EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate L. Economic analysis, perspectives and evaluations
L.2. Economic analysis of EU agriculture

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NOTE TO THE FILE

Subject: JANUARY 2012 update on recent agricultural commodity and food price developments in the EU (based on December 2011 prices)

1. Development in agricultural commodity prices

In December 2011, beef meat prices, for the fourth month in row, set a new record: €380/100kg carcass weight (+1% compared to last month's record). Most cereal prices continued their downward trend.

Monthly developments: December 2011 revealed a mixed picture on agricultural price developments: beef and poultry meat prices increased by 1% and 3% respectively, quotations for soft wheat, durum wheat and butter were below the levels registered one month ago (by -1%, -3% and -5% respectively) while maize, barley, skimmed milk powder, cheese (Edam) and pork meat prices remained stable. (cf. Table 1).

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

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

Source: AgriView

Year-on-year developments: With the exception of barley, maize and soft wheat whose prices declined by -6%, -12% and -16% respectively, December 2011 brought higher prices for the other agricultural products regularly observed in this note: butter and cheese (Edam) (each by +1%), SMP (+7%), beef meat (+9%), poultry meat (+10%), pork meat (+14%) and durum wheat (+22%) (cf. Table 2, Graphs A2, A3 and A4 in annex).

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

	Soft wheat	Durum wheat	Maize	Barley	SMP	Butter	Cheese (Edam)	Beef	Pork	Poultry
European Union	**-16%**	**22%**	**-12%**	**-6%**	**7%**	**1%**	**1%**	**9%**	**14%**	**10%**
Austria	-23%		-17%	-2%				6%	11%	0%
Belgium	-17%		-14%	-10%	8%	2%		12%	14%	-2%
Bulgaria	-17%		-4%	7%				-8%	0%	
Cyprus		37%		4%					1%	1%
Czech Republic	-12%		-16%	5%	6%	3%	-3%	4%	23%	-3%
Germany	-20%		-14%	-6%	6%	-2%	0%	2%	9%	2%
Denmark	-15%			-6%				4%	18%	26%
Estonia	-5%			2%			-10%		14%	9%
Spain	-6%	21%	-6%	-2%		14%	5%	15%	13%	6%
Finland	-16%			2%				8%	4%	6%
France	-21%	18%	-15%	-7%	6%	2%		14%	18%	7%
Greece	-13%	34%	-10%	-17%				1%	15%	0%
Hungary	-19%		-13%	-4%					17%	-14%
Ireland				-8%	6%	8%		24%	12%	0%
Italy	-18%	20%	-14%	-7%				6%	24%	11%
Lithuania	-15%		-19%	3%				7%	13%	9%
Luxembourg								11%	7%	
Latvia	-3%			4%	16%	16%	18%	44%	17%	2%
Malta								42%	3%	3%
Netherlands			-14%	-9%	6%	-3%	1%	14%	13%	9%
Poland	-13%		-15%	-5%	5%	-2%	-4%	8%	24%	6%
Portugal			-7%	-8%	29%	3%		3%	7%	3%
Romania	-10%		12%	1%				-5%	8%	1%
Sweden	-12%			-1%				5%	2%	6%
Slovenia	-12%		-8%					1%	10%	11%
Slovakia	-20%		-15%	-10%	6%	9%	13%	15%	20%	9%
United Kingdom	-25%			-14%	12%	-1%		20%	8%	9%

Source: AgriView

2. Development in consumer prices[1]

In December 2011, the monthly rate of food price inflation (+0.4%) increased faster than the overall inflation (+0.3%). The annual rate of overall inflation (+3%) was higher than food price inflation (+2.8%) (cf. Tables 3 and 4 and Graphs 1, 2 and A1).

Compared to last month, all food categories, except "Fruits" (-0.1%), recorded further price increases in December 2011, markedly the "Vegetable" category (+1%). Monthly food inflation fell in two Member States, maintained in four and increased in eighteen. The highest monthly increase was recorded for "Fruits" (+10%) in Czech Republic.

Higher levels in consumer food prices were observed also when compared to the previous year (except "Vegetables" whose price declined by -6.2%), "Oils and fats" being the category to register the highest price increase (+6.9%). The highest annual increase rates were registered in Malta for "Fish and seafood" component (+38%) and in Cyprus for "Vegetables" (+35%).

