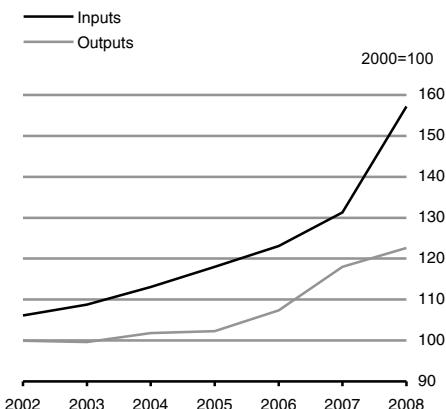




12 November 2008

Agricultural price indices
Preliminary estimates



Agricultural Price Indices 2008 - Preliminary estimates

	Output	Input	Terms of trade
2000 = 100			
2007	118.0	131.3	89.9
2008	122.6	157.2	78.0
% change	3.9%	19.7%	-13.2%

Input price index up 19.7% in 2008

Preliminary estimates of the agricultural price indices for 2008 show a 19.7% increase in input prices from 2007 levels while output prices increased by 3.9% (see graph). The terms of trade index decreased by 13.2% indicating an unfavourable price movement for farmers in the year.

The increase in the input price index of 19.7% was due mainly to increases in fertilizers (61.4%), energy (18.2%), feeding stuffs (15.0%) and seeds (8.4%). See Table 2.

Comparing the annual 2008 output indices with the annual 2007 indices shows that (see Table 1):

- ◆ Overall crop products decreased by 14.5% due mainly to decreases of 28.2% in cereals and 16.6% in potatoes.
- ◆ The price index for livestock increased by 13.7% due mainly to increases in cattle (16.0%), poultry (12.2%) and pigs (10.6%).
- ◆ The milk price index showed an increase of 0.8% for the year.

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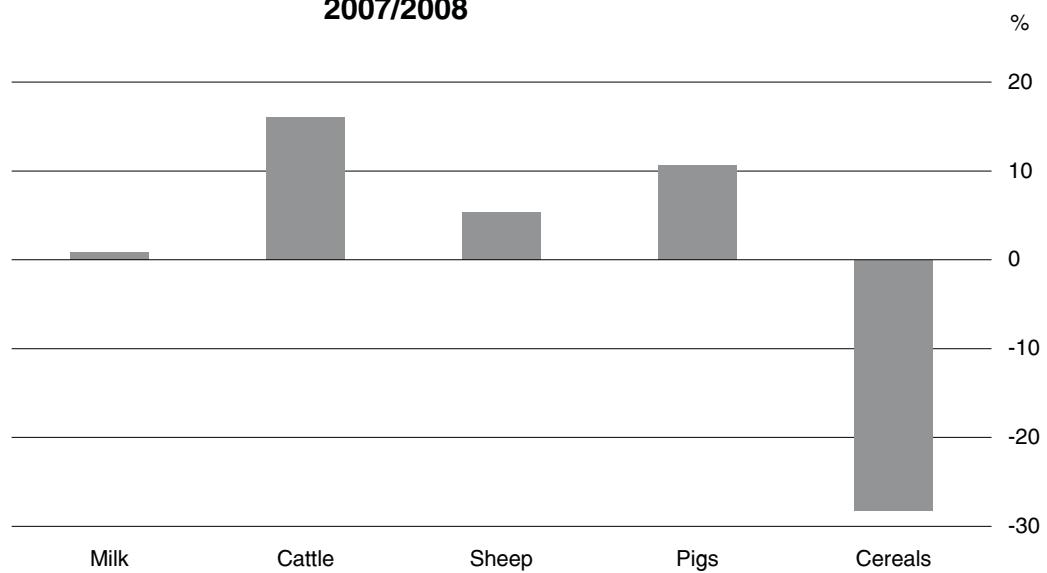
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**Diagram 1 : Changes in selected agricultural outputs,
2007/2008**



