



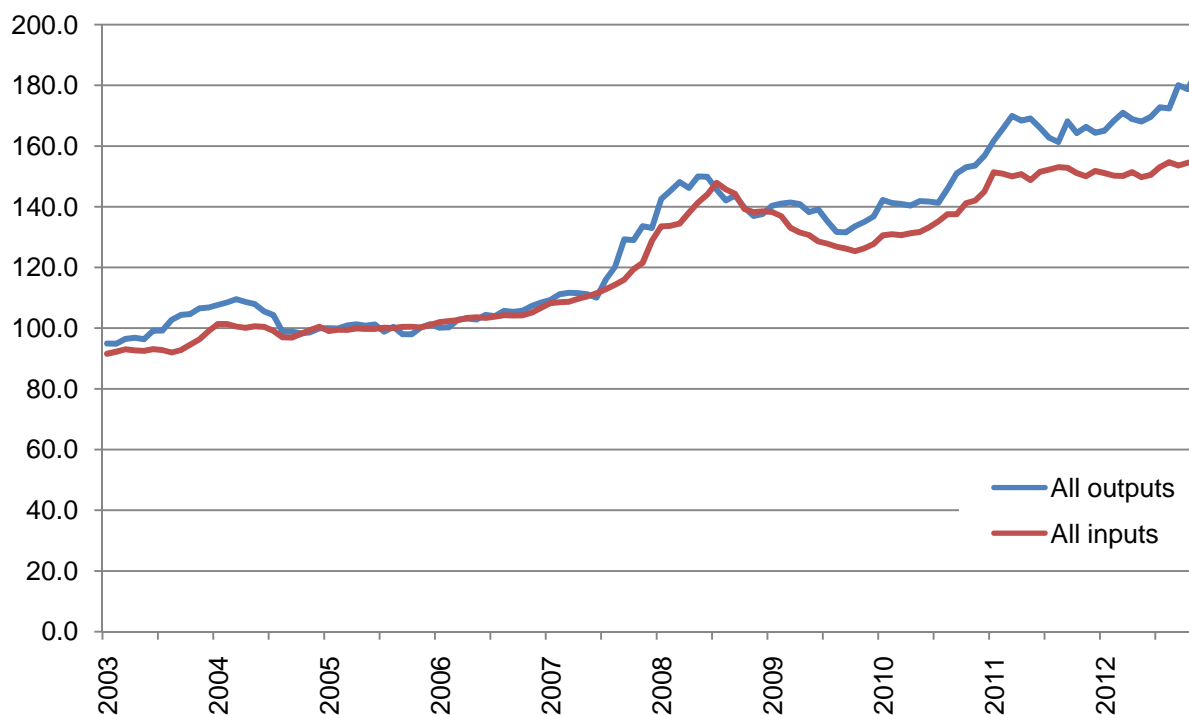
November Agricultural Price Index

The latest National Statistics on UK Agricultural Price Index (API) was released on 24 January according to the arrangements approved by the UK Statistics Authority.

The API measures the monthly price changes in agricultural outputs and inputs. The output series reflects the price farmer's 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 farmer's pay for goods and services. This is split into two main 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. While goods and services contributing to investment relate to items that are required but not consumed in the production process, such as tractors or buildings.

Figure 1. Agricultural price indices (2005=100)



