



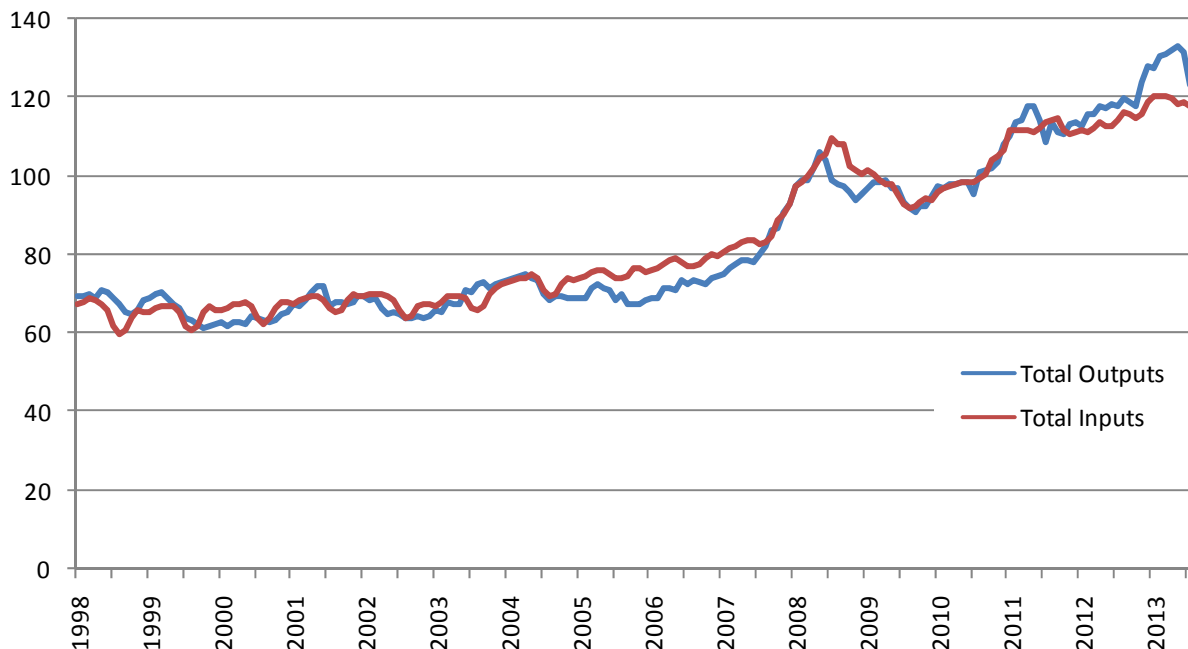
August Agricultural Price Index

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 301 Foss House, Kings Pool, 1-2 Peasholme Green, York, YO1 7PX Tel: 01904 455249/455355 email: prices@defra.gsi.gov.uk

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The price index for all outputs fell by 2.5 per cent in August and remains 0.6 per cent higher than the same time last year. The price index for all inputs fell by 0.5 per cent in August but remains 1.0 per cent higher than this time last year.

Outputs

Cereal prices continue to fall after the high prices seen last year. In August they fell by 9.7 per cent in August and are now 13 per cent lower than this time last year.

Oilseed rape fell by 8.0 per cent in August and is 15 per cent lower than this time last year, although the UK harvest may be down on last year, global supply is pushing prices down.

The new season crop of potatoes with increased supplies has seen prices fall after the high prices seen last year. Prices are now 8.8 per cent lower than this time last year.

Vegetable prices fell 5.1 per cent in August and are 6.2 per cent lower than this time last year. In August carrot prices fell by 20 per cent; cabbage prices fell by 13 per cent and tomato prices also fell by 13 per cent. Prices are down as supplies have increased while demand has decreased.

Livestock prices fell by 4.0 per cent in August but are still 5.0 per cent higher compared to this time last year. Sheep and lamb prices fell 8.9 per cent in August, as throughputs to the markets increased.

Milk was the main contributor to this rise in animal and animal products, with a 2.2 per cent increase in August. Limitations in the supply of milk persist while competition for milk among processors for use in different products continues to keep prices high. Milk prices are now 20 per cent higher than this time last year.

