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## NOTE TO THE FILE

**Subject: FEBRUARY 2011 update on recent agricultural commodity and food price developments in the EU (based on the December 2010 prices)**

### Development in agricultural prices

**Most EU agricultural prices have been growing for many months but in December 2010 they were still well below the peak reached in 2007/2008.**

*Monthly developments:* EU prices for agricultural commodities increased further in December 2010 compared to one month before (with the exception of butter whose price remained unchanged): the prices for soft wheat (+7%), durum wheat and maize (+6%), barley (+10%), SMP (+2%), cheese (Edam) (+3%), beef (+4%) and pork and poultry (+1) (cf. Table 1).

**Table 1 Change in EU agricultural commodity prices (% , December 2010 compared to November 2010)**

	Soft wheat	Durum wheat	Maize	Barley	SMP	Butter	Cheese (Edam)	Beef	Pork	Poultry
European Union	7%	6%	6%	10%	2%	0%	3%	4%	1%	1%
Austria	9%		6%	16%			-5%	6%	5%	0%
Belgium	8%		6%	9%	4%	0%		3%	3%	6%
Bulgaria	3%		-3%	2%				4%	2%	6%
Cyprus		4%		2%					-2%	0%
Czech Republic	-1%		-4%	1%	-5%	2%	-6%	2%	-1%	-2%
Germany	8%		5%	8%	6%	-2%	4%	10%	3%	0%
Denmark	4%			7%	-2%	0%		7%	0%	2%
Estonia	6%			25%			2%	2%	1%	-6%
Spain	7%	4%	5%	9%		-1%	0%	0%	1%	-1%
Finland	7%			4%		2%	5%	0%	0%	0%
France	10%	4%	6%	9%	-3%	-1%		2%	1%	1%
Greece	10%	5%	18%	15%				0%	2%	0%
Hungary	1%		7%	-1%			-1%	0%	3%	-3%
Ireland				6%	-3%	-3%		7%	0%	0%
Italy	10%	6%	4%	11%				7%	-1%	4%
Lithuania	6%		46%	5%	2%			10%	5%	0%
Luxembourg								3%	3%	
Latvia	10%			14%	-1%	-3%	0%	0%	2%	1%
Malta								-2%	0%	1%
Netherlands			8%	8%	7%	-2%	1%	0%	4%	0%
Poland	6%		7%	17%	-1%	-1%	0%	5%	2%	0%
Portugal			4%	9%	-2%	1%		2%	-1%	3%
Romania	5%		5%	16%				24%	-2%	-1%
Sweden	10%			6%	7%			4%	-1%	3%
Slovenia	0%		3%				3%	7%	4%	1%
Slovakia	4%		5%	9%	-9%	0%	-12%	3%	2%	1%
United Kingdom	13%			11%	-3%	0%		5%	1%	1%

Source: AgriView

**Year-on-year developments:** For all the products, December 2010 price levels were above the levels observed one year before (soft wheat (+75%), durum wheat (+27%), maize (+57%), barley (+80%), skimmed milk powder (+6%), butter (+11%), cheese (Edam) (+16%), beef (+8%), pork (+6%) and poultry meat (+12%) (cf. Table 2, Graphs A2, A3 and A4 in annex).

