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NOTE TO THE FILE

Subject: APRIL 2011, the second update on recent agricultural commodity and food price developments in the EU (based on March 2011 prices)

Development in agricultural prices

In March 2011, after several months of systematic increase, cereals and beef prices have eased somewhat. However prices for dairy products, pork and poultry still kept on rising.

Monthly developments: EU price developments for agricultural commodities offered a mixed picture in March 2011 where cereals and beef prices declined¹: soft wheat and barley (-4%), durum wheat (-5%), maize and beef (-1%) while dairy products and some meat categories increased further: butter and SMP (+3%), cheese (Edam) (+1%), pork (+4%) and poultry (+2%). (cf. Table 1).

Table 1 Change in EU agricultural commodity prices (%), March 2011 compared to February 2011)

	Soft wheat	Durum wheat	Maize	Barley	SMP	Butter	Cheese (Edam)	Beef	Pork	Poultry
European Union	-4%	-5%	-1%	-4%	3%	3%	1%	-1%	4%	2%
Austria	-4%	-12%	0%	-2%			-18%	-2%	5%	0%
Belgium	-9%		-5%	-8%	-4%	1%		0%	4%	4%
Bulgaria	3%		6%	-3%				-3%	0%	-3%
Cyprus		0%		-1%					-1%	0%
Czech Republic	1%		-3%	3%	1%	-1%	-1%	-3%	4%	-1%
Germany	-8%		-3%	-8%	-3%	2%	1%	-3%	4%	1%
Denmark	-3%			-8%	3%	0%		3%	4%	0%
Estonia	-5%			16%			1%	15%	5%	4%
Spain	-1%	-3%	-1%	-3%		1%	0%	-2%	5%	1%
Finland	-12%			-7%		5%	-1%	1%	1%	2%
France	-12%	-11%	-5%	-11%	3%	4%		0%	5%	0%
Greece	6%	-7%	-1%					0%	-3%	0%
Hungary	6%		-3%	-5%			-1%		3%	1%
Ireland				-5%	10%	4%		0%	2%	0%
Italy	-7%	-5%	1%	-5%		9%		0%	-2%	2%
Lithuania	-1%			2%	-1%			0%	5%	6%
Luxembourg								0%	3%	
Latvia	3%			17%	13%	7%	5%	19%	5%	-9%
Malta								-5%	0%	0%
Netherlands			-3%	-9%	-4%	4%	4%	2%	4%	3%
Poland	-4%		-1%	-3%	3%	1%	1%	2%	4%	9%
Portugal			0%	-5%	4%	8%		-1%	5%	-7%
Romania	6%		2%	28%				14%	4%	3%
Sweden	-6%			-6%	4%			2%	-3%	0%
Slovenia	7%		-1%				-2%	-1%	3%	1%
Slovakia	10%		-3%	3%	11%	3%	-4%	5%	4%	2%
United Kingdom	-5%			-4%	12%	-5%		0%	-1%	

Source: AgriView

¹ However, the latest market information indicates that cereals producer prices increased again in April.

Year-on-year developments: For all the products, March 2011 price levels were above the levels observed one year before (soft wheat (+101%), durum wheat (+77%), maize (+67%), barley (+90%), skimmed milk powder (+24%), butter (+37%), cheese (Edam) (+18%), beef (+8%), pork (+11%) and poultry meat (+17%) (cf. Table 2, Graphs A2, A3 and A4 in annex).

Table 2 Change in EU agricultural commodity prices (%), March 2011 compared to March 2010)

