



Brussels, 08/03/2011
D (2011)

NOTE TO THE FILE

Subject: MARCH 2011 update on recent agricultural commodity and food price developments in the EU (based on the January 2011 prices)

Development in agricultural prices

Most EU agricultural prices have been rising for many months but in January 2011 they were still well below the peak reached in 2007/2008.

Monthly developments: EU prices for agricultural commodities increased further in January 2011 compared to one month before (with the exception of butter and pork whose prices fell by 1% and 3% respectively, and those of cheese and beef that remained unchanged): the prices for soft wheat (+10%), durum wheat (+18%) maize and barley (+8%), SMP (+4%) and poultry (+4) (cf. Table 1).

Table 1 Change in EU agricultural commodity prices (%, January 2011 compared to December 2010)

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

Source: AgriView

Year-on-year developments: For all the products, January 2011 price levels were above the levels observed one year before (soft wheat (+91%), durum wheat (+59%), maize (+65%), barley (+93%), skimmed milk powder (+11%), butter (+20%), cheese (Edam) (+18%), beef (+7%), pork (+4%) and poultry meat (+15%) (cf. Table 2, Graphs A2, A3 and A4 in annex).

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

	Soft wheat	Durum wheat	Maize	Barley	SMP	Butter	Cheese (Edam)	Beef	Pork	Poultry
European Union	91%	59%	65%	93%	11%	20%	18%	7%	4%	15%
Austria	100%		82%	107%				11%	6%	1%
Belgium	106%		75%	109%	18%	21%		1%	2%	5%
Bulgaria	87%		52%	77%					2%	10%
Cyprus		2%		80%					22%	3%
Czech Republic	98%		90%	104%	10%	28%	10%	18%	7%	8%
Germany	113%		72%	110%	23%	26%	19%	13%	-3%	3%
Denmark	96%			102%	3%	20%		11%	14%	10%
Estonia	93%			59%			8%	-5%	6%	-9%
Spain	61%	57%	58%	75%		6%	0%	2%	5%	20%
Finland	92%			89%		19%	2%	1%	6%	-5%
France	112%	104%	77%	116%	3%	15%		7%	13%	13%
Greece	100%	53%	72%	117%				-1%	1%	-6%
Hungary	106%		80%						1%	-4%
Ireland				90%	1%	23%		14%	10%	-1%
Italy	99%	68%	65%	86%		21%		5%	-2%	24%
Lithuania	105%			83%				29%	8%	-2%
Luxembourg								5%	5%	
Latvia	91%			77%	4%	11%	26%	10%	8%	12%
Malta								-22%	0%	4%
Netherlands			70%	100%	21%	21%	18%	-4%	3%	29%
Poland	91%		69%	106%	18%	23%	15%	13%	6%	12%
Portugal			51%	85%		19%		1%	4%	2%
Romania	92%		56%	55%				15%	-4%	1%
Sweden	108%			89%				23%	14%	15%
Slovenia	78%		83%				-5%	15%	5%	-1%
Slovakia	125%		89%	122%	2%	6%	-3%	3%	1%	2%
United Kingdom	89%			121%	9%	20%		6%	2%	11%

Source: AgriView

Development in consumer prices

Although the overall inflation diminished by 0.4% in January 2011, food prices at retail level continued to increase by 0.5% when compared to the previous month.

With the exception of "other food" (-0.1%) and "fruit" categories (-0.3%), all the other food categories recorded further price increases in January 2011 as compared to one month before, "vegetables" (+2%) and "sugar" (+1%) being the categories with the highest increase rates.

When compared to one year ago, the consumer food prices show higher levels, notably for the "fish and seafood" (+3.1%), "fruits" (+5.2%) and "vegetables" categories (+6.7%) (cf. Tables 3 and 4).

Food prices in January 2011 were 5.8% higher than in January 2008, 2.7% higher than one year ago and 0.5% higher than one month ago.

