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NOTE TO THE FILE

**Subject: DECEMBER 2011 update on recent agricultural commodity and food price developments in the EU (based on November 2011 prices)**

**1. Development in agricultural commodity prices**

November 2011 brought, for the third month in row, a new record price for beef meat: €375/100kg carcass weight (+2% compared to last month record). Cereal prices continued their decline after a period of slow growth.

*Monthly developments:* Beef prices registered a new record of €375/100kg carcass weight (+2%). Apart from cheese (Edam) and pork meat categories whose prices increased by 1% and 2% respectively, quotations for the selected agricultural commodities were in November 2011 below the levels registered one month ago: soft wheat, maize, butter and poultry (by -2% each) and durum wheat (-4%). Barley and Skimmed Milk Powder prices remained stable. (cf. Table 1).

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

|                | Soft wheat | Durum wheat | Maize | Barley | SMP | Butter | Cheese (Edam) | Beef | Pork | Poultry |
|----------------|------------|-------------|-------|--------|-----|--------|---------------|------|------|---------|
| European Union | -2%        | -4%         | -2%   | 0%     | 0%  | -2%    | 1%            | 2%   | 2%   | -2%     |
| Austria        | -3%        |             | -1%   | 0%     |     |        |               | 3%   | 3%   | 0%      |
| Belgium        | -1%        |             | -2%   | 0%     | 1%  | -3%    |               | 2%   | 5%   | -4%     |
| Bulgaria       | -3%        |             | -6%   | -1%    |     |        |               |      | 0%   | -4%     |
| Cyprus         |            | 0%          |       | 0%     |     |        |               |      | 1%   | 0%      |
| Czech Republic | -11%       |             | -6%   | -5%    | 3%  | -1%    | -3%           | -1%  | 3%   | -4%     |
| Germany        | -3%        |             | 0%    | -1%    | -2% | -4%    | 0%            | 4%   | 4%   | 0%      |
| Denmark        | -2%        |             |       | 1%     |     |        |               | -1%  | 4%   | 0%      |
| Estonia        | -5%        |             |       | -1%    |     |        | 1%            |      | 0%   | 0%      |
| Spain          | 1%         | -6%         | 0%    | 2%     |     | -4%    | 0%            | 2%   | -1%  | -3%     |
| Finland        | -3%        |             |       | -1%    |     |        |               | 1%   | 0%   | 0%      |
| France         | -1%        | -2%         | 0%    | -3%    | 0%  | -3%    |               | 2%   | 5%   | 0%      |
| Greece         | -8%        | -1%         | 0%    | -6%    |     |        |               | 1%   | 4%   | 0%      |
| Hungary        | -4%        |             | -4%   | -4%    |     |        |               |      | 5%   | -7%     |
| Ireland        |            |             |       | 1%     | 0%  |        |               | 7%   | 0%   | 0%      |
| Italy          | -3%        | -3%         | 0%    | -1%    |     | -1%    |               | 4%   | 2%   | 0%      |
| Lithuania      | 0%         |             | 40%   | -1%    |     |        |               | 5%   | 6%   | 0%      |
| Luxembourg     |            |             |       |        |     |        |               | 2%   | 5%   |         |
| Latvia         | -3%        |             |       | 0%     | 1%  | 1%     | 0%            | -6%  | 2%   | -3%     |
| Malta          |            |             |       |        |     |        |               | 18%  | 5%   | 0%      |
| Netherlands    |            |             | 2%    | 0%     | -1% | -7%    | 1%            | -3%  | 5%   | 0%      |
| Poland         | -4%        |             | 0%    | -2%    | 0%  | -4%    | 0%            | -1%  | 1%   | -7%     |
| Portugal       |            |             | -1%   | 2%     | 12% | -1%    |               | 1%   | -1%  | -10%    |
| Romania        | 0%         |             | 1%    | 0%     |     |        |               | 4%   | 0%   | 0%      |
| Sweden         | -1%        |             |       | -1%    |     |        |               | -2%  | 3%   | 1%      |
| Slovenia       | -1%        |             | 7%    |        |     |        |               | 2%   | 3%   | 0%      |
| Slovakia       | -8%        |             | -13%  | -5%    | 0%  | 0%     | 12%           | -8%  | 3%   | 3%      |
| United Kingdom | -3%        |             |       | 2%     | -1% | -5%    |               | 3%   | 3%   | 1%      |

Source: AgriView

**Year-on-year developments:** With the exception of soft wheat and maize whose prices declined by -8% and -7% respectively, November 2011 brought higher prices for the rest of selected agricultural products: cheese (Edam) (+2%), barley (+4%), butter (+6%), SMP and poultry meat (by +7% each), beef meat (+13%), pork meat (+16%) and durum wheat (+33%) (cf. Table 2, Graphs A2, A3 and A4 in annex).