Figure 2 Cereal price indices (2010=100)

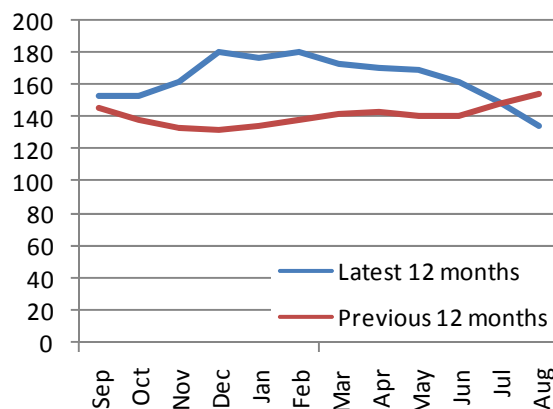


Figure 3 Potato price indices (2010=100)

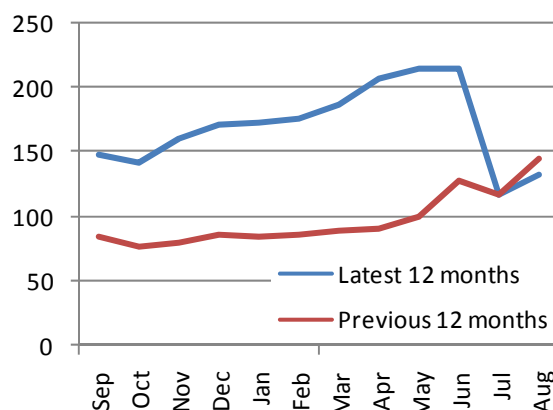
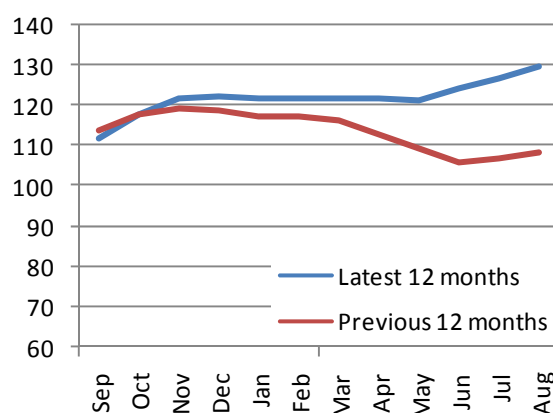


Figure 4 Milk price indices (2010=100)

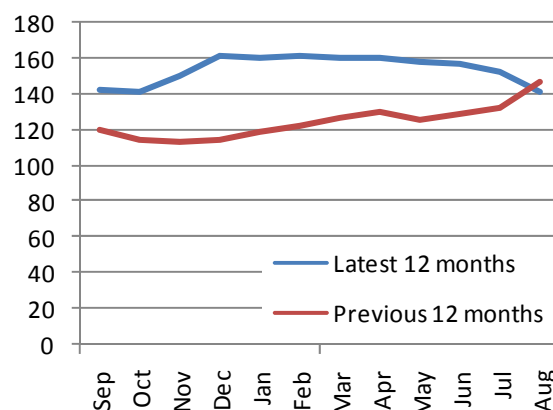


Inputs

Straight animal feed fell by 7.2 percent in August and 11 per cent in the last three months mirroring the falls seen in cereal and industrial crop prices. The fall in straight animal feed prices led to a fall in the overall animal feeding stuffs of 3.1 percent in August and 5.2 per cent over the last three months. There has been little change in the price of compound feeding stuffs.

Motor fuel prices rose by 2.7 per cent in August and are 2.3 per cent higher than this time last year.

Figure 5 Straight feed price index (2010 = 100)



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)