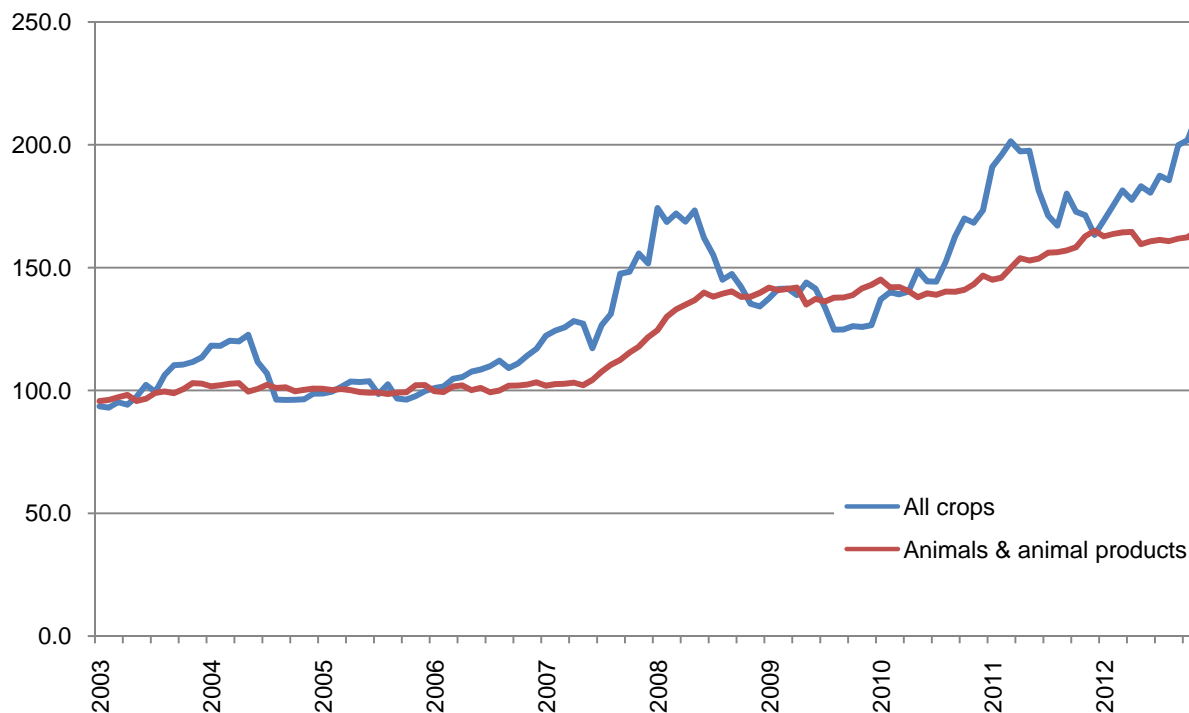
Key points for October

The price index for all agricultural outputs rose by 3.2% in the month with an 11% rise over the year. The key reason for the increase in agricultural outputs is down to the crops and the affect that the wet harvest has had on their availability. There was little change in the price index for inputs on the month and a 3.4% increase over the year. Drivers for change are:

- The poor harvest conditions in 2012 are continuing to see strong cereal prices. They are up by 5.2% on the month and 24% on the year. The monthly change is largely due to increased feed wheat and feed barley prices, up 9.1% and 7.3% respectively. The yearly increase is driven by the continued strong prices for bread making wheat which is 44% higher than last year.
- The difficult harvest for potatoes has seen their price double when compared to last year. This is largely due to a 14% increase in price over the last month.
- Fresh vegetable prices have remained high as wet conditions make cropping difficult. There was a rise of 0.5% on the month and 43% in the year for vegetable prices.
- Continued strong prices for apples, following the wet harvest see the price for fresh fruit 33% higher than this time last year. There was however an easing in the price falling by 2.3% over the last month.
- The higher grain prices have seen an increase in animal feedstuffs of 2.6% in the month and 13% over the year.

Although there have been some large increases in the price of crops the price for animal and animal products has changed little. Over the last month there was a 1.7% increase in price with a 1.4% increase over the last year. Figure 2 shows how the price index for crops and animal and animal products differ.

Figure 2. All crops and animal and animal products price indices (2005=100)



Data uses

API shows how the prices fluctuate in agriculture. Data from the API is used by the Office of National Statistics (ONS) in the production of the Producer Price Index (PPI) which is one of the key measures of inflation

The API is also used by analysts to value the agricultural outputs and inputs and to assess the impact that a change in price may have on the industry and consumers.