	Soft wheat	Durum wheat	Maize	Barley	SMP	Butter	Cheese (Edam)	Beef	Pork	Poultry
European Union	101%	77%	67%	90%	24%	37%	18%	8%	11%	17%
Austria	114%	80%	90%	111%				12%	13%	1%
Belgium	103%		72%	95%	28%	38%		1%	10%	13%
Bulgaria	117%		72%	84%					-2%	11%
Cyprus		2%		80%					12%	4%
Czech Republic	115%		83%	119%	21%	35%	11%	10%	8%	8%
Germany	109%		70%	97%	29%	44%	21%	13%	11%	4%
Denmark	102%			92%	19%	21%		11%	15%	14%
Estonia	103%			116%			-6%	15%	6%	-4%
Spain	74%	83%	62%	82%		40%	1%	5%	14%	13%
Finland	82%			89%		42%	5%	3%	10%	1%
France	101%	89%	68%	99%	12%	30%		8%	15%	26%
Greece	146%	83%	76%					1%	2%	-4%
Hungary	159%		82%	54%					6%	0%
Ireland				89%	22%	33%		12%	11%	-1%
Italy	99%	84%	64%	87%		41%		3%	8%	19%
Lithuania	111%			106%				26%	9%	13%
Luxembourg								8%	11%	
Latvia	99%			115%	43%	23%	32%	20%	15%	0%
Malta								-23%	0%	4%
Netherlands			65%	87%	32%	45%	26%	6%	13%	19%
Poland	96%		74%	99%	24%	36%	11%	17%	10%	17%
Portugal	68%		59%	81%		53%		1%	12%	-4%
Romania	105%		71%	122%				20%	2%	7%
Sweden	97%			77%				20%	2%	11%
Slovenia	110%		74%				-4%	14%	15%	1%
Slovakia	142%		71%	101%	19%	5%	5%	6%	6%	2%
United Kingdom	103%			123%	30%	17%		9%	-1%	

Source: AgriView

Development in consumer prices

In March 2011, monthly overall inflation registered a very high increase (+1.1%), a rate of increase not seen in 14 years (+1.2% in March 1997). Monthly food prices inflation, on the other hand, increased to a more limited extent to 0.4%.

With the exception of "Vegetables" and "Other food" (-0.1%), all the other food categories recorded further price increases in March 2011 as compared to one month before: "Sugar" (+1.5%) and "Oils and fats" (+1.3%) being the categories with the highest increase rates.

When compared to one year ago, the consumer food prices show higher levels, notably for the "Fruits" (+7.9%), "Oils and fats" (+6%) and "Sugar" (+4.4%) categories (cf. Tables 3 and 4).

Table 3 Change in EU consumer prices for food (%), March 2011 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	1.1	0.4	0.3	0.4	0.8	0.4	1.3	0.7	-0.1	1.5	-0.1
Belgium	0.4	-0.4	1.0	-0.1	0.6	0.2	0.9	1.8	-6.9	0.0	-0.2
Bulgaria	0.4	1.3	1.2	0.3	2.2	0.8	1.5	2.7	0.8	7.5	0.4
Czech Republic	0.2	0.1	0.5	0.0	-0.2	0.9	1.4	-4.2	1.3	0.4	0.8
Denmark	0.6	0.4	0.6	0.6	-0.2	1.1	1.0	0.4	-1.1	0.6	0.3
Germany	0.6	0.2	0.1	0.5	0.2	0.9	3.7	-0.9	-1.3	0.5	0.0
Estonia	0.8	0.6	-0.9	0.6	1.3	1.4	-1.8	-0.7	1.1	1.3	4.4
Ireland	0.5	0.1	0.8	0.5	-2.0	0.1	1.2	-0.8	-0.1	-1.4	0.3
Greece	3.2	0.3	0.1	-0.1	0.0	-0.1	-1.7	4.2	1.2	-0.1	-0.2
Spain	2.4	0.5	0.1	0.3	1.1	-0.1	0.3	1.3	1.0	0.9	0.4
France	0.9	0.9	0.6	0.5	0.8	0.7	1.4	6.1	0.0	0.8	0.1
Italy	2.2	0.3	0.5	0.1	0.8	0.7	0.3	2.0	-0.7	0.3	0.0
Cyprus	1.0	0.5	0.4	-0.4	4.6	0.9	2.2	4.5	-2.5	1.5	1.7
Latvia	0.7	0.4	-0.8	0.0	0.4	1.5	-1.6	-2.0	2.5	1.3	0.6
Lithuania	1.0	1.2	0.9	0.3	3.2	2.6	2.9	-1.6	2.0	1.9	0.6
Luxembourg	0.8	0.4	0.6	-0.1	5.0	0.3	0.5	-1.0	-0.1	-0.1	-0.1
Hungary	1.0	2.7	3.8	0.2	0.1	1.3	1.8	2.7	2.1	14.2	1.2
Malta	1.5	-0.2	0.4	1.1	1.5	0.0	0.6	-0.7	-5.1	1.3	-0.1
Netherlands	1.4	0.4	0.4	0.4	0.1	0.8	1.3	0.6	0.2	0.8	0.2
Austria	1.2	0.9	0.3	0.0	-1.0	1.3	2.6	6.5	-1.4	1.0	0.3
Poland	0.9	2.3	2.0	2.3	0.6	0.7	1.6	-0.2	1.6	11.9	0.7
Portugal	1.6	0.4	-0.2	0.4	1.2	-0.4	1.3	1.4	0.2	0.4	-0.1
Romania	0.6	1.3	1.1	0.1	0.3	0.0	0.9	2.8	4.6	2.6	0.3
Slovenia	1.4	0.0	1.6	0.3	1.5	0.2	0.4	-2.2	-2.2	0.9	-1.0
Slovakia	0.4	0.8	0.5	1.3	0.1	-0.2	2.6	-2.1	2.1	2.6	0.5
Finland	0.6	0.3	0.3	0.2	2.9	-0.1	0.3	-0.4	-1.5	2.4	0.8
Sweden	0.4	0.1	1.4	-0.4	-0.5	0.0	0.7	-1.3	-0.5	0.8	0.5
United Kingdom	0.3	-1.5	-2.6	-0.9	0.4	-1.1	4.7	-4.7	-0.7	-0.5	-2.9

