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NOTE TO THE FILE

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

Development in agricultural prices

In April 2011, poultry meat price set a new record, exceeding the level achieved in August 2008 by 5% and reaching the highest price in the last 14 years (194 EUR/100 kg carcass weight).

Monthly developments: EU price developments for agricultural commodities showed a mixed picture in April 2011: prices for some cereals and dairy products declined: durum wheat and skimmed milk powder (-4%), barley (-2%), butter and beef (-1%) while for the other products, it increased further: maize (+3%), cheese (+2%), pork (+7%) and poultry (+4%). Soft wheat price remained unchanged. (cf. Table 1).

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

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

Source: AgriView

Year-on-year developments: For all the products, April 2011 prices were above the levels observed one year before: soft wheat (+98%), durum wheat (+69%), maize (+68%), barley (+83%), SMP (+10%), butter (+31%), cheese (Edam) (+19%), beef (+8%), pork (+16%) and poultry meat (+19%) (cf. Table 2, Graphs A2, A3 and A4 in annex).

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

	Soft wheat	Durum wheat	Maize	Barley	SMP	Butter	Cheese (Edam)	Beef	Pork	Poultry
European Union	98%	69%	68%	83%	10%	31%	19%	8%	16%	19%
Austria			81%	93%				13%	19%	2%
Belgium	99%		66%	85%	8%	25%		2%	16%	18%
Bulgaria	113%		78%	77%				-16%	-2%	26%
Cyprus		11%		78%					3%	4%
Czech Republic	114%		93%	99%	29%	39%	12%	10%	14%	11%
Germany	112%		70%	96%	3%	31%	22%	12%	16%	5%
Denmark	103%			91%	1%	21%		14%	15%	9%
Estonia				108%				-8%	12%	7%
Spain	69%	76%	60%	80%		27%	1%	5%	22%	15%
Finland	83%			81%		47%	9%	6%	10%	1%
France	100%	76%	72%	89%	4%	28%		7%	23%	25%
Greece	103%	73%	77%					1%	4%	-2%
Hungary	150%		90%	53%					15%	2%
Ireland				76%	13%	24%		14%	12%	-1%
Italy	92%	75%	62%	84%		34%		5%	13%	19%
Lithuania	111%			114%				20%	12%	9%
Luxembourg								9%	15%	
Latvia	99%			109%	47%	34%	31%	34%	17%	12%
Malta								-21%	0%	5%
Netherlands			61%	80%	12%	38%	25%	10%	18%	22%
Poland	106%		81%	105%	19%	28%	12%	20%	20%	23%
Portugal	77%		53%	68%		36%		0%	19%	2%
Romania	111%		80%	97%				30%	9%	14%
Sweden	93%			72%				22%	1%	16%
Slovenia	122%		71%				-2%	13%	25%	0%
Slovakia	130%		70%	97%	-1%	5%	24%	6%	10%	7%
United Kingdom	100%			108%	22%	28%		10%	-3%	5%

Source: AgriView

Development in consumer prices¹

In April 2011, the annual food price inflation increased at the same pace as the overall inflation (+3.2%).

With the exception of "Vegetables" (-0.4%), all the other food categories recorded further price increases in April 2011 as compared to one month before: "Oils and fats" (+0.9%) and "Sugar" (+0.7%) being the categories with the highest increase rates.

When compared to one year ago, the consumer food prices show higher levels, notably for the "Oils and fats" (+7.1%), "Fruits" (+5.8%) and "Sugar" (+5.3%) categories (cf. Tables 3 and 4).

¹ Data for United Kingdom in April 2011 was not available at the time of publication; therefore, the EU aggregate represents an estimate of Eurostat.