Methodology

Defra collect prices from various sources to produce the monthly API. This includes data from our own surveys, Agricultural, Horticultural Development Board (AHDB), and the ONS. For some items we only get quarterly or annual data. An example is annual data we receive for electricity which is then split evenly between the 12 months. If there is no new data the previous series will be carried forward until the new data is available. Some of the outputs are seasonal, for example strawberries, and these will only have an index for the months they are in season.

The methodology used is described in the "[Handbook for EU Agricultural Prices](#)" and is standard across the EU.

Index of Producer Prices of Agricultural Products, UK (2005=100)

Table 1 Outputs monthly series

	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	1 month change	12 month change
All Outputs	169.6	172.8	172.4	180.1	178.7	184.4	3.2%	10.9%
Crop products	180.5	187.4	185.5	200.0	201.9	211.6	4.8%	23.7%
Cereals	240.1	246.7	261.4	260.6	264.0	277.7	5.2%	23.5%
Wheat	241.5	252.5	274.2	268.2	269.6	286.0	6.1%	28.8%
Wheat - Feeding	242.7	249.9	255.8	249.5	254.5	277.7	9.1%	20.0%
Wheat - Breadmaking	220.8	249.8	283.5	287.7	289.3	289.8	0.2%	43.9%
Wheat - Other Milling	251.4	276.7	318.7	303.9	303.5	304.8	0.4%	41.0%
Barley	228.3	238.7	240.7	242.7	246.2	257.2	4.5%	12.8%
Barley - Feeding	229.1	244.3	256.1	242.9	242.9	260.5	7.3%	16.0%
Barley - Malting	220.9	224.4	231.0	244.9	254.4	254.7	0.1%	6.9%
Oats	270.8	287.6	275.1	270.9	288.9	303.9	5.2%	17.1%
Oats - Milling	281.1	281.1	276.6	257.6	277.6	289.5	4.3%	9.6%
Oats - Feeding	264.8	293.0	272.8	283.3	315.3	315.3	0.0%	23.0%
Potatoes	159.3	221.0	199.1	204.5	194.1	220.3	13.5%	96.8%
Potatoes - Earlies		235.0						
Potatoes - Main Crop	159.8		200.6	206.2	195.5	222.4	13.8%	100.0%
Industrial Crops	184.8	219.6	212.6	165.5	165.4	161.9	-2.1%	1.6%
Oilseed Rape (non set aside)	286.8	275.3	265.3	256.2	255.9	252.2	-1.5%	2.7%
Sugar Beet	94.1	94.1	94.1	94.1	94.1	94.1	0.0%	0.0%
Forage plants	191.1	191.8	202.3	186.4	190.3	207.6	9.1%	6.1%
Fresh Vegetables	150.0	165.4	139.1	146.8	151.7	152.5	0.5%	43.1%
Cauliflowers	148.2	184.5	107.7	133.9	164.7	146.2	-11.3%	77.7%
Tomatoes	112.1	119.3	111.8	123.8	144.9	119.6	-17.4%	15.9%
Cabbages	148.6	183.3	169.7	177.1	143.2	158.1	10.4%	39.7%
Lettuce	155.1	133.6	148.0	136.6	137.7	161.5	17.3%	36.2%
Carrots	245.5	205.5	174.3	155.5	135.8	141.0	3.8%	45.9%
Onions	142.3	163.3	151.8	167.2	162.0	190.9	17.8%	35.9%
Beans (Green)	215.3	251.6	156.8	152.5	171.9			
Mushrooms	130.9	141.5	143.5	127.1	127.1	127.1	0.0%	51.4%

Table 1 Outputs monthly series (continued)

