



Brussels, 02/03/2012
L2/LG D (2012) 272576

NOTE TO THE FILE

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

1. Development in agricultural commodity prices

Beef meat prices have been rising for several months and in January 2012 they hit a new high: €382/100kg carcass weight (+1% compared to last month's record). Cereal prices started to increase, after two months of decline.

Monthly developments: In January 2012, with the exception of poultry meat (-1%), butter (-3%) and pig meat (-5%), quotations for the other major agricultural commodities showed positive trends compared to December 2011: SMP and beef meat (each by +1%), durum wheat (+2%), barley (+3%), soft wheat and maize (each by +4%). Cheese (Edam) price remained stable. (cf. Table 1).

Table 1 Change in EU agricultural commodity prices (% , January 2012 compared to December 2011)

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

Source: AgriView

Year-on-year developments: With the exception of butter, barley, maize and soft wheat whose prices declined by -1%, -9%, -15% and -20% respectively, January 2012 brought higher prices for the other agricultural products regularly observed in this note: SMP (+3%), poultry meat and durum wheat (each by +4%), beef meat (+10%), pork meat (+12%). Cheese (Edam) price remained unchanged. (cf. Table 2, Graphs A2, A3 and A4 in annex).

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

	Soft wheat	Durum wheat	Maize	Barley	SMP	Butter	Cheese (Edam)	Beef	Pork	Poultry
European Union	-20%	4%	-15%	-9%	3%	-1%	0%	10%	12%	4%
Austria	-28%	-6%	-24%	-14%				6%	13%	0%
Belgium	-20%		-16%	-11%	-2%	-4%		15%	15%	-2%
Bulgaria	-22%		-12%	7%					3%	7%
Cyprus		37%		-2%					-2%	1%
Czech Republic	-20%		-18%	-9%	6%	-5%	-2%	-1%	16%	-7%
Germany	-25%		-19%	-13%	-5%	-7%	3%	5%	18%	1%
Denmark	-18%			-23%				11%	13%	16%
Estonia	-15%			8%			-9%	26%	12%	5%
Spain	-12%	5%	-11%	-9%		8%	2%	14%	5%	13%
Finland	-21%			-5%				7%	4%	6%
France	-21%	-9%	-13%	-7%	10%	-1%		12%	8%	4%
Greece	-16%	5%	-17%	-21%				3%	12%	-2%
Hungary	-26%		-20%						13%	-14%
Ireland				-13%	7%	9%		22%	12%	0%
Italy	-25%	-1%	-17%	-16%		-8%		7%	14%	6%
Lithuania	-23%			-3%				4%	7%	12%
Luxembourg								8%	16%	
Latvia	-11%			10%	30%	22%	11%	8%	19%	0%
Malta								46%	4%	2%
Netherlands			-15%	-9%	-6%	-8%	-2%	12%	16%	2%
Poland	-21%		-19%	-14%	1%	-8%	-4%	8%	18%	-3%
Portugal			-8%	-9%		-6%		3%	2%	5%
Romania	-19%		-2%	11%				-23%	8%	-1%
Sweden	-15%			-4%				11%	3%	5%
Slovenia	-24%		-13%					3%	12%	8%
Slovakia	-31%		-15%	-9%	-11%	12%	3%	-7%	17%	6%
United Kingdom	-23%			-13%	12%	10%		19%	8%	16%

Source: AgriView

2. Development in consumer prices

In January 2012, the monthly rates of change of both overall and food price inflation evolved differently: while the overall inflation became negative (-0.6%), food consumer prices kept increasing (+0.4%). The annual rate of overall inflation (+2.9%) was higher than food price inflation (+2.8%) (cf. Tables 3 and 4 and Graphs 4, 5 and A1).

EU food prices in January 2012 were 0.4% higher than in December 2011. All food categories, except "Oils and fats" (whose prices declined slightly by -0.1%), recorded further price increases, markedly the "Vegetable" category (+2.3%). Regarding specific developments in EU Member States, consumer food prices fell in seven Member States (the most in Cyprus and Netherlands where it fell by -1%) and increased in the others (the largest increase in Hungary: +2.9%). The highest monthly increase was recorded in Slovenia for "Vegetable" category (+13.4%).

Higher levels in consumer food prices were observed also when compared to January 2011 prices (except "Vegetables" whose price declined by -5.5%), "Oils and fats" being the category to register the highest price increase (+6.3%). The highest food annual increase rate was noticed in Cyprus (+7.1%) among which it increased the most for the "Vegetable" component (+42%).