Table 3 Change in EU consumer prices for food (% , January 2011 compared to December 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	-0.4	0.5	0.2	0.2	0.8	0.2	0.6	-0.3	2.0	1.0	-0.1
Belgium	-1.2	0.6	0.7	0.3	1.0	0.8	0.9	-6.4	5.7	0.0	0.7
Bulgaria	0.5	1.2	0.6	-0.3	-0.2	1.3	2.1	2.4	6.1	1.3	0.7
Czech Republic	0.8	0.5	0.2	-0.2	0.3	0.7	4.1	2.5	-1.9	2.3	0.4
Denmark	0.1	-0.1	1.6	-0.4	-0.6	0.1	0.6	-2.7	-1.4	0.2	0.3
Germany	-0.5	0.4	0.3	0.0	1.2	0.2	-0.5	-0.6	2.6	0.4	0.1
Estonia	0.0	0.1	0.4	0.1	1.6	0.3	-0.8	2.7	-4.8	3.1	0.4
Ireland	-0.3	0.2	-0.6	0.5	1.2	0.2	-0.1	1.8	1.1	-0.5	-0.6
Greece	-1.0	0.9	1.0	0.4	1.5	1.3	1.1	-2.1	2.5	0.3	1.1
Spain	-1.3	0.0	0.4	-0.2	0.6	-0.4	-0.2	1.7	-2.8	1.6	0.1
France	-0.3	-0.2	0.0	0.2	0.0	0.1	0.2	-2.1	-1.4	0.0	-0.1
Italy	-1.6	1.0	0.4	0.3	0.7	0.5	0.3	0.6	5.3	0.5	-0.2
Cyprus	-0.4	3.7	6.3	7.5	12.6	-2.2	6.6	3.2	-0.4	2.8	14.0
Latvia	1.3	2.1	-0.6	1.4	1.1	4.8	3.8	3.0	2.1	2.7	1.2
Lithuania	0.4	1.0	0.7	0.2	0.6	1.0	2.2	5.6	1.4	0.9	0.7
Luxembourg	-0.3	0.5	0.5	0.7	-2.1	0.0	1.4	-2.3	3.9	0.8	1.3
Hungary	0.9	2.2	0.8	0.4	0.9	0.8	1.7	3.3	9.2	3.8	1.1
Malta	-1.3	1.8	0.9	0.5	7.4	0.9	0.6	0.0	7.3	-0.3	-0.8
Netherlands	-0.1	-0.7	-0.1	-0.7	-0.4	-1.7	-1.4	0.0	-0.2	-0.8	-1.9
Austria	-0.1	1.5	-0.1	0.2	-0.1	0.3	0.5	13.2	2.5	0.9	-0.6
Poland	1.0	2.0	0.9	1.7	1.0	0.6	0.6	6.2	5.0	1.7	0.9
Portugal	0.5	0.3	0.3	-0.5	2.1	-0.2	0.4	-0.6	0.7	1.2	0.2
Romania	0.8	1.2	0.6	0.1	0.6	0.5	1.3	2.3	5.7	0.9	0.4
Slovenia	-0.4	2.9	0.7	1.8	-0.9	2.7	2.0	4.5	10.4	1.7	1.2
Slovakia	2.1	2.6	2.5	0.6	2.1	2.6	4.6	5.8	5.0	2.3	1.2
Finland	0.4	0.9	0.3	0.5	2.8	0.2	0.0	-2.9	1.9	6.7	0.3
Sweden	-0.9	-0.2	-0.1	-0.1	-0.6	0.3	0.1	-1.8	0.3	-0.5	-0.2
United Kingdom	0.1	-0.4	-1.0	-0.4	2.4	-0.7	1.5	-4.8	0.7	2.5	-0.9

