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NOTE TO THE FILE

Subject: MARCH 2012 update on recent agricultural commodity and food price developments in the EU (based on February 2012 prices)

1. Development in agricultural commodity prices

Beef meat prices eased after hitting the record for five months in a row: €379/100kg carcass weight (-1% compared to last month). Prices for all cereals were lower compared to one year before.

Monthly developments: February 2012 revealed a mixed picture as regards agricultural markets with increased prices for poultry meat (+1%), barley (+3%), maize, soft wheat and pork meat (each by +4) and lower quotations for SMP (-2%), butter (-4%) as well as for durum wheat and beef meat (each by -1%). Cheese (Edam) price remained stable (cf. Table 1).

Table 1 Change in EU agricultural commodity prices (% , February 2012 compared to January 2012)

	Soft wheat	Durum wheat	Maize	Barley	SMP	Butter	Cheese	Beef	Pork	Poultry
European Union	4.4	-1.2	3.8	3.0	-1.6	-3.8	0.2	-0.8	4.2	0.5
Austria	4.0	2.4	5.1	2.1				0.7	6.2	-0.1
Belgium	3.8		4.3	4.9	-2.2	-4.8		-1.6	5.8	1.6
Bulgaria	9.1		8.4	0.0					0.4	-0.7
Cyprus		-7.7		-0.3					-4.2	0.1
Czech Republic	2.6		4.5	6.4	0.0	3.0	0.6	4.8	-0.4	2.0
Germany	4.0		4.6	5.5	-3.4	-4.0	-1.1	1.3	5.1	-0.8
Denmark	3.6			4.6				2.7	1.0	6.3
Estonia	8.9			4.1			-2.0		-2.8	1.7
Spain	3.1	0.1	3.0	2.0		-0.9	-1.0	-5.5	7.2	-2.2
Finland	7.0			3.0				0.1	1.8	0.6
France	4.0	-4.8	1.6	1.7	-3.2	-4.9		0.8	8.6	0.0
Greece		2.0	0.7					-0.4	-5.9	-1.7
Hungary	12.5		6.2	11.3					4.3	5.9
Ireland				5.5	0.0	-5.6		-3.1	0.2	0.0
Italy	3.2	-0.3	4.1	2.4		-3.4		-0.7	-1.7	-4.8
Lithuania	6.8		1.5	9.1				2.8	3.5	-0.9
Luxembourg								0.2	0.1	
Latvia	0.0			-0.3	-26.4	-2.3	0.3	16.8	1.1	0.8
Malta								0.7	0.0	-0.9
Netherlands			4.5	4.5	-4.2	-5.7	-2.2	6.8	5.3	1.0
Poland	6.3		7.4	6.9	-0.4	-4.4	3.4	4.0	7.2	15.3
Portugal			1.8	5.1		-3.1		1.3	4.6	-0.2
Romania	3.2		-0.1	0.1				7.6	-1.8	-0.5
Sweden	2.5			2.2				5.6	0.6	-1.8
Slovenia	8.8		0.7					0.4	4.8	-2.5
Slovakia	6.7		2.1	4.1	-4.2	-15.5	4.6	13.8	0.0	1.7
United Kingdom	3.5			4.4	-1.1	-4.5		1.6	-3.6	-0.5

Source: AgriView

Year-on-year developments: February 2012 saw lower prices for the majority of agricultural products regularly observed in this note: durum wheat (-5%), barley and SMP (each by -6%), butter (-9%), maize (-15%) and soft wheat (-21%). Despite this general negative trend, cheese (Edam), poultry, beef and pork meat prices recorded higher levels than one year ago (+1%, +3%, +8% and +10% respectively). (cf. Table 2, Graphs A2, A3 and A4 in annex).