Table 3 Change in EU consumer prices for food (% , January 2012 compared to December 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	-0.6	0.4	0.1	0.3	0.6	0.2	-0.1	-0.8	2.3	0.7	0.1
Belgium	-1.2	0.4	0.2	0.1	1.6	0.3	-0.2	-5.8	5.7	0.5	1.7
Bulgaria	0.3	0.2	-0.8	-0.2	0.5	0.5	-0.2	0.8	2.5	-0.1	0.5
Czech Republic	1.8	2.1	0.5	2.3	1.9	1.6	1.8	5.4	4.4	0.0	2.5
Denmark	0.4	0.4	0.0	0.9	0.6	0.2	-2.0	-1.0	-2.0	3.3	-0.2
Germany	-0.5	1.0	0.2	0.5	1.5	-0.2	-1.3	1.3	6.7	0.7	0.3
Estonia	0.6	0.9	0.4	0.8	0.7	0.4	-1.5	2.2	6.5	-1.0	0.5
Ireland	-0.4	-0.3	-0.6	-0.4	0.8	-0.7	-0.2	-1.4	0.1	0.9	-0.7
Greece	-1.1	-0.2	0.4	0.0	0.2	0.6	0.5	-0.5	-2.9	0.0	0.9
Spain	-1.7	0.2	0.2	-0.1	-0.4	0.5	-0.5	1.5	0.8	0.2	0.0
France	-0.4	-0.1	0.1	0.2	0.7	0.2	0.1	-5.8	1.1	0.2	0.2
Italy	-1.8	0.3	0.3	0.2	0.7	0.3	-0.3	-1.1	1.4	0.3	0.1
Cyprus	-1.4	-1.0	-1.1	1.5	0.6	-10.9	-1.6	1.5	4.5	1.4	0.2
Latvia	0.8	1.4	0.4	0.5	0.9	0.4	0.2	5.0	7.6	0.8	2.0
Lithuania	0.4	1.1	0.5	0.6	0.7	0.6	0.5	5.2	4.2	0.8	1.5
Luxembourg	-0.5	-0.1	-0.7	0.8	0.1	-1.0	-0.2	-3.0	2.0	-0.1	0.2
Hungary	2.4	2.9	1.1	2.5	3.8	2.1	3.4	1.4	8.4	4.4	2.9
Malta	-1.1	1.1	0.3	0.5	0.9	-0.3	0.5	-4.5	10.2	0.2	2.7
Netherlands	0.1	-1.0	-0.5	-1.2	0.1	-1.0	-1.3	-0.9	-0.9	-0.2	-2.5
Austria	-0.5	1.2	1.3	0.8	1.0	0.5	0.4	0.5	5.1	0.4	-0.5
Poland	0.7	1.6	0.3	1.0	0.9	0.9	0.7	7.6	6.1	0.4	0.7
Portugal	0.3	1.0	1.1	1.3	1.3	0.1	2.8	-1.5	2.6	1.7	3.1
Romania	0.4	0.3	0.1	0.2	0.3	0.1	0.2	0.9	1.1	0.1	0.2
Slovenia	-0.3	1.7	-0.2	0.6	0.3	0.1	0.0	1.2	13.4	0.2	0.5
Slovakia	1.5	1.7	1.0	0.3	0.7	1.1	4.8	5.0	7.2	1.5	0.9
Finland	0.8	1.3	0.1	0.2	3.2	0.3	1.3	-0.7	5.4	4.7	1.7
Sweden	-0.6	0.3	0.0	-0.2	0.6	0.2	-0.5	-0.7	3.0	0.0	0.3
United Kingdom	-0.5	-0.5	-0.7	0.1	1.6	-0.5	-1.3	-5.2	-0.3	1.3	-0.6

