



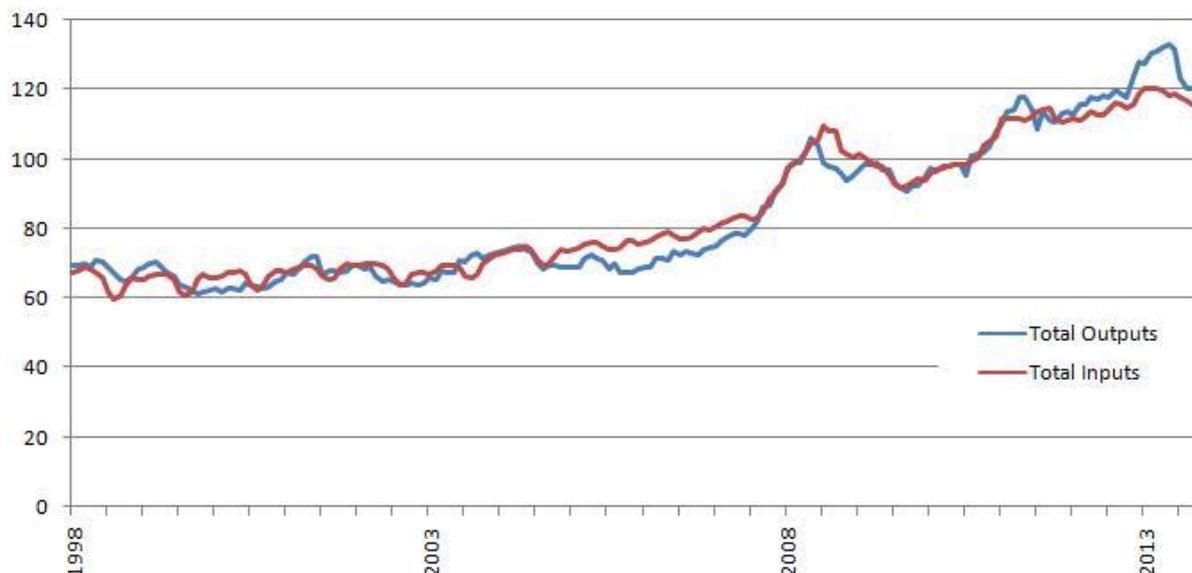
September Agricultural Price Index

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)



The price index for all outputs fell by 0.2 per cent in September and remains 1.3 per cent higher than the same time last year. The price index for all inputs fell by 0.9 per cent in September but remains 0.2 per cent higher than this time last year.

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Outputs

Cereal prices continue to fall after the high prices seen last year. In September they fell by 2.0 per cent and are now 14 per cent lower than this time last year.

Oilseed rape fell by 6.4 per cent in September and is 15 per cent lower than this time last year, although the UK harvest is down on last year; global supply is pushing prices down.

A combination of drier domestic weather and doubts over eastern European output has tempered the slide in potato prices, although they still fell by 7.0 per cent in September.

Fruit prices fell 12 per cent in September and are 5.9 per cent lower than this time last year.

Livestock prices fell by 3.0 per cent in September but are still 3.7 per cent higher compared to this time last year. Sheep and lamb prices fell 9.3 per cent in September, supplies are plentiful while both home and export markets are subdued.

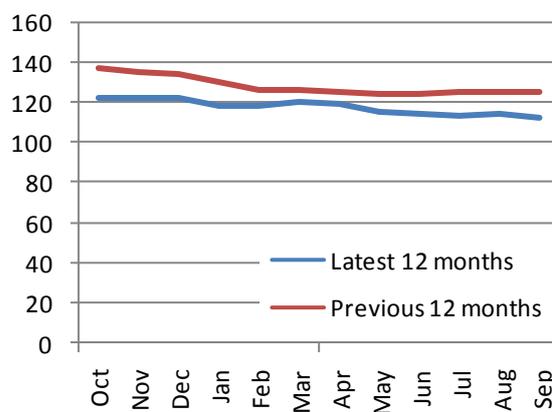
Milk prices rose by 3.0 per cent in September. Limitations in the supply of milk persist while competition for milk among processors for use in different products continues to keep prices high. Milk prices are now 20 per cent higher than this time last year.

Inputs

Fertiliser prices fell for the sixth consecutive month. Prices fell by 1.6 percent in September to be 10 percent lower than this time last year. Price falls reflect the drop in global urea valuations.

Straight animal feed fell by 3.3 percent in September for the fifth consecutive month, reflecting the falling prices in cereals. The fall in straight animal feed prices led to a fall in the overall animal feeding stuffs of 1.7 percent in September. There has been little change in the price of compound feeding stuffs.