	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	1 month change	12 month change
Fresh Fruit	145.9	113.6	138.8	141.1	171.7	167.7	-2.3%	32.9%
Dessert Apples	162.0	162.1	232.4	184.8	176.6	152.2	-13.8%	19.5%
Cooking Apples	186.4	194.0	191.2	165.9	199.1	206.9	3.9%	58.6%
Dessert Pears			265.0	187.8	168.5	170.8	1.4%	27.6%
Strawberries	140.9	108.5	112.7	114.6	134.5			
Raspberries	152.1	81.4	114.7	125.2	120.1			
Seeds	126.4	126.4	126.4	126.4	126.4	126.4	0.0%	0.0%
Flowers and plants	169.2	169.1	168.5	165.8	164.7	164.5	-0.1%	1.1%
Other crop products	120.7	120.7	120.7	120.7	120.7	120.7	0.0%	0.3%
Animals and animal products	160.7	161.3	160.8	161.8	162.4	165.1	1.7%	1.4%
Animals (for slaughter & export)	171.7	169.3	169.4	167.2	163.2	165.3	1.3%	-0.3%
Cattle and calves	187.4	185.9	187.8	188.0	182.9	188.6	3.1%	3.2%
Cattle (clean)	187.2	185.7	187.7	188.1	182.9	188.2	2.9%	3.7%
Cows and Bulls	245.0	227.7	229.2	221.0	203.5	203.2	-0.1%	-6.4%
Calves	254.9	233.3	202.8	174.6	178.7	163.8	-8.3%	-13.3%
Pigs	144.4	144.7	144.5	147.0	151.5	153.8	1.5%	8.5%
Pigs (clean)	144.3	145.0	144.9	147.3	152.0	154.4	1.6%	8.7%
Sows and Boars	161.0	150.1	148.0	152.0	150.3	149.9	-0.2%	4.4%
Sheep and lambs	185.6	178.3	169.8	155.1	141.9	138.8	-2.2%	-21.1%
Sheep and lambs (clean)	177.4	171.7	166.0	151.3	138.3	135.9	-1.8%	-20.6%
Ewes and Rams	263.2	245.8	212.8	198.6	182.8	175.7	-3.9%	-25.5%
All Poultry	154.7	155.5	156.1	155.2	157.2	157.1	-0.1%	6.4%
Chickens	151.3	152.7	153.8	152.8	154.5	153.2	-0.9%	8.2%
Turkeys	173.9	174.6	174.9	176.5	178.1	179.3	0.7%	2.1%
Animal products	147.1	149.5	149.5	154.0	161.0	164.8	2.4%	4.3%
Milk	141.5	143.1	144.5	149.5	157.6	162.6	3.2%	1.9%
Eggs	179.2	176.8	176.8	176.8	176.3	176.3	0.0%	25.3%

Index of Producer Prices of Agricultural Products, UK (2005=100)

Table 2 Inputs monthly series

		Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	1 month change	12 month change
All Inputs	a	150.7	154.2	157.0	155.3	154.5	155.2	0.4%	3.1%
All goods and services currently consumed in agriculture	a	156.6	161.2	164.2	161.8	160.4	161.6	0.8%	3.5%
Seeds	a	109.2	103.5	103.5	103.5	138.1	138.1	0.0%	3.2%
Energy and lubricants	a	176.9	173.0	179.5	185.8	184.3	178.5	-3.1%	2.1%
Electricity		176.5	176.5	176.5	176.5	176.5	176.5	0.0%	5.8%
Fuels for heating		200.3	200.6	201.4	201.7	201.5	204.7	1.6%	-0.5%
Motor fuels		175.8	171.7	179.6	188.1	185.3	171.4	-7.5%	0.9%
Fertilisers and soil improvers		220.1	219.8	216.6	215.5	214.2	215.2	0.5%	-10.5%
Straight fertilisers		200.5	200.5	202.4	203.6	203.4	203.3	0.0%	-13.5%
Straight fertilisers - nitrogenous		197.0	197.0	199.1	201.1	201.1	201.1	0.0%	-13.6%
Straight fertilisers - phosphatic		251.9	251.9	251.9	244.4	242.4	240.7	-0.7%	-16.7%
Straight fertilisers - potassic		258.5	256.7	256.7	243.7	237.8	237.8	0.0%	-4.3%
Compound fertilisers		251.4	251.2	242.0	238.2	236.1	238.4	1.0%	-7.9%
Other fertilisers and soil improvers		111.4	110.9	110.8	110.0	110.7	111.4	0.6%	3.6%
Plant protection products		109.4	107.6	108.4	107.0	106.1	106.3	0.2%	0.1%
Fungicides		110.2	110.2	110.2	110.2	110.2	110.2	0.0%	6.4%
Insecticides		111.8	111.8	111.8	111.8	111.8	111.8	0.0%	-13.3%
Herbicides		104.1	104.1	104.1	104.1	104.1	104.1	0.0%	0.0%
Other plant protection products		110.4	110.4	110.4	110.4	110.4	110.4	0.0%	6.4%
Veterinary services	a	123.0	123.0	123.0	123.0	123.0	124.2	1.0%	3.8%