Table 4 Change in EU consumer prices for food (% , January 2012 compared to January 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	2.8	3.8	4.5	4.6	4.0	6.3	0.0	-5.5	5.5	3.5
Belgium	3.2	2.6	4.6	2.8	4.8	3.6	11.0	1.5	-8.0	7.3	4.6
Bulgaria	1.9	3.9	5.0	4.6	13.2	6.9	-1.6	3.6	-14.2	25.8	6.5
Czech Republic	3.8	6.9	13.0	7.2	6.2	10.7	8.3	0.5	-13.4	9.7	9.9
Denmark	2.8	4.7	6.9	5.2	2.8	6.8	21.0	0.5	-2.6	4.0	3.2
Germany	2.3	2.8	4.2	5.7	4.2	4.2	12.3	3.2	-8.6	3.4	2.3
Estonia	4.7	3.1	3.3	8.6	4.3	1.1	12.7	-3.8	-7.5	6.0	8.7
Ireland	1.3	0.4	-0.3	0.4	0.4	1.9	8.8	-2.1	-0.9	0.1	0.3
Greece	2.1	2.8	3.2	1.3	4.7	3.1	1.0	9.2	0.7	4.1	3.0
Spain	2.0	2.1	2.3	2.7	2.6	3.6	1.4	-0.7	-2.4	4.9	3.8
France	2.6	3.1	3.5	4.0	5.1	3.5	7.6	0.4	-1.8	4.4	2.8
Italy	3.4	2.3	3.0	2.6	4.4	4.4	1.9	-1.5	-2.1	4.2	2.4
Cyprus	3.1	7.1	2.4	-0.2	4.4	-7.1	3.1	1.9	41.7	6.3	1.8
Latvia	3.4	2.9	2.0	4.5	8.0	6.1	6.7	-6.3	-12.4	9.8	7.2
Lithuania	3.4	5.2	4.6	4.6	17.3	8.9	8.4	-2.2	-9.6	11.5	5.2
Luxembourg	3.2	1.5	2.7	2.4	5.8	2.2	5.9	-2.8	-9.5	4.9	2.8
Hungary	5.6	5.0	5.7	8.5	4.5	7.5	11.5	-4.4	-13.3	21.5	9.0
Malta	1.5	4.9	1.6	7.0	29.9	1.6	8.8	-4.7	2.9	7.8	6.9
Netherlands	2.9	1.7	2.5	4.2	3.4	3.3	4.6	0.1	-8.5	3.3	2.6
Austria	2.9	3.0	4.1	5.3	6.8	6.4	11.3	-11.8	-2.0	5.3	0.7
Poland	4.1	4.2	5.6	10.3	11.0	5.4	9.8	-4.0	-17.5	11.5	3.7
Portugal	3.4	2.9	2.5	4.2	8.2	0.2	11.2	-2.8	-5.7	4.0	5.9
Romania	2.8	-0.1	4.4	1.8	2.4	4.8	4.3	-5.0	-22.1	8.3	2.3
Slovenia	2.3	3.3	5.3	6.3	5.7	6.2	6.6	-5.7	-9.6	8.0	5.9
Slovakia	4.1	2.5	6.0	7.9	5.7	4.5	5.1	-6.0	-18.0	13.9	2.2
Finland	3.0	5.0	4.7	5.7	3.9	5.3	15.3	0.0	-3.0	13.8	8.5
Sweden	0.7	0.5	2.3	0.4	-1.9	2.3	1.5	1.9	-6.6	1.9	1.3
United Kingdom	3.6	3.4	3.4	5.7	5.5	1.9	9.8	0.1	0.6	4.2	6.0

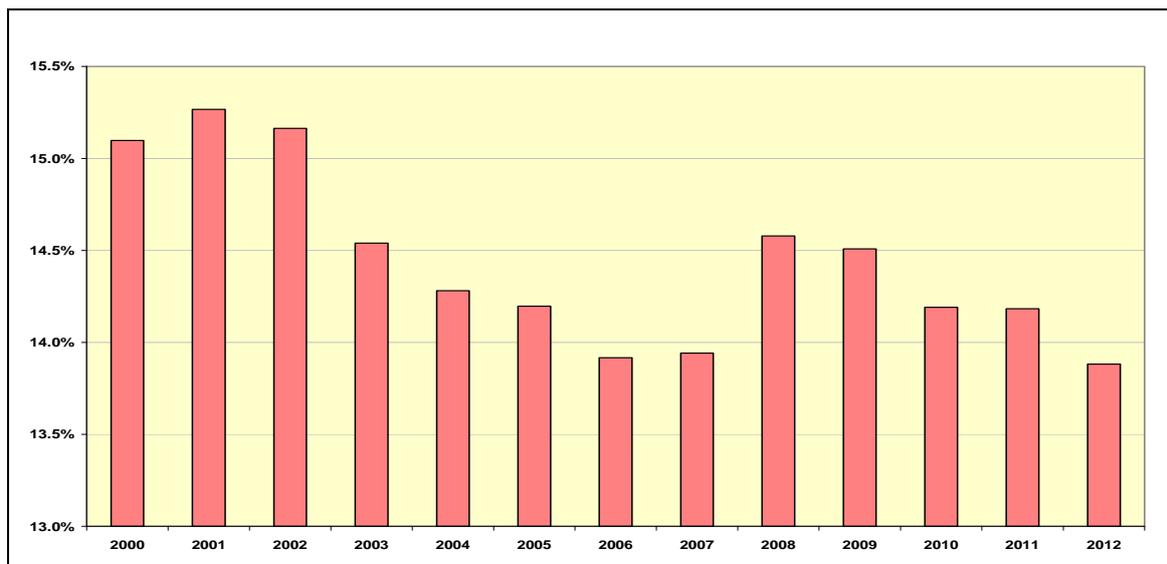
Source: Eurostat (Theme "Economy and finance", Harmonised Indices for Consumer Prices)

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.

