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NOTE TO THE FILE

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

1. Development in agricultural commodity prices

September 2011 revealed new record prices for beef (€355/100kg carcass weight) and poultry meat (€199/100kg carcass weight). The sluggish annual increase in cereal prices continued.

Monthly developments: September 2011 depicted a mixed picture on EU price developments for the selected agricultural commodities: while prices for some of them increased further: durum wheat (+8%), soft wheat, barley and poultry (each category by +3%) and beef meat (+2%), the quotations for maize, cheese (Edam) and pork meat exhibited a negative trend (-12%, -2% and -1% respectively). Skimmed Milk Powder and butter prices remained stable. (cf. Table 1).

Table 1 Change in EU agricultural commodity prices (% , September 2011 compared to August 2011)

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

Source: AgriView

Year-on-year developments: September 2011 brought higher prices than one year ago for all the products except soft wheat whose price remained unchanged. Although the sluggish annual increase in cereal prices continued, the selected agricultural commodities registered further price increases: durum wheat (+44%), maize and poultry meat (+11%), barley (+15%), SMP (+2%), butter (+9%), cheese (Edam) (+5%), beef (+12%) and pork meat (+7%). (cf. Table 2, Graphs A2, A3 and A4 in annex).

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

	Soft wheat	Durum wheat	Maize	Barley	SMP	Butter	Cheese (Edam)	Beef	Pork	Poultry
European Union	0%	44%	11%	15%	2%	9%	5%	12%	7%	11%
Austria	-5%			24%				13%	9%	3%
Belgium	-4%		3%	9%	3%	10%		10%	8%	5%
Bulgaria	4%		22%	22%				13%	6%	3%
Cyprus		77%		12%					2%	1%
Czech Republic	7%		13%	20%	3%	2%	-4%	10%	5%	4%
Germany	-8%		3%	14%	1%	8%	7%	17%	9%	3%
Denmark								14%	6%	21%
Estonia	2%			40%			-2%		10%	6%
Spain	11%	40%	11%	15%		23%	4%	9%	9%	10%
Finland	-11%			5%				8%	5%	4%
France	-11%	37%	-4%	5%	3%	16%		13%	5%	10%
Greece	4%	49%	12%	27%				4%	5%	2%
Hungary	-2%		9%	19%					4%	-2%
Ireland				3%	5%	4%		17%	7%	0%
Italy	3%	36%	5%	18%		4%		8%	14%	19%
Lithuania	7%			15%				26%	-4%	5%
Luxembourg								9%	6%	
Latvia	10%			27%	-2%	17%	3%	35%	11%	4%
Malta								9%	-4%	4%
Netherlands			2%	5%	0%	7%	0%	17%	7%	2%
Poland	1%		0%	14%	-3%	-2%	1%	26%	6%	6%
Portugal	48%		11%	15%	17%	9%		3%	1%	10%
Romania	6%		27%	55%				14%	0%	2%
Sweden	-7%			3%				8%	0%	7%
Slovenia	6%		11%					15%	7%	4%
Slovakia	19%		23%	21%	-15%	8%	1%	14%	8%	3%
United Kingdom	-9%			4%	15%	2%		19%	-1%	9%

Source: AgriView

2. Development in consumer prices

In September 2011¹, the monthly rate of food price inflation maintained at the level of last month while the overall inflation increased by 0.6%. The annual rates for both food price and overall inflation increased, with food price inflation lagging behind the overall inflation (+2.9% as opposed to 3.3%) (cf. Tables 3 and 4 and Graphs 1 and 2).

With the exception of "Fruits" (-1.1%), "Vegetables" (-0.9%) and "Other food" (-0.2%), all the other food categories recorded further price increases in September 2011 as compared to one month before: "Fish and seafood" (+0.5%) being the category with the highest increase rate.

When compared to one year ago, apart from the "Fruits" and "Vegetable" categories whose prices declined by -0.2% and -5.1% respectively, all the other consumer food prices showed higher levels, notably for the "Oils and fats" (+7.6%) and "Sugar" (+5.2%) categories.