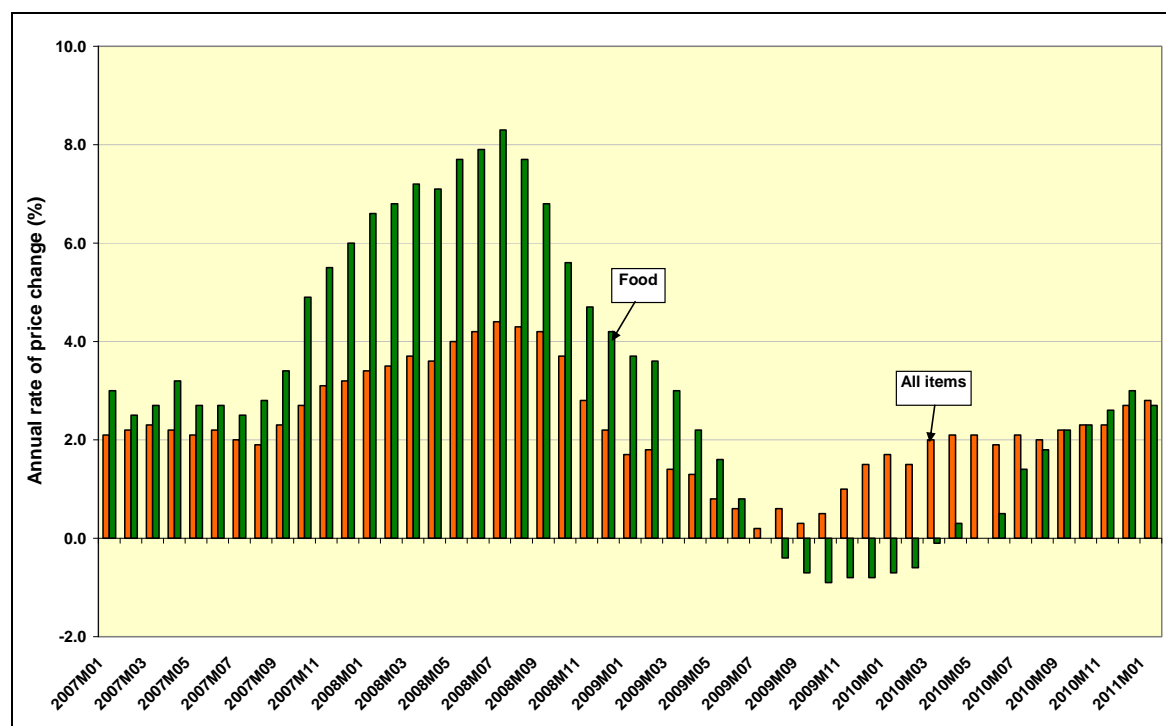
Table 4 Change in EU consumer prices for food (% , January 2011 compared to January 2010)