Table 2 Inputs monthly series (continued)

		Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	1 month change	12 month change
Animal feedingstuffs	q	198.0	208.4	214.4	207.7	206.5	211.8	2.6%	13.3%
Straight feedingstuffs		214.5	228.1	242.4	232.2	227.4	241.5	6.2%	22.1%
Feed wheat		243.2	249.7	255.5	249.2	254.2	277.4	9.1%	20.0%
Feed barley		228.4	243.6	255.4	242.2	242.1	259.8	7.3%	16.0%
Feed oats		264.5	264.5	264.5	274.2	274.2	274.2	0.0%	7.1%
Oilcakes		216.1	235.4	228.8	236.2	224.1	225.3	0.6%	25.8%
Products of animal origin (incl. white fish meal)		239.9	255.6	255.0	243.5	238.7	272.4	14.1%	38.2%
Other straights		181.0	194.5	239.5	208.7	189.5	207.3	9.4%	26.3%
Compound feedingstuffs	q	185.2	191.5	190.7	189.8	189.4	189.3	0.0%	6.0%
Compound feedingstuffs for cattle and calves	q	176.1	181.9	181.9	181.9	182.2	182.4	0.1%	4.1%
Compound feedingstuffs for pigs	q	186.3	191.8	191.7	191.9	191.9	192.3	0.2%	6.3%
Compound feedingstuffs for poultry	q	193.5	201.1	200.0	198.2	198.1	198.3	0.1%	7.9%
Compound feedingstuffs for sheep	q	175.2	181.1	180.8	181.0	181.4	181.7	0.1%	8.3%
Maintenance of Materials		135.4	135.4	135.3	135.6	135.5	135.6	0.1%	0.9%
Maintenance of Buildings		142.7	142.2	142.0	142.5	143.3	142.7	-0.4%	1.0%
Other goods and services	a	126.2	126.0	125.8	125.4	126.2	126.2	0.0%	-0.2%
Goods and services contributing to investment	a	123.7	123.4	122.9	123.1	123.4	123.2	-0.1%	0.5%
Materials	a	118.5	118.2	117.4	117.5	117.6	117.6	0.0%	0.3%
Machinery and other equipment	a	125.5	124.3	123.2	123.4	123.2	123.2	0.0%	-2.1%
Plant and machinery for cultivation		121.3	117.1	114.0	114.0	114.0	114.0	0.0%	-6.0%
Plant and machinery for harvesting		132.5	132.5	132.5	132.5	132.5	132.5	0.0%	0.0%
Farm machinery and installations	a	114.4	114.4	113.3	114.4	113.3	113.3	0.0%	-2.5%
Transport Equipment		113.8	114.1	113.6	113.6	113.9	114.0	0.0%	2.1%
Tractors		123.4	123.9	123.6	123.6	123.5	123.5	0.0%	2.6%
Other vehicles		94.1	93.7	92.8	93.0	94.2	94.3	0.1%	1.0%
Buildings		136.3	135.9	135.7	136.0	136.6	136.2	-0.3%	0.7%
Other (Engineering and soil improvement operations)		122.5	122.5	122.5	122.6	123.0	122.9	-0.1%	0.5%

A:- This is an annual series

a:- One or more of the components in this series is annual

q:- One or more of the components in this series is quarterly