**Diagram 2 : Changes in selected agricultural inputs,
2007/2008**

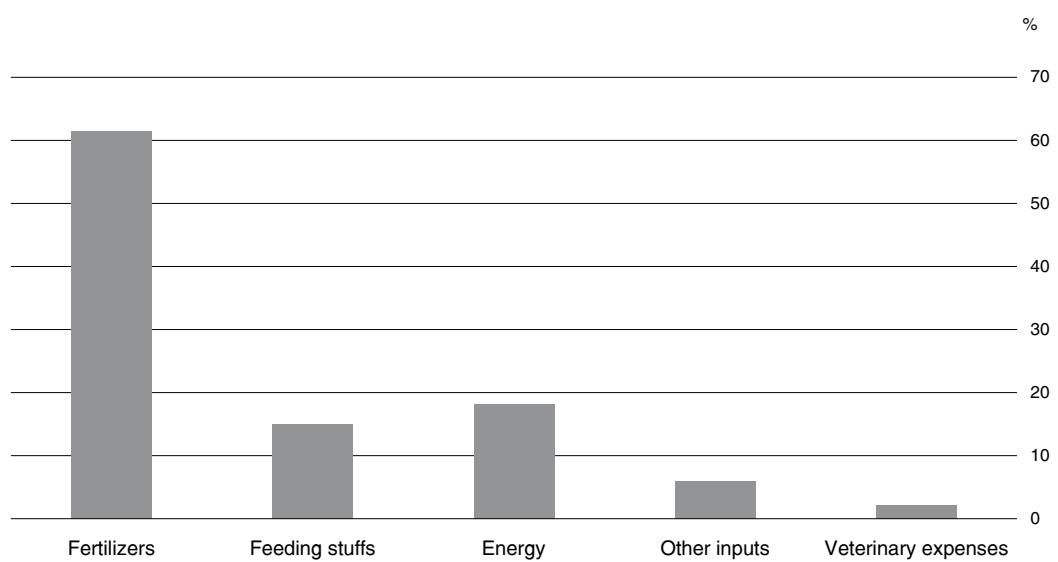


Table 1 Agricultural Output Price Index¹ 2008 - preliminary estimates

Base year 2000=100

Item	2006	2007	2008	2007/2008
Total outputs index	107.4	118.0	122.6	3.9%
Livestock	112.0	110.4	125.5	13.7%
Cattle	113.2	111.0	128.8	16.0%
Sheep	112.2	114.9	121.0	5.3%
Pigs	108.8	103.0	113.9	10.6%
Poultry	106.9	112.2	125.9	12.2%
Milk	90.2	111.0	111.9	0.8%
Crop products	133.9	162.2	138.7	-14.5%
Cereals	110.6	185.4	133.1	-28.2%
Potatoes	236.3	218.4	182.1	-16.6%
Vegetables	123.6	138.1	140.0	1.4%

¹ Excluding VAT**Table 2 Agricultural Input Price Index¹ 2008 - preliminary estimates**

Base year 2000=100

Item	2006	2007	2008	2007/2008
Total inputs index	123.1	131.3	157.2	19.7%
Feeding stuffs	111.1	125.6	144.4	15.0%
Fertilizers	133.1	136.4	220.1	61.4%
Seeds	120.1	130.8	141.8	8.4%
Energy	143.1	148.1	175.0	18.2%
Plant protection products	101.7	101.7	103.1	1.4%
Veterinary expenses	122.4	126.2	128.8	2.1%
Other inputs ²	124.0	128.9	136.5	5.9%

¹ Excluding VAT² "Other Inputs" includes maintenance and repairs, services other than veterinary and miscellaneous materials

Background Notes

- Introduction** This release presents preliminary estimates of agricultural price indices. The indices monitor trends in prices paid to farmers for their produce and in prices paid by farmers for purchases of goods and services.
- The estimates are given to Eurostat, the Statistical Office of the European Communities, who provide the Directorate-General for Agriculture in Brussels with forecasts of the annual EU agricultural price indices for the current year.
- Methodology** The preliminary annual indices are compiled by using the published monthly indices from January to August and forecast estimates for September to December. Preliminary annual indices are obtained either as a simple or weighted arithmetic mean of the corresponding monthly indices. In line with EU recommendations, the annual input indices are calculated as simple arithmetic averages of the monthly indices. The annual output indices are calculated as the weighted averages of the monthly indices.
- Data Sources** The indices are compiled from a wide variety of sources, including direct CSO surveys and administrative data from the Department of Agriculture, Fisheries and Food.
- References** Agricultural Price Indices, monthly CSO release.
Eurostat Statistics in Focus, Agriculture, Forestry and Fisheries - Agricultural Price Trends in the EU.