¹ Provisional data for EU aggregate as data for UK was not available at the time of publication.

Table 3 Change in EU consumer prices for food (% September 2011 compared to August 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	0.0	0.2	0.3	0.5	0.2	0.2	-1.1	-0.9	0.2	-0.2
Belgium	0.1	-0.2	0.1	0.1	0.4	0.6	0.8	-1.2	-3.2	0.2	-0.2
Bulgaria	0.0	0.2	0.0	0.4	0.6	0.6	-1.2	-3.1	1.4	0.4	0.5
Czech Republic	-0.2	0.3	0.8	0.0	0.5	0.2	-0.7	0.4	0.4	-0.3	-0.6
Denmark	0.4	-0.7	0.3	-2.4	0.2	-0.2	0.5	1.2	-1.0	-0.4	-1.4
Germany	0.2	0.4	0.3	0.4	0.5	0.2	0.8	2.2	-1.2	0.5	-0.1
Estonia	0.6	-0.2	1.1	0.4	-1.0	1.0	1.0	0.0	-7.4	-0.1	0.5
Ireland	0.1	-0.3	-0.1	0.2	0.8	-0.3	-0.9	0.1	-1.5	-0.5	-0.1
Greece	3.4	0.1	-0.1	0.2	0.1	0.0	0.4	-1.5	0.6	0.7	0.1
Spain	1.2	-0.1	0.1	0.5	0.3	0.2	0.1	-4.0	1.0	0.0	0.3
France	0.0	0.2	0.2	0.0	1.5	-0.1	0.1	-0.9	1.4	0.1	0.1
Italy	2.0	0.3	0.1	0.3	0.9	0.2	-0.1	-0.7	0.6	0.4	-0.4
Cyprus	0.8	0.6	-0.2	0.4	-1.1	0.4	-0.4	5.7	-0.1	0.7	0.0
Latvia	0.3	0.4	-1.0	0.4	-0.8	1.2	-1.1	-1.9	4.0	1.0	1.7
Lithuania	0.8	0.6	0.3	-0.2	-0.3	0.5	-0.2	-4.1	11.8	0.8	0.6
Luxembourg	0.1	0.1	1.1	0.4	-0.5	-0.1	1.1	-1.3	-2.7	0.5	0.1
Hungary	0.0	-1.0	-0.6	0.8	0.4	-0.3	0.3	-5.6	-6.8	0.2	0.6
Malta	-0.4	0.7	0.2	0.3	0.4	0.3	0.8	5.7	0.7	0.6	0.8
Netherlands	0.9	-0.4	0.2	-0.2	-0.6	-0.1	-1.7	1.4	-3.4	-0.4	-0.9
Austria	0.6	0.5	0.2	-0.1	2.8	1.4	1.0	0.6	0.2	0.2	-0.4
Poland	0.0	-0.2	0.1	0.8	0.4	0.2	0.3	-6.4	-1.7	-0.3	0.1
Portugal	0.6	0.2	0.4	0.7	0.8	0.5	0.7	-2.4	-1.0	0.1	0.5
Romania	-0.2	-1.3	0.0	0.1	0.1	0.9	0.1	-2.6	-13.6	0.0	0.2
Slovenia	0.6	0.1	-0.2	0.6	0.3	0.4	-1.5	2.9	-3.9	0.7	0.2
Slovakia	0.3	-0.3	0.3	0.1	0.8	0.2	0.4	-0.8	-5.2	0.6	-0.2
Finland	0.4	0.7	-0.1	3.0	-2.2	1.0	2.1	1.9	-3.6	0.7	2.1
Sweden	0.7	-0.8	0.0	-0.7	-0.3	-0.3	-0.4	-0.3	-5.0	0.3	-0.6
United Kingdom	:	:	:	:	:	:	:	:	:	:	:

Table 4 Change in EU consumer prices for food (% September 2011 compared to September 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	3.3	2.9	4.8	3.5	4.6	4.6	7.6	-0.2	-5.1	5.2	2.0
Belgium	3.4	1.6	4.7	2.6	2.3	4.3	11.2	-3.8	-12.5	6.3	2.7
Bulgaria	2.9	6.4	9.0	2.7	10.4	10.6	12.0	-4.9	-8.8	29.7	6.8
Czech Republic	2.1	4.6	20.3	1.0	1.5	4.9	11.2	-4.7	-15.0	5.5	2.7
Denmark	2.4	2.2	7.5	0.9	0.6	6.1	9.2	-3.9	-4.0	0.3	1.8
Germany	2.9	2.7	4.4	4.3	3.6	5.5	13.6	4.2	-9.6	1.3	1.0
Estonia	5.4	7.9	14.3	6.3	10.2	9.0	24.0	1.1	-6.2	12.1	9.8
Ireland	1.3	1.1	1.5	1.2	-0.4	2.6	9.8	1.2	-2.7	2.2	-0.6
Greece	2.9	1.9	2.8	1.5	4.9	2.9	4.3	-2.5	-1.7	4.0	2.8
Spain	3.0	2.2	2.3	2.6	4.5	2.7	1.8	-1.8	-1.8	6.5	3.2
France	2.4	2.9	3.0	3.5	3.9	3.3	7.6	3.7	-2.1	2.8	2.0
Italy	3.6	2.3	2.9	2.4	5.0	4.5	1.1	-2.4	-1.0	3.5	1.4
Cyprus	2.5	0.3	7.0	2.4	14.3	-1.0	9.0	4.4	-23.4	4.6	13.5
Latvia	4.5	7.0	7.5	6.6	6.0	12.3	17.6	-5.4	-9.4	13.5	8.0
Lithuania	4.7	7.0	10.3	3.1	12.7	12.0	17.8	-2.7	1.0	8.6	4.2
Luxembourg	3.8	2.0	3.5	3.0	3.7	2.6	7.9	2.7	-10.4	3.5	1.6
Hungary	3.7	6.7	13.6	3.8	3.8	8.7	18.2	13.4	-21.6	21.7	6.2
Malta	2.7	2.7	4.7	5.7	8.4	4.3	12.5	-4.7	-11.7	8.4	2.2
Netherlands	3.0	1.6	2.8	2.9	2.8	2.1	5.3	2.8	-5.8	1.1	1.5
Austria	4.0	3.6	3.8	3.8	6.0	6.3	13.3	3.4	-6.0	4.9	0.6
Poland	3.5	2.4	8.1	5.6	6.2	3.9	8.6	-11.6	-20.5	11.2	3.9
Portugal	3.5	1.8	2.1	1.8	8.9	-0.5	8.7	-5.7	-6.4	5.1	3.1
Romania	3.5	1.7	6.5	1.5	2.6	5.0	12.9	-3.3	-18.9	11.5	2.4
Slovenia	2.3	4.0	4.8	4.7	2.2	6.4	8.5	6.1	-9.0	7.4	4.9
Slovakia	4.4	4.9	10.1	6.3	5.9	7.9	12.2	-0.5	-16.4	14.6	1.2
Finland	3.5	4.7	5.1	5.9	5.8	4.5	10.5	-1.0	-5.7	14.6	6.1
Sweden	1.5	0.4	3.7	-0.3	-2.7	4.2	2.7	-1.3	-6.8	0.5	0.0
United Kingdom	:	:	:	:	:	:	:	:	:	:	:

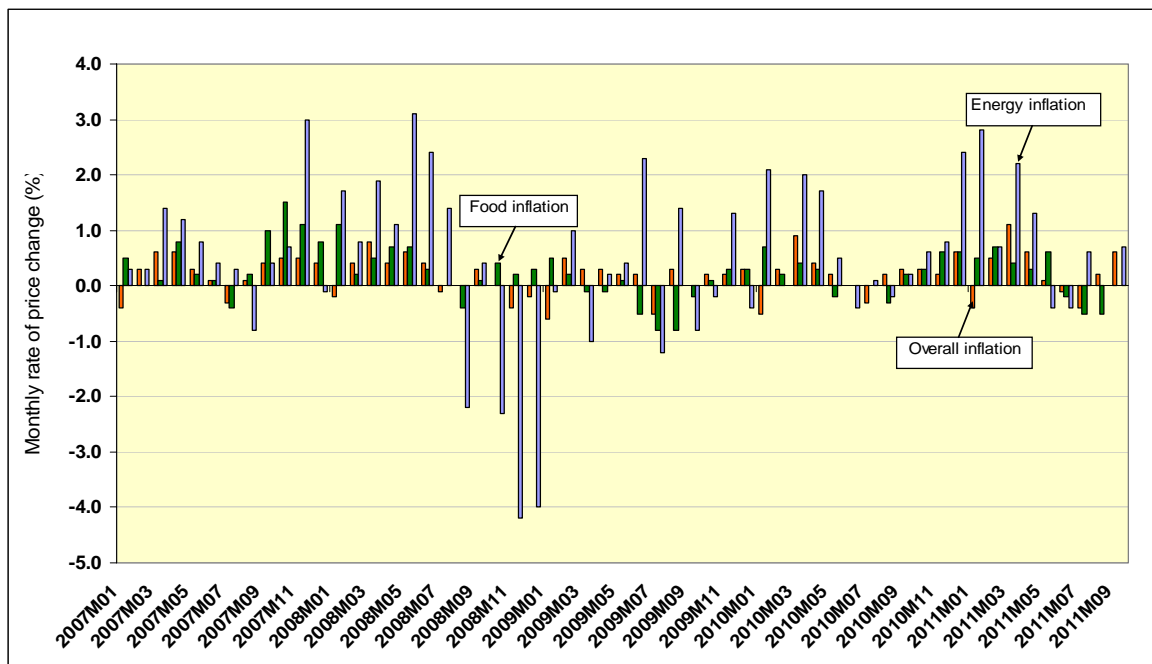
Source: Eurostat (Theme "Economy and finance", Harmonised Indices for Consumer Prices)

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.

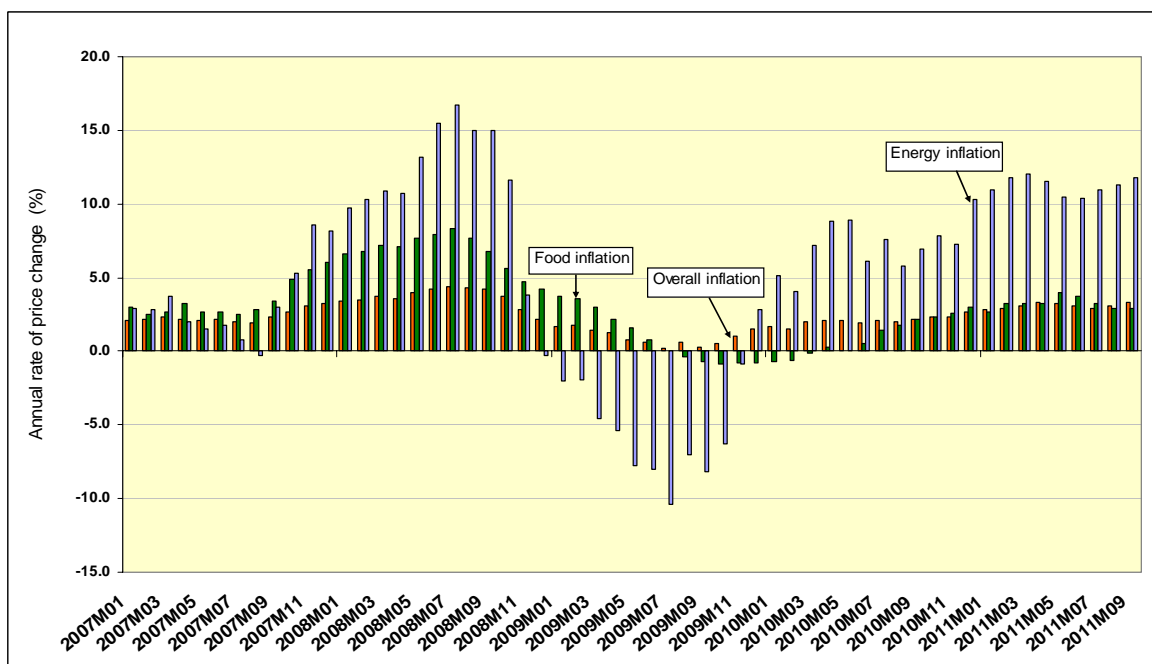
3. Overall and food inflation against energy inflation