**Table 2      Change in EU agricultural commodity prices (%), December 2010 compared to December 2009)**

	Soft wheat	Durum wheat	Maize	Barley	SMP	Butter	Cheese (Edam)	Beef	Pork	Poultry
<b>European Union</b>	<b>75%</b>	<b>27%</b>	<b>57%</b>	<b>80%</b>	<b>6%</b>	<b>11%</b>	<b>16%</b>	<b>8%</b>	<b>6%</b>	<b>12%</b>
Austria	75%		75%	82%				13%	13%	1%
Belgium	83%		62%	95%	4%	10%		1%	9%	14%
Bulgaria	81%		51%	79%					3%	9%
Cyprus		2%		65%					18%	3%
Czech Republic	83%		81%	74%	14%	25%	12%	11%	1%	2%
Germany	93%		63%	88%	4%	26%	24%	20%	11%	0%
Denmark	83%			89%	4%	20%		10%	11%	16%
Estonia	80%			85%			12%	0%	0%	-10%
Spain	48%	34%	46%	57%		-2%	-2%	1%	0%	25%
Finland	73%			76%		24%	38%	1%	6%	-3%
France	94%	52%	64%	102%	2%	13%		7%	8%	8%
Greece	113%	9%	71%	115%				1%	0%	-5%
Hungary	91%		70%	64%		6%			2%	-4%
Ireland				71%	2%	19%		13%	8%	-1%
Italy	76%	28%	55%	70%				4%	-3%	20%
Lithuania	89%		54%	78%				28%	4%	0%
Luxembourg								1%	13%	
Latvia	78%			90%	7%	9%	20%	-11%	6%	16%
Malta								-21%	0%	3%
Netherlands			57%	87%	2%	9%	13%	-4%	12%	53%
Poland	77%		60%	92%	10%	6%	12%	12%	6%	-3%
Portugal			43%	75%		7%		-1%	2%	31%
Romania	81%		53%	91%				10%	-3%	2%
Sweden	97%			82%				28%	15%	19%
Slovenia	61%		47%				0%	13%	10%	3%
Slovakia	95%		88%	94%	-9%	6%	0%	6%	2%	-1%
United Kingdom	81%			107%	13%	25%		7%	5%	11%

Source: AgriView

## Development in consumer prices

**In 2010 food prices at retail level increased by 2.8%, slightly more than the overall inflation (+2.6%).**

All food categories<sup>1</sup> recorded further prices increase in December 2010<sup>2</sup> as compared to one month before.

Food prices in December 2010 were 6.3% higher than in December 2007, 2.8% higher than one year ago and 0.5% higher than one month ago.

When compared to one year ago, the consumer food prices show higher levels, notably for the "fish and seafood" (+3.1%), "fruits" (4.8%) and "vegetables" categories (+11%) (cf. Tables 3 and 4).

<sup>1</sup> With the exception of "other food" (not elsewhere specified), whose prices decreased slightly from one month to another.

<sup>2</sup> Provisional data for EU aggregate, as data for Ireland and UK were not yet provided.