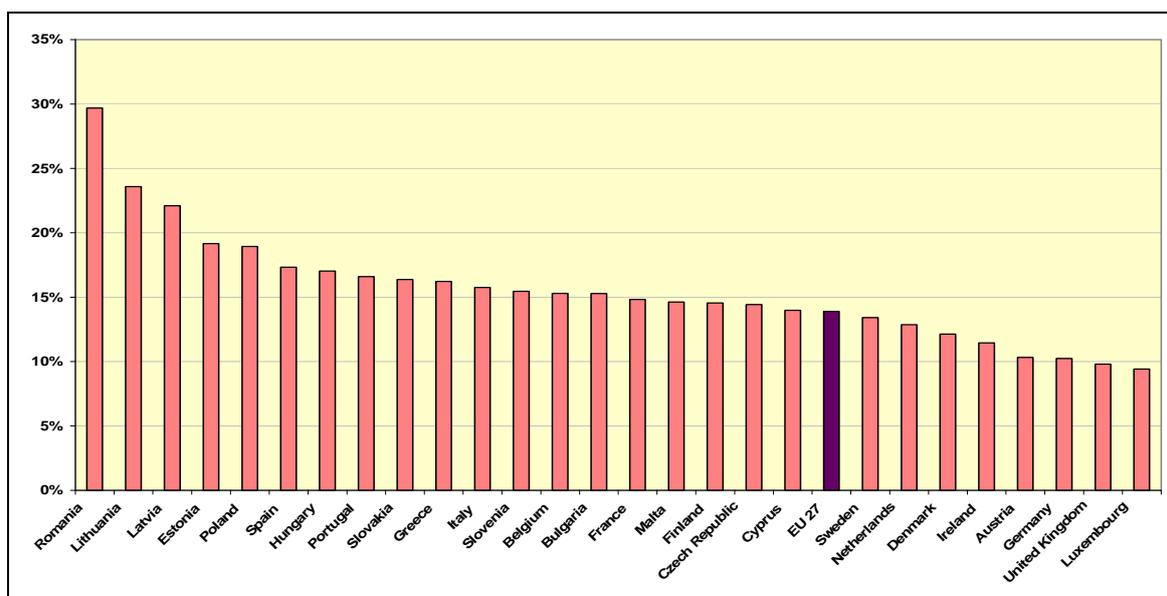
3. Food consumption expenditure

In the Eurostat 2012 basket for total household expenditure¹, food expenditure represents 13.9%. This is a reduction by 2% compared to last year (Graph 1). The share of food expenditure continues to exhibit considerable discrepancies between individual Member States, ranging from 9.4% in Luxembourg to 29.7% in Romania (Graph 2). The basic food product groups "Meat" (26%), 'Bread and cereal based products" (18%) and "Milk, cheese and eggs" (16%) show the highest shares in total food monetary consumption expenditure of the EU 27 households' average (Graph 3).

Graph 1 Share of food expenditure in total household expenditure in EU 27 2000 until 2012 (%)