In September 2011 the energy consumer price increased by 0.7% when compared to one month ago (cf. Graph 1) and was 11.8% higher when compared to the previous year (cf. Graph 2).

Graph 1 Monthly rate of change in overall, food and energy inflation (% , January 2007 until September 2011)

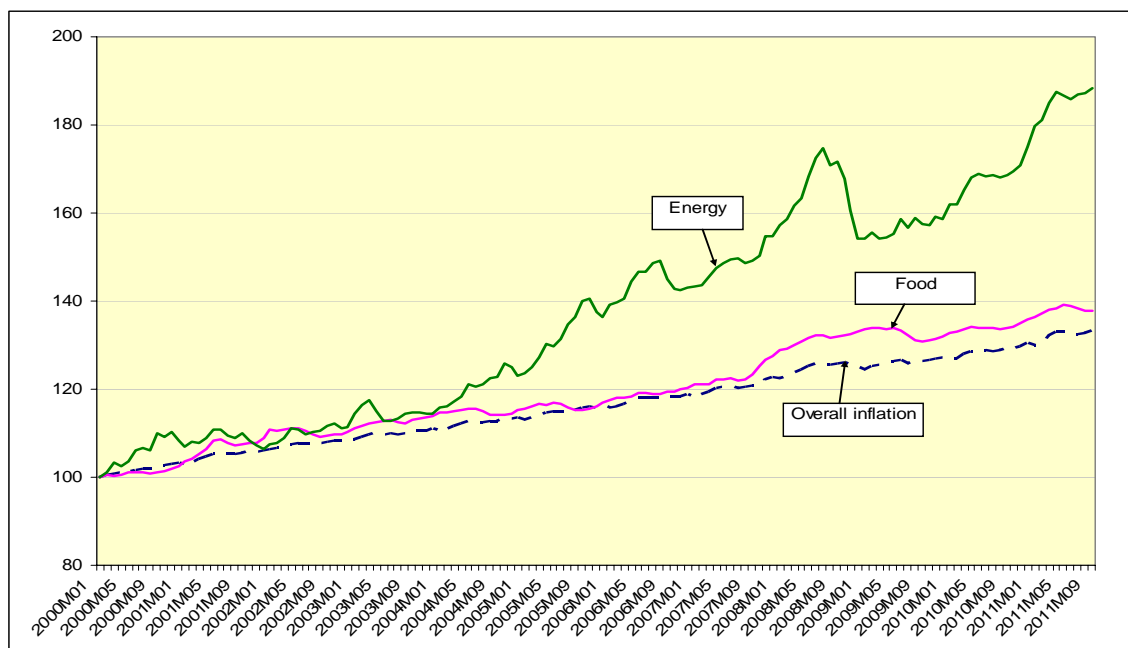


Graph 2 Annual rate of change in overall, food and energy inflation (% , January 2007 until September 2011)



