



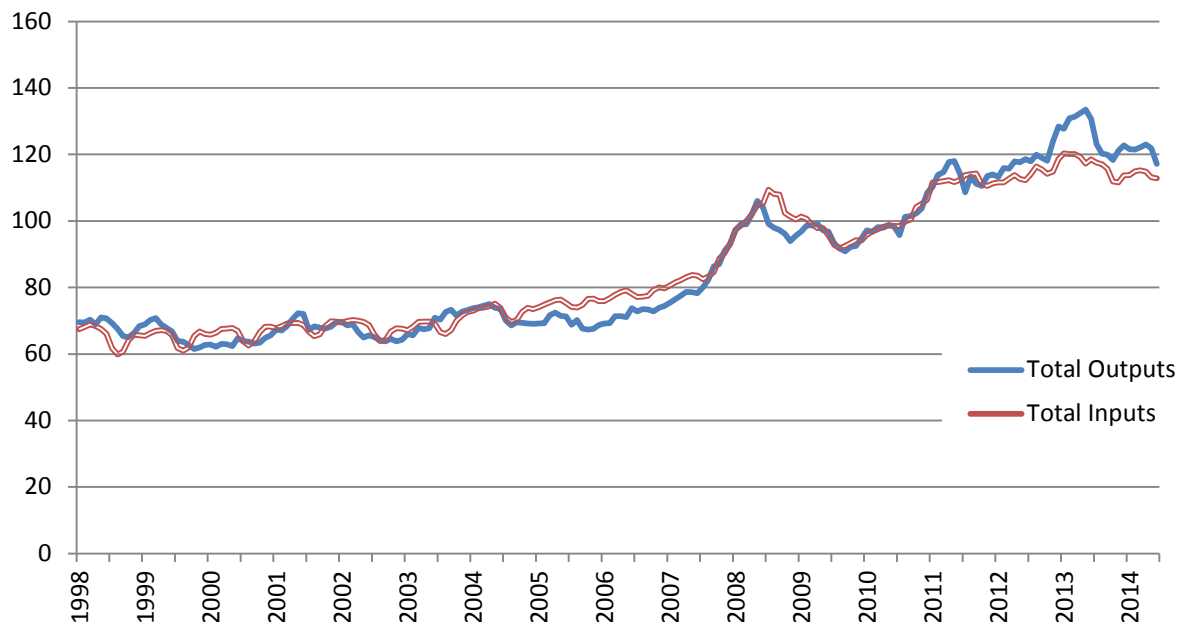
## June Agricultural Price Index

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)

**A National Statistics publication.** National Statistics are produced to high professional standards. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference. For general enquiries about National Statistics, contact the National Statistics Public Enquiry Service: tel. 0845 601 3034 email [info@statistics.gov.uk](mailto:info@statistics.gov.uk). You can find National Statistics on the internet at [www.statistics.gov.uk](http://www.statistics.gov.uk).

The price index for all outputs fell by 3.9% while the price index for all inputs fell by 0.3% in June. Overall the prices are lower than the same time last year as the price index for all outputs is 10% lower and the price index for all inputs is 4.8% lower than this time last year.

### *Output*

Compared to last year all price indices for crops are down. The largest decreases were seen with the following crops whose prices are significantly lower than last year: potatoes (47%); fresh fruit (28%); cereals (18%); industrial crops (17%) and fresh vegetables (13%).

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 May the average June price last year was 60% higher than this year's average June price.

Cereal prices are 18% lower than this time last year. With the European harvest underway and predictions for a bumper crop cereal prices continue to remain low.

### *Inputs*

Animal feeding stuffs fell by 1.7% and are now 14% lower than the same time last year; straight feeding stuffs fell by 3.2% in June while compound feedingstuff prices fell by 0.3%. Straight feedingstuff prices have fallen due to decreases in cereal prices.

Fertiliser prices fell by 3.6% in June, with nitrogenous fertilisers falling 15%.