Table 2 Change in EU agricultural commodity prices (% , February 2012 compared to February 2011)

	Soft wheat	Durum wheat	Maize	Barley	SMP	Butter	Cheese	Beef	Pork	Poultry
European Union	-21.3	-4.6	-14.8	-6.1	-6.2	-9.3	0.7	8.0	9.6	3.3
Austria	-28.3	-6.8	-22.1	-15.1				5.5	12.5	0.4
Belgium	-18.9		-12.0	-3.3	-16.1	-14.3		12.5	17.0	-0.8
Bulgaria	-25.0		-14.9	-2.6					7.7	-4.1
Cyprus		26.2		-1.7					-1.6	1.1
Czech Republic	-27.4		-23.7	-11.1	-2.4	-7.1	-4.3	2.1	17.2	-5.6
Germany	-23.8		-15.7	-7.2	-18.3	-18.1	1.1	5.5	12.1	0.9
Denmark	-18.4			-0.4				11.1	10.0	20.3
Estonia	-18.7			-3.3			-0.4		12.2	7.7
Spain	-10.2	-4.8	-9.5	-7.2		-5.4	0.8	6.1	-1.2	7.4
Finland	-19.1			-6.7				7.8	4.4	4.4
France	-19.8	-13.0	-12.2	-3.3	2.3	-7.1		13.6	11.7	2.3
Greece		-12.4	-24.4					-0.7	8.5	-3.5
Hungary	-29.4		-19.9	4.3					16.9	-9.5
Ireland				-9.3	-1.0	-1.5		19.0	9.3	0.0
Italy	-24.5	-4.2	-12.5	-15.6		-11.1		5.0	7.0	7.0
Lithuania	-21.6			-8.4				4.6	11.7	8.0
Luxembourg								5.4	10.8	
Latvia	-11.9			5.4	-8.3	10.7	5.7	32.8	19.2	-4.3
Malta								40.8	3.8	0.8
Netherlands			-11.4	-3.0	-20.3	-19.2	-5.6	9.5	11.9	1.2
Poland	-19.8		-19.5	-10.8	-4.0	-15.7	-0.5	16.9	20.7	2.4
Portugal			-8.6	-2.4		-14.0		2.4	-3.2	0.1
Romania	-20.4		-12.5	-1.8				1.5	10.0	-2.4
Sweden	-16.0			-4.4				10.7	9.9	3.8
Slovenia	-26.8		-21.1					6.1	10.7	4.4
Slovakia	-27.4		-22.9	0.5	-0.6	-4.8	1.8	15.8	16.6	9.7
United Kingdom	-23.6			-8.3	10.0	1.8		23.5	5.3	9.2

Source: AgriView

2. Development in consumer prices¹

In February 2012, both the monthly and annual rates of food price inflation overtook the overall inflation: respectively 0.8% as opposed to 0.5% and 3% as opposed to 2.9%. (cf. Tables 3 and 4 and Graphs 1, 2 and A1).

EU food prices in February 2012 were 0.8% higher than in January 2012. All food categories except "Fish and seafood" (whose price declined by -0.6%), recorded further price increases, markedly the "Vegetable" category (+5%). "Oils and fats" prices remained stable. This month, consumer food prices increased in all the Member States for which data is available (the most in Netherlands, by +2.4%). The highest monthly increase was recorded in Czech Republic for "Vegetable" category (+9.8%).

Higher levels in consumer food prices were observed also when compared to February 2011 prices (except "Fruits" and "Vegetables" categories whose prices declined by -1.5% and -2.3%), "Oils and fats" being the category which registered the highest price increase (+5.7%). The highest food annual increase rate was noticed in Czech Republic (+7.4%) and the highest increase is recorded for "Fish and seafood" category in Malta (+37%). Romania is the only country where consumer food prices declined somewhat (-1%).

¹ Provisional EU 27 aggregate as Ireland and UK data was not available at the time of publication.

Table 3 Change in EU consumer prices for food (% , February 2012 compared to January 2012)