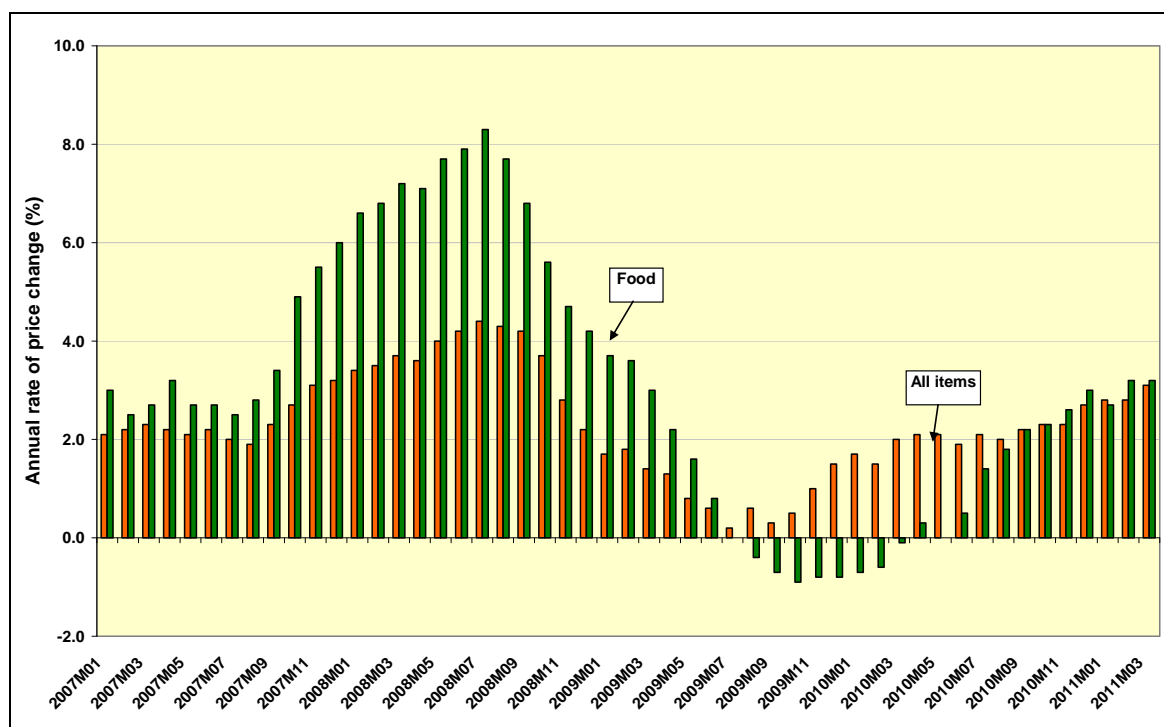
Table 4 Change in EU consumer prices for food (%), March 2011 compared to March 2010)