**Table 3** Change in EU consumer prices for food (% , December 2010 compared to November 2010)

	All-items HICP	Food	Bread and cereals	Meat	Fish and seafood	Milk, cheese and eggs	Oils and fats	Fruit	Vegetables	Sugar	Other food
<b>European Union</b>	<b>0.5</b>	<b>0.5</b>	<b>0.3</b>	<b>0.0</b>	<b>0.7</b>	<b>0.3</b>	<b>0.0</b>	<b>0.2</b>	<b>2.5</b>	<b>0.1</b>	<b>-0.1</b>
Belgium	0.6	0.4	0.0	0.0	-1.4	0.5	-0.3	-1.7	5.5	0.2	-0.8
Bulgaria	0.8	0.4	0.2	-0.1	0.2	0.7	3.1	-6.4	2.4	0.8	0.8
Czech Republic	0.5	2.4	4.1	-0.8	-0.4	-0.1	0.6	14.5	6.7	0.0	-0.8
Denmark	0.1	0.5	0.3	0.7	0.6	1.3	0.7	0.3	-0.3	0.4	-0.4
Germany	1.2	1.0	0.5	0.4	0.7	0.1	-1.3	2.8	4.6	-0.1	-0.2
Estonia	0.5	0.9	-0.9	-0.3	4.5	0.6	0.4	2.5	6.0	0.0	1.0
Ireland	:	:	:	:	:	:	:	:	:	:	:
Greece	0.5	0.1	0.1	0.1	0.8	-0.2	1.3	-3.3	1.1	0.3	0.5
Spain	0.6	0.4	0.3	0.0	1.4	0.5	0.0	-0.3	0.8	0.1	-0.2
France	0.5	0.2	0.0	-0.2	1.1	0.0	-0.1	-2.3	3.3	0.0	-0.1
Italy	0.4	0.2	0.1	0.3	0.4	0.2	-0.4	-0.2	0.5	0.1	0.3
Cyprus	-0.2	-3.0	-0.8	-3.9	-0.7	-0.8	-2.1	1.9	-12.3	-1.6	-2.6
Latvia	0.2	1.3	0.9	0.3	1.0	-0.1	-0.1	8.6	5.1	-0.9	0.4
Lithuania	0.8	1.1	1.4	-0.6	0.5	1.5	4.0	3.9	3.4	0.8	0.7
Luxembourg	0.5	0.2	0.0	0.5	1.7	0.3	-1.1	-0.1	0.1	-1.0	0.8
Hungary	0.4	0.8	1.0	-0.9	-1.5	0.7	1.0	-3.3	6.0	0.4	-0.4
Malta	0.5	0.3	-0.2	0.3	-0.6	0.1	1.2	4.6	-0.6	0.1	-0.2
Netherlands	-0.3	0.4	0.1	-0.1	-0.2	0.2	0.6	0.7	2.3	-0.1	0.3
Austria	0.7	0.7	0.8	1.1	0.8	0.1	1.0	3.7	-0.6	-0.5	0.1
Poland	0.3	0.0	0.3	-0.3	0.2	0.0	0.1	-5.5	3.8	-0.3	-0.5
Portugal	0.4	0.0	0.3	-0.1	1.1	-0.1	0.2	-2.5	-0.3	1.3	-0.5
Romania	0.5	0.8	0.6	0.0	0.3	0.8	1.4	1.4	2.8	1.1	0.2
Slovenia	0.1	-0.2	0.7	-1.0	0.4	-1.0	0.4	-0.4	2.5	-1.1	-1.1
Slovakia	0.2	1.0	1.0	-0.2	-1.3	0.1	0.1	4.8	5.0	0.0	-0.9
Finland	0.5	0.7	0.2	0.3	-0.6	0.1	-0.1	4.3	2.7	0.0	-0.2
Sweden	0.6	0.5	0.7	0.1	-0.3	0.2	0.0	0.7	3.4	-0.4	-0.1
United Kingdom	:	:	:	:	:	:	:	:	:	:	:

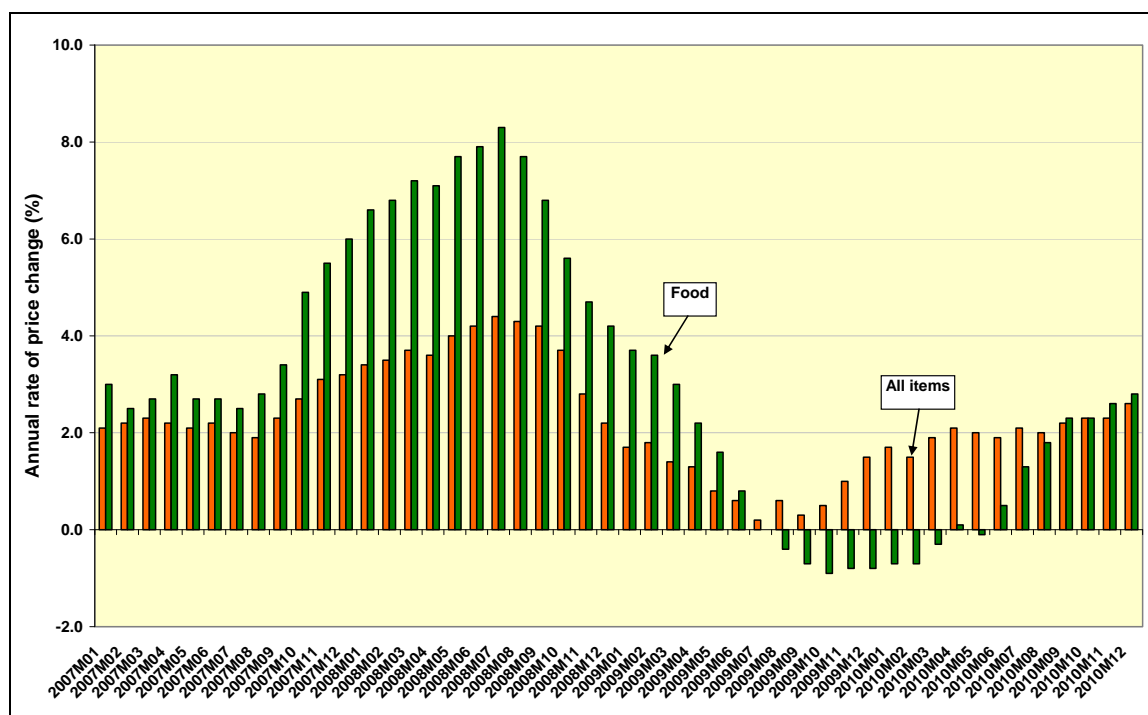
**Table 4** Change in EU consumer prices for food (% , December 2010 compared to December 2009)