Table 3 Change in EU consumer prices for food (% , April 2011 compared to March 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	0.5	0.3	0.4	0.4	0.3	0.3	0.9	0.1	-0.4	0.7	0.3
Belgium	0.3	0.7	0.4	0.1	0.2	0.1	0.8	4.0	0.3	3.2	0.3
Bulgaria	-0.1	0.8	1.0	0.6	1.9	0.5	-1.1	5.4	-1.1	2.7	0.6
Czech Republic	0.2	0.7	0.9	0.3	1.3	1.7	0.9	-5.9	2.5	2.8	1.3
Denmark	0.4	0.5	0.8	1.2	0.2	-0.7	0.6	-1.3	3.8	-0.4	-0.3
Germany	0.3	0.0	0.5	0.0	0.1	-0.3	2.6	-0.3	-0.9	-0.1	0.1
Estonia	0.8	1.9	2.1	2.3	0.5	0.7	7.7	-2.9	4.0	3.1	1.6
Ireland	0.3	-0.5	-0.3	-1.0	0.2	-0.4	0.7	-0.7	-0.5	0.3	-0.7
Greece	0.7	1.2	0.6	0.6	0.0	0.4	1.6	4.1	2.9	0.3	0.1
Spain	0.9	0.2	0.2	0.4	-0.5	1.0	0.4	0.9	-1.7	1.1	0.2
France	0.4	0.1	0.5	0.4	0.7	0.3	1.4	-1.9	-1.8	0.7	0.4
Italy	1.0	0.0	0.3	0.4	0.5	0.3	0.0	-0.8	-1.5	0.4	0.4
Cyprus	1.4	-0.6	-0.9	0.2	-1.2	0.0	-1.7	2.3	-3.2	-0.3	0.1
Latvia	1.1	1.0	0.1	0.9	2.0	0.6	3.1	-1.5	2.6	2.5	2.3
Lithuania	1.0	2.3	2.2	2.2	1.9	2.5	0.8	-2.6	9.7	1.1	0.5
Luxembourg	0.4	-0.2	0.4	-0.8	-1.5	0.3	1.2	1.1	-3.2	1.5	-0.3
Hungary	0.7	1.4	1.6	0.3	0.6	1.0	2.2	8.9	0.4	-0.1	0.7
Malta	2.1	-0.1	0.1	0.0	2.8	-0.1	1.1	-4.0	-1.3	1.6	0.6
Netherlands	0.6	0.7	0.7	0.9	-0.5	0.8	2.5	1.6	0.0	0.3	0.6
Austria	0.6	0.2	0.2	0.7	3.2	-0.2	1.2	-1.7	-0.1	0.6	0.8
Poland	0.5	0.9	0.4	1.0	0.9	0.3	0.6	-1.1	2.9	1.6	-0.3
Portugal	0.6	0.1	-0.1	0.0	1.2	-0.3	0.0	0.2	-0.1	-0.4	-0.5
Romania	0.7	1.0	0.5	0.6	0.3	-0.5	0.3	3.9	2.9	2.2	0.1
Slovenia	0.7	0.9	0.3	-1.2	1.9	0.8	1.0	11.5	-1.2	0.4	0.8
Slovakia	0.5	0.8	0.8	1.5	0.3	0.2	-2.5	-1.2	2.7	2.8	-1.1
Finland	0.2	-0.2	-0.1	-0.2	0.9	-0.1	0.5	-0.2	-3.1	1.2	0.7
Sweden	0.3	-0.3	0.3	0.0	-0.5	-0.2	-1.9	-1.2	0.1	-1.4	-0.5
United Kingdom	:	:	:	:	:	:	:	:	:	:	:

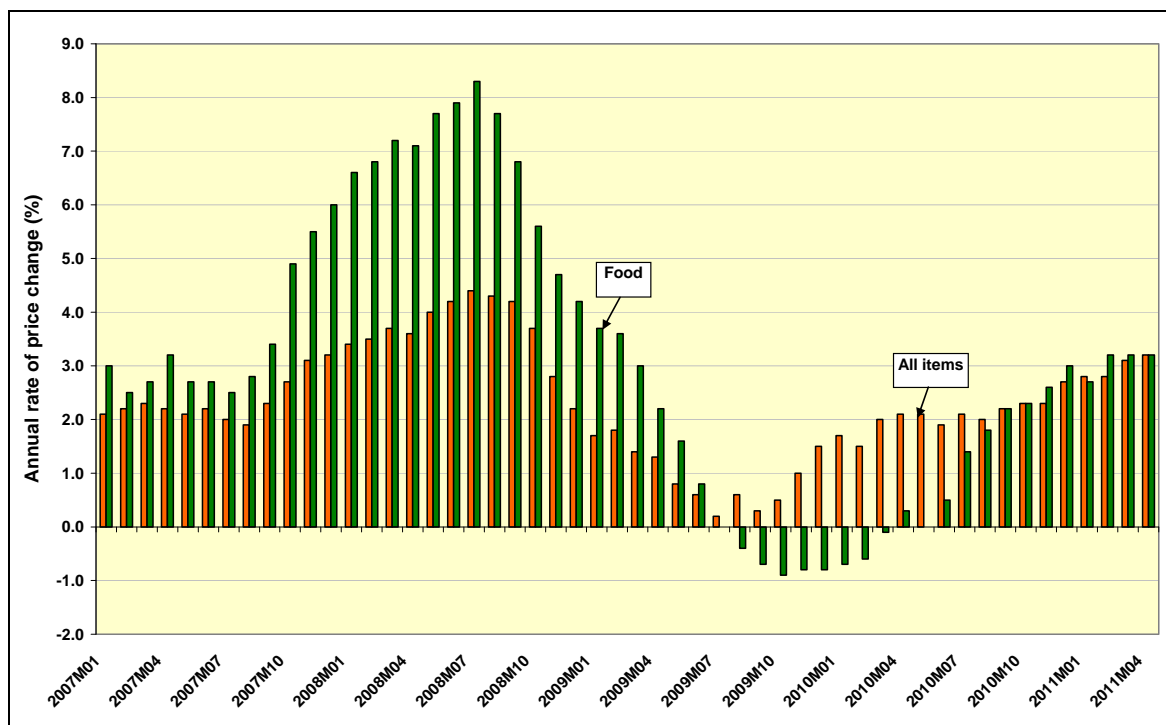
Table 4 Change in EU consumer prices for food (% , April 2011 compared to April 2010)