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

|                | Soft wheat | Durum wheat | Maize | Barley | SMP | Butter | Cheese (Edam) | Beef | Pork | Poultry |
|----------------|------------|-------------|-------|--------|-----|--------|---------------|------|------|---------|
| European Union | -8%        | 33%         | -7%   | 4%     | 7%  | 6%     | 2%            | 13%  | 16%  | 7%      |
| Austria        | -13%       |             | -13%  | 15%    |     |        |               | 11%  | 15%  | 0%      |
| Belgium        | -8%        |             | -8%   | 2%     | 12% | 6%     |               | 13%  | 18%  | 7%      |
| Bulgaria       | -15%       |             | -6%   | 7%     |     |        |               |      | 2%   | 4%      |
| Cyprus         |            | 42%         |       | 6%     |     |        |               |      | 2%   | 1%      |
| Czech Republic | -15%       |             | -21%  | 4%     | 2%  | 6%     | -9%           | 5%   | 15%  | -4%     |
| Germany        | -13%       |             | -9%   | 2%     | 13% | 2%     | 5%            | 12%  | 14%  | 2%      |
| Denmark        | -10%       |             |       | 4%     |     |        |               | 10%  | 18%  | 18%     |
| Estonia        | 2%         |             |       | 32%    |     |        | -7%           |      | 13%  | 5%      |
| Spain          | 1%         | 24%         | -1%   | 8%     |     | 17%    | 5%            | 11%  | 16%  | 9%      |
| Finland        | -6%        |             |       | 10%    |     |        |               | 6%   | 2%   | 5%      |
| France         | -16%       | 32%         | -10%  | -1%    | 5%  | 9%     |               | 14%  | 24%  | 8%      |
| Greece         | -4%        | 41%         | 6%    | -4%    |     |        |               | 0%   | 13%  | 0%      |
| Hungary        | -22%       |             | -8%   | -8%    |     |        |               |      | 16%  | -17%    |
| Ireland        |            |             |       | -3%    | 3%  | 5%     |               | 29%  | 12%  | 0%      |
| Italy          | -8%        | 33%         | -9%   | 5%     |     | 1%     |               | 14%  | 27%  | 17%     |
| Lithuania      | -4%        |             | 8%    | 6%     |     |        |               | 14%  | 15%  | 9%      |
| Luxembourg     |            |             |       |        |     |        |               | 13%  | 11%  |         |
| Latvia         | 7%         |             |       | 20%    | 13% | 10%    | 12%           | 21%  | 14%  | -2%     |
| Malta          |            |             |       |        |     |        |               | 39%  | 4%   | 4%      |
| Netherlands    |            |             | -6%   | 1%     | 12% | -2%    | 2%            | 13%  | 18%  | 9%      |
| Poland         | -8%        |             | -16%  | 6%     | 3%  | 3%     | -4%           | 12%  | 19%  | 12%     |
| Portugal       |            |             | -2%   | 6%     | 11% | 9%     |               | 4%   | 7%   | -1%     |
| Romania        | -6%        |             | 14%   | 18%    |     |        |               | 19%  | 4%   | 0%      |
| Sweden         | -4%        |             |       | 4%     |     |        |               | 7%   | 1%   | 5%      |
| Slovenia       | -6%        |             | -1%   |        |     |        |               | 12%  | 14%  | 10%     |
| Slovakia       | -15%       |             | -14%  | -2%    | 0%  | 8%     | -6%           | 2%   | 18%  | 11%     |
| United Kingdom | -15%       |             |       | -2%    | 6%  | 0%     |               | 26%  | 8%   | 9%      |

Source: AgriView

## 2. Development in consumer prices

**In November 2011, the monthly rate of food price inflation increased faster than the overall inflation (+0.6% as opposed to +0.2%). The annual rate of overall inflation increased at a higher pace than food price inflation (+3.4% against +3%)** (cf. Tables 3 and 4 and Graphs 1, 2 and A1).

Compared to last month all food categories recorded further price increases in November 2011, markedly the "Vegetable" category (+2.9%).

Higher levels in consumer food prices were observed also when compared to a year earlier (except for "Vegetables" whose price declined by -4.5%), "Oils and fats" being the category to register the highest price increase (+7%).