[1] No data available for Ireland and UK at the time of publication.

Table 3 Change in EU consumer prices for food (%, December 2011 compared to November 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	**0.3**	**0.4**	**0.2**	**0.5**	**0.8**	**0.4**	**0.0**	**-0.1**	**1.0**	**0.3**	**0.0**
Belgium	0.1	0.2	0.6	0.0	-0.2	0.2	-0.2	-0.4	1.0	0.1	-0.2
Bulgaria	0.3	0.0	-0.5	0.3	0.1	1.1	-0.6	-6.0	2.6	-0.2	0.4
Czech Republic	0.4	2.2	1.1	1.1	0.9	2.9	3.1	10.2	0.6	1.0	1.5
Denmark	0.0	0.5	0.8	0.1	0.2	0.7	1.7	-0.6	2.5	0.3	0.1
Germany	0.7	0.6	0.4	1.1	0.3	0.1	-2.6	2.5	0.5	0.4	0.0
Estonia	0.1	0.4	-0.5	1.1	2.4	-0.1	0.8	0.0	0.7	0.3	-0.1
Ireland	:	:	:	:	:	:	:	:	:	:	:
Greece	-0.2	0.5	0.2	0.4	1.0	0.4	-0.1	-2.5	3.5	0.3	0.3
Spain	0.0	0.1	0.2	0.0	1.6	0.4	0.5	-2.8	0.5	-0.4	0.2
France	0.4	0.3	0.0	0.4	1.4	0.0	-0.1	-0.3	0.9	0.5	0.0
Italy	0.3	0.1	0.0	0.4	0.1	0.2	0.4	-2.0	0.2	0.3	0.3
Cyprus	-0.1	-0.6	0.1	-0.5	1.6	0.6	-0.7	0.9	-3.2	-1.2	-0.5
Latvia	0.0	0.3	1.7	-0.4	1.6	2.6	-2.4	-1.0	-4.3	0.1	-0.3
Lithuania	-0.2	0.3	-0.7	0.4	2.7	1.2	0.0	1.9	-3.7	1.9	-0.4
Luxembourg	-0.1	-0.4	0.2	-0.4	-0.9	0.1	0.8	-3.1	-0.5	-0.5	-0.5
Hungary	0.2	0.3	-0.9	0.8	-1.6	0.4	-0.3	-4.1	4.8	-0.2	0.7
Malta	0.3	0.0	-0.2	1.5	-2.5	0.0	0.2	0.6	-2.0	0.1	0.8
Netherlands	-0.5	0.4	0.0	1.1	0.3	-0.3	-0.7	0.8	1.6	0.4	-0.4
Austria	0.2	0.0	0.2	0.2	-0.9	-0.8	-0.6	1.1	-0.6	0.7	0.2
Poland	0.5	1.0	0.0	0.9	1.8	0.7	0.7	0.5	5.0	0.2	-0.6
Portugal	0.1	0.1	0.4	0.6	-0.5	1.0	0.9	-3.8	1.2	0.4	0.5
Romania	0.2	0.4	0.0	0.2	0.2	1.4	-0.1	-2.3	2.3	0.2	0.2
Slovenia	-0.5	-0.2	-0.1	1.2	0.4	0.1	-0.9	-5.1	-0.3	0.5	-0.1
Slovakia	0.1	0.0	0.0	0.9	0.1	0.6	-1.8	-3.3	-0.3	0.4	-0.2
Finland	0.0	0.4	0.3	0.3	1.0	0.1	1.6	3.0	-1.5	0.4	0.4
Sweden	0.0	0.6	0.4	0.4	0.7	0.4	0.1	2.0	0.9	0.6	-0.1
United Kingdom	:	:	:	:	:	:	:	:	:	:	:

Table 4 Change in EU consumer prices for food (%, December 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	**3.0**	**2.8**	**3.8**	**4.3**	**4.9**	**4.0**	**6.9**	**0.1**	**-6.2**	**5.8**	**3.2**
Belgium	3.2	2.7	5.1	3.0	4.1	4.1	12.2	1.0	-8.0	6.8	3.6
Bulgaria	2.0	5.0	6.4	4.5	12.3	7.8	0.7	5.3	-11.2	27.6	6.7
Czech Republic	2.8	5.3	12.6	4.5	4.6	9.7	10.8	-2.2	-18.7	12.3	7.6
Denmark	2.4	4.2	8.5	3.8	1.5	6.7	24.1	-1.2	-2.0	0.8	3.6
Germany	2.3	2.2	4.3	5.2	3.9	4.6	13.2	1.3	-12.1	3.0	2.2
Estonia	4.1	2.3	3.3	7.8	5.2	1.1	13.5	-3.3	-17.3	10.4	8.5
Ireland	:	:	:	:	:	:	:	:	:	:	:
Greece	2.2	3.9	3.9	1.8	6.0	3.8	1.6	7.5	6.2	4.4	3.2
Spain	2.4	1.8	2.4	2.6	3.7	2.7	1.7	-0.5	-5.9	6.4	3.9
France	2.7	3.0	3.3	4.0	4.3	3.4	7.8	4.2	-4.3	4.2	2.4
Italy	3.7	3.0	3.1	2.7	4.4	4.6	2.5	0.3	1.7	4.4	2.1
Cyprus	4.2	12.1	10.0	5.7	16.8	2.0	11.7	3.5	35.0	7.7	15.8
Latvia	3.9	3.6	1.0	5.4	8.1	10.8	10.5	-8.1	-16.9	11.8	6.3
Lithuania	3.5	5.1	4.8	4.2	17.3	9.4	10.1	-1.8	-12.0	11.6	4.3
Luxembourg	3.4	2.2	3.8	2.4	3.4	3.2	7.6	-2.1	-7.8	5.8	3.8
Hungary	4.1	4.3	5.5	6.3	1.6	6.1	9.7	-2.7	-12.7	20.8	7.1
Malta	1.3	5.6	2.2	7.0	38.3	2.8	8.9	-0.2	0.1	7.3	3.3
Netherlands	2.5	2.0	2.9	4.8	2.9	2.6	4.6	1.3	-7.8	2.7	3.3
Austria	3.4	3.5	2.7	4.6	5.6	6.2	11.4	2.0	-4.5	5.8	0.6
Poland	4.5	4.6	6.2	11.1	11.1	5.1	9.6	-5.3	-18.3	13.0	4.0
Portugal	3.5	2.2	1.6	2.4	9.1	-0.1	8.7	-2.0	-7.5	3.6	3.0
Romania	3.2	0.8	4.9	1.8	2.7	5.2	5.4	-3.7	-18.5	9.2	2.5
Slovenia	2.1	4.5	6.3	7.5	4.4	9.0	8.7	-2.7	-12.0	9.7	6.6
Slovakia	4.6	3.4	7.6	8.3	7.2	6.0	4.8	-5.3	-19.7	14.8	2.5
Finland	2.6	4.6	5.0	6.0	3.5	5.1	13.8	-2.1	-6.2	15.9	7.0
Sweden	0.4	0.0	2.1	0.5	-3.1	2.4	2.1	0.7	-9.0	1.4	0.9
United Kingdom	:	:	:	:	:	:	:	:	:	:	:

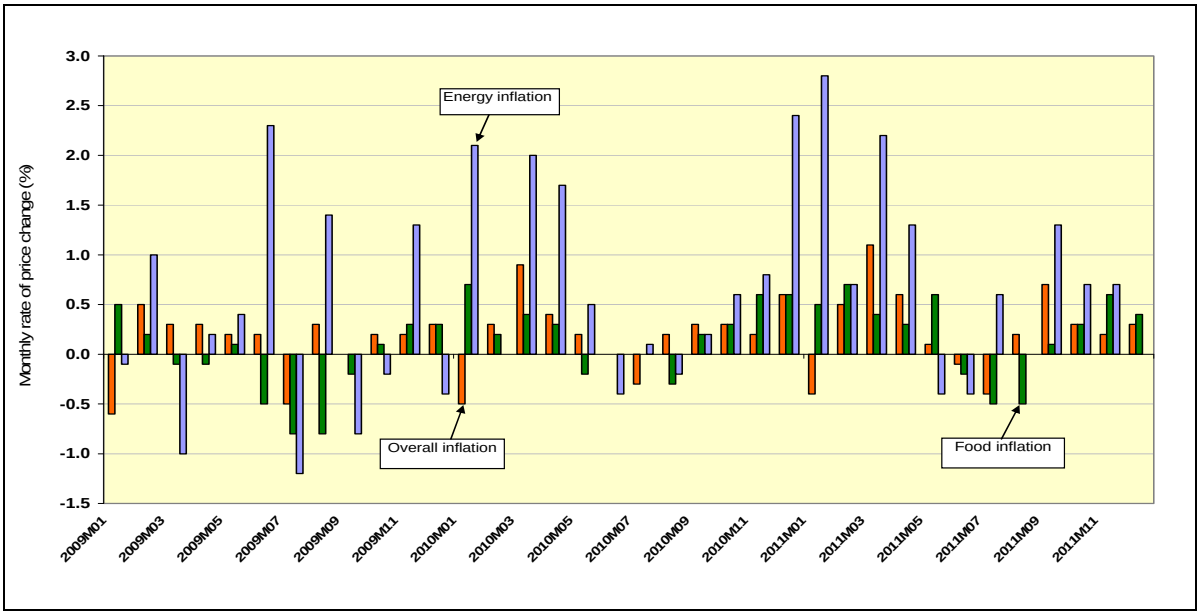
Source: Eurostat (Theme "Economy and finance", Harmonised Indices for Consumer Prices)

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.

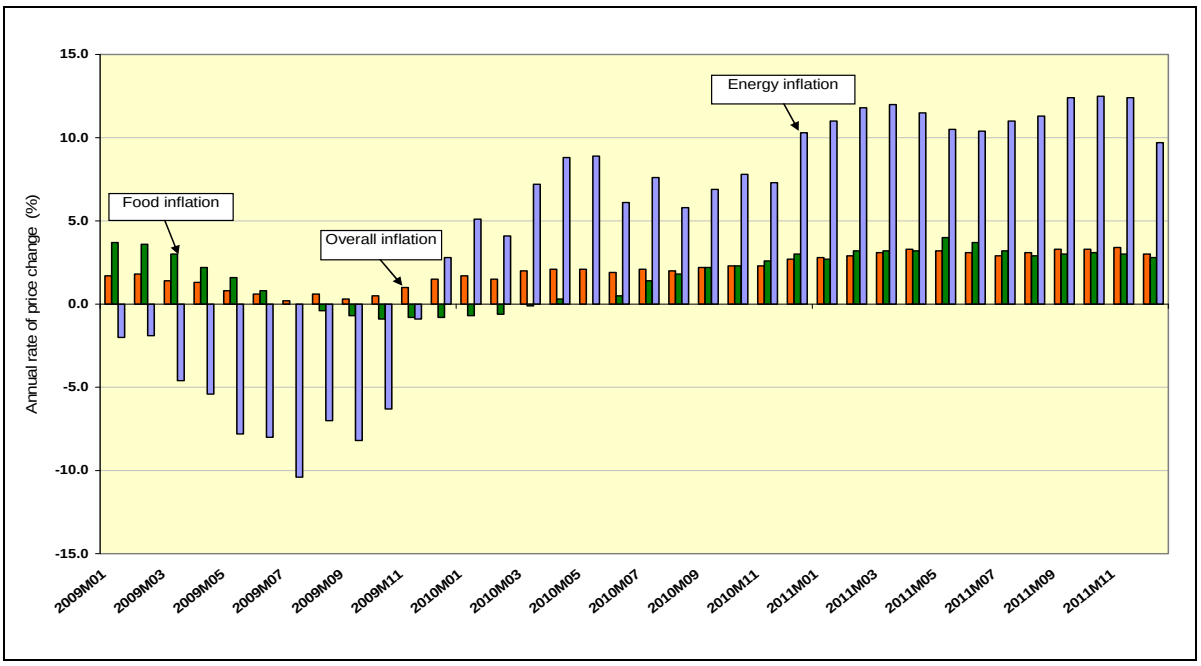
3. Overall and food inflation against energy inflation

In December 2011, the overall energy consumer prices remained stable (cf. Graph 1); from among its components "Liquid fuels" and "Electricity" fell by -0.7% and -0.2% respectively. A slowdown in the increase of energy consumer prices can be noticed when compared to the previous year (+9.7% against +12.4% set in November) (cf. Graph 2) of which "Liquid fuel" category registered the highest increase rate of 18% (though down from +27% indicated in November).