	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	3.1	3.2	3.6	1.9	4.2	2.3	6.0	7.9	2.0	4.4	1.0
Belgium	3.5	1.1	4.5	1.5	1.3	0.9	4.3	-1.3	-7.5	4.8	2.6
Bulgaria	4.6	7.6	11.7	-0.5	5.2	7.8	39.1	8.7	5.4	22.0	4.0
Czech Republic	1.9	3.6	6.7	0.3	-1.2	4.8	16.6	8.7	-0.2	1.1	0.7
Denmark	2.5	2.0	4.4	0.0	0.3	6.4	12.7	4.6	-5.3	1.1	-0.3
Germany	2.3	2.5	2.0	1.9	4.7	3.2	13.8	12.7	-4.5	-0.2	0.3
Estonia	5.1	10.7	11.8	2.3	12.8	15.2	13.2	21.7	12.4	9.2	5.1
Ireland	1.2	1.1	2.4	-1.1	0.6	0.4	7.8	9.6	-1.9	0.9	0.7
Greece	4.3	2.4	1.5	1.6	4.4	3.4	0.0	-3.2	7.8	2.6	2.1
Spain	3.3	0.8	1.0	1.1	3.6	-0.8	-0.7	2.2	-3.2	2.9	1.7
France	2.2	0.8	0.6	1.7	2.7	0.7	1.3	9.9	-7.2	0.0	-1.4
Italy	2.8	2.5	1.4	1.4	3.0	3.2	-0.9	4.8	5.8	2.0	0.4
Cyprus	3.2	2.4	8.0	6.4	16.6	-0.5	8.4	-1.7	-14.0	4.6	16.3
Latvia	4.1	9.1	8.2	0.0	3.5	19.7	14.7	17.7	13.5	6.9	5.8
Lithuania	3.7	8.4	9.6	0.6	7.3	12.6	23.3	23.9	16.7	5.5	1.9
Luxembourg	4.0	2.8	3.2	2.4	6.8	0.3	2.9	1.4	9.9	-0.1	-0.2
Hungary	4.6	11.0	12.8	2.4	4.0	7.8	10.9	20.7	15.7	31.1	3.5
Malta	2.8	5.1	5.4	3.4	-2.0	3.2	5.1	6.9	13.0	2.4	-0.6
Netherlands	2.0	1.5	1.5	1.7	1.1	-0.6	-1.4	8.2	2.7	-0.2	-0.9
Austria	3.3	4.5	3.0	2.0	2.7	4.9	9.2	32.4	-2.9	0.9	-0.4
Poland	4.0	7.8	10.9	3.7	4.3	3.0	6.5	14.3	10.6	21.9	3.2
Portugal	3.9	2.8	0.3	1.6	7.4	-1.3	4.1	6.4	6.3	4.2	1.4
Romania	8.0	10.6	9.0	2.3	3.1	3.2	20.8	18.7	42.0	10.3	4.4
Slovenia	2.4	4.4	2.8	3.2	0.4	1.8	12.1	15.4	8.2	2.7	1.0
Slovakia	3.8	7.6	6.5	3.4	2.0	5.4	14.1	15.3	18.7	5.9	0.3
Finland	3.5	5.0	4.4	5.3	10.7	3.0	5.5	4.2	0.7	12.6	5.6
Sweden	1.4	0.8	3.6	-0.2	-0.9	4.5	3.5	4.5	-8.7	1.2	0.7
United Kingdom	4.0	4.0	5.6	3.2	13.5	0.5	10.0	4.0	2.1	6.9	3.2

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.