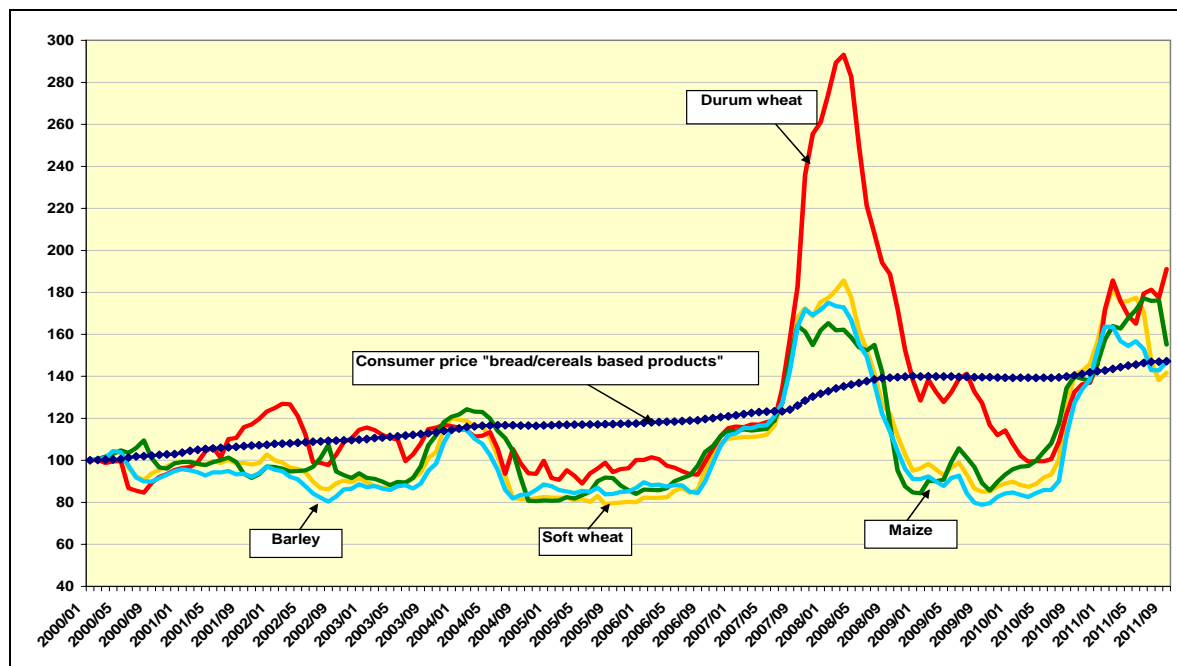
Source: Eurostat (Theme "Economy and finance", Harmonised Indices for Consumer Prices)