	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	2.8	2.7	2.6	1.1	3.1	1.7	2.8	5.2	6.7	2.4	0.1
Belgium	3.7	2.3	2.9	1.8	1.5	0.3	3.1	-1.7	5.4	6.1	1.8
Bulgaria	4.3	4.5	6.1	-0.9	1.8	7.6	33.8	4.1	2.9	2.8	2.8
Czech Republic	1.9	4.8	6.7	-0.9	0.2	3.2	13.9	15.4	12.2	0.7	-0.2
Denmark	2.6	2.2	3.2	0.8	0.1	5.9	9.0	-0.4	1.9	1.4	-0.7
Germany	2.0	2.7	1.5	1.0	4.4	2.1	1.5	7.9	7.3	0.0	0.0
Estonia	5.1	10.4	11.7	0.7	12.5	16.6	10.2	18.2	23.5	5.1	-0.2
Ireland	0.2	-0.1	0.4	-3.5	-1.0	-0.2	5.6	7.5	-0.2	1.3	-0.8
Greece	4.9	2.4	1.2	2.1	4.1	2.7	1.5	-3.5	6.9	2.5	2.4
Spain	3.0	0.1	0.5	0.2	2.5	-1.3	-5.2	-2.5	2.2	0.1	-0.1
France	1.9	0.1	-0.1	1.0	1.5	0.2	-0.8	1.2	-3.0	-0.7	-1.5
Italy	1.9	1.9	0.9	1.2	2.6	2.3	-1.7	0.1	6.7	1.3	0.3
Cyprus	3.0	0.8	8.1	5.3	15.5	-1.6	5.7	-7.1	-14.0	4.1	13.0
Latvia	3.5	8.5	8.0	0.0	2.9	15.5	13.1	15.9	20.0	3.6	6.3
Lithuania	2.8	5.7	6.5	-0.9	2.3	10.8	16.5	17.0	14.7	3.1	1.5
Luxembourg	3.4	2.4	3.3	2.7	-0.2	-0.2	0.5	0.4	11.6	-0.6	0.5
Hungary	4.0	8.3	7.0	1.4	3.1	5.0	8.5	20.4	25.0	5.4	2.3
Malta	3.3	6.7	5.1	1.5	3.5	8.2	6.0	5.6	25.1	0.4	-1.5
Netherlands	2.0	0.8	0.4	-0.1	1.7	-1.5	-4.2	5.7	6.3	-1.1	-1.6
Austria	2.5	2.8	2.0	1.3	2.4	1.5	3.1	16.9	4.3	-1.4	-2.4
Poland	3.5	5.3	7.6	0.3	3.0	2.0	2.3	16.0	17.6	5.0	2.1
Portugal	3.6	2.2	0.8	0.8	5.5	-0.3	-0.1	7.2	5.4	2.6	0.3
Romania	7.0	7.6	5.8	2.8	2.5	2.0	18.1	14.1	28.0	5.8	4.0
Slovenia	2.3	4.3	-0.4	0.5	-0.3	1.7	6.3	16.8	22.2	1.6	1.1
Slovakia	3.2	6.7	4.6	0.8	1.5	5.8	9.6	12.8	26.9	2.4	0.8
Finland	3.1	3.3	1.8	2.5	7.8	-1.6	1.0	5.2	11.4	6.9	2.8
Sweden	1.4	0.5	1.7	-0.6	-1.5	4.6	1.8	-3.9	-0.4	-0.2	-0.2
United Kingdom	4.0	5.7	5.8	3.9	10.0	2.5	11.9	12.0	4.7	8.0	0.9

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.

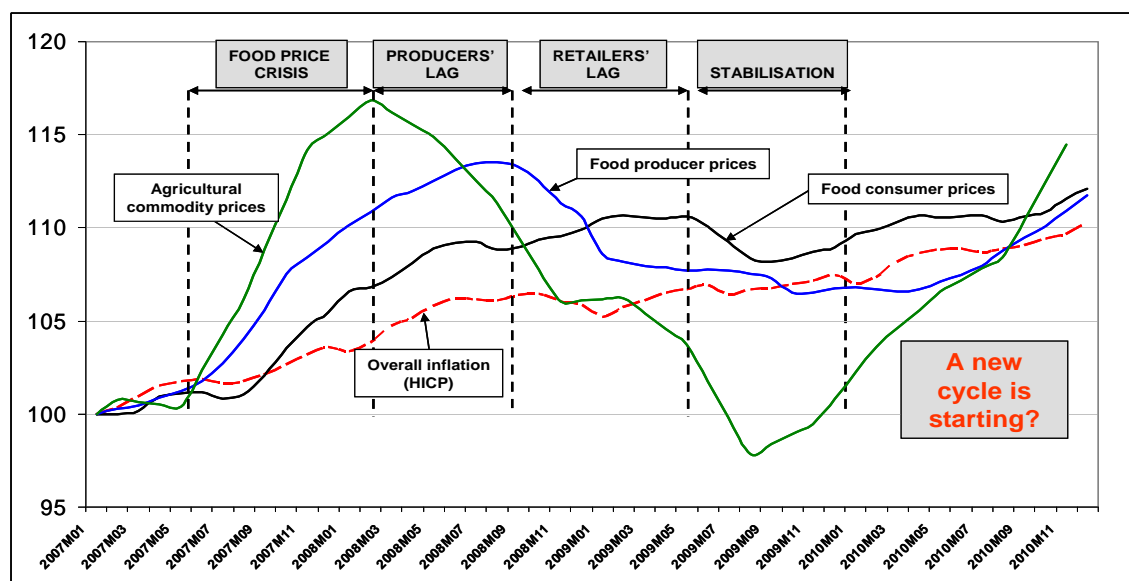
The annual and monthly rates of change of the overall inflation amounted to +2.8% and -0.4%, respectively, whereas the annual rate of change in food price inflation amounted to +2.7% and +0.5% (cf. Graph 1 and Graph A5 in annex).