	All-items HICP	Food	Bread and cereals	Meat	Fish and seafood	Milk, cheese and eggs	Oils and fats	Fruit	Vegetables	Sugar	Other food
European Union	0.5	0.8	0.4	0.3	-0.6	0.4	0.0	0.6	5.0	0.3	0.6
Belgium	2.3	1.2	0.4	0.1	-0.3	0.2	0.4	4.1	6.2	0.4	1.7
Bulgaria	0.6	1.5	-0.2	0.2	0.4	1.5	0.2	3.4	9.2	-0.1	0.3
Czech Republic	0.2	0.6	-0.1	0.2	2.0	0.7	-1.5	-5.0	9.8	0.0	-1.4
Denmark	1.0	0.7	-0.1	-0.2	1.2	-0.1	0.0	2.5	1.0	3.4	0.2
Germany	0.9	1.3	0.8	0.5	0.3	-0.3	-0.1	0.2	8.7	0.3	0.5
Estonia	0.4	0.7	-0.2	0.5	2.8	0.8	1.5	2.1	-0.7	2.2	0.0
Ireland	:	:	:	:	:	:	:	:	:	:	:
Greece	-1.7	0.0	-0.2	-0.5	0.1	0.0	-2.3	0.1	3.1	-0.1	-0.2
Spain	0.0	0.1	0.2	-0.4	-2.0	0.2	-0.1	-1.0	5.3	0.1	-0.1
France	0.5	0.6	0.1	0.4	-2.3	-0.1	-0.1	1.3	5.5	0.0	0.1
Italy	0.2	0.8	0.2	0.1	0.7	0.0	0.4	1.4	5.2	0.1	-0.2
Cyprus	0.4	0.3	0.6	-1.3	-1.1	-0.1	0.7	-3.0	4.4	0.3	1.5
Latvia	0.2	0.8	-1.0	-0.1	0.0	-1.0	0.1	6.0	9.7	-0.1	-1.0
Lithuania	0.4	0.5	-0.5	0.4	0.4	0.7	-0.4	1.7	3.7	-0.1	0.4
Luxembourg	1.6	0.8	0.9	0.0	-0.8	0.9	-0.7	0.6	6.2	0.1	0.8
Hungary	0.6	2.0	0.3	0.8	0.4	2.3	-0.1	6.2	5.4	1.2	1.6
Malta	0.6	1.2	0.2	0.5	-0.8	0.0	0.2	4.5	4.6	0.3	2.5
Netherlands	1.0	2.4	1.2	1.1	1.5	2.4	5.0	2.6	6.1	1.8	3.3
Austria	0.5	0.4	0.3	0.8	-1.1	0.2	-0.9	-3.2	3.6	1.1	0.7
Poland	0.4	0.8	0.1	0.6	0.9	0.6	0.0	1.7	3.1	0.4	0.4
Portugal	0.1	0.1	-0.1	0.4	0.8	-0.4	0.6	-1.7	-0.4	0.4	0.1
Romania	0.7	1.5	0.0	0.2	0.2	2.3	0.1	4.6	6.0	0.0	0.1
Slovenia	0.6	1.1	-1.4	-0.6	-0.4	0.1	0.0	6.1	8.2	0.2	0.0
Slovakia	0.2	0.5	0.3	-0.3	0.6	-0.4	-1.6	4.2	5.8	0.8	-0.4
Finland	0.8	1.4	1.5	2.1	-0.6	2.3	1.9	-5.7	5.7	0.7	1.2
Sweden	0.7	0.9	0.1	0.6	0.7	0.0	0.3	0.6	5.5	0.6	0.2
United Kingdom	:	:	:	:	:	:	:	:	:	:	:

Table 4 Change in EU consumer prices for food (% , February 2012 compared to February 2011)