### **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)**

	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	1 month change	12 month change
<b>All Outputs</b>	122.7	121.6	121.5	122.2	123.0	121.9	117.1	-3.9%	-10.3%
<b>Crop products</b>	120.6	118.7	119.0	118.2	121.0	120.0	111.3	-7.3%	-18.5%
Cereals	135.0	131.2	133.1	134.6	138.6	138.6	132.8	-4.2%	-18.0%
Wheat	136.8	134.3	134.3	135.0	139.4	139.0	134.1	-3.6%	-16.3%
Barley	132.1	124.5	131.4	134.9	137.9	138.1	128.8	-6.7%	-22.8%
Oats	115.2	115.4	120.3	126.1	126.5	126.2	117.7	-6.7%	-37.2%
Potatoes	112.7	116.8	114.4	116.1	118.7	122.4	112.7	-7.9%	-47.4%
Industrial Crops	110.0	108.8	108.1	109.5	113.2	115.7	111.8	-3.4%	-16.7%
Oilseed Rape	111.7	110.7	109.6	112.2	118.2	119.0	113.9	-4.3%	-20.4%
Sugar Beet	105.3	105.3	105.3	105.3	105.3	105.3	105.3	0.0%	0.0%
Forage plants	109.4	111.2	114.4	117.0	118.5	114.5	111.8	-2.3%	-7.9%
Fresh Vegetables	109.4	106.3	100.7	103.0	103.8	100.8	105.2	4.4%	-12.6%
Fresh Fruit	104.0	114.4	110.1	118.7	104.4	90.6	73.5	-18.9%	-27.7%
Flowers and plants	115.8	114.3	114.0	113.9	115.1	114.4	114.6	0.2%	0.1%
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>	124.1	123.4	123.2	124.7	124.1	123.3	121.9	-1.2%	-3.2%
Animals (for slaughter & export)	115.9	116.4	115.2	117.4	118.8	118.3	117.0	-1.1%	-7.6%
Cattle and calves	134.3	129.3	126.1	127.1	123.8	119.3	118.1	-0.9%	-17.4%
Pigs	120.8	118.2	115.6	114.6	115.2	115.5	115.3	-0.2%	-1.9%
Sheep and lambs	98.0	103.1	108.3	118.4	124.8	129.0	129.1	0.1%	8.1%
All Poultry	105.5	107.1	104.0	105.3	111.3	113.8	110.6	-2.8%	-2.2%
Animal products	136.8	135.4	135.6	134.9	133.0	129.6	128.1	-1.1%	2.6%
Milk	138.8	137.4	137.8	136.6	134.9	130.8	129.6	-0.9%	4.1%
Eggs	128.7	126.5	126.5	126.5	124.2	124.2	124.2	0.0%	-5.8%

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

	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	1 month change	12 month change
<b>All Inputs</b>	113.7	113.8	114.9	115.2	114.8	113.2	112.8	-0.3%	-4.8%
<b>All goods and services currently consumed in agriculture</b>	116.0	116.0	116.3	116.5	116.1	114.1	113.7	-0.3%	-6.5%
Seeds	104.6	104.6	104.6	104.6	104.6	104.6	104.6	0.0%	-11.2%
Energy and lubricants	125.2	126.5	125.3	122.1	120.5	120.2	118.7	-1.2%	-2.9%
Fertilisers and soil improvers	102.7	107.3	110.0	110.4	108.1	104.8	101.1	-3.6%	-11.8%
Plant protection products	94.5	101.1	104.7	105.6	105.2	102.9	100.5	-2.3%	7.5%
Veterinary services	105.9	106.4	106.4	106.5	106.7	106.9	106.9	0.0%	1.1%
Animal feedingstuffs	127.3	127.1	127.9	128.5	129.6	126.9	124.8	-1.7%	-13.9%
Straight feedingstuffs	129.1	128.9	130.5	133.1	136.0	130.4	126.2	-3.2%	-19.6%
Compound feedingstuffs	126.2	126.0	126.1	126.0	125.4	124.3	123.9	-0.3%	-9.7%
Maintenance of Materials	109.3	110.5	110.5	110.5	109.9	110.1	110.3	0.2%	1.8%
Maintenance of Buildings	110.5	110.4	111.3	111.5	111.5	110.9	111.5	0.5%	1.5%
Other goods and services	109.7	109.8	110.3	110.7	111.1	110.7	110.6	-0.1%	0.1%
<b>Goods and services contributing to investment</b>	103.0	103.3	108.3	108.5	108.2	108.2	108.2	0.0%	5.2%
Materials	100.2	100.6	107.9	108.1	107.5	107.7	107.6	-0.1%	7.1%
Buildings	108.0	108.0	108.6	108.7	108.7	108.3	108.8	0.4%	1.2%
Other (Engineering and soil improvement operations)	108.4	109.4	110.2	110.2	110.8	110.4	110.5	0.1%	3.1%