Graph 1 Monthly rate of change in overall, food and energy inflation (%, January 2009 until December 2011)



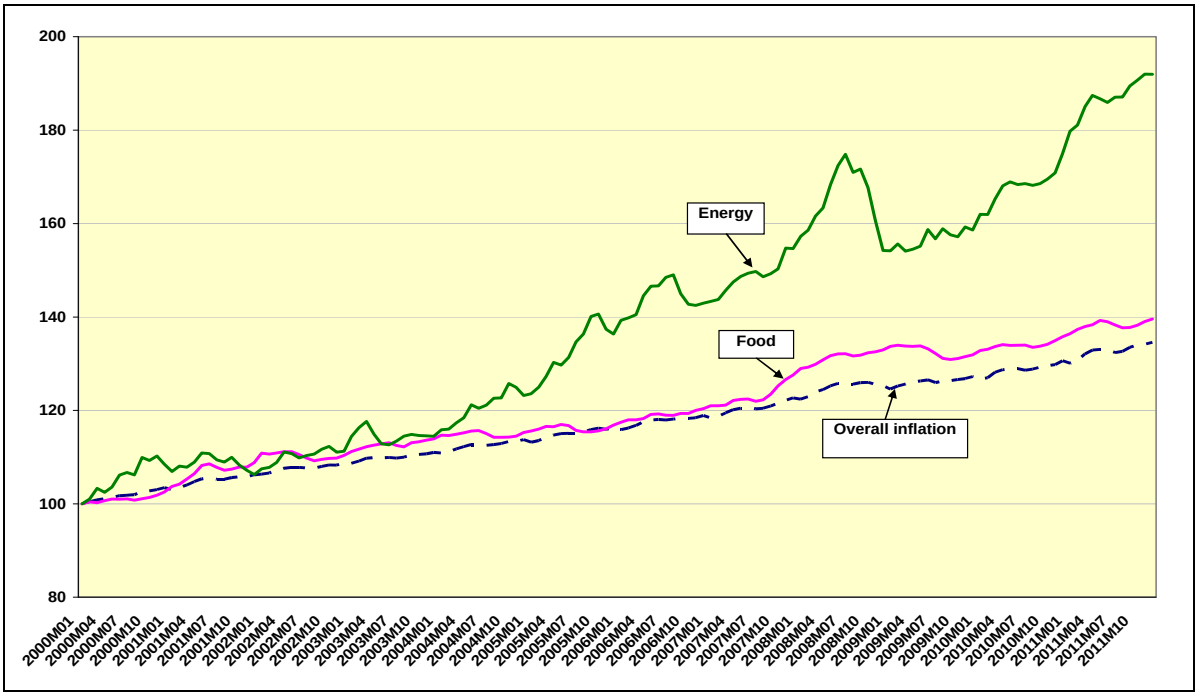
Graph 2 Annual rate of change in overall, food and energy inflation (%, January 2009 until December 2011)



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.