	All-items HICP	Food	Bread and cereals	Meat	Fish and seafood	Milk, cheese and eggs	Oils and fats	Fruit	Vegetables	Sugar	Other food
<b>European Union</b>	<b>2.6</b>	<b>2.8</b>	<b>2.1</b>	<b>0.7</b>	<b>3.1</b>	<b>1.4</b>	<b>2.6</b>	<b>4.8</b>	<b>11.2</b>	<b>1.8</b>	<b>0.1</b>
Belgium	3.4	3.7	2.2	1.2	0.7	-0.8	3.3	2.5	22.9	6.2	1.2
Bulgaria	4.4	4.2	5.0	-1.4	1.0	6.3	31.5	0.3	5.9	1.3	2.4
Czech Republic	2.3	6.3	5.0	-0.3	0.5	4.5	9.9	13.5	34.6	-0.6	-0.1
Denmark	2.8	3.2	1.0	1.5	1.0	7.5	9.2	1.6	8.5	2.8	-1.1
Germany	1.9	3.6	1.1	0.8	3.3	1.7	3.0	7.9	17.5	-0.3	-0.3
Estonia	5.4	11.6	9.4	1.2	11.1	17.3	10.8	20.7	41.8	2.4	-1.8
Ireland	:	:	:	:	:	:	:	:	:	:	:
Greece	5.2	2.0	0.4	1.5	4.3	1.7	0.8	-0.2	6.4	2.5	1.2
Spain	2.9	0.8	0.1	0.2	3.1	-1.0	-6.6	1.5	7.0	-1.5	-0.4
France	2.0	1.4	0.0	0.7	1.8	0.1	-0.9	3.5	9.3	-0.5	-1.3
Italy	2.1	1.1	0.6	1.1	2.8	2.2	-1.3	-1.2	1.3	1.1	0.6
Cyprus	1.9	-1.4	1.4	-0.7	3.0	-0.2	1.7	-1.8	-12.5	2.7	-0.4
Latvia	2.4	8.2	7.6	-1.4	2.0	10.9	8.7	20.1	36.8	1.2	5.8
Lithuania	3.6	5.7	6.3	-1.7	2.3	10.0	14.6	13.8	26.8	3.4	1.5
Luxembourg	3.1	1.8	1.9	1.9	1.5	0.4	-0.2	2.6	7.3	-0.7	0.0
Hungary	4.6	8.8	6.4	0.4	2.7	5.6	12.4	21.7	32.1	2.1	1.9
Malta	4.0	6.3	4.1	1.1	-4.2	7.3	5.4	6.1	29.3	0.5	-0.9
Netherlands	1.8	1.0	-0.2	-1.1	0.7	-1.4	-4.3	5.8	13.3	-0.9	-2.4
Austria	2.2	2.2	2.0	1.2	2.3	1.1	2.3	8.1	6.2	-0.8	-1.1
Poland	2.9	4.2	6.9	-1.1	2.5	2.1	2.1	8.8	19.9	3.2	1.9
Portugal	2.4	2.9	0.3	1.5	4.5	0.2	-0.4	7.8	14.5	2.0	0.0
Romania	7.9	6.8	5.2	3.0	2.2	2.2	17.0	12.3	22.8	4.9	4.0
Slovenia	2.2	2.3	-1.0	-1.4	1.0	-0.6	2.9	9.9	20.9	0.5	0.6
Slovakia	1.3	6.7	2.8	0.6	-0.3	5.3	7.1	14.0	36.6	0.7	0.6
Finland	2.8	2.2	1.1	1.8	7.5	-1.7	0.5	5.9	9.4	0.7	1.7
Sweden	2.1	2.3	2.1	-0.2	0.6	4.0	1.6	-0.6	11.1	0.8	0.3
United Kingdom	:	:	:	:	:	:	:	:	:	:	:

Source: Eurostat. NB: The category "bread and cereals based products" includes rice in all forms, cereals in the form of grain, flour or meal, bread and other bakery products, pasta, couscous and other cereal preparations.

The annual and monthly rates of change of the overall inflation amounted to +2.6% and +0.5%, respectively, similar to the annual rate of change in food price inflation (+2.8% and +0.5%) (cf. Graph 1 and Graph A5 in annex).

**Graph 1      Annual rate of change in EU overall and food consumer prices  
(%, January 2007-December 2010)**

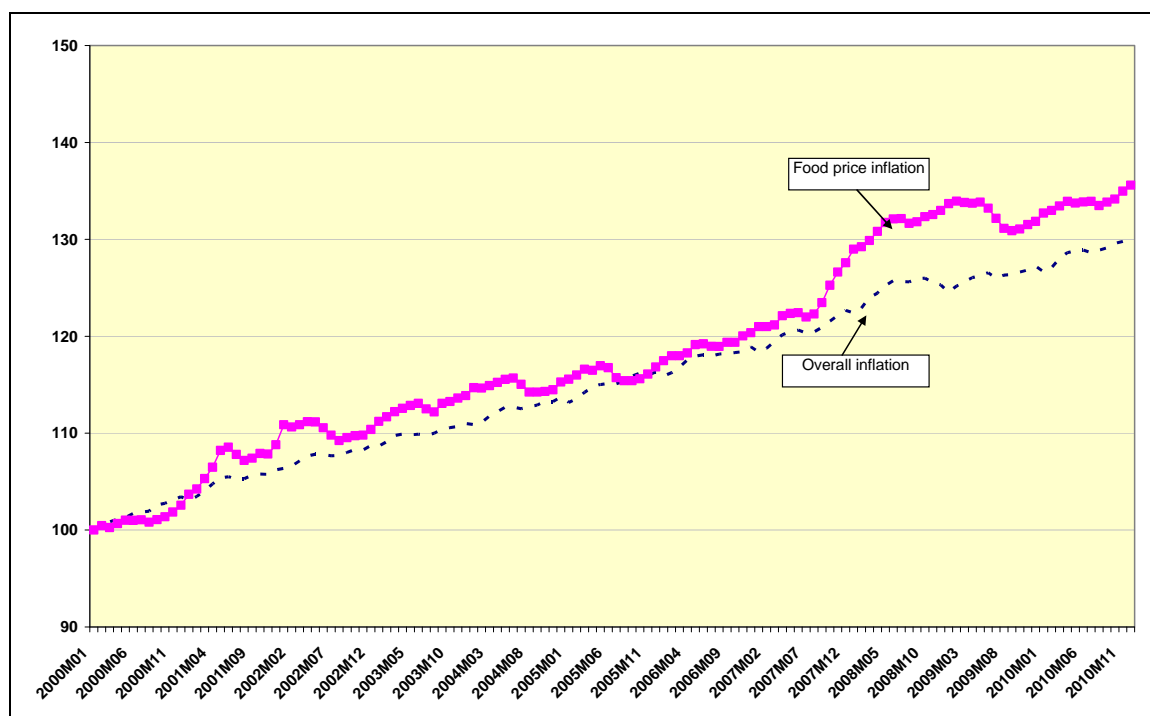


Source: Eurostat.