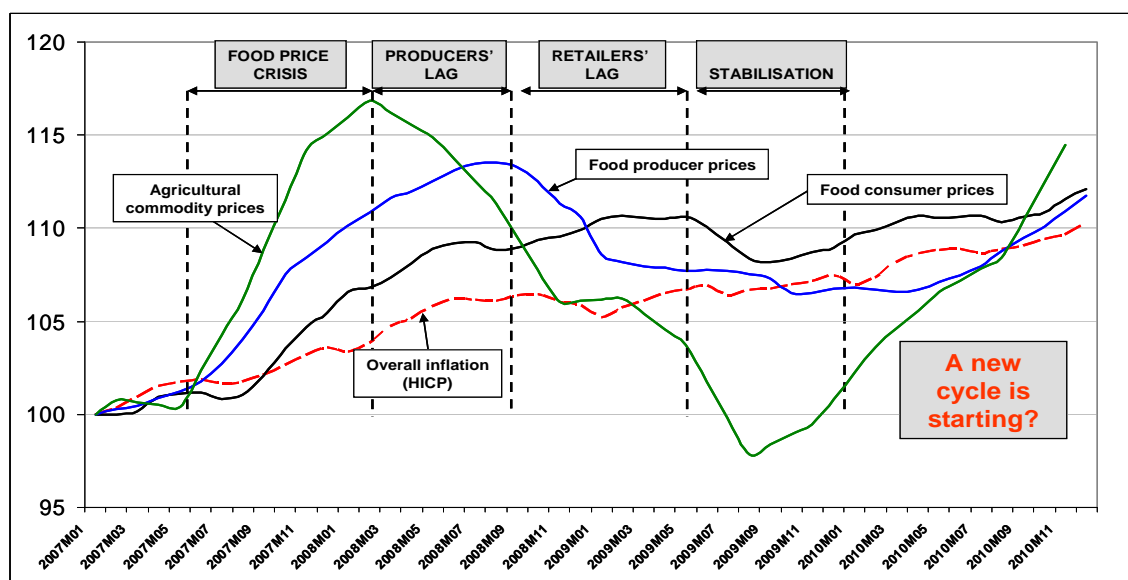
The annual and monthly rates of change of the overall inflation amounted to +3.1% and +1.1%, respectively, whereas the annual rate of change in food price inflation amounted to +3.2% and +0.4% (cf. Graph 1 and Graph A5 in annex).

