



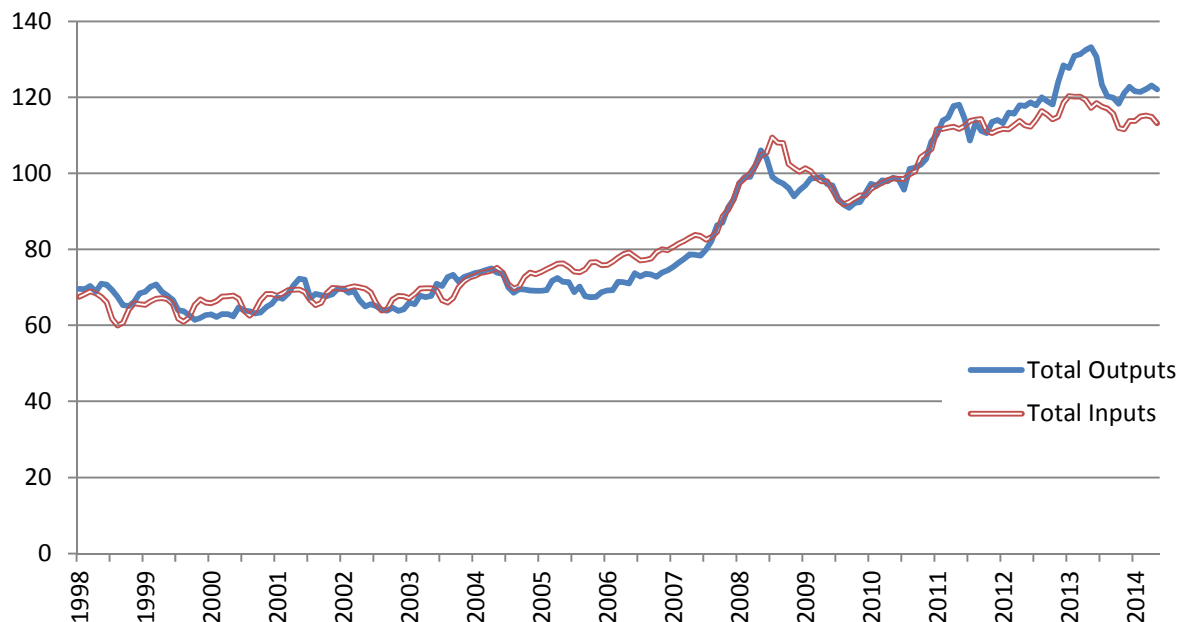
## May Agricultural Price Index

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 (2010=100)**



**Enquiries on this publication to:** Julie Rumsey, Rm 201 Foss House, Kings Pool, 1-2 Peasholme Green, York, YO1 7PX Tel: 01904 455249/455355 email: [prices@defra.gsi.gov.uk](mailto:prices@defra.gsi.gov.uk)

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The price index for all outputs fell by 0.8% while the price index for all inputs fell by 1.4% in May. Overall the prices are lower than the same time last year as the price index for all outputs is 8.3% lower and the price index for all inputs is 3.4% lower than this time last year.

### *Output*

Compared to last year all price indices for crops are down. The largest difference is seen with the following crops whose prices are significantly lower than last year: potatoes (46%); fresh fruit (27%); cereals (18%) and fresh vegetables (18%). This is an indication of the supplies have bounced back this year after the fall seen last year due to the bad weather.

This year's early potato season began several weeks earlier than last year and prices are showing the dip in price that would be expected once the season is under way. As last season's new potato harvest started later in the month the average May price last year was 60% higher than this year's average May price.

Cereal prices are 18% lower than this time last year. With fears of major disruption to Ukrainian exports not borne out; encouraging planting conditions in the EU and improved weather conditions in the US, cereal prices continue to remain low.

Cattle prices fell 3.7% in May and are 16% lower than this time last year reflecting the continued imbalance in supply and demand, continued mild weather is not stimulating demand for roasting cuts of beef.

### *Inputs*

Energy and lubricant prices fell for the fourth month running. Prices fell by 0.3% in May and are now 1.0% lower than this time last year.

Animal feeding stuffs fell by 1.9% and are now 31% lower than the same time last year; straight feeding stuffs fell by 3.9% in May while compound feedingstuff prices fell by 0.8%. Straight feedingstuff prices have fallen due to decreases cereal prices.

Fertiliser prices fell by 2.9% in May and are still 9.1% lower than the same time last year. Prices remain low as new season prices are due to be announced.

### **Data updates**

2013 early potato prices revised due to new data becoming available.

Pesticide, herbicide, fungicide prices revised back to Jan 2010 due to new data source being used.

Wool clip revised back to January 2012 as new and revised data being available.