**Table 3** Change in EU consumer prices for food (% , November 2011 compared to October 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 | 0.2            | 0.6  | 0.1               | 0.4  | 0.1              | 0.3                   | 0.1           | 0.9   | 2.9        | 0.1   | 0.2        |
| Belgium        | 0.4            | 1.0  | 0.6               | 0.1  | -0.1             | 0.4                   | 0.3           | 0.3   | 7.6        | 0.8   | 0.1        |
| Bulgaria       | 0.1            | 0.5  | 0.1               | 1.2  | 1.1              | 0.7                   | -1.1          | -4.2  | 1.9        | 0.4   | 0.8        |
| Czech Republic | 0.4            | 1.5  | 0.3               | 0.8  | 1.4              | 2.1                   | -0.4          | -0.3  | 7.3        | 2.3   | 2.0        |
| Denmark        | -0.1           | 0.8  | 0.1               | 1.6  | 0.5              | 0.1                   | 2.2           | 4.2   | -1.6       | 0.8   | 0.2        |
| Germany        | 0.0            | 0.4  | 0.5               | 0.1  | 0.5              | -0.5                  | 0.5           | -0.2  | 3.1        | 0.2   | 0.3        |
| Estonia        | 0.1            | 0.8  | 0.7               | 1.0  | -0.1             | -0.2                  | 0.8           | 1.8   | 3.6        | -0.2  | 0.8        |
| Ireland        | 0.0            | 0.1  | -0.5              | 1.7  | -1.1             | -0.5                  | -0.5          | 0.2   | -0.3       | -2.5  | 1.1        |
| Greece         | 0.2            | 0.8  | 0.2               | 0.2  | -0.5             | 0.2                   | -0.3          | -1.2  | 7.1        | 0.6   | -0.1       |
| Spain          | 0.2            | 0.3  | 0.2               | 0.1  | 0.2              | 0.6                   | -0.6          | -0.8  | 2.7        | 0.0   | 0.6        |
| France         | 0.3            | 0.3  | 0.3               | 0.1  | -0.3             | 0.5                   | 0.4           | -1.3  | 2.0        | 0.5   | 0.2        |
| Italy          | -0.1           | 0.7  | 0.4               | 0.2  | -0.2             | 0.4                   | -0.3          | 3.9   | 2.4        | 0.3   | 0.1        |
| Cyprus         | 0.1            | 2.9  | 0.5               | 0.2  | -1.5             | 0.1                   | 0.2           | -3.9  | 15.3       | 0.6   | -0.1       |
| Latvia         | -0.1           | 0.1  | -1.0              | -0.1 | 1.4              | -2.0                  | -1.3          | 1.6   | 8.4        | 0.5   | 0.5        |
| Lithuania      | 0.2            | 0.4  | 0.1               | -0.3 | 2.1              | -0.1                  | 0.5           | -0.6  | 4.6        | 0.7   | 1.5        |
| Luxembourg     | 0.3            | 0.9  | 0.4               | 0.4  | -0.3             | 0.3                   | -0.8          | 2.6   | 4.9        | 0.9   | 0.6        |
| Hungary        | 0.6            | 1.4  | -0.2              | 1.2  | 0.3              | 0.9                   | 1.1           | -2.1  | 11.1       | 0.6   | 0.3        |
| Malta          | -2.3           | 0.8  | 0.2               | 0.6  | -2.5             | 0.2                   | 0.4           | 8.2   | 1.6        | 0.3   | 0.3        |
| Netherlands    | -0.2           | 0.0  | 0.3               | 0.2  | -0.7             | -0.1                  | -2.7          | -1.4  | 1.4        | -0.3  | 0.2        |
| Austria        | 0.1            | 0.4  | 0.2               | 0.4  | 0.5              | 0.1                   | 0.9           | 2.1   | 1.1        | -0.7  | -0.4       |
| Poland         | 0.7            | 1.4  | 0.1               | 0.7  | 1.8              | 0.6                   | 0.9           | 0.8   | 9.5        | 0.6   | 0.2        |
| Portugal       | -0.1           | -0.1 | -0.2              | 0.4  | 1.1              | -0.7                  | -0.3          | -3.1  | 0.1        | -1.0  | -0.6       |
| Romania        | 0.4            | 0.6  | 0.0               | 0.1  | 0.2              | 1.1                   | 0.0           | -0.7  | 4.0        | 0.1   | 0.1        |
| Slovenia       | 0.2            | -0.2 | 1.5               | 0.5  | 0.9              | 1.1                   | 1.3           | -12.4 | 3.1        | 0.8   | 0.9        |
| Slovakia       | 0.5            | 0.3  | -0.2              | -0.2 | 0.0              | 0.1                   | -1.2          | -2.6  | 8.3        | -0.2  | 0.3        |
| Finland        | 0.2            | 1.4  | 0.3               | 0.5  | -1.5             | 0.1                   | 1.1           | 1.6   | 12.6       | -0.1  | 0.8        |
| Sweden         | 0.2            | 0.0  | -0.3              | 0.7  | -0.6             | -0.1                  | 1.7           | -0.9  | -0.9       | 0.5   | 0.5        |
| United Kingdom | 0.2            | 0.7  | -1.0              | 1.6  | -0.1             | 0.4                   | 1.0           | 6.4   | -1.0       | -0.7  | -0.8       |