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



Source: Eurostat.

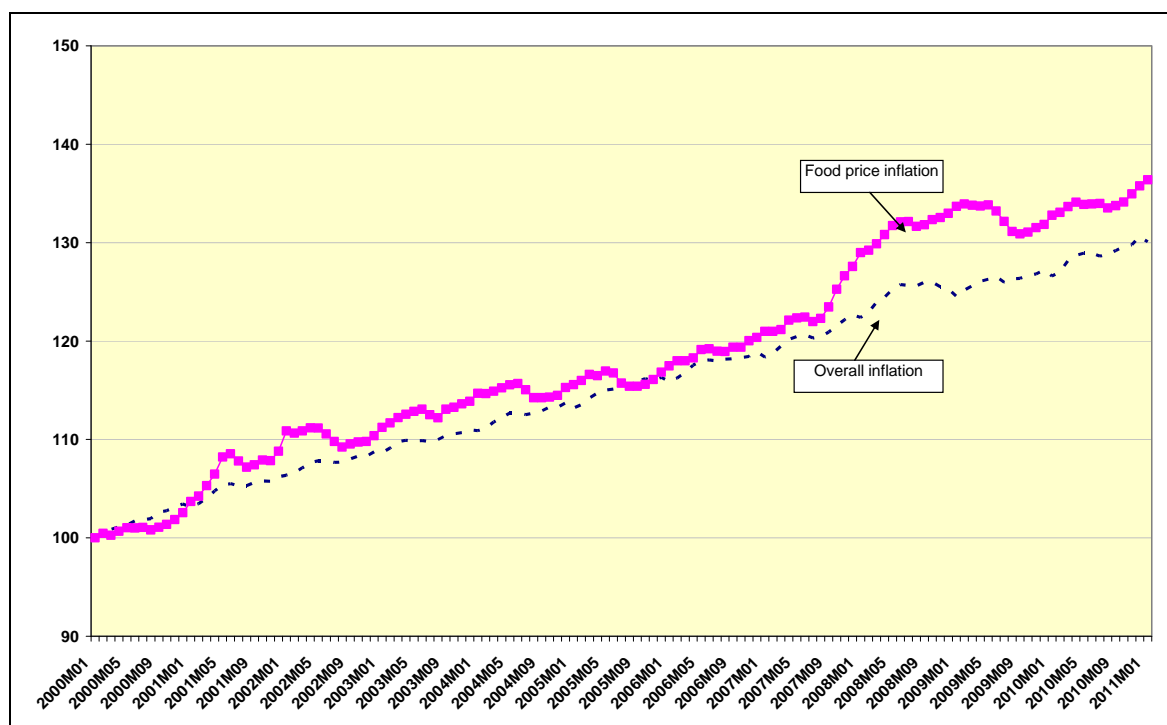
Concerning food price formation at retail level, it should be kept in mind that the developments of the prices of non-agricultural cost components (labour, capital and energy costs, margins along the downward-supply chain) have a much greater weight on food price inflation than changes in the prices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