	All-items HICP	Food	Bread and cereals	Meat	Fish and seafood	Milk, cheese and eggs	Oils and fats	Fruit	Vegetables	Sugar	Other food
European Union	2.9	3.0	3.3	4.5	4.3	4.2	5.7	-1.5	-2.3	5.0	3.3
Belgium	3.3	3.2	4.1	2.5	5.0	3.3	10.5	0.4	-0.1	7.3	5.3
Bulgaria	2.0	2.4	1.3	5.0	12.4	7.4	-5.5	6.2	-14.9	13.7	5.5
Czech Republic	4.0	7.4	12.3	6.9	9.5	11.4	7.7	-2.6	-8.1	10.2	8.0
Denmark	2.7	5.2	5.8	6.0	3.2	7.0	19.6	-0.4	-3.6	8.1	2.2
Germany	2.5	3.3	4.5	6.0	4.2	3.7	8.8	0.8	-2.1	3.9	2.4
Estonia	4.4	1.7	3.3	8.9	6.7	2.4	11.4	-7.0	-19.8	6.8	8.1
Ireland	:	:	:	:	:	:	:	:	:	:	:
Greece	1.7	1.9	3.3	0.8	4.0	2.8	-0.5	7.4	-2.4	3.8	3.0
Spain	1.9	2.0	2.3	2.6	2.6	4.1	0.6	-3.2	-0.7	3.7	3.1
France	2.5	3.4	3.5	4.2	3.3	3.5	7.2	-1.6	3.1	4.4	2.9
Italy	3.4	2.8	3.1	2.6	4.7	4.3	2.0	-1.6	3.1	3.9	1.9
Cyprus	3.1	4.9	2.1	-3.3	6.7	-7.7	2.8	-1.1	33.6	6.4	3.2
Latvia	3.3	2.0	0.6	5.3	6.9	2.4	4.9	-4.7	-11.7	8.2	6.2
Lithuania	3.7	4.1	2.7	5.3	16.0	8.8	3.3	-4.3	-13.1	10.1	5.9
Luxembourg	3.3	2.1	3.4	2.3	4.8	2.9	3.9	-3.7	-3.2	4.7	2.7
Hungary	5.8	5.4	4.9	9.4	3.7	9.8	11.3	-1.8	-12.4	14.3	11.0
Malta	2.4	7.2	1.8	6.7	37.3	1.4	8.4	1.5	13.8	7.3	9.0
Netherlands	2.9	2.4	2.9	4.0	4.2	4.1	7.2	-1.4	-4.3	3.8	3.3
Austria	2.6	2.6	3.6	6.0	4.8	4.8	9.3	-14.8	-0.7	5.9	1.1
Poland	4.4	4.3	4.5	11.1	10.9	5.8	9.5	-3.8	-15.7	8.9	3.6
Portugal	3.6	3.0	2.9	4.6	9.9	0.3	11.3	-4.0	-9.1	4.1	5.7
Romania	2.7	-0.5	2.4	2.0	2.4	6.6	2.1	-3.2	-23.6	6.7	2.1
Slovenia	2.8	3.6	2.3	3.8	5.4	5.9	2.3	2.2	-2.0	7.7	4.0
Slovakia	4.0	1.8	5.6	7.3	5.9	4.0	3.7	-7.5	-17.0	13.4	2.4
Finland	3.0	4.3	3.3	6.1	1.1	6.1	12.5	-8.7	2.5	10.9	9.2
Sweden	1.0	0.5	1.9	0.5	-2.1	2.1	0.7	-2.5	-1.9	1.9	1.1
United Kingdom	:	:	:	:	:	:	:	:	:	:	:

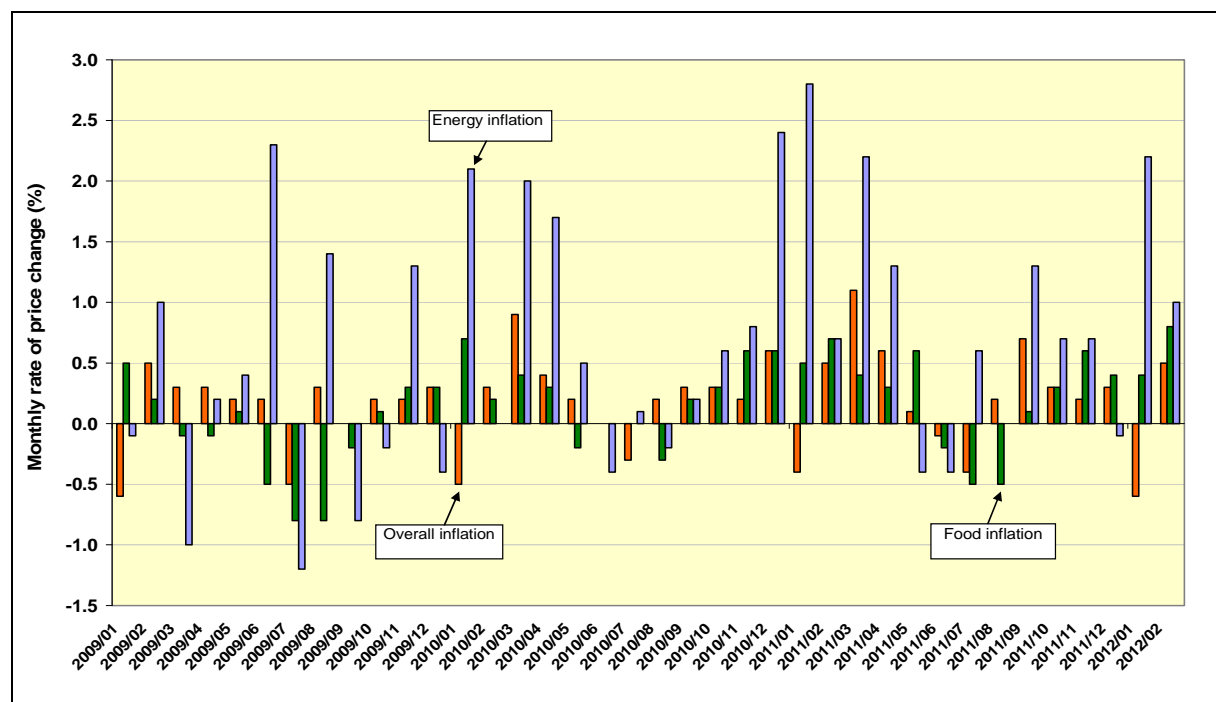
Source: Eurostat (Theme "Economy and finance", Harmonised Indices for Consumer Prices)