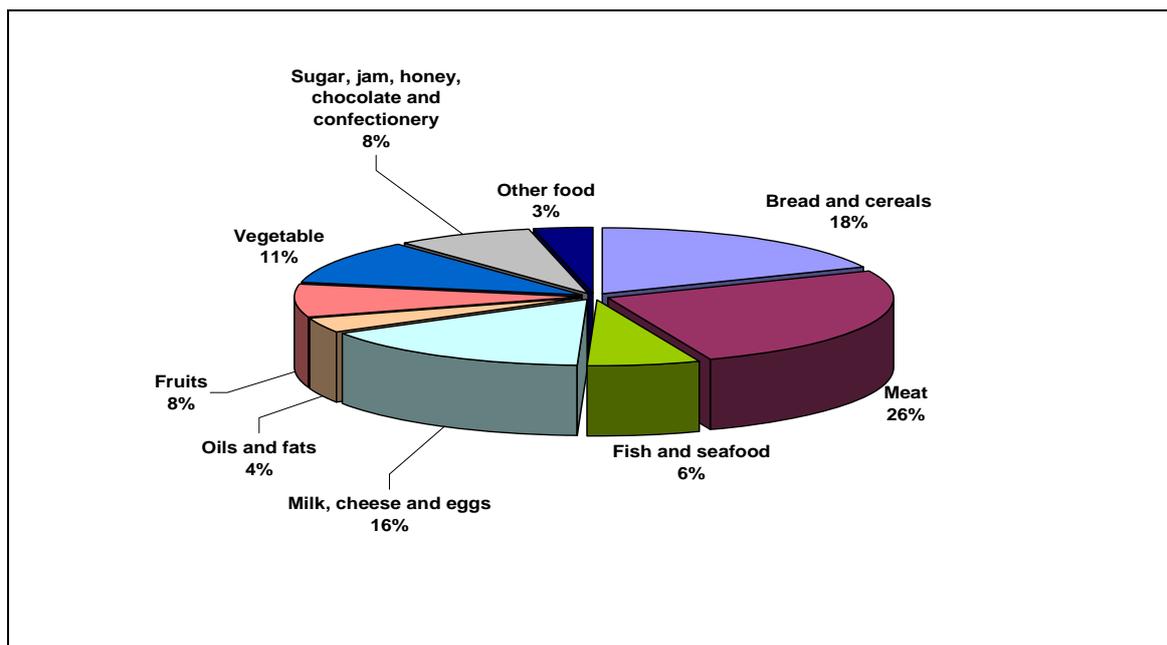


Graph 2 Share of food expenditure in total household expenditure by Member State in the EU 27 in 2012



¹ The item weights for different products were calculated based on 2010 data updated at 2011 prices.

Graph 3 Composition of food expenditure in EU 27 in 2012 (item weights in overall inflation)

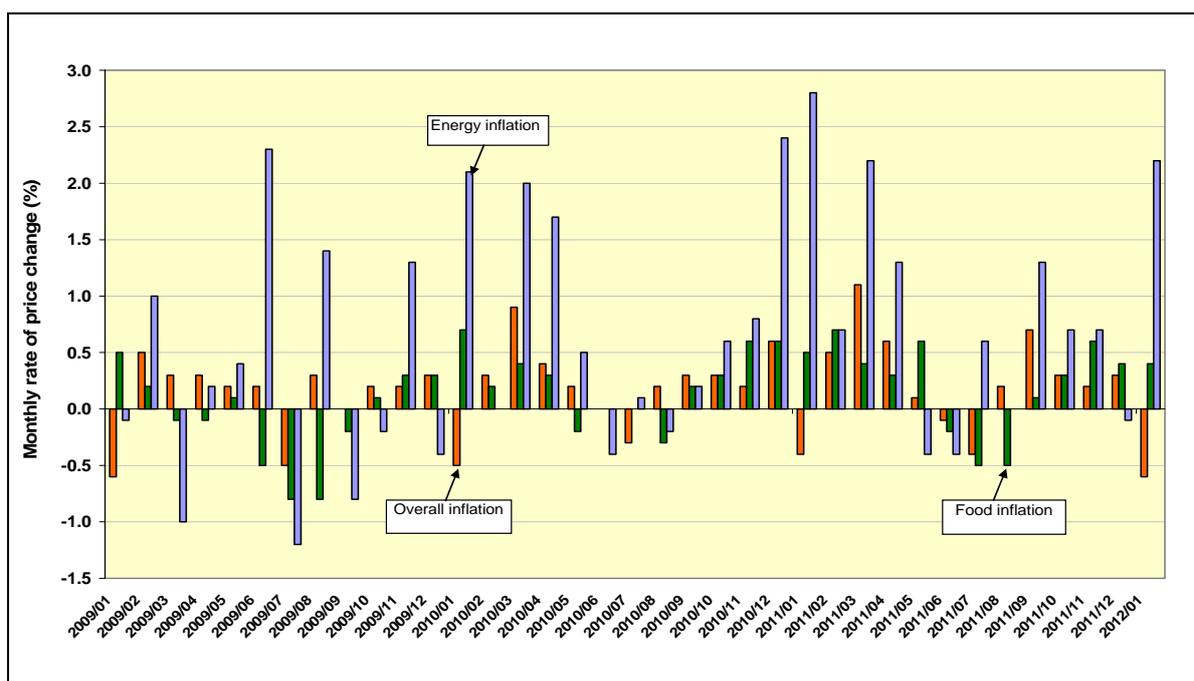


Source: Eurostat (Theme "Economy and finance", Harmonised Indices for Consumer Prices)