**Table 4** Change in EU consumer prices for food (% , November 2011 compared to November 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 | 3.4            | 3.0  | 4.1               | 4.0  | 4.8              | 4.0                   | 7.0           | 0.6   | -4.5       | 5.6   | 3.0        |
| Belgium        | 3.7            | 3.0  | 4.5               | 3.0  | 2.9              | 4.4                   | 12.2          | -0.3  | -4.0       | 6.9   | 3.0        |
| Bulgaria       | 2.6            | 5.4  | 7.3               | 4.1  | 12.4             | 7.4                   | 4.5           | 4.8   | -11.3      | 28.8  | 7.1        |
| Czech Republic | 2.9            | 5.5  | 15.9              | 2.5  | 3.2              | 6.5                   | 8.1           | 1.6   | -13.8      | 11.2  | 5.1        |
| Denmark        | 2.5            | 4.2  | 8.1               | 4.4  | 2.0              | 7.3                   | 22.9          | -0.4  | -4.7       | 0.9   | 3.1        |
| Germany        | 2.8            | 2.6  | 4.4               | 4.4  | 4.3              | 4.6                   | 14.7          | 1.5   | -8.5       | 2.5   | 2.0        |
| Estonia        | 4.4            | 2.8  | 2.9               | 6.3  | 7.4              | 1.8                   | 13.1          | -0.9  | -13.0      | 10.0  | 9.7        |
| Ireland        | 1.7            | 1.3  | 0.7               | 2.6  | 0.6              | 2.8                   | 9.5           | 0.6   | -0.5       | -1.0  | -0.3       |
| Greece         | 2.8            | 3.5  | 3.7               | 1.6  | 5.8              | 3.3                   | 3.0           | 6.6   | 3.8        | 4.4   | 3.5        |
| Spain          | 2.9            | 2.1  | 2.6               | 2.5  | 3.4              | 2.8                   | 1.3           | 0.7   | -4.3       | 6.9   | 3.5        |
| France         | 2.7            | 2.9  | 3.3               | 3.4  | 3.9              | 3.5                   | 7.8           | 2.1   | -2.0       | 3.6   | 2.3        |
| Italy          | 3.7            | 3.1  | 3.2               | 2.6  | 4.7              | 4.6                   | 1.6           | 2.1   | 2.0        | 4.2   | 2.1        |
| Cyprus         | 4.0            | 9.5  | 9.0               | 2.0  | 14.2             | 0.6                   | 10.1          | 4.6   | 22.3       | 7.2   | 13.3       |
| Latvia         | 4.0            | 4.6  | 0.2               | 6.1  | 7.6              | 7.9                   | 13.1          | 0.9   | -8.7       | 10.7  | 7.0        |
| Lithuania      | 4.4            | 5.9  | 7.0               | 3.1  | 14.8             | 9.7                   | 14.6          | 0.1   | -5.5       | 10.5  | 5.4        |
| Luxembourg     | 4.0            | 2.7  | 3.7               | 3.3  | 6.2              | 3.5                   | 5.5           | 0.9   | -7.3       | 5.2   | 5.2        |
| Hungary        | 4.3            | 4.8  | 7.5               | 4.4  | 1.7              | 6.5                   | 11.1          | -1.8  | -11.7      | 21.6  | 5.9        |
| Malta          | 1.5            | 6.0  | 2.1               | 5.7  | 41.1             | 2.9                   | 10.0          | 3.8   | 1.6        | 7.2   | 2.3        |
| Netherlands    | 2.7            | 1.9  | 3.0               | 3.5  | 2.3              | 3.1                   | 5.8           | 1.2   | -7.2       | 2.2   | 4.0        |
| Austria        | 3.8            | 4.3  | 3.3               | 5.5  | 7.4              | 7.2                   | 13.2          | 4.8   | -4.4       | 4.6   | 0.5        |
| Poland         | 4.4            | 3.6  | 6.5               | 9.8  | 9.3              | 4.3                   | 9.0           | -10.9 | -19.2      | 12.4  | 4.1        |
| Portugal       | 3.8            | 2.1  | 1.5               | 1.8  | 10.8             | -1.3                  | 8.0           | -0.7  | -8.8       | 4.6   | 2.0        |
| Romania        | 3.5            | 1.3  | 5.5               | 1.6  | 2.8              | 4.6                   | 7.0           | 0.0   | -18.1      | 10.1  | 2.4        |
| Slovenia       | 2.8            | 4.5  | 7.1               | 5.2  | 4.4              | 7.7                   | 10.2          | 2.1   | -9.6       | 7.9   | 5.5        |
| Slovakia       | 4.8            | 4.5  | 8.7               | 7.1  | 5.7              | 5.4                   | 6.9           | 2.6   | -15.4      | 14.3  | 1.8        |
| Finland        | 3.2            | 4.9  | 4.8               | 6.0  | 1.9              | 5.1                   | 11.9          | -0.9  | -2.1       | 15.4  | 6.3        |
| Sweden         | 1.1            | -0.1 | 2.4               | 0.2  | -4.2             | 2.1                   | 2.0           | -0.6  | -6.7       | 0.4   | 0.9        |
| United Kingdom | 4.8            | 3.7  | 3.1               | 6.4  | 8.2              | 3.1                   | 9.5           | -0.2  | 0.8        | 5.6   | 3.5        |