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.

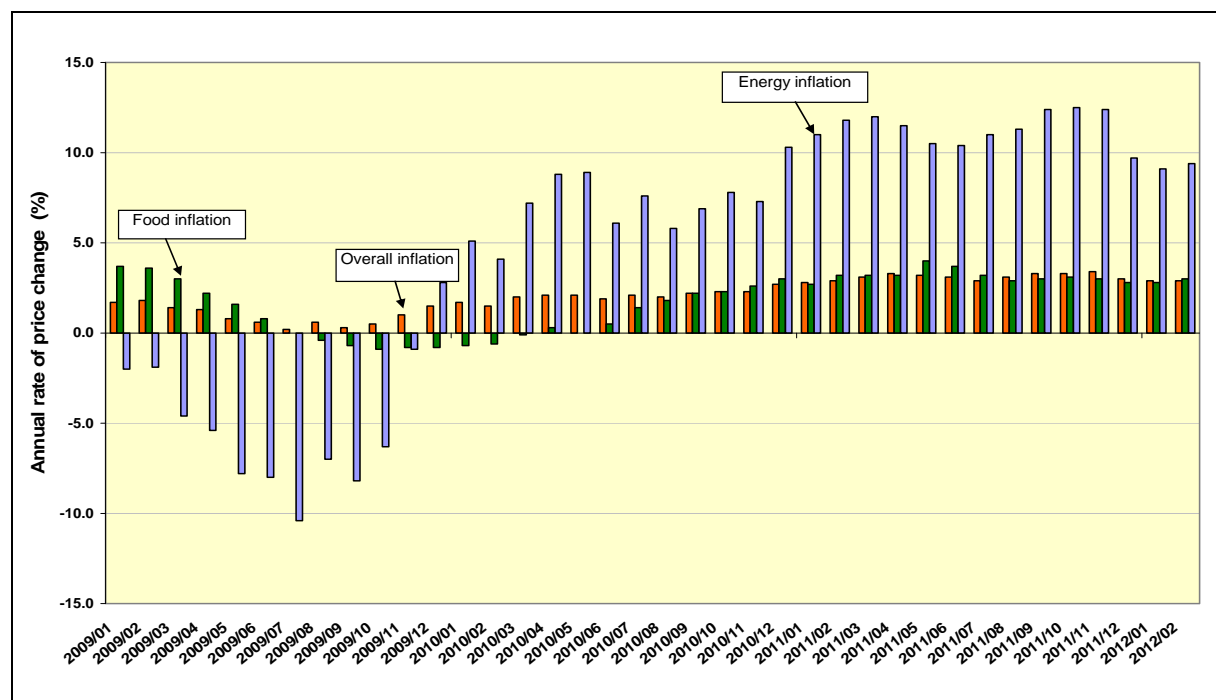
3. Overall and food inflation against energy inflation

In February 2012 the overall energy consumer prices increased by 1%, compared to the previous month, mainly driven by higher prices in "Liquid fuels" (+2.6%). The annual increase in energy consumer prices situated at 9.4% of which "Liquid fuel" category is once again the main driver with +17% (cf. Graphs 1 and 2).