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

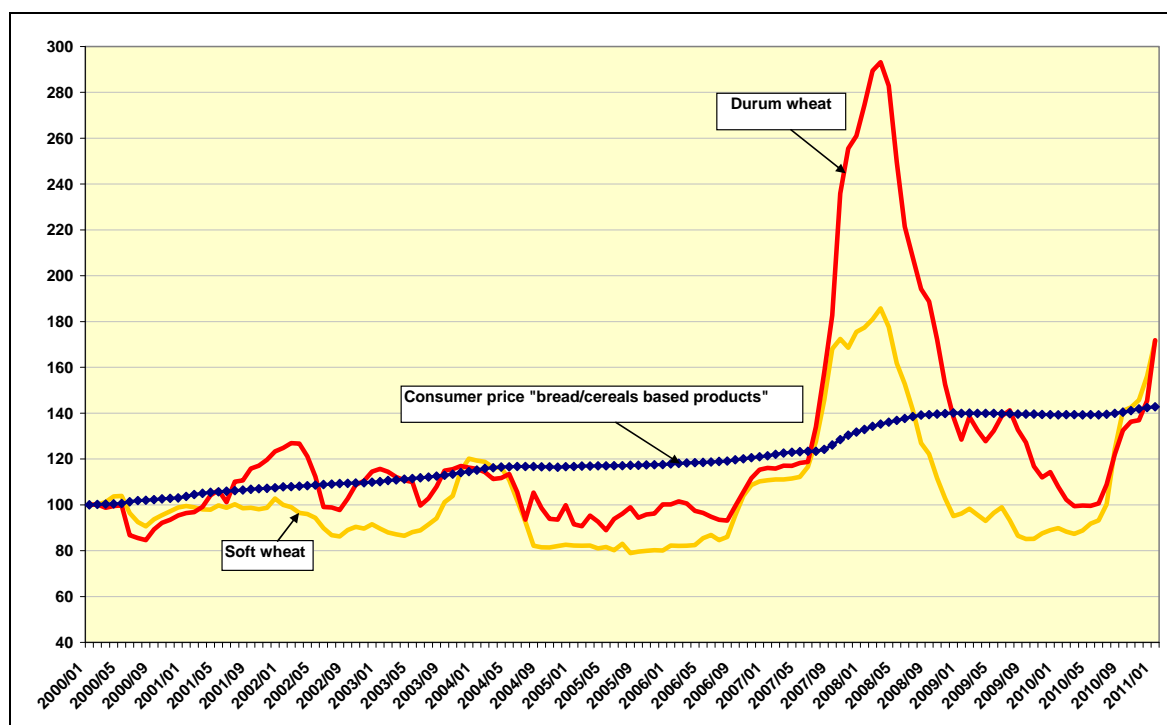
Annex: Graphs on EU agricultural market and consumer price developments.