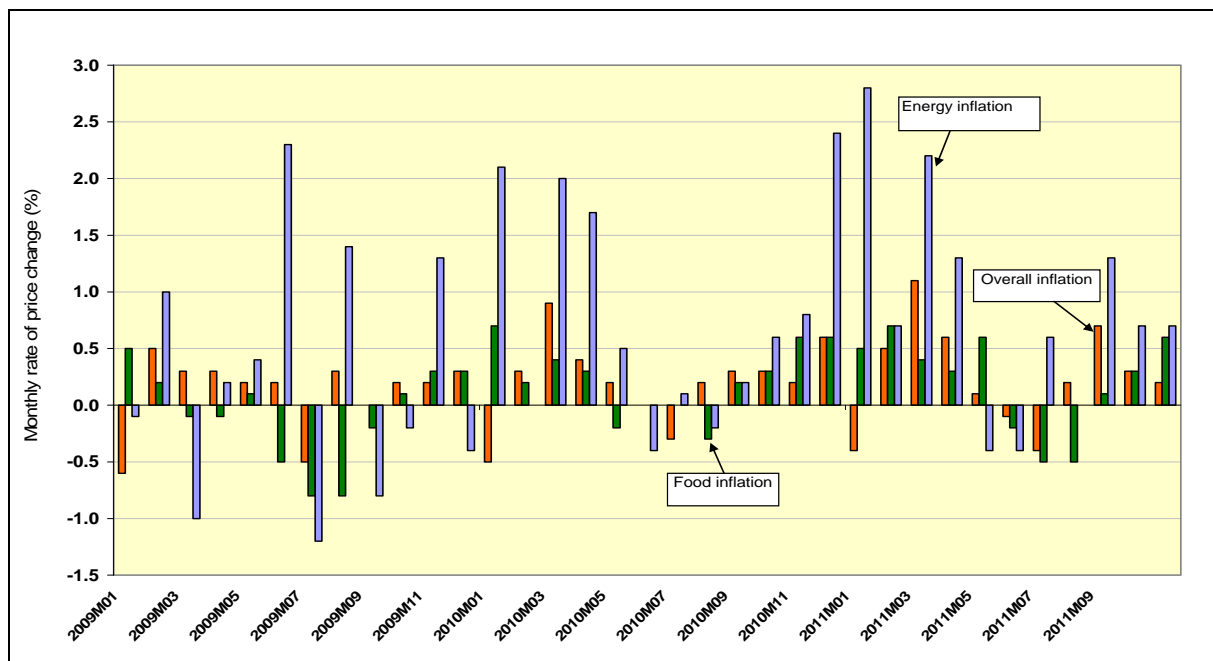
Source: Eurostat (Theme "Economy and finance", Harmonised Indices for Consumer Prices)

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.