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



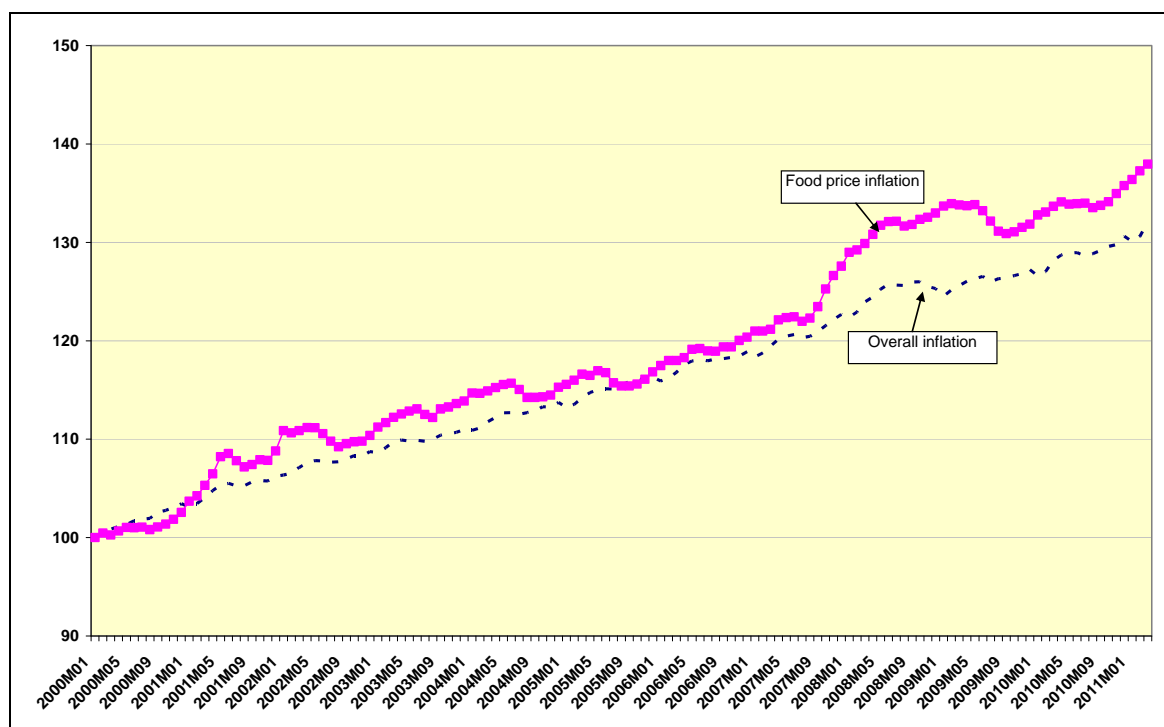
Source: Eurostat

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.



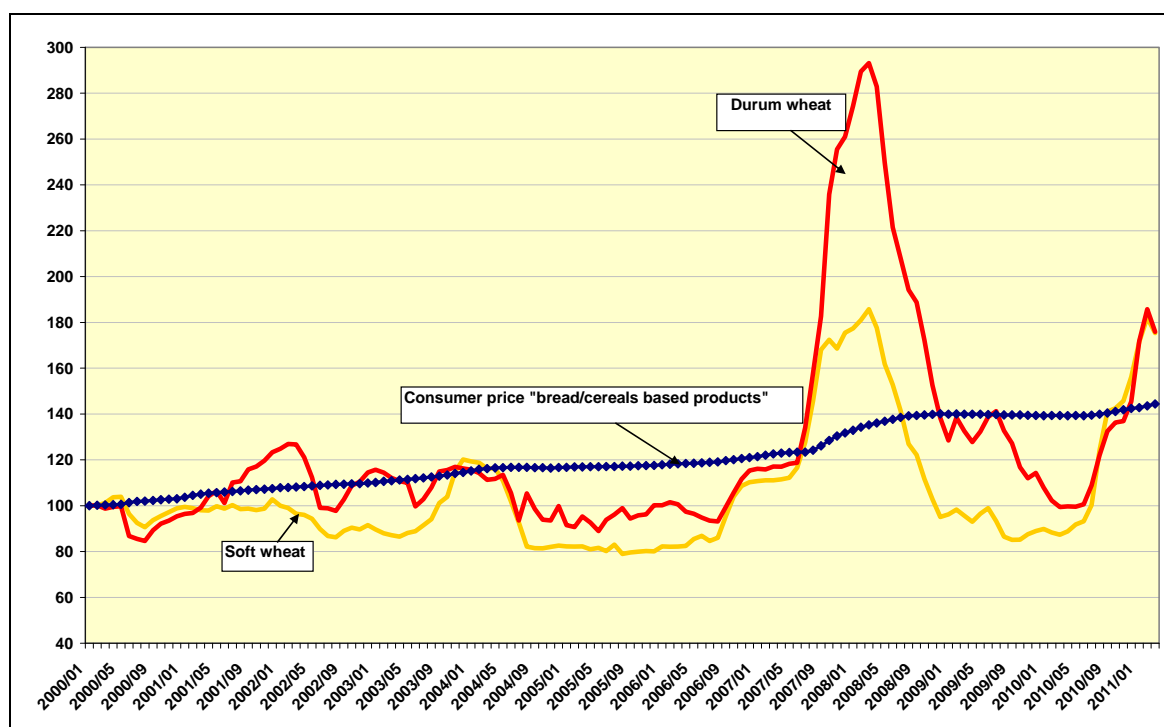
Source: European Commission – DG Agriculture and Rural Development, based on Eurostat data

Graph A1 Overall and food price inflation in the EU (Jan2000 until March2011, January 2000=100)