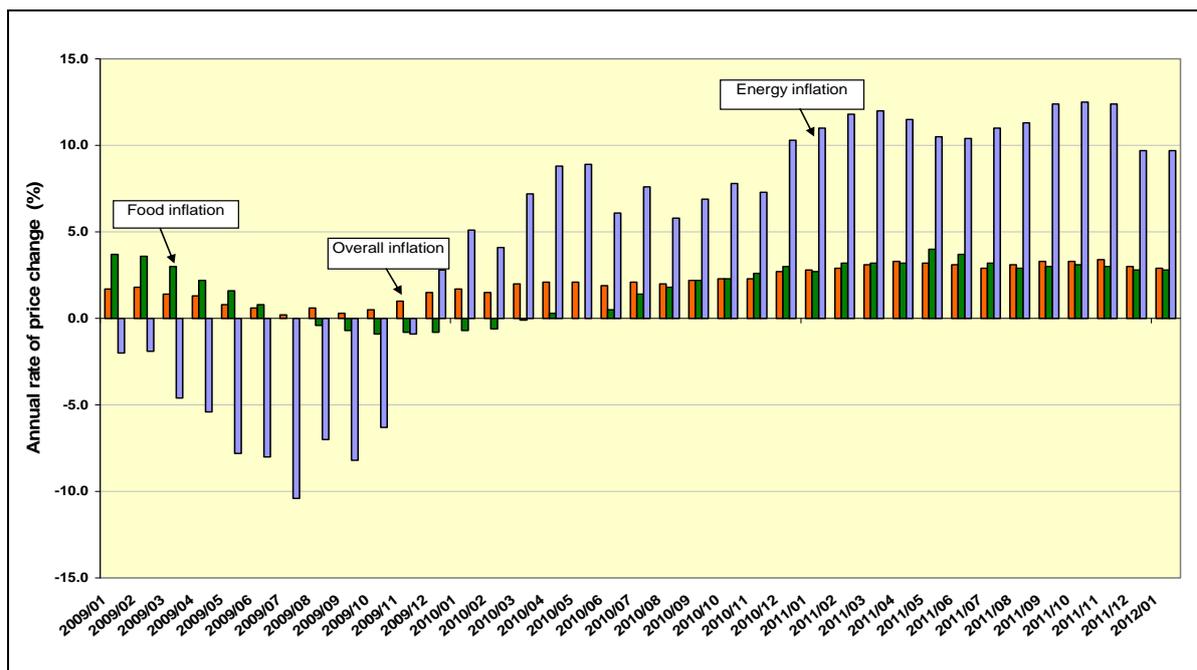
4. Overall and food inflation against energy inflation

In January 2012, the overall energy consumer prices increased by 2.2% (cf. Graph 4) mainly driven by higher prices in "Liquid fuels" (+3.3%) and "Fuels and lubricants used for personal transport equipment" (+2.9%). The pace of annual increase slowed down, energy consumer prices increasing by 9.1% compared to the same month of the previous year (cf. Graph 5) of which "Liquid fuel" category registered the highest increase rate of 17.3%.

Graph 4 Monthly rate of change in overall, food and energy inflation (% , January 2009 until January 2012)



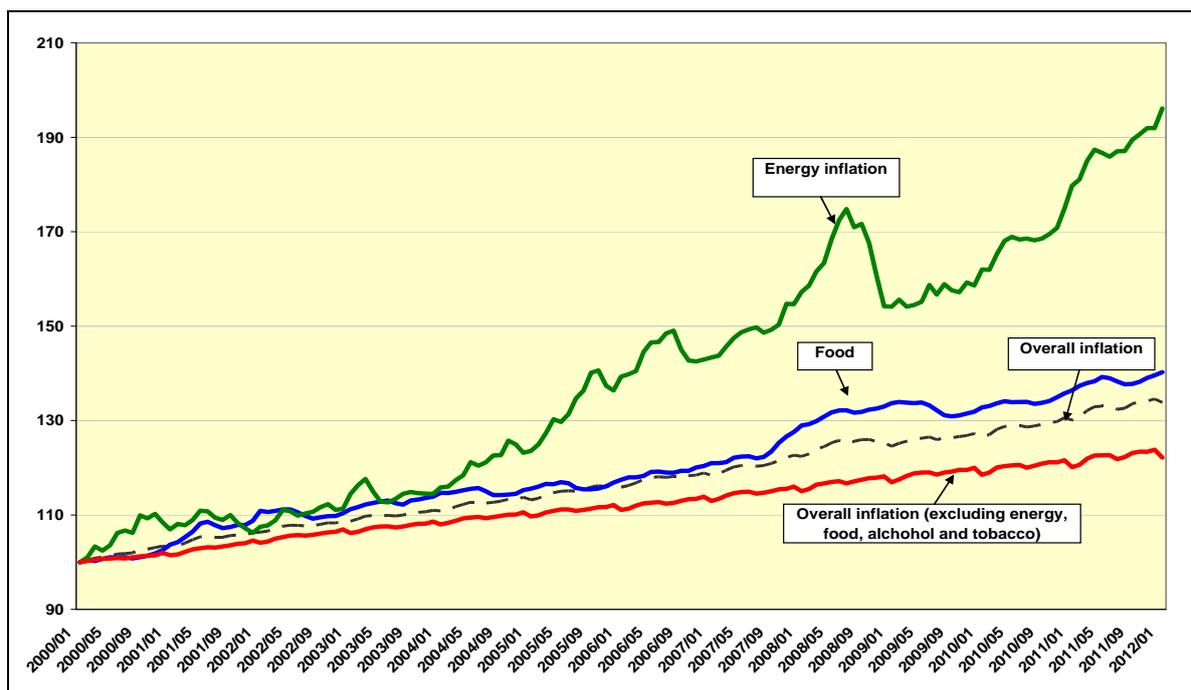
Graph 5 Annual rate of change in overall, food and energy inflation (% , January 2009 until January 2012)



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.