	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	3.2	3.2	4.1	2.2	3.8	2.9	7.1	5.8	0.3	5.1	1.1
Belgium	3.3	1.9	4.8	1.9	1.1	1.7	6.2	6.1	-8.3	4.9	2.9
Bulgaria	3.3	8.9	13.3	0.4	6.9	9.4	35.8	12.2	6.3	25.2	4.7
Czech Republic	1.6	3.9	8.7	0.8	0.3	5.9	16.9	2.9	-1.3	3.2	1.7
Denmark	2.8	2.7	4.9	2.8	0.2	5.1	13.0	1.7	-1.8	0.9	0.0
Germany	2.7	1.8	2.7	1.7	3.8	2.9	17.2	5.6	-6.3	-0.1	0.3
Estonia	5.4	11.5	14.3	5.3	10.2	15.0	21.9	11.9	11.2	13.2	6.5
Ireland	1.5	1.0	2.7	-1.6	0.5	1.0	9.1	8.6	-3.8	2.3	1.0
Greece	3.7	2.8	1.5	1.5	3.9	2.9	0.8	0.9	8.4	2.3	1.5
Spain	3.5	1.1	1.5	1.2	3.0	1.6	0.7	3.1	-6.1	4.4	2.1
France	2.2	0.4	1.1	1.8	2.6	1.3	3.2	3.7	-9.8	0.6	-0.6
Italy	2.9	2.5	1.8	1.7	3.5	3.9	-0.4	4.2	3.5	2.5	0.7
Cyprus	3.5	2.3	7.4	6.8	13.9	-0.4	6.3	4.3	-15.5	4.2	14.9
Latvia	4.3	9.8	7.1	1.3	5.0	21.0	19.5	13.1	12.9	10.1	9.3
Lithuania	4.4	10.1	12.0	3.0	9.6	14.6	23.7	16.2	19.5	7.0	2.4
Luxembourg	4.0	2.1	2.7	1.5	2.4	0.8	4.5	3.1	4.5	0.5	0.7
Hungary	4.4	11.9	14.8	3.4	3.7	8.7	14.2	25.9	12.7	31.1	3.6
Malta	2.4	5.1	5.5	3.4	0.1	3.0	6.1	7.1	10.7	4.1	0.0
Netherlands	2.2	1.8	2.1	2.2	0.8	0.3	1.2	8.0	1.6	0.0	-0.4
Austria	3.7	4.3	3.2	1.4	7.6	4.5	9.7	26.7	-2.7	2.3	0.5
Poland	4.1	7.9	11.5	4.9	5.2	3.0	7.9	9.6	7.1	24.4	3.0
Portugal	4.0	2.5	0.1	1.4	8.1	-0.7	4.1	5.4	2.1	4.1	0.2
Romania	8.4	11.7	9.6	2.8	3.5	3.7	20.9	22.7	44.9	12.7	4.5
Slovenia	2.0	4.8	3.0	2.1	5.7	3.1	9.1	24.2	3.4	3.3	1.9
Slovakia	3.9	7.2	7.8	5.4	2.0	5.2	10.2	9.7	13.3	8.7	-0.9
Finland	3.4	4.5	4.5	4.5	9.4	2.8	5.9	2.8	-1.9	14.1	5.5
Sweden	1.8	0.6	3.7	0.1	-1.4	4.7	1.9	1.0	-7.5	-0.4	0.5
United Kingdom	:	:	:	:	:	:	:	:	:	:	:

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 +3.2% and +0.5%, respectively, whereas the annual rate of change in food price inflation amounted to +3.2% and +0.3% (cf. Graph 1 and Graph A5 in annex).