Graph 1 Monthly rate of change in overall, food and energy inflation (% , January 2009 until February 2012)



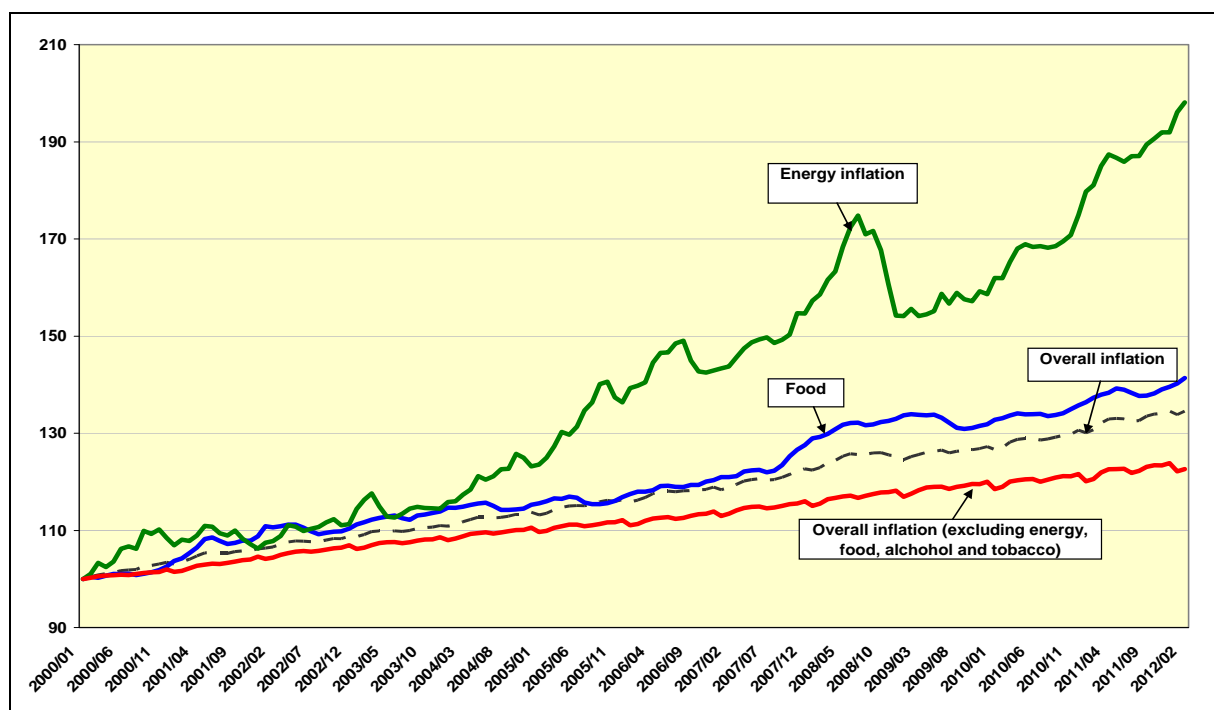
Graph 2 Annual rate of change in overall, food and energy inflation (% , January 2009 until February 2012)



Source: Eurostat (Theme "Economy and finance", Harmonised Indices for Consumer Prices) NB: The energy category includes electricity, gas, liquid and solid fuels, heat energy and fuels and lubricants for personal transport equipment.