	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	1 month change	12 month change
All Outputs	131.1	132.1	133.1	131.4	123.4	120.4	-2.5%	0.6%
Crop products	142.5	145.8	146.0	137.8	119.6	116.1	-3.0%	-8.5%
Cereals	173.1	171.0	168.7	162.0	148.5	134.0	-9.7%	-13.4%
Wheat	168.8	167.7	166.6	160.2	148.2	133.9	-9.6%	-11.0%
Barley	178.0	177.7	174.9	166.8	146.9	132.5	-9.8%	-17.8%
Oats	212.7	200.8	195.2	187.5	175.9	149.8	-14.8%	-18.2%
Potatoes	187.0	207.4	215.0	215.3	116.3	131.6	13.1%	-8.8%
Industrial Crops	130.2	131.1	134.8	134.7	122.6	113.7	-7.2%	-13.2%
Oilseed Rape	144.3	145.8	143.3	143.1	124.6	114.6	-8.1%	-15.3%
Sugar Beet	108.0	108.0	108.0	108.0	108.0	108.0	0.0%	8.5%
Forage plants	116.1	117.1	118.5	119.6	120.8	112.1	-7.2%	4.1%
Fresh Vegetables	120.8	122.1	122.1	125.8	110.7	105.0	-5.2%	-6.2%
Fresh Fruit	153.1	153.6	125.6	106.9	94.3	98.3	4.3%	-2.6%
Flowers and plants	109.7	108.9	112.6	109.6	109.6	108.6	-0.9%	-1.2%
Other crop products	114.2	114.2	114.2	114.2	114.2	114.2	0.0%	0.0%
Animals and animal products	124.0	124.2	123.1	126.2	126.5	124.5	-1.6%	10.3%
Animals (for slaughter & export)	124.4	124.9	123.4	126.6	125.7	120.6	-4.1%	5.1%
Cattle and calves	141.9	142.2	141.6	143.0	141.2	138.8	-1.7%	6.1%
Pigs	110.6	113.4	115.5	117.5	118.8	118.5	-0.3%	11.4%
Sheep and lambs	108.9	114.0	120.1	119.4	113.1	102.9	-9.0%	-2.5%
All Poultry	116.0	113.2	104.6	113.1	116.5	110.8	-4.9%	5.8%
Animal products	123.4	123.2	122.7	125.6	127.8	130.0	1.7%	18.1%
Milk	122.0	122.1	121.5	124.5	126.9	129.7	2.2%	19.9%
Eggs	133.9	131.9	131.9	131.9	131.7	131.7	0.0%	4.7%

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

	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	1 month change	12 month change
All Inputs	120.3	119.6	118.1	119.0	117.8	117.3	-0.5%	1.0%
All goods and services currently consumed in agriculture	123.0	122.2	120.4	121.8	120.3	119.4	-0.7%	0.6%
Seeds	109.0	109.0	109.0	109.0	87.6	87.0	-0.7%	0.1%
Energy and lubricants	127.3	125.0	121.4	122.2	122.1	124.6	2.1%	3.5%
Fertilisers and soil improvers	120.3	118.8	115.4	114.6	113.9	114.3	0.3%	-8.9%
Plant protection products	105.1	104.8	104.8	105.0	102.0	104.2	2.2%	1.4%
Veterinary services	108.0	106.5	105.9	105.9	105.8	105.8	0.0%	1.5%
Animal feedingstuffs	146.1	146.6	146.0	144.9	143.1	138.7	-3.0%	3.2%
Straight feedingstuffs	160.3	160.3	158.0	157.5	152.1	141.1	-7.2%	-4.2%
Compound feedingstuffs	138.2	137.7	137.1	136.9	136.5	136.9	0.3%	9.6%
Maintenance of Materials	107.6	107.9	108.1	108.3	108.1	108.3	0.2%	1.6%
Maintenance of Buildings	110.7	110.0	110.0	110.3	110.3	110.4	0.1%	1.2%
Other goods and services	108.4	110.0	109.8	109.7	109.9	109.1	-0.7%	1.9%
Goods and services contributing to investment	105.6	105.4	105.5	105.6	105.9	105.8	-0.1%	2.9%
Materials	104.5	104.4	104.4	104.5	104.8	104.6	-0.2%	3.7%
Buildings	108.1	107.5	107.7	107.7	107.8	107.9	0.1%	0.7%
Other (Engineering and soil improvement operations)	106.3	107.0	107.0	107.3	108.1	108.3	0.2%	3.4%