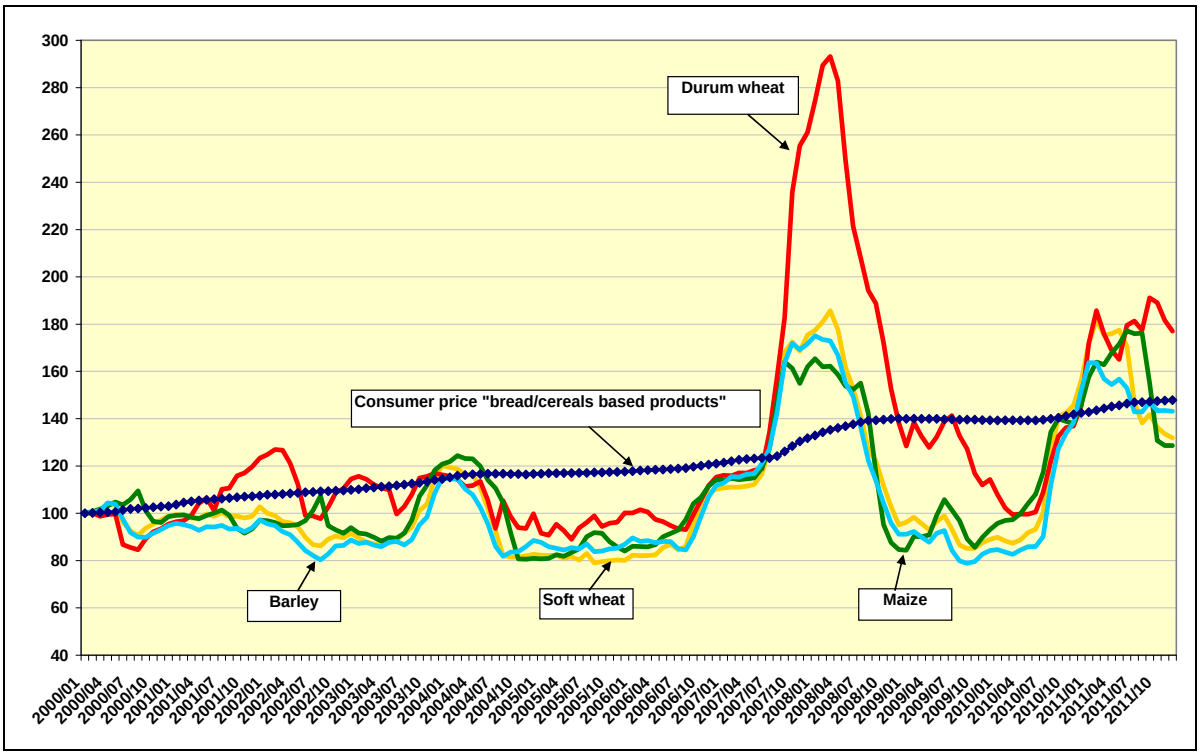
Annex: Graphs on EU agricultural market and consumer price developments.

Graph A1: Overall and food consumer price against energy consumer price in the EU (January 2000 until December 2011, Jan2000=100)