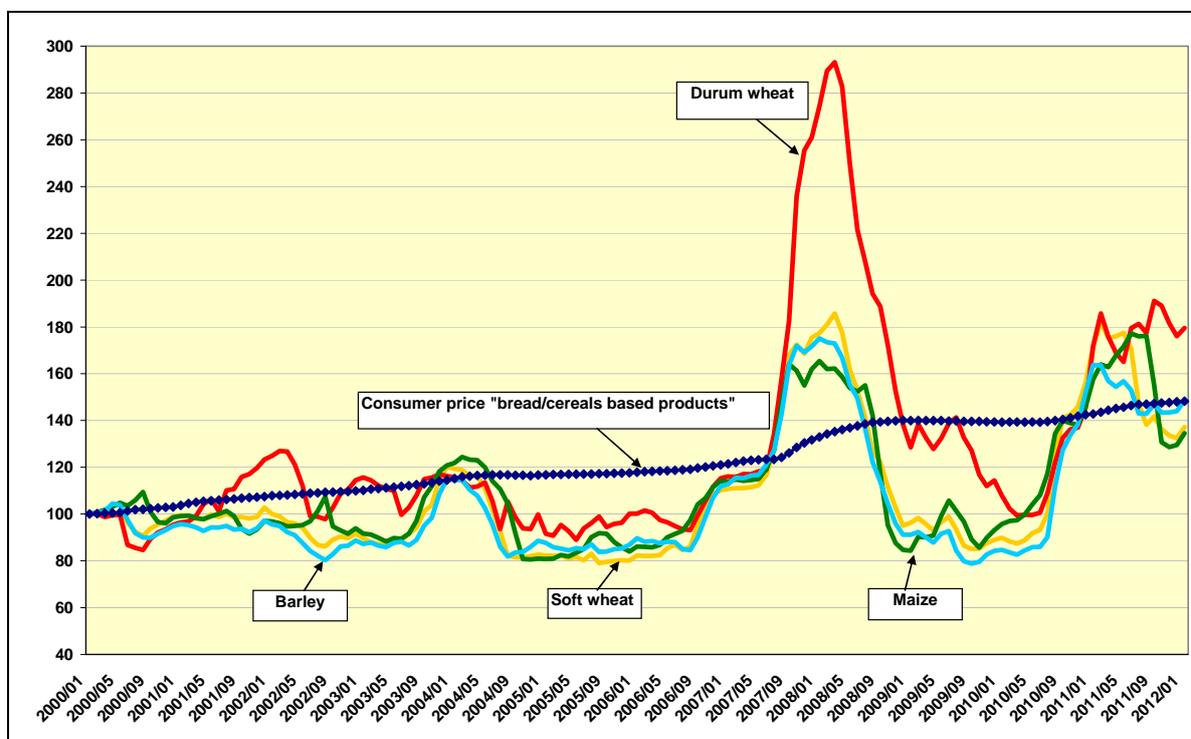
Annex: Graphs on EU agricultural market and consumer price developments.