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



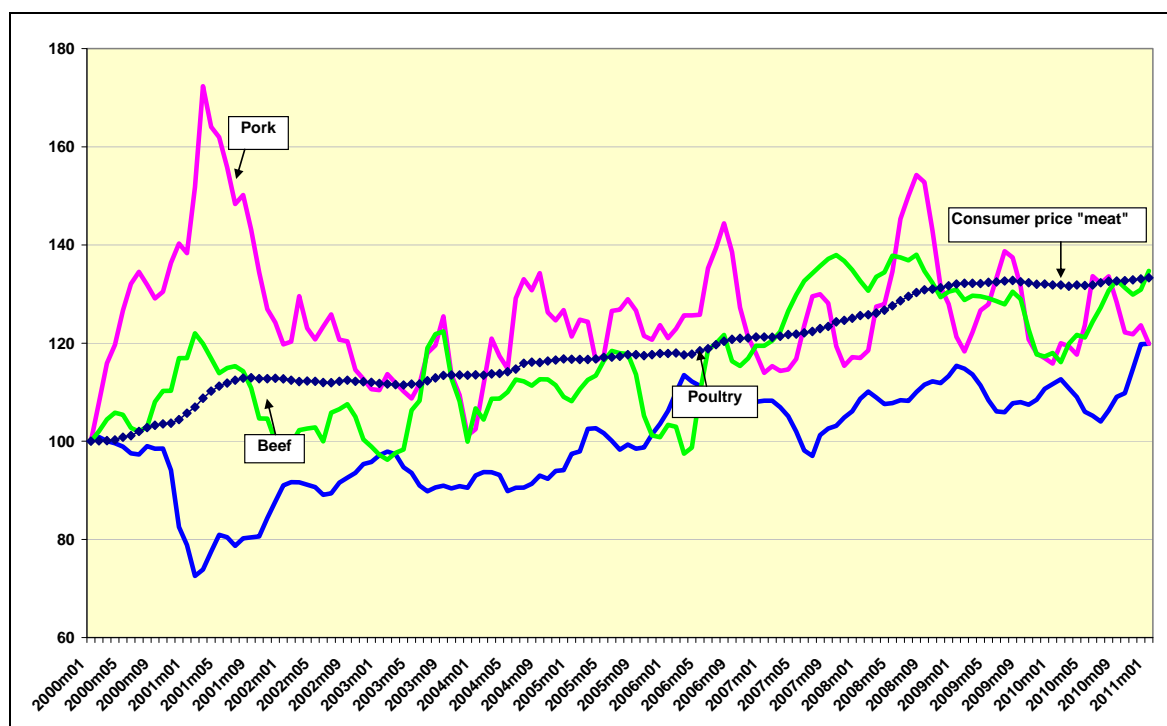
Source: Eurostat

Graph A2 Cereals/bread and cereals based products: EU agricultural market and consumer price developments (Jan2000 until Jan2011, Jan2000=100)