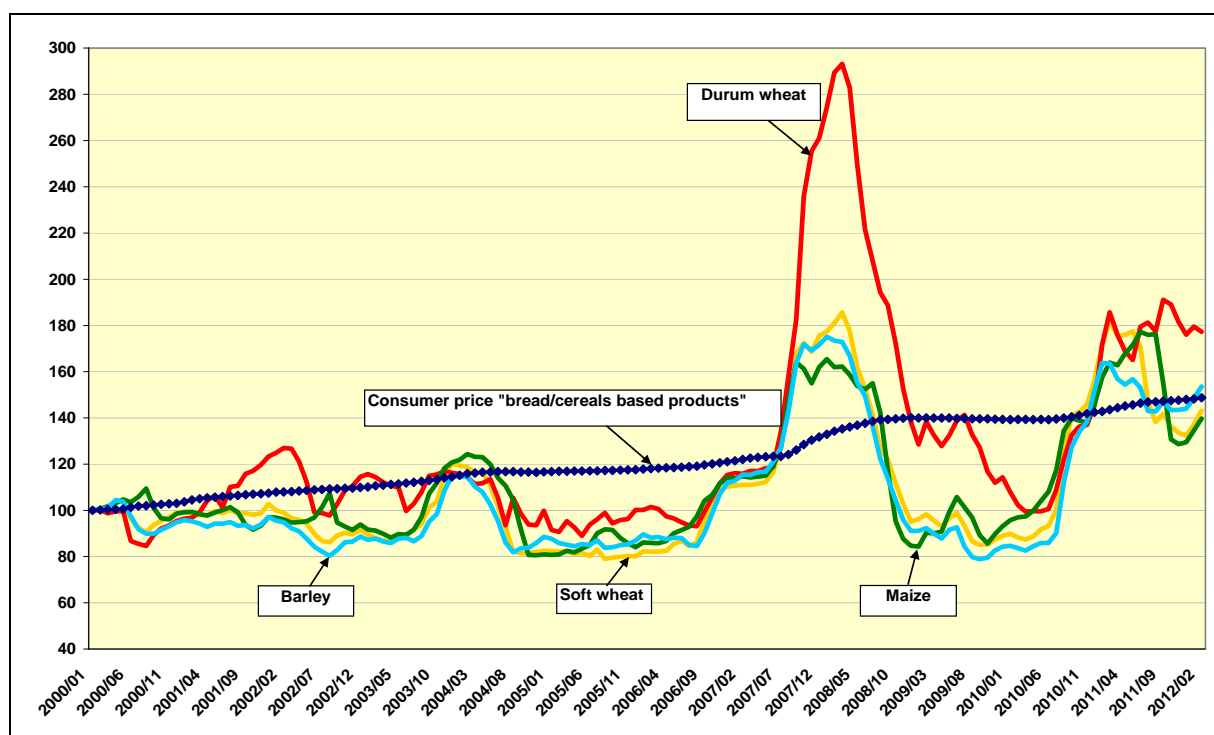
Annex: Graphs on EU agricultural market and consumer price developments

Graph A1: Overall and food consumer price against energy consumer price in the EU (January 2000 until February 2012, Jan2000=100)