### **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 2010.

**Table 1 Index of Agricultural Outputs UK (2010=100)**

	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	1 month change	12 month change
<b>All Outputs</b>	121.1	122.7	121.6	121.4	122.2	123.1	122.1	-0.8%	-8.5%
<b>Crop products</b>	116.5	120.6	118.7	119.0	118.2	121.0	119.7	-1.1%	-18.6%
Cereals	133.3	135.0	131.2	133.1	134.6	138.6	138.6	0.0%	-17.8%
Wheat	133.7	136.8	134.3	134.3	135.0	139.4	139.0	-0.2%	-16.5%
Barley	133.5	132.1	124.5	131.4	134.9	137.9	138.1	0.2%	-21.0%
Oats	117.9	115.2	115.4	120.3	126.1	126.5	126.2	-0.2%	-35.4%
Potatoes	107.1	112.7	116.8	114.4	116.1	118.7	122.4	3.1%	-45.6%
Industrial Crops	110.2	110.0	108.8	108.1	109.5	113.2	115.7	2.2%	-13.8%
Oilseed Rape	111.9	111.7	110.7	109.6	112.2	118.2	119.0	0.6%	-17.0%
Sugar Beet	105.3	105.3	105.3	105.3	105.3	105.3	105.3	0.0%	0.0%
Forage plants	106.6	109.4	111.2	114.4	117.0	118.5	114.5	-3.4%	-4.8%
Fresh Vegetables	97.4	109.4	106.3	100.7	103.0	103.8	100.1	-3.5%	-18.1%
Fresh Fruit	96.2	104.0	114.4	110.1	118.7	104.4	84.4	-19.2%	-26.8%
Flowers and plants	115.4	115.8	114.3	114.0	113.9	115.1	115.9	0.7%	-2.0%
Other crop products	98.7	98.7	98.7	98.7	98.7	98.7	98.7	0.0%	0.0%
<b>Animals and animal products</b>	124.3	124.1	123.3	123.1	124.6	124.2	123.9	-0.3%	0.7%
Animals (for slaughter & export)	116.7	115.9	116.4	115.2	117.4	118.8	118.3	-0.4%	-4.1%
Cattle and calves	130.5	134.3	129.3	126.1	127.1	123.8	119.3	-3.7%	-15.8%
Pigs	120.9	120.8	118.2	115.6	114.6	115.2	115.5	0.3%	0.0%
Sheep and lambs	95.7	98.0	103.1	108.3	118.4	124.8	129.0	3.3%	7.4%
All Poultry	111.1	105.5	107.1	104.0	105.3	111.3	113.8	2.3%	8.8%
Animal products	137.5	136.8	135.2	135.5	134.8	133.3	130.9	-1.8%	6.7%
Milk	140.1	138.8	137.2	137.6	136.5	134.8	132.0	-2.1%	8.6%
Eggs	128.7	128.7	126.5	126.5	126.5	126.3	126.3	0.0%	-4.2%

**Table 2 Index of Agricultural Inputs UK (2010=100)**

	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	1 month change	12 month change
<b>All Inputs</b>	111.6	113.7	113.8	114.9	115.2	114.8	113.2	-1.4%	-3.4%
<b>All goods and services currently consumed in agriculture</b>	113.3	116.0	116.0	116.3	116.5	116.1	114.1	-1.7%	-4.8%
Seeds	104.6	104.6	104.6	104.6	104.6	104.6	104.6	0.0%	-11.2%
Energy and lubricants	119.6	125.2	126.5	125.3	122.1	120.5	120.2	-0.3%	-1.0%
Fertilisers and soil improvers	100.8	102.7	107.3	110.0	110.4	108.0	104.8	-3.0%	-9.1%
Plant protection products	94.6	94.5	101.1	104.7	105.6	105.2	102.9	-2.2%	7.5%
Veterinary services	105.8	105.9	106.4	106.4	106.5	106.6	106.9	0.2%	1.0%
Animal feedingstuffs	126.5	127.3	127.1	127.9	128.5	129.6	127.0	-2.0%	-13.1%
Straight feedingstuffs	128.1	129.1	128.9	130.5	133.1	136.0	130.7	-4.0%	-17.3%
Compound feedingstuffs	125.4	126.2	126.0	126.1	126.0	125.4	124.3	-0.9%	-9.4%
Maintenance of Materials	109.3	109.3	110.5	110.5	110.5	109.9	110.1	0.2%	1.8%
Maintenance of Buildings	110.1	110.5	110.6	111.2	111.4	111.5	110.9	-0.5%	0.7%
Other goods and services	108.9	109.7	109.8	110.3	110.7	111.1	110.7	-0.4%	0.2%
<b>Goods and services contributing to investment</b>	103.0	103.0	103.3	108.3	108.4	108.2	108.3	0.1%	5.3%
Materials	100.1	100.2	100.6	107.9	108.1	107.5	107.7	0.2%	7.2%
Buildings	107.9	108.0	108.0	108.5	108.7	108.7	108.7	0.0%	1.0%
Other (Engineering and soil improvement operations)	108.7	108.4	109.4	110.2	110.2	110.9	110.9	0.0%	3.7%

