212.9	218.6	224.3	230.6	2.8%	27.0%
Cereals	264.0	277.7	305.8	299.9	306.2	295.7	-3.4%	25.0%
Wheat	269.6	286.0	315.7	305.3	315.0	304.2	-3.4%	29.4%
Barley	246.2	257.2	285.3	284.0	278.0	269.6	-3.0%	15.4%
Oats	288.9	303.9	310.6	309.3	312.9	310.8	-0.7%	15.8%
Potatoes	194.1	220.3	237.1	237.1	243.4	276.9	13.7%	125.2%
Industrial Crops	183.4	180.4	178.9	160.5	162.6	163.7	0.6%	6.2%
Oilseed Rape	288.0	282.9	279.1	280.5	287.7	292.7	1.8%	4.5%
Sugar Beet	106.5	106.5	106.5	106.5	106.5	106.5	0.0%	8.5%
Forage plants	190.3	207.6	213.5	222.1	223.9	223.4	-0.2%	6.9%
Fresh Vegetables	151.7	150.0	154.2	149.8	153.6	159.3	3.7%	37.3%
Fresh Fruit	172.2	169.2	183.9	168.1	178.3	203.6	14.2%	50.2%
Flowers and plants	164.7	164.6	166.6	164.1	164.8	165.5	0.4%	-0.2%
Other crop products	132.2	132.2	132.2	132.5	132.5	132.5	0.0%	0.2%
<b>Animals and animal products</b>	158.6	162.2	163.5	162.5	165.1	171.7	4.0%	5.6%
Animals (for slaughter & export)	156.8	160.1	162.3	160.2	164.9	177.0	7.4%	5.2%
Cattle and calves	182.9	188.6	197.1	194.6	195.2	203.5	4.2%	9.7%
Pigs	151.5	153.8	154.3	152.2	149.3	150.1	0.6%	9.7%
Sheep and lambs	141.9	138.8	137.4	133.4	146.7	175.5	19.7%	-11.8%
All Poultry	135.9	139.5	139.2	141.6	140.5	153.7	9.4%	10.2%
Animal products	161.7	165.4	165.2	166.0	165.5	165.2	-0.2%	6.2%
Milk	157.6	162.7	163.1	162.5	162.6	162.7	0.1%	4.8%
Eggs	181.3	181.3	181.3	188.8	188.8	188.8	0.0%	18.2%

**Table 2 Index of Agricultural Inputs UK (2005=100)**

	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	1 month change	12 month change
<b>All Inputs</b>	155.3	156.2	161.3	165.1	165.8	165.6	-0.1%	9.7%
<b>All goods and services currently consumed in agriculture</b>	161.2	162.8	169.2	173.6	174.4	174.1	-0.2%	11.5%
Seeds	129.5	129.5	129.5	174.9	174.9	174.9	0.0%	46.5%
Energy and lubricants	183.3	178.1	183.7	183.5	187.5	187.9	0.2%	-0.5%
Fertilisers and soil improvers	214.2	215.2	214.7	213.2	213.1	213.9	0.4%	-4.4%
Plant protection products	106.1	106.3	105.2	105.2	105.5	105.5	0.0%	3.1%
Veterinary services	124.2	125.4	125.3	126.9	126.6	128.7	1.7%	6.7%
Animal feedingstuffs	211.7	217.6	225.2	222.9	224.5	222.6	-0.8%	16.4%
Straight feedingstuffs	227.7	242.6	261.3	255.9	259.7	255.3	-1.7%	18.8%
Compound feedingstuffs	198.6	198.6	198.5	198.5	198.5	198.5	0.0%	12.4%
Maintenance of Materials	135.4	135.3	135.4	136.2	136.1	136.8	0.5%	1.7%
Maintenance of Buildings	143.3	142.7	142.1	143.0	144.4	144.0	-0.3%	0.3%
Other goods and services	128.2	128.2	128.6	129.4	129.6	129.7	0.1%	1.7%
<b>Goods and services contributing to investment</b>	123.8	123.6	124.1	124.3	124.8	125.3	0.4%	0.8%
Materials	117.6	117.6	118.6	118.7	118.8	119.6	0.7%	0.8%
Buildings	136.6	136.2	135.8	136.4	137.4	137.1	-0.2%	0.2%
Other (Engineering and soil improvement operations)	126.7	126.1	125.9	126.2	127.3	127.7	0.3%	2.2%