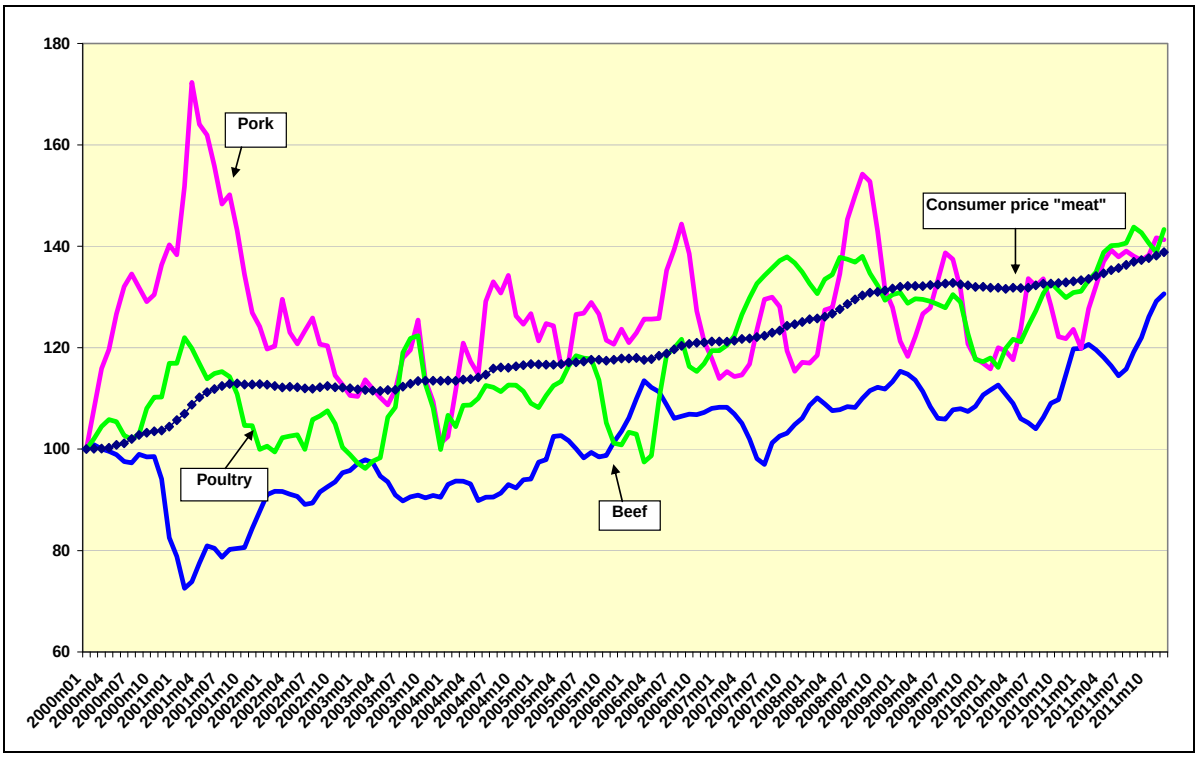
Source: Eurostat

Graph A2: Cereals/bread and cereals based products: EU agricultural market and consumer price developments (January 2000 until December 2011, Jan2000=100)



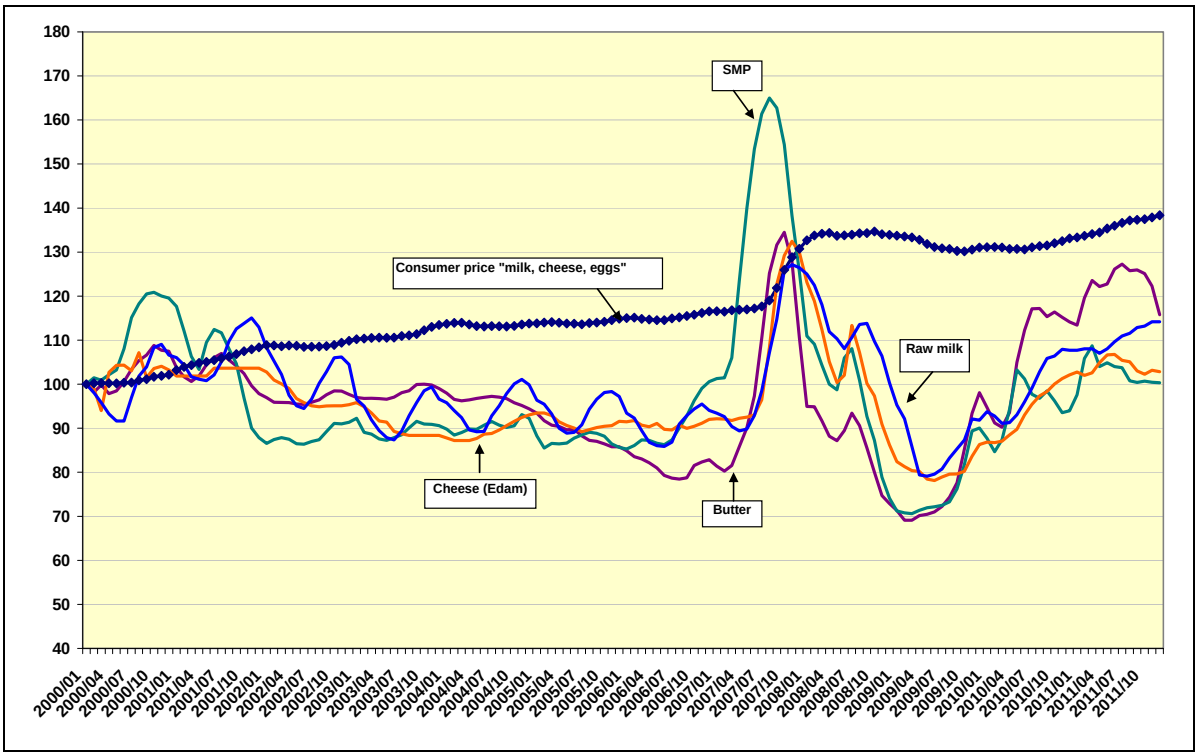
Source: AgriView, Eurostat

Graph A3: Meat: EU agricultural market and consumer price developments (January 2000 until December 2011, Jan2000=100)



Source: AgriView, Eurostat

Graph A4: Dairy: EU agricultural market and consumer price developments (January 2000 until December 2011, Jan2000=100)



Source: AgriView, Eurostat