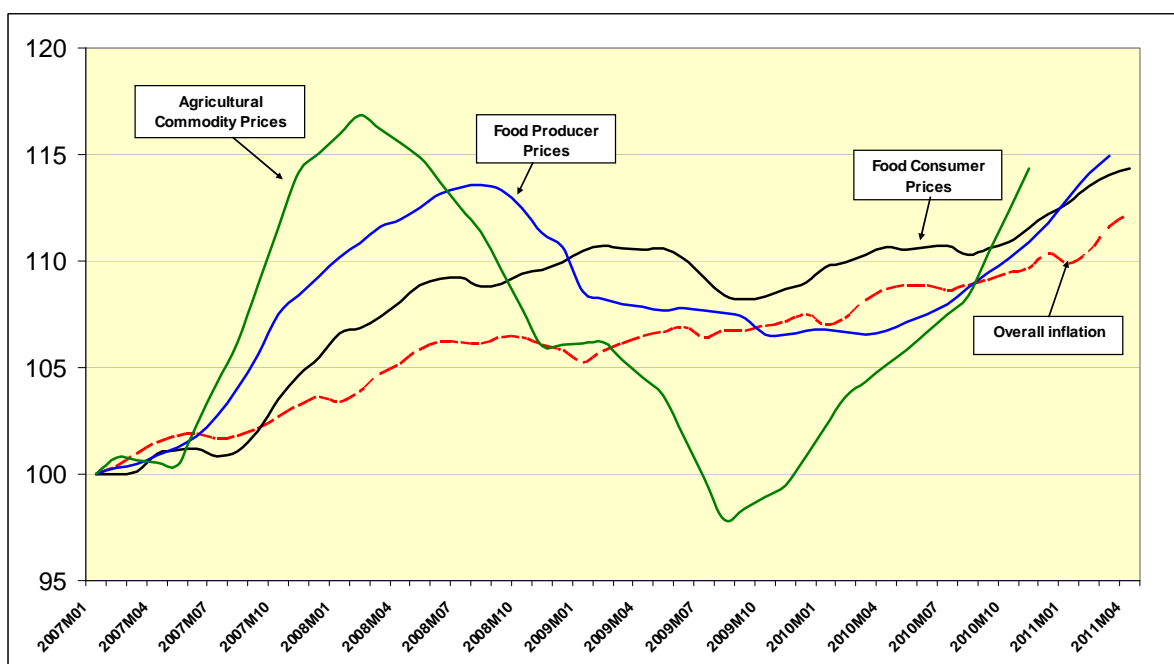
Graph 1 Annual rate of change in EU overall and food consumer prices (% , January 2007-April 2011)