Figure 2 Fertiliser price indices (2010 = 100)



Data updates

Updates to the compound feedstuffs for the third quarter (July – September) occurred this month.

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)

	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	1 month change	12 month change
All Outputs	132.1	133.1	131.4	123.4	120.4	120.1	-0.2%	1.3%
Crop products	145.8	146.0	137.8	119.6	116.1	116.4	0.3%	-7.0%
Cereals	171.0	168.7	162.0	148.5	134.0	131.4	-2.0%	-13.7%
Wheat	167.7	166.6	160.2	148.2	133.9	131.5	-1.8%	-11.4%
Barley	177.7	174.9	166.8	146.9	132.5	129.4	-2.3%	-18.5%
Oats	200.8	195.2	187.5	175.9	149.8	157.1	4.9%	-12.0%
Potatoes	207.4	215.0	215.3	116.3	131.6	122.4	-7.0%	-17.4%
Industrial Crops	131.1	134.8	134.7	122.6	113.7	117.3	3.1%	-7.5%
Oilseed Rape	145.8	143.3	143.1	124.6	114.6	121.9	6.4%	-14.6%
Sugar Beet	108.0	108.0	108.0	108.0	108.0	108.0	0.0%	8.5%
Forage plants	117.1	118.5	119.6	120.8	112.1	104.1	-7.2%	2.5%
Fresh Vegetables	122.1	122.1	125.8	110.7	105.0	106.5	1.4%	-5.1%
Fresh Fruit	153.6	125.6	106.9	94.3	98.3	109.6	11.5%	5.9%
Flowers and plants	108.9	112.6	109.6	109.6	108.6	110.5	1.7%	0.4%
Other crop products	114.2	114.2	114.2	114.2	114.2	114.2	0.0%	0.0%
Animals and animal products	124.2	123.1	126.2	126.5	124.5	123.3	-0.9%	9.1%
Animals (for slaughter & export)	124.9	123.4	126.6	125.7	120.6	117.0	-3.0%	3.7%
Cattle and calves	142.2	141.6	143.0	141.2	138.8	137.5	-0.9%	5.6%
Pigs	113.4	115.5	117.5	118.8	118.5	120.1	1.3%	11.0%
Sheep and lambs	114.0	120.1	119.4	113.1	102.9	93.4	-9.3%	-3.2%
All Poultry	113.2	104.6	113.1	116.5	110.8	103.8	-6.3%	0.7%
Animal products	123.2	122.8	125.6	127.9	130.0	133.2	2.4%	17.6%
Milk	122.1	121.6	124.5	127.0	129.8	133.6	3.0%	19.3%
Eggs	131.9	131.9	131.9	131.7	131.7	131.7	0.0%	4.7%

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

	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	1 month change	12 month change
All Inputs	119.6	118.1	119.0	117.6	116.8	115.8	-0.9%	0.2%
All goods and services currently consumed in agriculture	122.3	120.5	121.8	120.0	118.9	117.6	-1.1%	-0.2%
Seeds	109.0	109.0	109.0	87.6	87.0	87.0	0.0%	0.1%
Energy and lubricants	125.0	121.4	122.2	122.1	124.6	125.1	0.4%	0.7%
Fertilisers and soil improvers	118.8	115.4	114.6	113.9	114.3	112.4	-1.6%	-10.5%
Plant protection products	104.8	104.8	105.0	102.0	104.2	100.6	-3.5%	0.7%
Veterinary services	106.5	105.9	105.9	105.9	105.9	105.9	0.0%	1.6%
Animal feedingstuffs	146.9	146.1	144.9	142.0	136.8	134.6	-1.7%	2.7%
Straight feedingstuffs	160.4	158.0	157.0	151.9	139.6	135.0	-3.3%	-4.7%
Compound feedingstuffs	138.1	137.3	137.2	134.8	134.8	134.3	-0.4%	7.7%
Maintenance of Materials	107.9	108.1	108.3	108.1	108.3	108.8	0.4%	1.9%
Maintenance of Buildings	110.0	110.0	110.3	110.3	110.4	110.4	0.0%	0.8%
Other goods and services	110.0	109.8	109.7	109.9	109.2	108.2	-0.9%	1.4%
Goods and services contributing to investment	105.4	105.5	105.6	105.9	105.7	105.7	0.0%	2.6%
Materials	104.4	104.4	104.5	104.8	104.6	104.6	0.0%	3.3%
Buildings	107.5	107.7	107.7	107.8	107.9	107.9	0.0%	0.6%
Other (Engineering and soil improvement operations)	107.0	107.0	107.3	108.1	107.7	107.7	0.0%	2.8%

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	114.1
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	120.7	128.5
Straight feedingstuffs	62.9	66.9	60.0	62.6	81.7	106.1	90.1	100.0	122.9	135.7
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