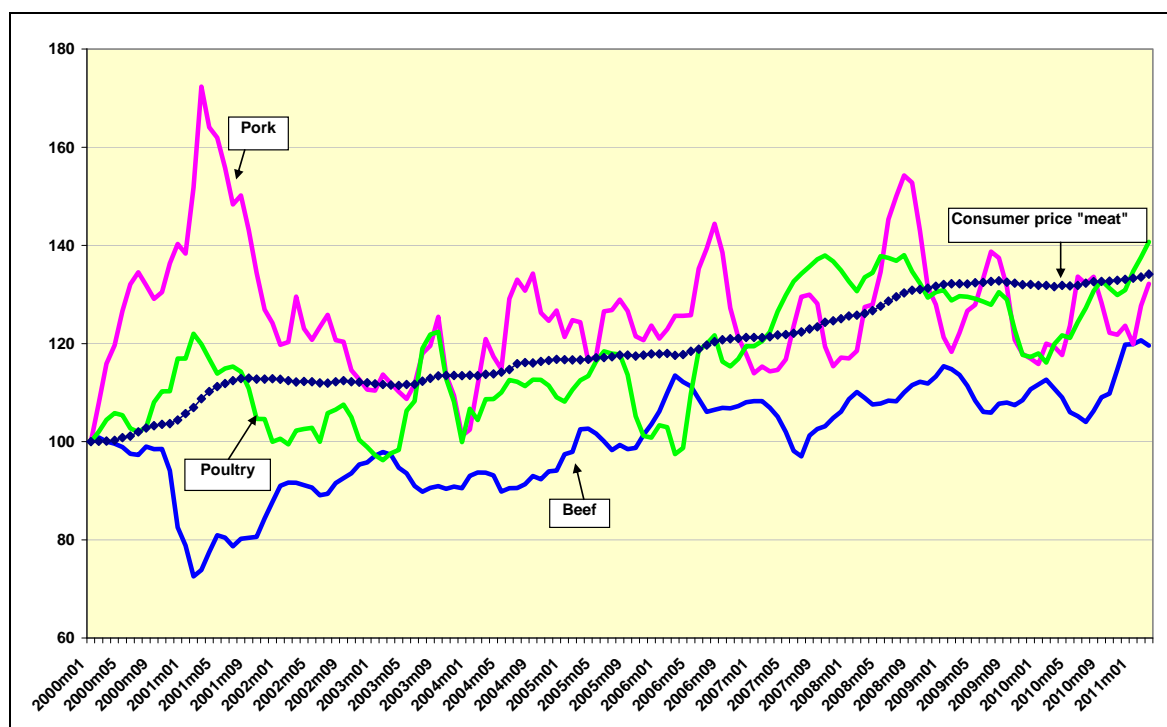
Source: Eurostat

Graph A2 Cereals/bread and cereals based products: EU agricultural market and consumer price developments (Jan2000 until March2011, Jan2000=100)