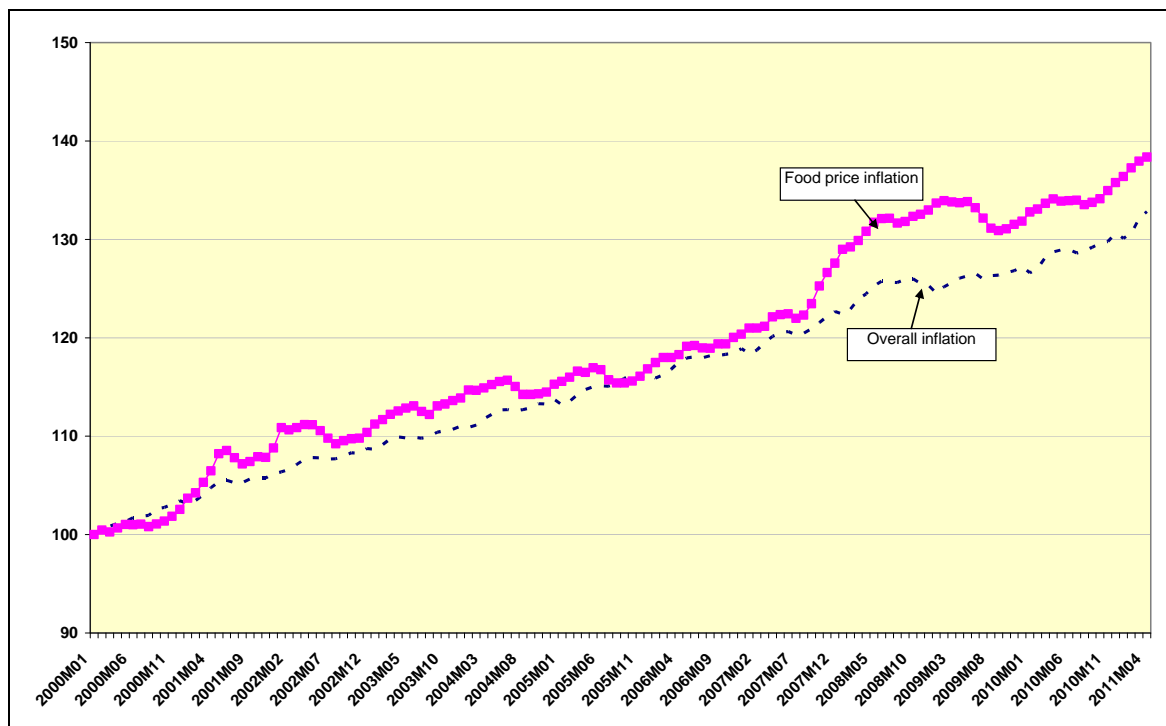
Source: Eurostat

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.

The graph below shows that every increase or decrease in the agricultural commodity prices generates an increase or decrease in food producer prices and food consumer prices though not fully or asymmetrically (i.e. more pronounced on the increase than on the decrease).

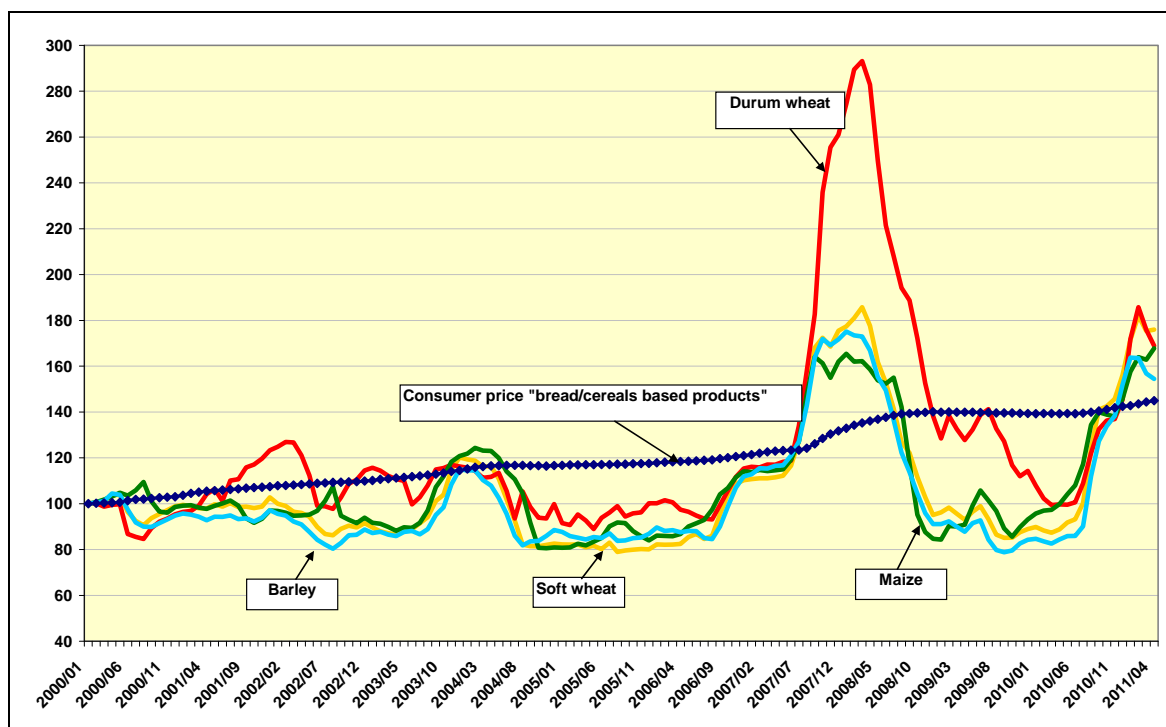


Graph A1 Overall and food price inflation in the EU (Jan2000 until April2011, January 2000=100)