Concerning food price formation at retail level, it should be kept in mind that the developments of the prices of non-agricultural cost components (labour, capital and energy costs, margins along the downward-supply chain) have a much greater weight on food price inflation than changes in the prices for raw agricultural components.

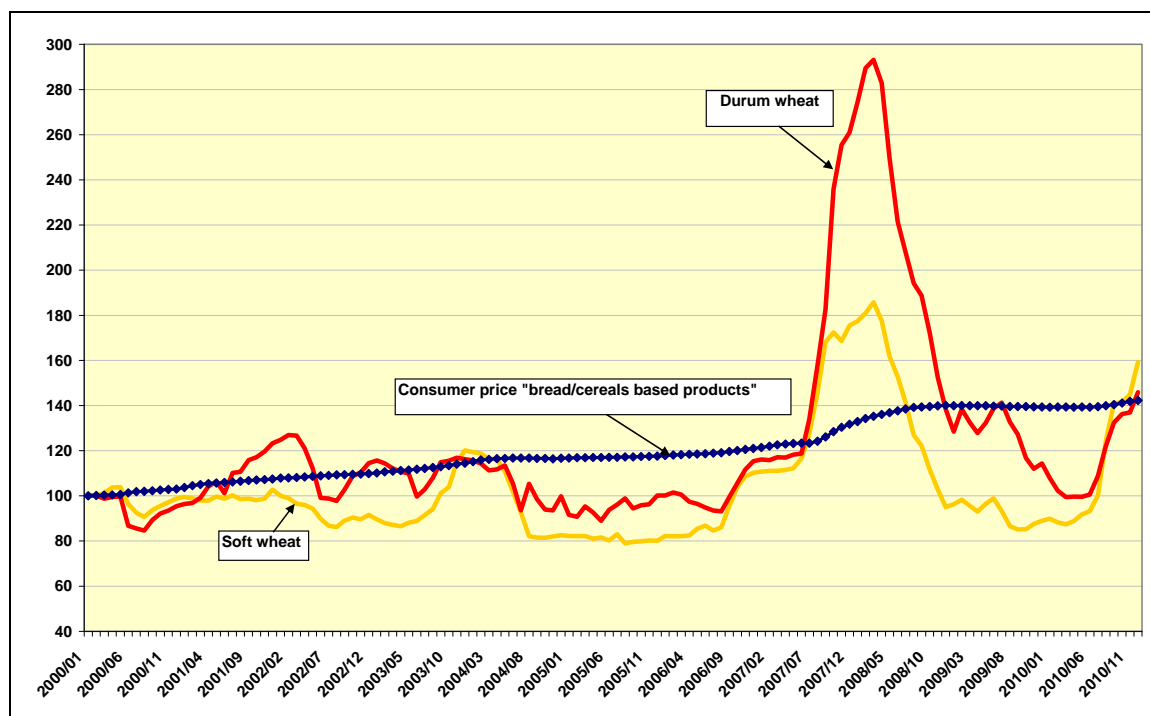
Annex: Graphs on EU agricultural market and consumer price developments.