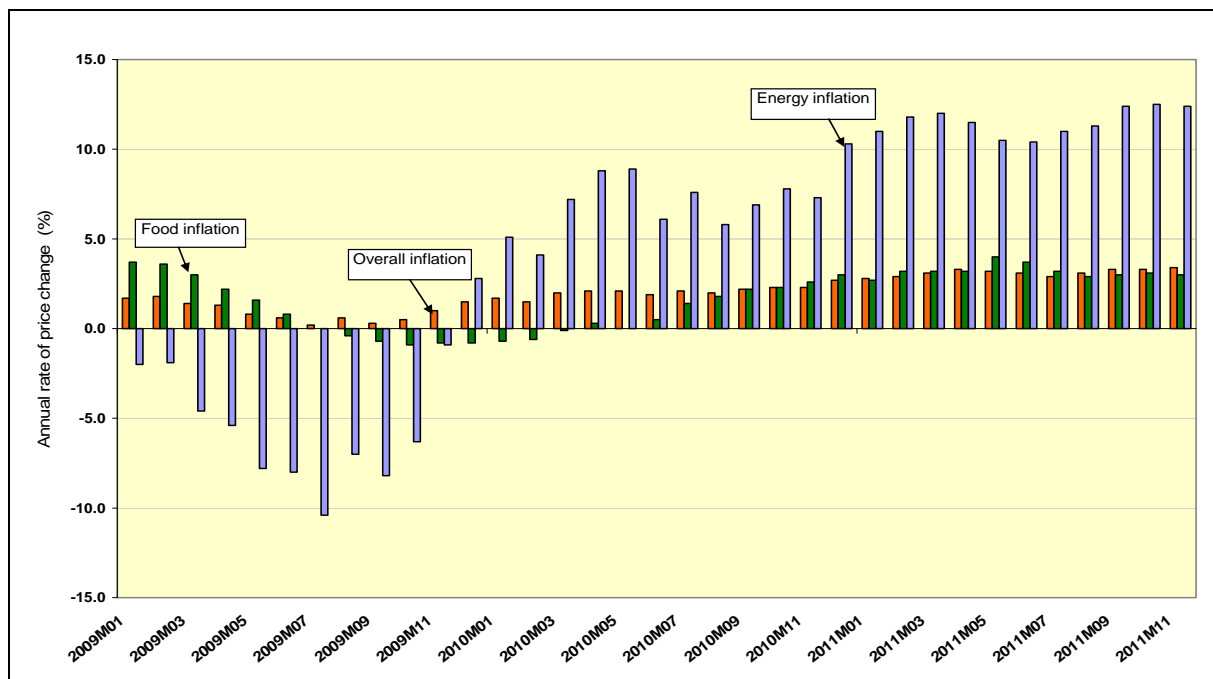
### 3. Overall and food inflation against energy inflation

Energy consumer prices in November 2011 were 0.7% higher than one month ago (cf. Graph 1), with most significant increase for "Liquid fuels" (+3.9%). Compared to the previous year, energy consumer prices increased by 12.4% (cf. Graph 2) of which "Liquid fuel" category registered the highest increase rate of 27%.

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



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

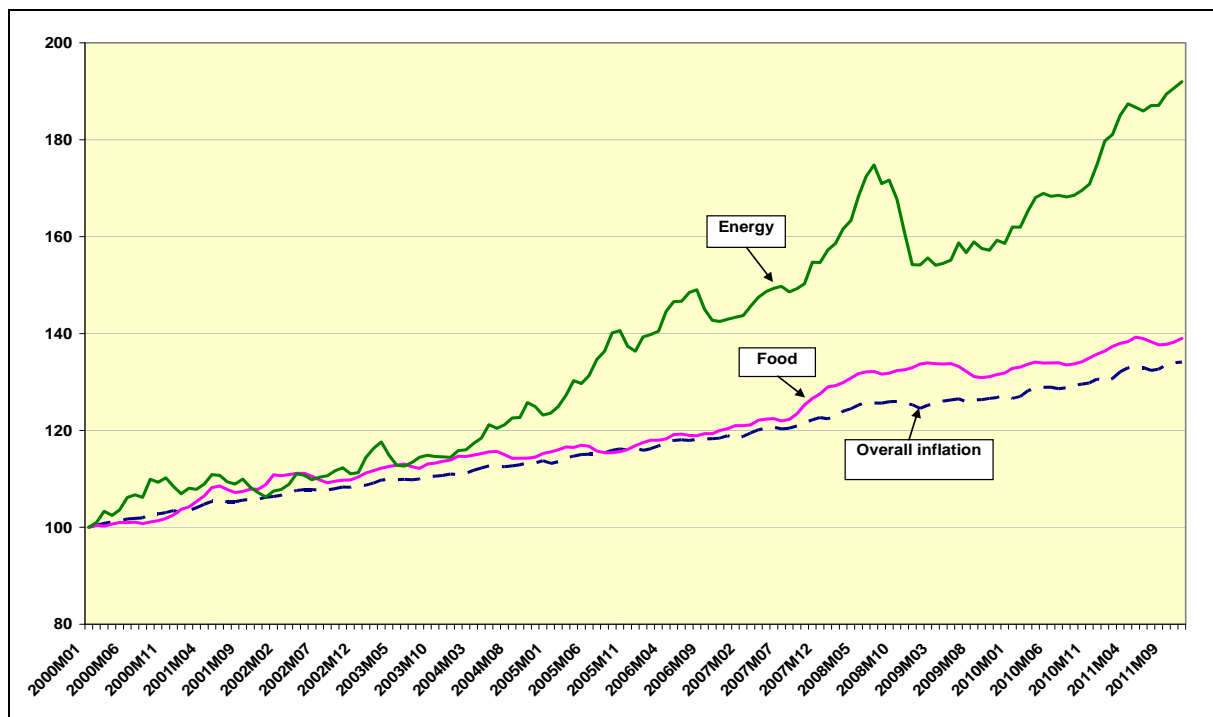


Source: Eurostat (Theme "Economy and finance", Harmonised Indices for Consumer Prices)

NB: The energy category includes electricity, gas, liquid and solid fuels, heat energy and fuels and lubricants for personal transport equipment.