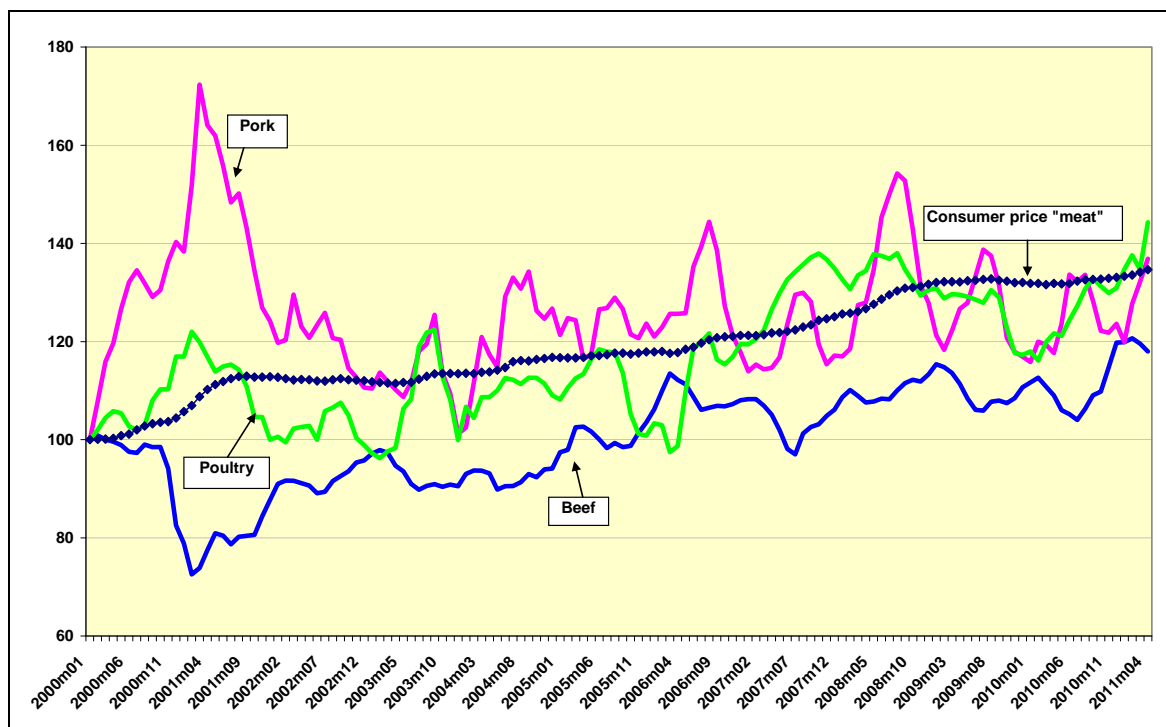
Source: Eurostat

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



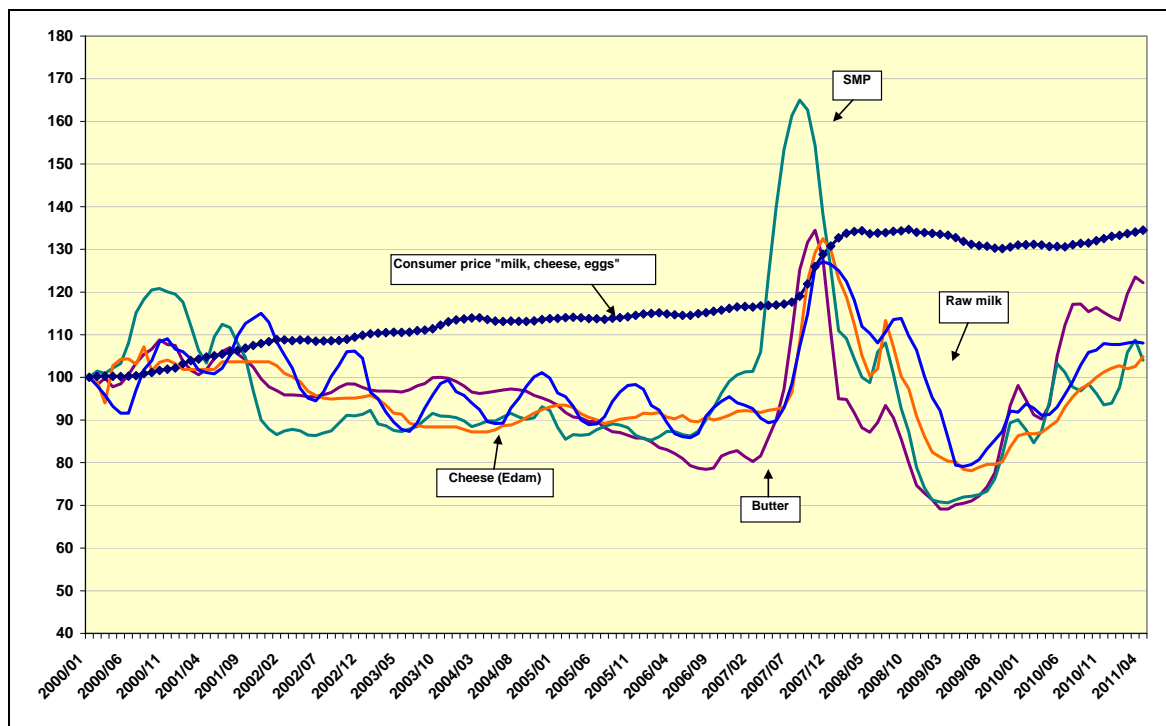
Source: AgriView, Eurostat

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