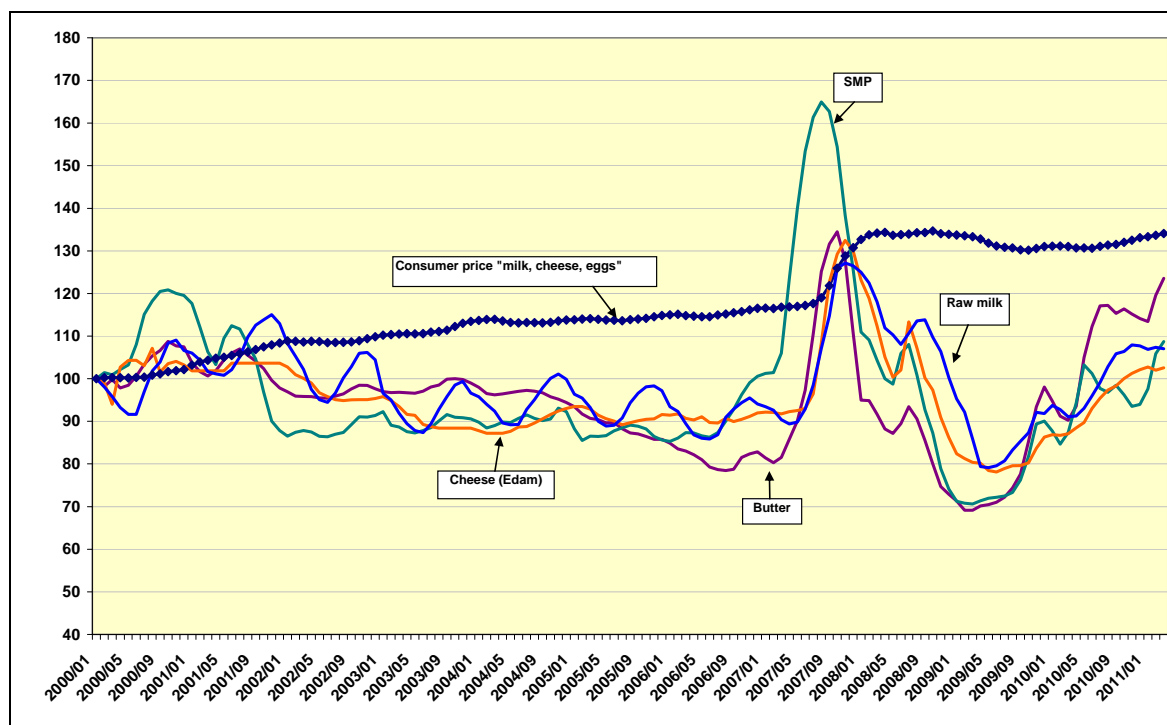
Source: AgriView, Eurostat

Graph A3 Meat: EU agricultural market and consumer price developments (Jan2000 until March2011, Jan2000=100)



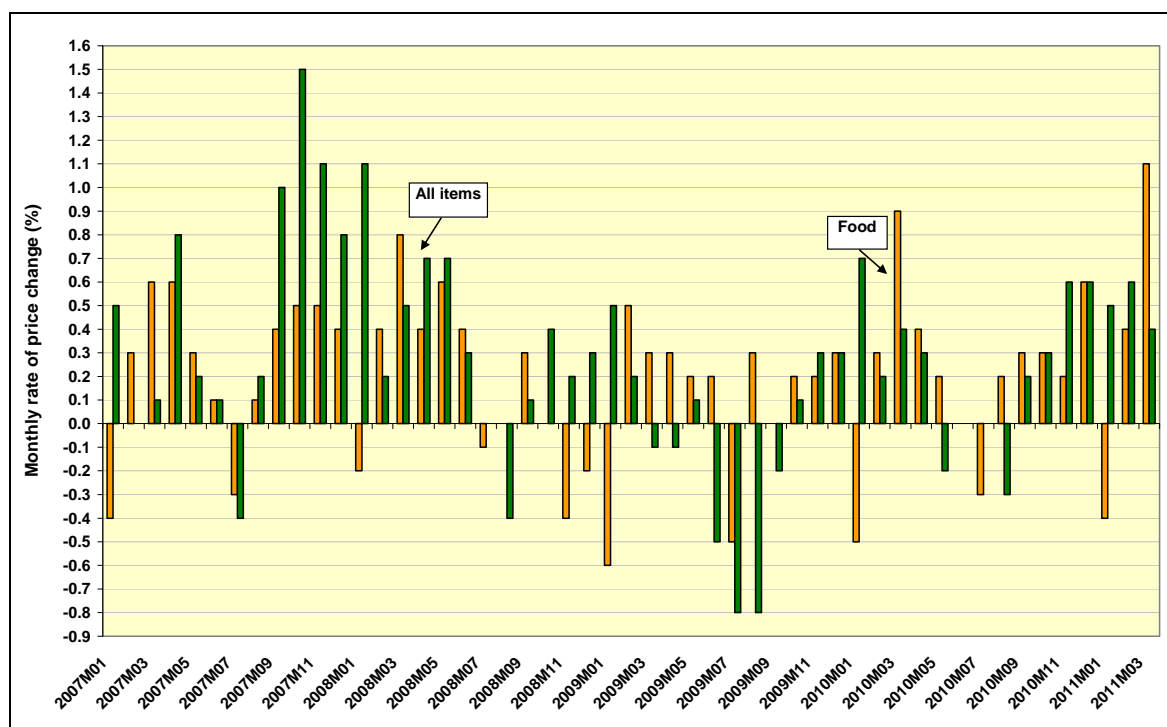
Source: AgriView, Eurostat

Graph A4 Dairy: EU agricultural market and consumer price developments (Jan2000 until March2011, Jan2000=100)



Source: AgriView, Eurostat

Graph A5 Monthly rate of change in overall and food price inflation (%, Jan2007 until March2011)



Source: Eurostat