**Table 3 Annual Index of Agricultural Outputs UK (2010=100)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>All Outputs</b>	70.1	71.6	69.6	72.3	82.2	98.9	95.0	100.0	113.2	118.9	125.7
<b>Crop products</b>	70.1	71.9	67.4	73.2	88.0	103.6	89.1	100.0	118.4	124.7	129.2
Cereals	63.7	69.4	59.5	66.2	96.8	124.0	89.6	100.0	144.8	149.7	153.1
Wheat	62.2	68.5	57.0	64.2	93.2	121.5	90.5	100.0	141.7	144.3	151.9
Barley	68.9	72.5	66.1	71.5	107.9	132.6	88.0	100.0	150.3	160.9	154.4
Oats	59.2	64.0	67.6	73.6	91.9	113.1	82.7	100.0	177.8	190.1	173.7
Potatoes	67.9	90.2	70.3	92.1	104.4	108.7	86.6	100.0	107.1	121.9	156.1
Industrial Crops	71.4	69.9	62.4	64.7	73.6	112.4	93.5	100.0	132.0	129.9	121.4
Oilseed Rape	61.4	58.8	49.3	58.9	69.7	118.7	91.5	100.0	143.3	139.1	127.0
Sugar Beet	103.1	104.9	101.5	81.2	83.7	93.6	99.0	100.0	99.9	104.3	105.3
Forage plants	52.7	57.6	62.6	62.8	73.7	80.5	84.1	100.0	112.6	106.2	114.8
Fresh Vegetables	83.0	76.1	79.3	85.3	93.3	91.9	87.8	100.0	92.7	108.6	110.5
Fresh Fruit	87.8	77.3	73.9	77.3	84.0	96.6	95.6	100.0	98.7	103.7	104.8
Flowers and plants	72.6	70.9	71.5	73.6	77.5	83.6	86.6	100.0	103.1	113.5	115.2
Other crop products	46.3	45.5	89.3	93.1	83.7	79.1	103.7	100.0	93.3	98.7	98.7
<b>Animals and animal products</b>	70.0	71.4	71.1	71.7	78.0	95.6	99.3	100.0	109.5	114.7	123.2
Animals (for slaughter & export)	67.9	68.8	69.0	71.0	73.9	90.2	100.8	100.0	109.6	114.6	120.0
Cattle and calves	63.2	66.7	67.3	73.8	75.0	98.4	104.9	100.0	116.4	129.3	137.7
Pigs	72.7	73.2	73.5	74.2	76.0	89.5	103.1	100.0	102.1	106.3	116.7
Sheep and lambs	67.8	67.0	61.8	63.4	56.7	72.1	91.1	100.0	112.3	105.1	102.0
All Poultry	72.1	71.0	73.4	70.1	81.0	89.5	99.5	100.0	102.9	105.0	109.3
Animal products	73.3	75.5	74.5	72.7	84.3	104.1	96.9	100.0	109.4	114.8	128.1
Milk	73.2	74.9	74.9	72.8	84.3	105.2	96.1	100.0	111.0	113.8	128.2
Eggs	76.5	81.0	74.7	76.9	87.8	103.2	105.7	100.0	99.9	124.0	130.8

**Table 4 Annual Index of Agricultural Inputs UK (2010=100)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>All Inputs</b>	69.0	72.9	75.3	78.1	84.8	103.2	95.9	100.0	112.2	114.0	116.9
<b>All goods and services currently consumed in agriculture</b>	66.2	70.8	73.2	76.2	83.6	105.0	95.7	100.0	113.9	116.4	119.7
Seeds	66.9	82.5	93.5	86.3	97.2	111.2	105.0	100.0	105.8	98.5	110.2
Energy and lubricants	49.9	54.3	67.3	75.8	78.2	107.0	88.3	100.0	118.2	122.4	123.4
Fertilisers and soil improvers	47.8	53.8	58.9	62.6	67.8	148.5	102.3	100.0	130.4	125.2	113.1
Plant protection products	89.3	92.1	94.9	97.3	98.8	100.9	102.8	100.0	100.7	102.0	97.7
Veterinary services	82.0	84.5	83.9	89.8	91.2	87.6	88.0	100.0	102.0	103.5	106.1
Animal feedingstuffs	64.8	68.9	63.7	66.0	80.1	103.7	95.4	100.0	120.7	128.5	139.4
Straight feedingstuffs	62.9	66.9	60.0	62.6	81.7	106.1	90.1	100.0	122.9	135.7	147.6
Compound feedingstuffs	66.0	70.3	66.2	68.2	79.1	102.2	98.9	100.0	119.2	123.7	134.0
Maintenance of Materials	70.3	74.2	79.0	83.5	86.6	91.6	95.8	100.0	104.9	106.5	108.3
Maintenance of Buildings	70.3	73.7	76.8	81.6	87.7	94.0	93.8	100.0	107.4	109.8	110.1
Other goods and services	73.5	76.8	81.1	83.6	88.3	93.0	93.3	100.0	106.0	107.2	109.6
<b>Goods and services contributing to investment</b>	82.8	83.6	86.2	87.9	90.9	94.3	96.9	100.0	103.6	101.7	102.9
Materials	87.9	87.2	89.4	90.0	91.8	94.3	97.3	100.0	103.0	99.1	100.4
Buildings	71.7	75.5	79.0	83.7	89.3	95.0	95.2	100.0	105.8	107.4	107.7
Other (Engineering and soil improvement operations)	77.3	80.0	83.4	84.9	89.0	93.1	97.9	100.0	102.5	104.5	107.2