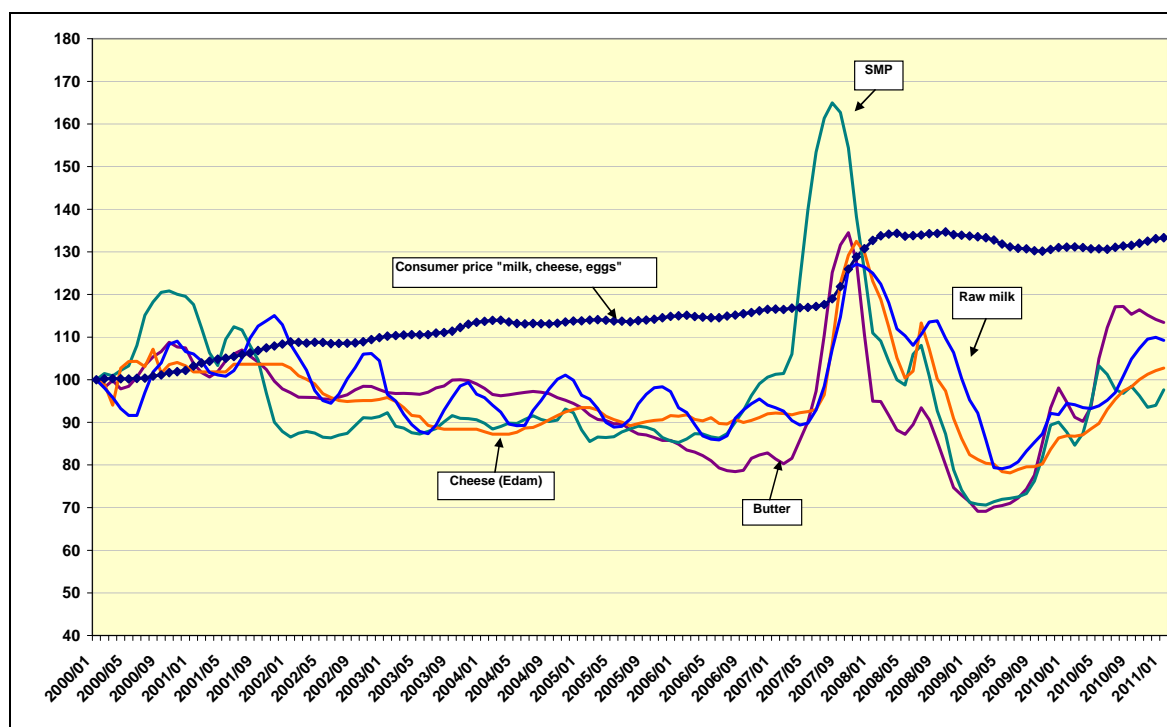
Source: AgriView, Eurostat

Graph A3 Meat: EU agricultural market and consumer price developments (Jan2000 until Jan2011, Jan2000=100)



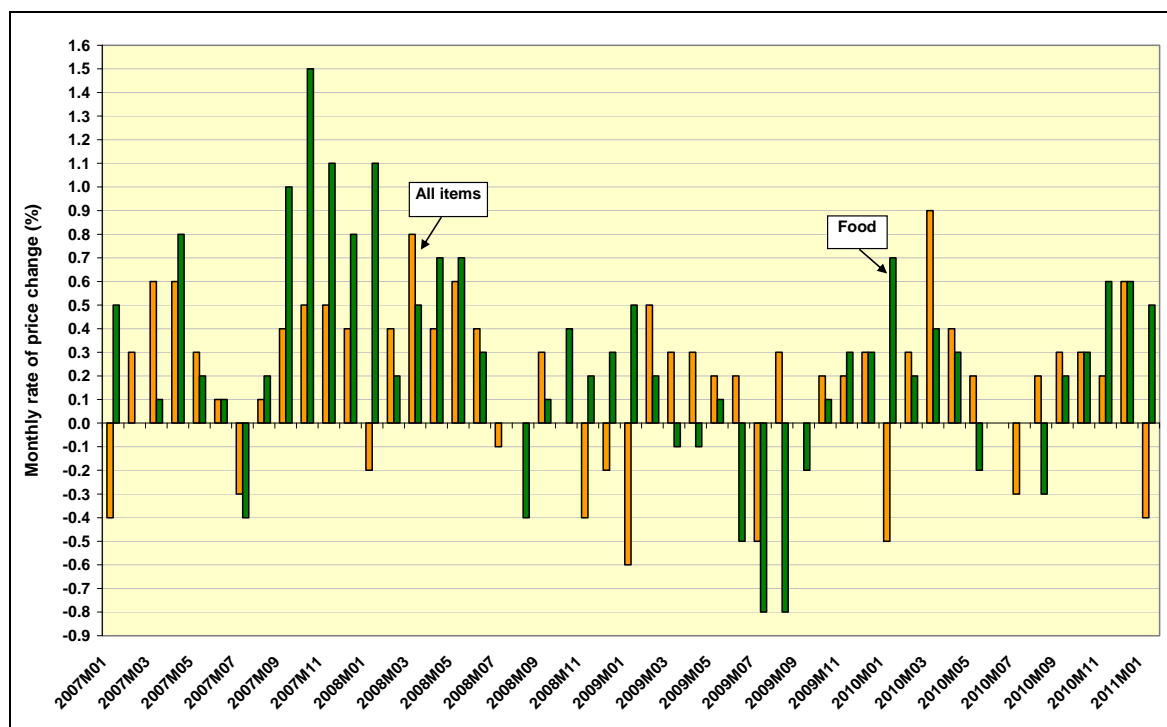
Source: AgriView, Eurostat

Graph A4 Dairy: EU agricultural market and consumer price developments (Jan2000 until Jan2011, Jan2000=100)



Source: AgriView, Eurostat

Graph A5 Monthly rate of change in overall and food price inflation (% , Jan2007-Jan2011)



Source: Eurostat