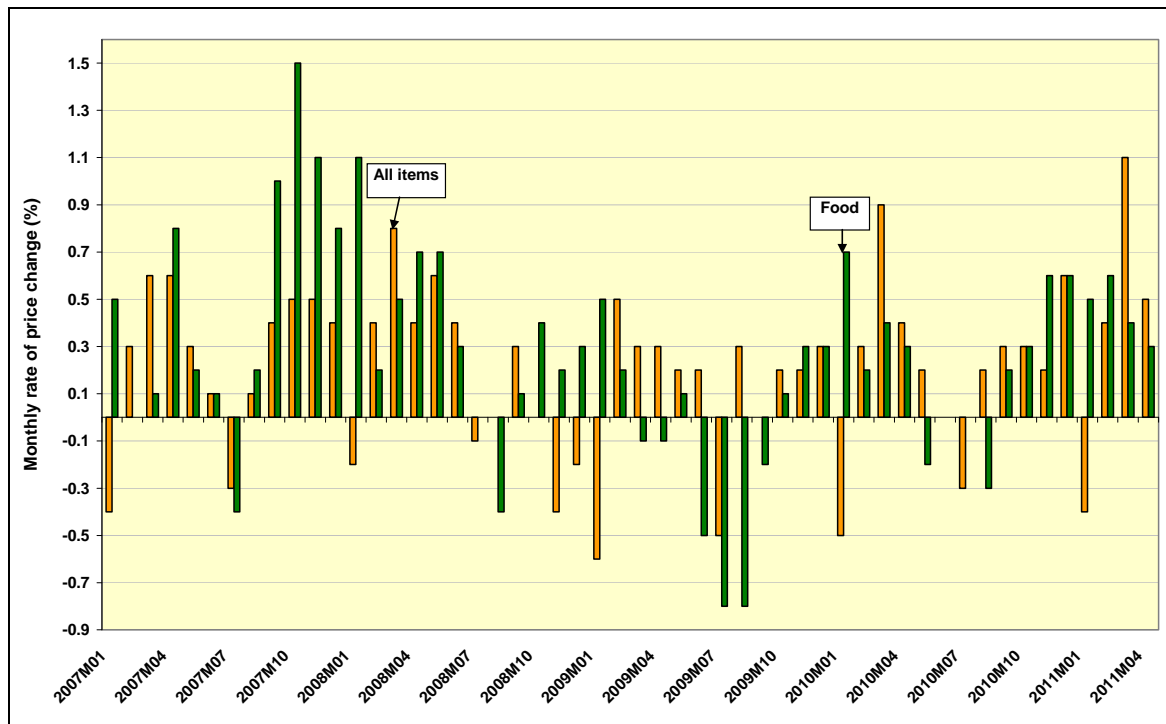
Source: AgriView, Eurostat

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



Source: AgriView, Eurostat

Graph A5 Monthly rate of change in overall and food price inflation (% , Jan2007 until April 2011)



Source: Eurostat