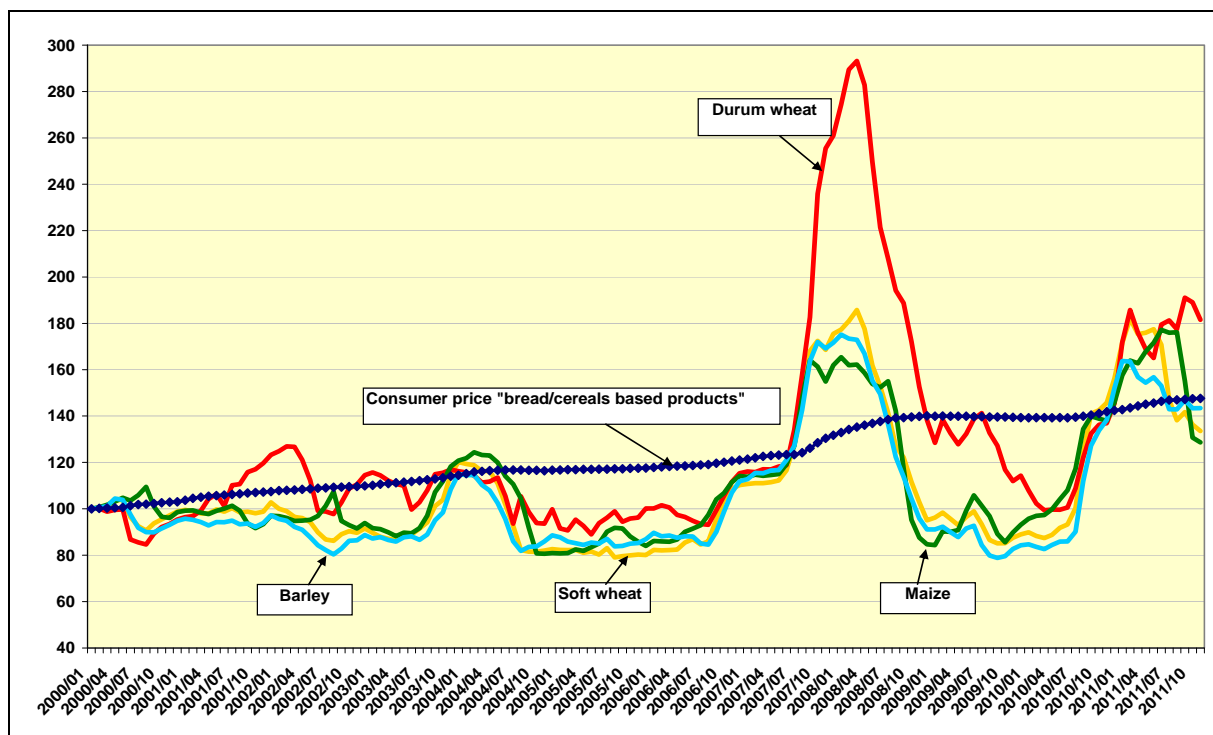
Annex: Graphs on EU agricultural market and consumer price developments.