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



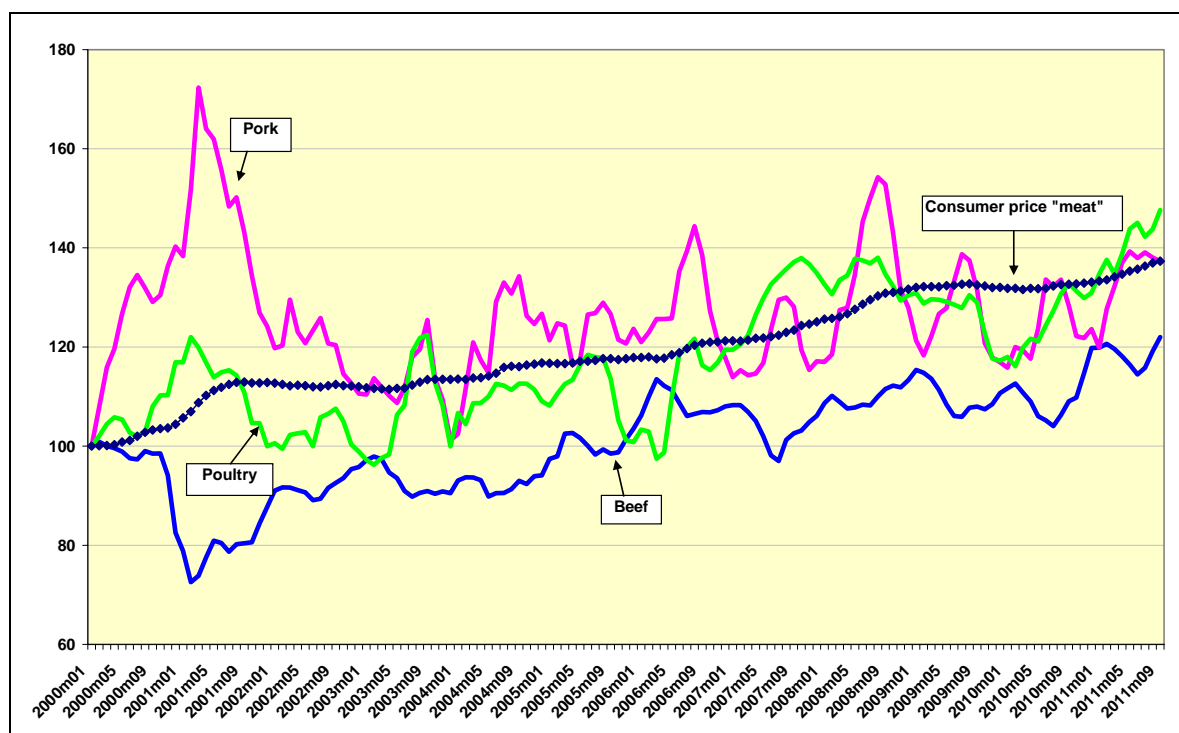
Source: Eurostat

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



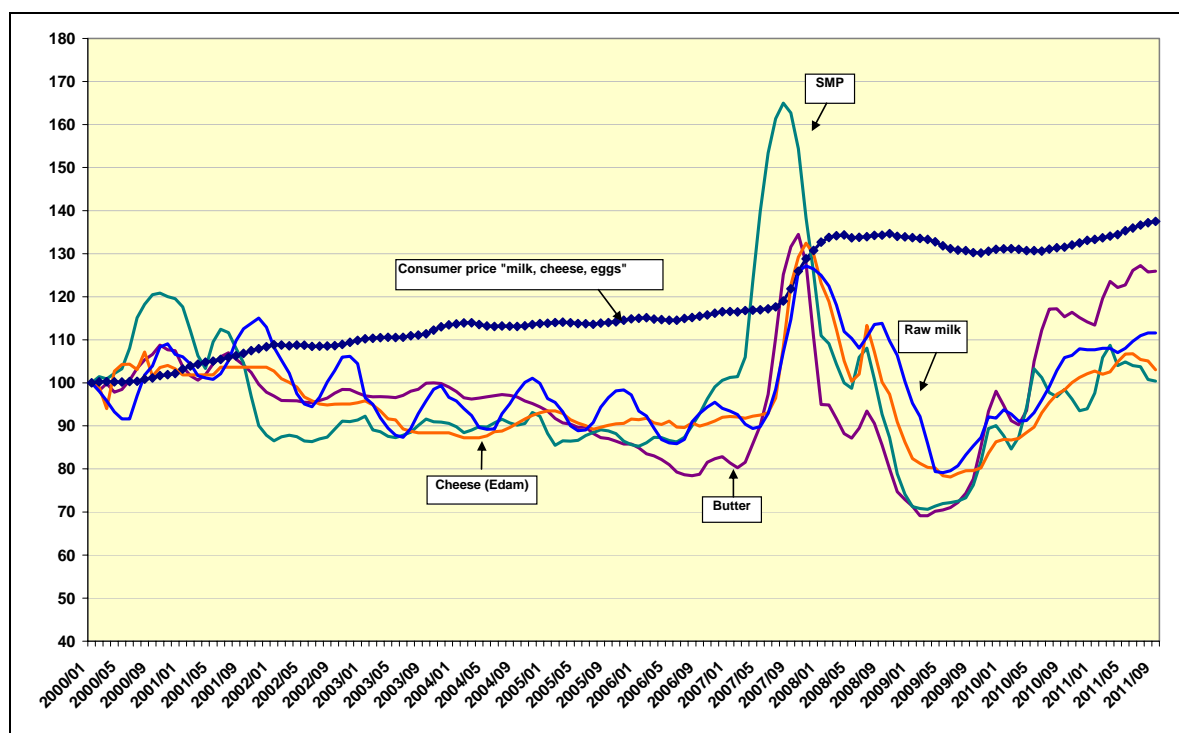
Source: AgriView, Eurostat

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



Source: AgriView, Eurostat

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



Source: AgriView, Eurostat