**Graph A1 Overall and food price inflation in the EU (Jan2000 until Dec2010, January 2000=100)**



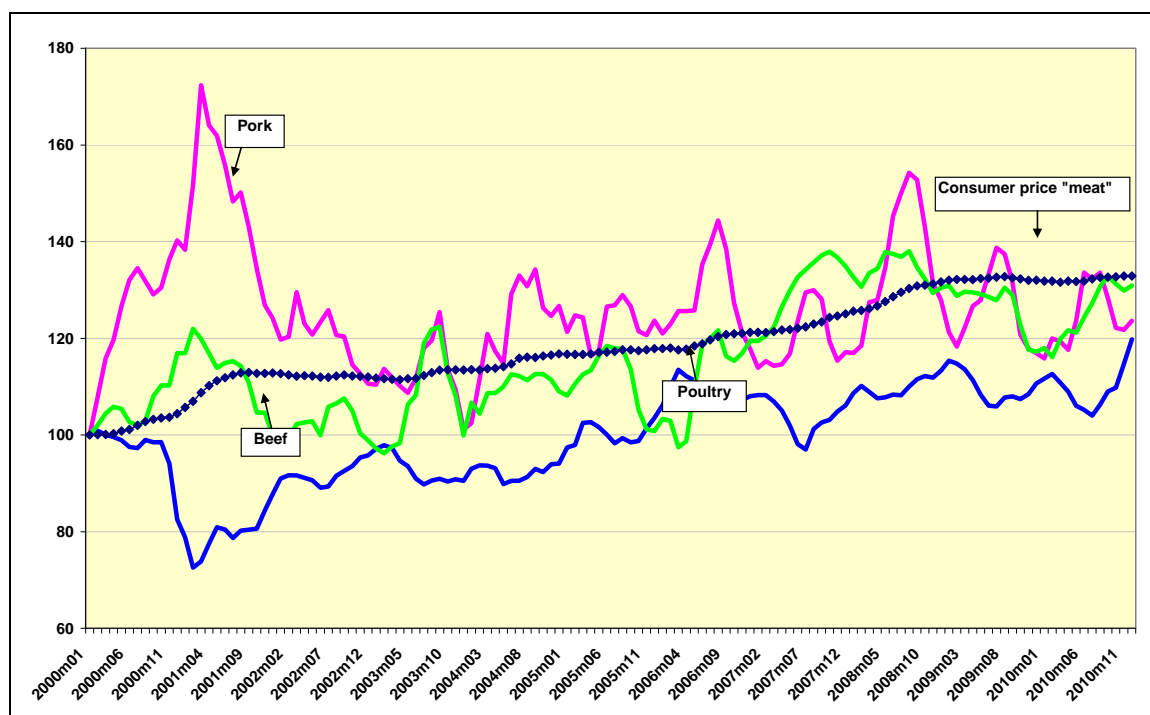
Source: Eurostat

**Graph A2 Cereals/bread and cereals based products: EU agricultural market and consumer price developments (Jan2000 until Dec2010, Jan2000=100)**