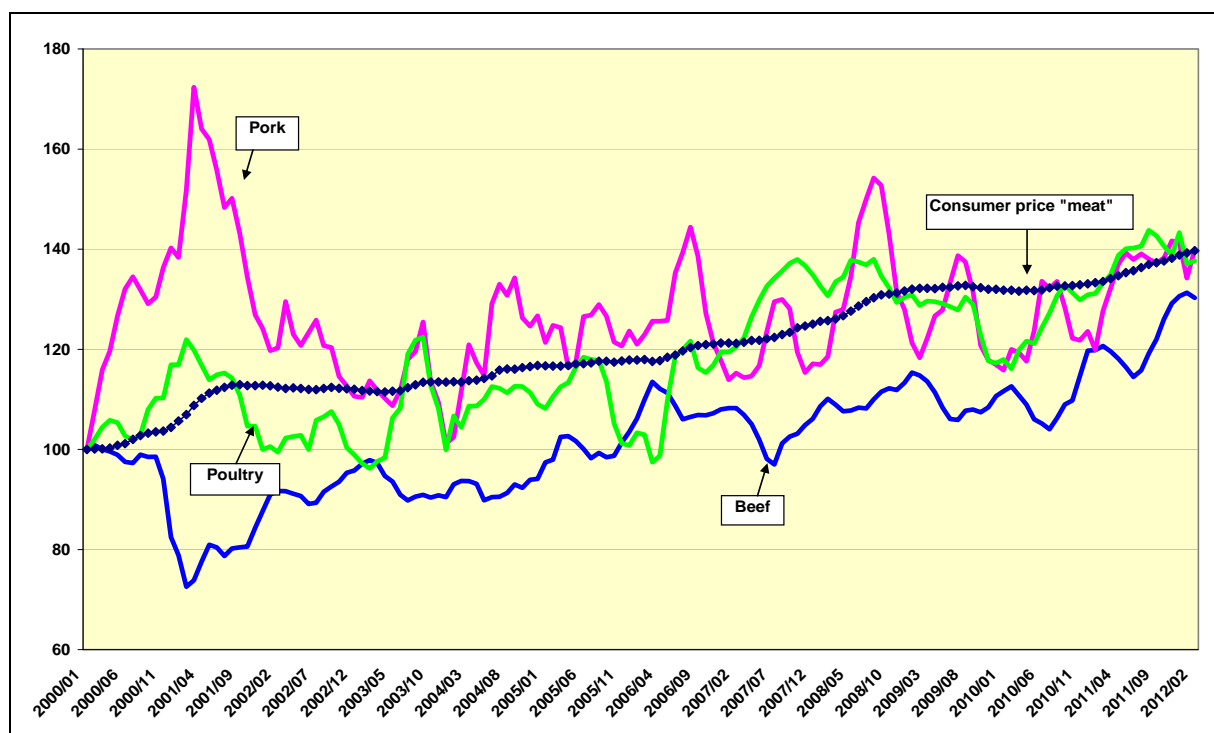
Source: Eurostat

Graph A2: Cereals/bread and cereals based products: EU agricultural market and consumer price developments (January 2000 until February 2012, Jan2000=100)



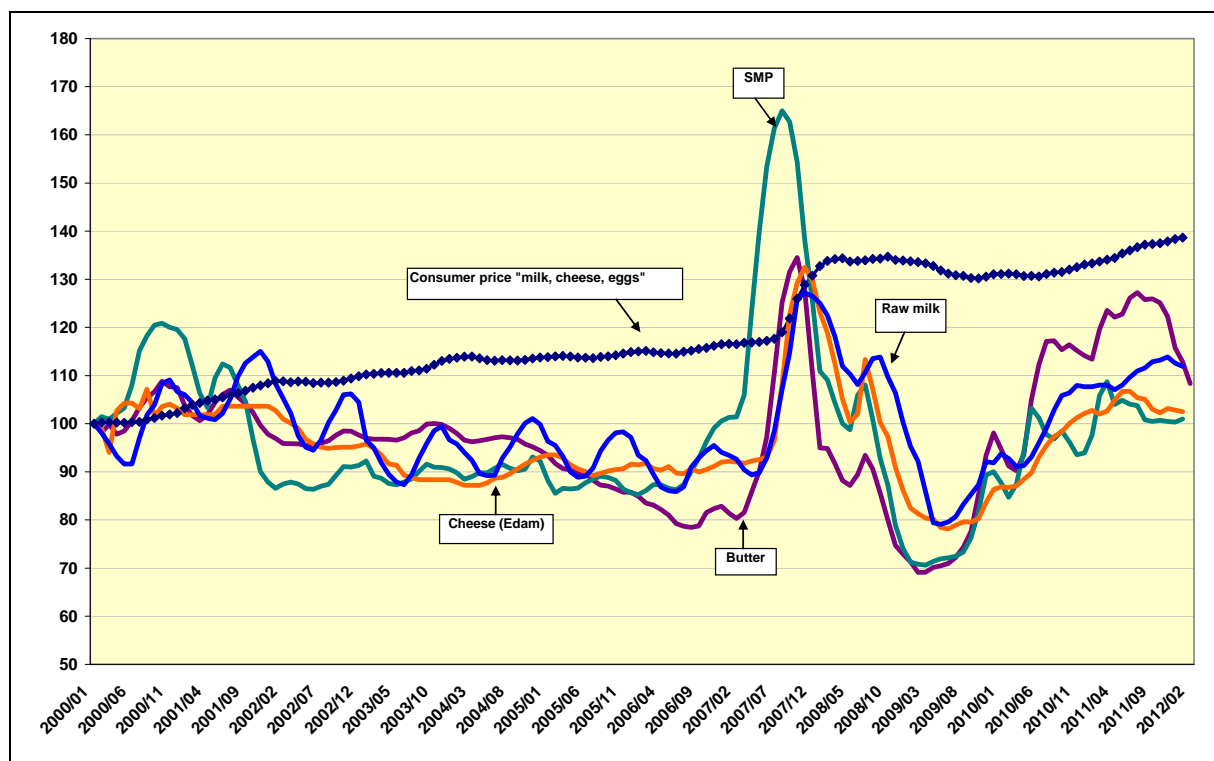
Source: AgriView, Eurostat

Graph A3: Meat: EU agricultural market and consumer price developments (January 2000 until February 2012, Jan2000=100)



Source: AgriView, Eurostat

Graph A4: Dairy: EU agricultural market and consumer price developments (January 2000 until February 2012, Jan2000=100)



Source: AgriView, Eurostat

Graph A5: Food price developments along the food supply chain (January 2007 until February 2012, Jan2007=100)