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



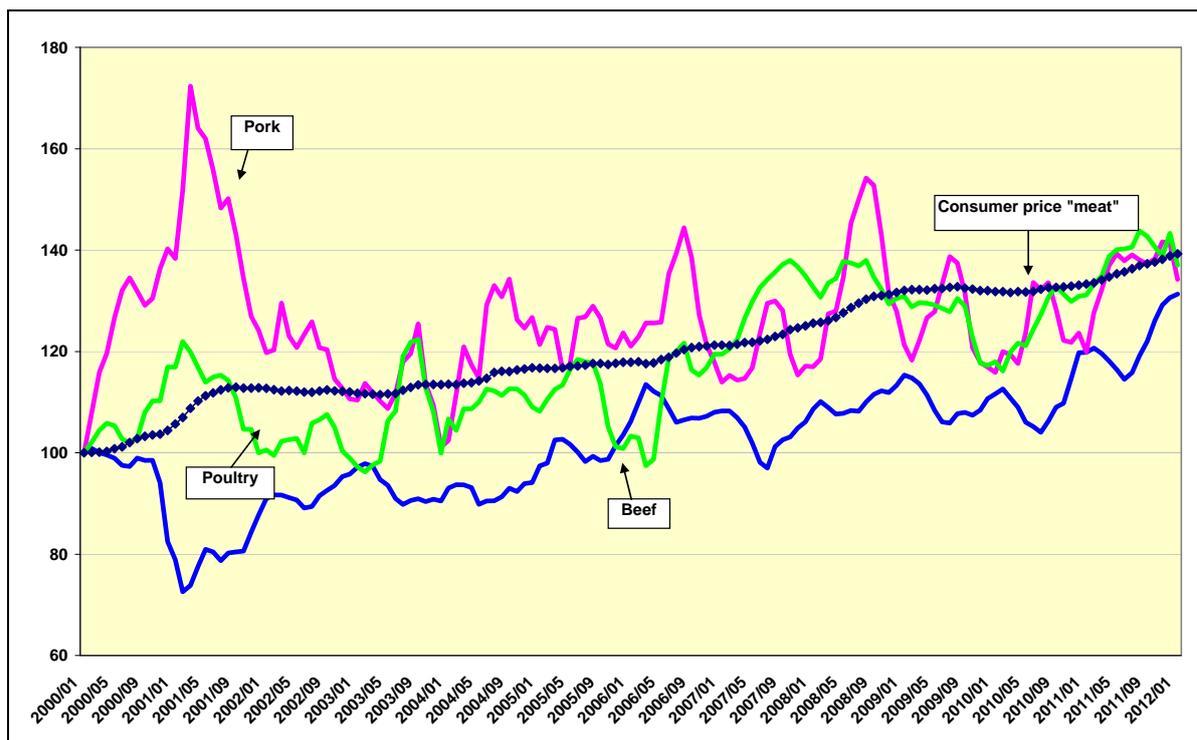
Source: Eurostat

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



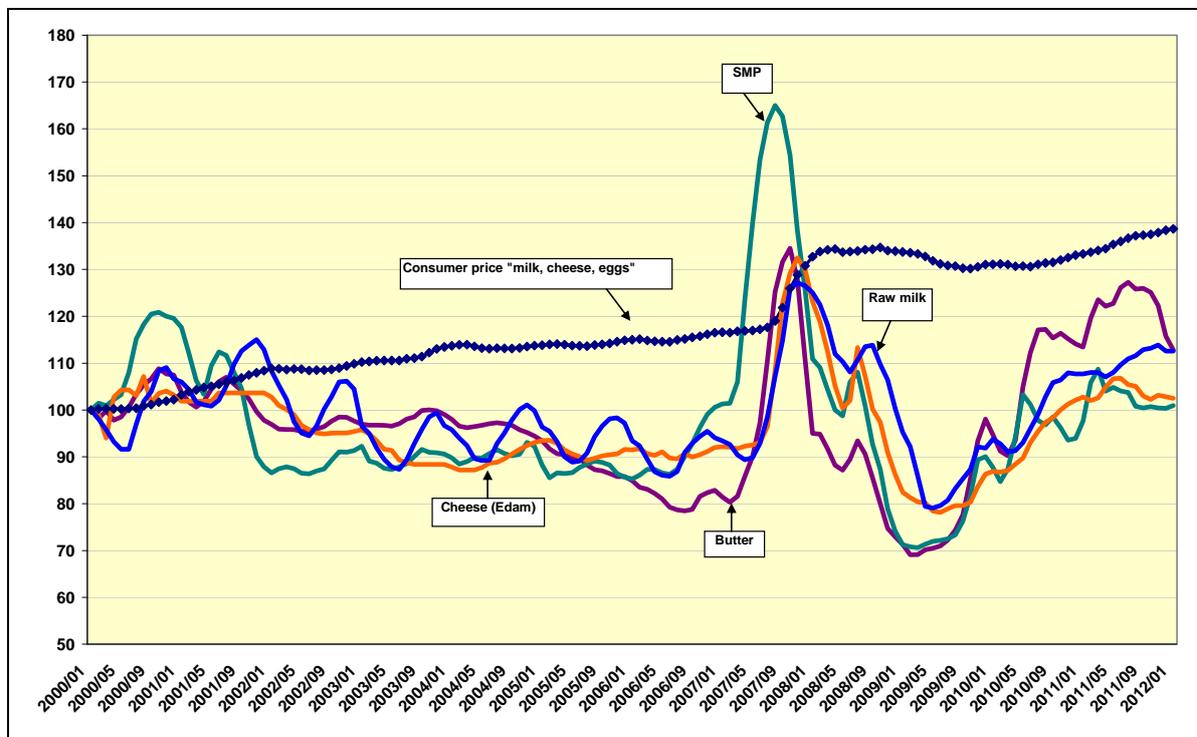
Source: AgriView, Eurostat

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



Source: AgriView, Eurostat

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



Source: AgriView, Eurostat

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