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
All Outputs	70.1	71.6	69.6	72.3	82.2	98.9	95.0	100.0	113.2	118.6
Crop products	70.1	71.9	67.4	73.2	88.0	103.6	89.1	100.0	118.4	124.1
Cereals	63.7	69.4	59.5	66.2	96.8	124.0	89.6	100.0	144.8	149.7
Wheat	62.2	68.5	57.0	64.2	93.2	121.5	90.5	100.0	141.7	144.3
Barley	68.9	72.5	66.1	71.5	107.9	132.6	88.0	100.0	150.3	160.9
Oats	59.2	64.0	67.6	73.6	91.9	113.1	82.7	100.0	177.8	190.1
Potatoes	67.9	90.2	70.3	92.1	104.4	108.7	86.6	100.0	107.1	121.9
Industrial Crops	71.4	69.9	62.4	64.7	73.6	112.4	93.5	100.0	131.2	129.3
Oilseed Rape	61.4	58.8	49.3	58.9	69.7	118.7	91.5	100.0	143.3	139.1
Sugar Beet	103.1	104.9	101.5	81.2	83.7	93.6	99.0	100.0	96.5	101.7
Forage plants	52.7	57.6	62.6	62.8	73.7	80.5	84.1	100.0	112.6	106.2
Fresh Vegetables	83.0	76.1	79.3	85.3	93.3	91.9	87.8	100.0	94.3	107.1
Fresh Fruit	87.8	77.3	73.9	77.3	84.0	96.6	95.6	100.0	98.0	103.5
Flowers and plants	72.6	70.9	71.5	73.6	77.5	83.6	86.6	100.0	101.4	110.4
Other crop products	46.3	45.5	89.3	93.1	83.7	79.1	103.7	100.0	114.2	114.2
Animals and animal products	70.0	71.4	71.1	71.7	78.0	95.6	99.3	100.0	109.5	114.7
Animals (for slaughter & export)	67.9	68.8	69.0	71.0	73.9	90.2	100.8	100.0	109.6	114.6
Cattle and calves	63.2	66.7	67.3	73.8	75.0	98.4	104.9	100.0	116.4	129.3
Pigs	72.7	73.2	73.5	74.2	76.0	89.5	103.1	100.0	102.1	106.3
Sheep and lambs	67.8	67.0	61.8	63.4	56.7	72.1	91.1	100.0	112.3	105.1
All Poultry	72.1	71.0	73.4	70.1	81.0	89.5	99.5	100.0	102.9	105.0
Animal products	73.3	75.5	74.5	72.7	84.3	104.1	96.9	100.0	109.4	114.8
Milk	73.2	74.9	74.9	72.8	84.3	105.2	96.1	100.0	111.0	113.8
Eggs	76.5	81.0	74.7	76.9	87.8	103.2	105.7	100.0	99.9	124.0

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
All Inputs	69.0	72.9	75.3	78.1	84.8	103.2	95.9	100.0	112.2	114.2
All goods and services currently consumed in agriculture	66.2	70.8	73.2	76.2	83.6	105.0	95.7	100.0	113.9	116.1
Seeds	66.9	82.5	93.5	86.3	97.2	111.2	105.0	100.0	105.8	93.6
Energy and lubricants	49.9	54.3	67.3	75.8	78.2	107.0	88.3	100.0	118.2	122.4
Fertilisers and soil improvers	47.8	53.8	58.9	62.6	67.8	148.5	102.3	100.0	130.4	125.2
Plant protection products	89.3	92.1	94.9	97.3	98.8	100.9	102.8	100.0	99.8	101.0
Veterinary services	82.0	84.5	83.9	89.8	91.2	87.6	88.0	100.0	102.0	103.6
Animal feedingstuffs	64.8	68.9	63.7	66.0	80.1	103.7	95.4	100.0	120.8	128.6
Straight feedingstuffs	62.9	66.9	60.0	62.6	81.7	106.1	90.1	100.0	123.1	135.8
Compound feedingstuffs	66.0	70.3	66.2	68.2	79.1	102.2	98.9	100.0	119.2	123.7
Maintenance of Materials	70.3	74.2	79.0	83.5	86.6	91.6	95.8	100.0	104.9	106.5
Maintenance of Buildings	70.3	73.7	76.8	81.6	87.7	94.0	93.8	100.0	107.4	109.8
Other goods and services	73.5	76.8	81.1	83.6	88.3	93.0	93.3	100.0	106.0	107.2
Goods and services contributing to investment	82.8	83.6	86.2	87.9	90.9	94.3	96.9	100.0	103.6	104.0
Materials	87.9	87.2	89.4	90.0	91.8	94.3	97.3	100.0	103.0	102.7
Buildings	71.7	75.5	79.0	83.7	89.3	95.0	95.2	100.0	105.7	107.3
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