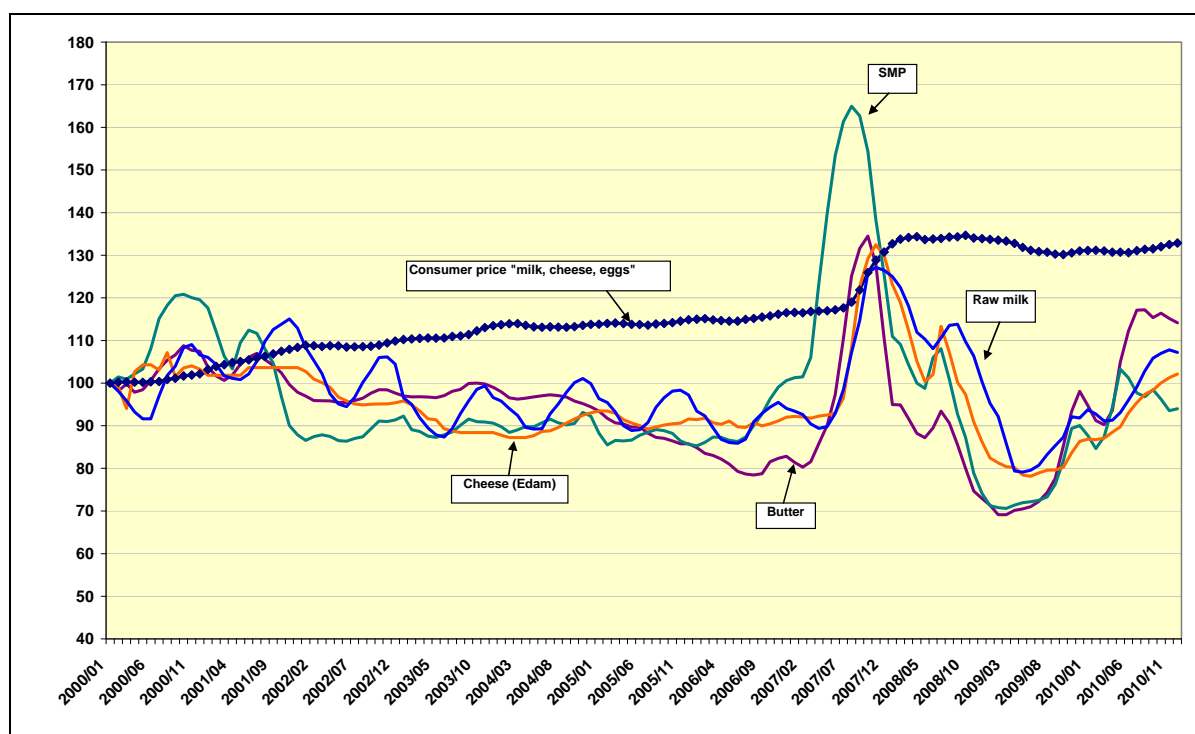
Source: AgriView, Eurostat

**Graph A3 Meat: EU agricultural market and consumer price developments (Jan2000 until Dec2010, Jan 2000=100)**



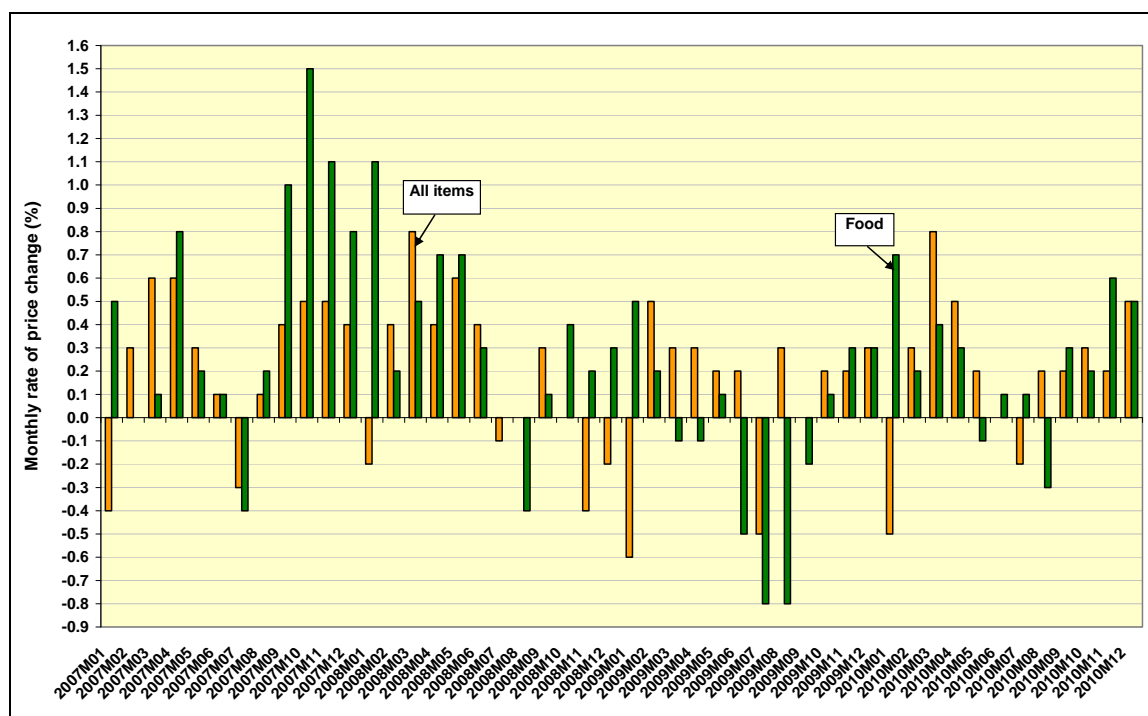
Source: AgriView, Eurostat

**Graph A4 Dairy: EU agricultural market and consumer price developments (Jan2000 until Dec2010, Jan 2000=100)**



Source: AgriView, Eurostat

**Graph A5 Monthly rate of change in overall and food price inflation (Jan2007-Dec2010, %)**



Source: Eurostat