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



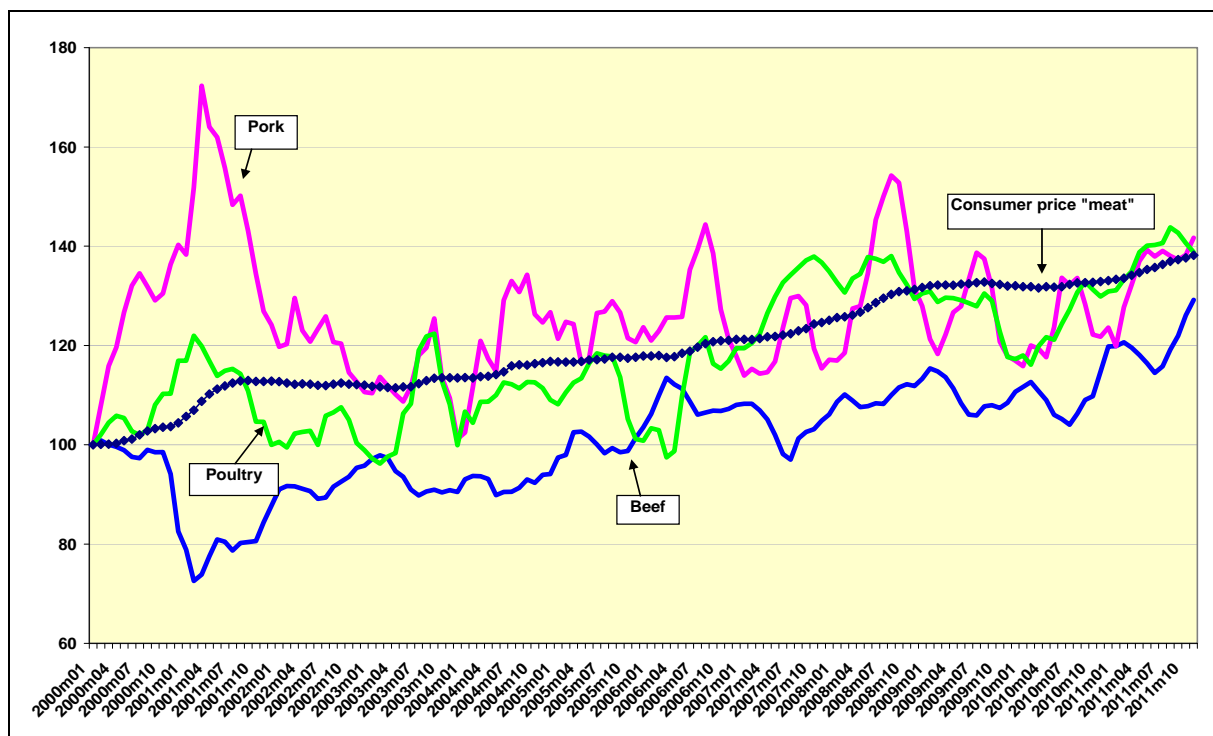
Source: Eurostat

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



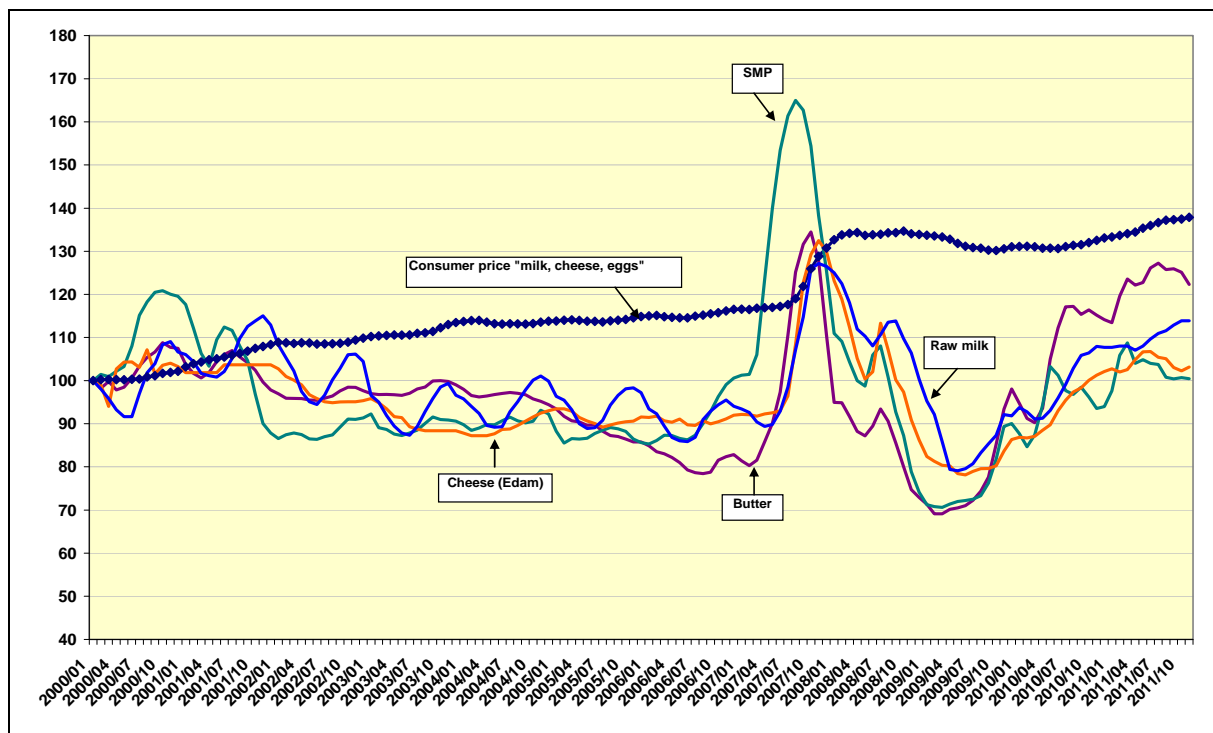
Source: AgriView, Eurostat

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



Source: AgriView, Eurostat

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



Source: AgriView, Eurostat