

ECONOMIC BULLETIN on INPUT COSTS Up to October 2021

Energy prices

Crude oil and natural gas

- Year-on-year, crude oil prices increased by more than 100%.
- EU natural gas prices rose by 534% since October 2020, while US prices have increased by 114%.

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Transport costs

Global shipping and air freight

- The global container freight rate index increased by 359% between October 2020 and October 2021.
- Air freight rates are up 67% compared to October 2020.

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Packaging

Wood and paper

- Producer prices of wooden containers have continuously increased in 2021. In October 2021, the index grew by 40% on a year-on-year comparison.
- Producer prices index of pulp and paper registered a 22% growth compared to October 2020.

Plastics and metal

- Producer prices index of plastic packing goods grew by 12% since October 2020.
- Year-on-year, producer prices index of light metal packaging registered a lower increase (M10 2021/M10 2020: +5%).

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Machinery for processing

- Producer prices index of machinery for food and drink processing register a 2% increase since October 2020.

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Labour

Labour shortage

- The job vacancy rate in the EU manufacturing industry has risen significantly since Q3 2020 (Q3 2021/Q3 2020: +67%).
- Job vacancy rate in the manufacturing industry varies across Member States, from 4.2% in the Netherlands to 0.4% and 0.3% in Greece and Spain respectively.

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Animal feed

- Producer prices of animal feed have continuously increased since August 2020.
- The year-on-year comparison shows that producer prices index of animal feed grew by 14%.

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Fertilizers

- Most fertiliser prices soared in 2021, particularly those for phosphates and urea.
- Year-on-year, prices of diammonium phosphate, triple superphosphate and urea increased by 88%, 113% and 184% respectively.

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Methodology

- **EU refers to EU27 (excluding the UK)** in the text, unless otherwise specified.
- The EU food and drink industry is identified by NACE Rev.2 codes C10 (manufacture of food products) and C11 (manufacture of beverages).

Sources

European Commission, Eurostat data and indices

<http://ec.europa.eu/eurostat/home>

European Commission, Eurostat statistics explained

http://ec.europa.eu/eurostat/statistics-explained/index.php/Main_Page

European Commission, Eurostat short-term statistics

<https://ec.europa.eu/eurostat/data/database>

European Commission, Eurostat, labour markets

https://ec.europa.eu/eurostat/databrowser/view/jvs_q_nace2/default/table?lang=en

The World Bank, Commodity markets, monthly prices

<https://www.worldbank.org/en/research/commodity-markets>

Note on

- **Producer Prices Index (PPI)**

The PPI for a specific economic activity measures the monthly change in the trading price of products and related services. The PPI is an output index - it measures price changes from the seller's perspective. The prices collected in period t should refer to orders booked during period t (at the moment of the order) and not the moment when the commodities leave the factory gates.

- **Job vacancy**

A job vacancy is defined as a paid post that is newly created, unoccupied, or about to become vacant:

- for which the employer is taking active steps and is prepared to take further steps to find a suitable candidate from outside the enterprise concerned; and
- which the employer intends to fill either immediately or within a specific period of time.

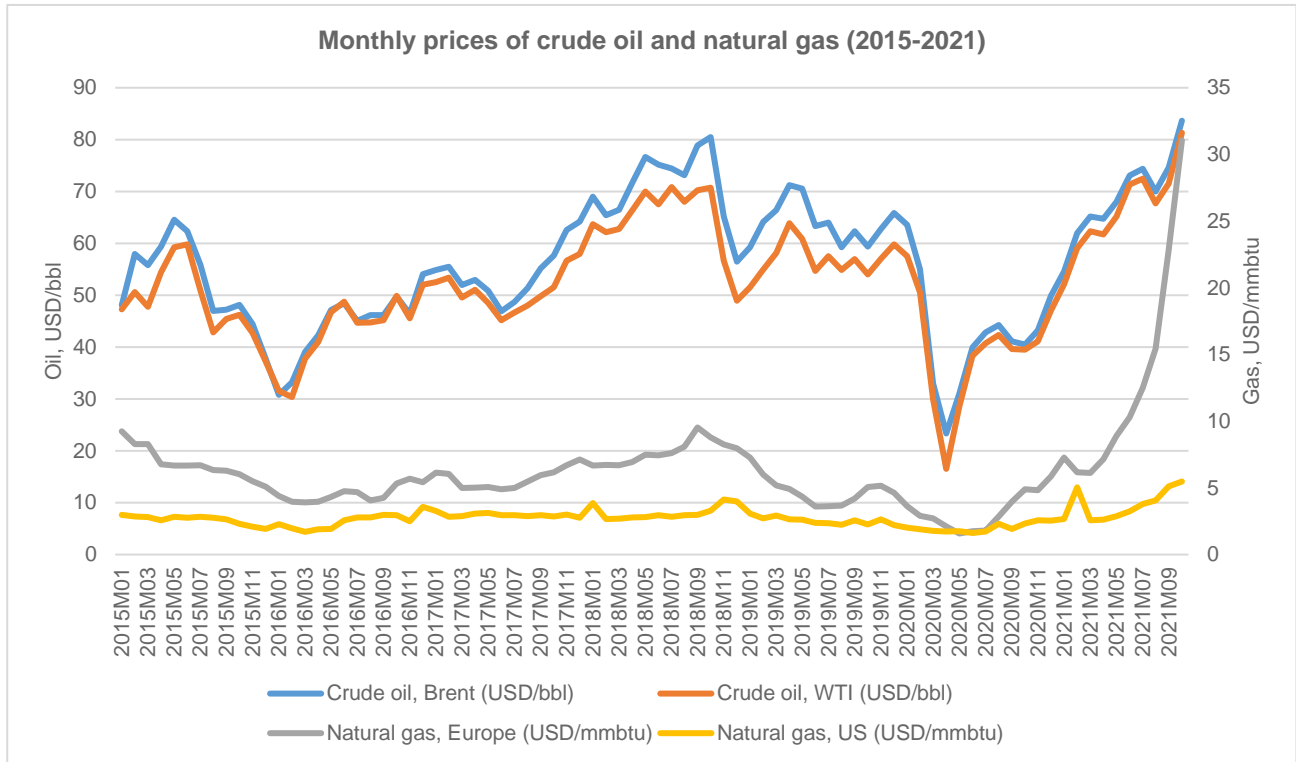
Job vacancy represents the unmet demand for labour.

For more information on FoodDrinkEurope and its activities, including the Quarterly Economic Bulletin, please visit: www.fooddrinkeurope.eu

ECONOMIC BULLETIN ON INPUT COSTS

Annex

Energy prices

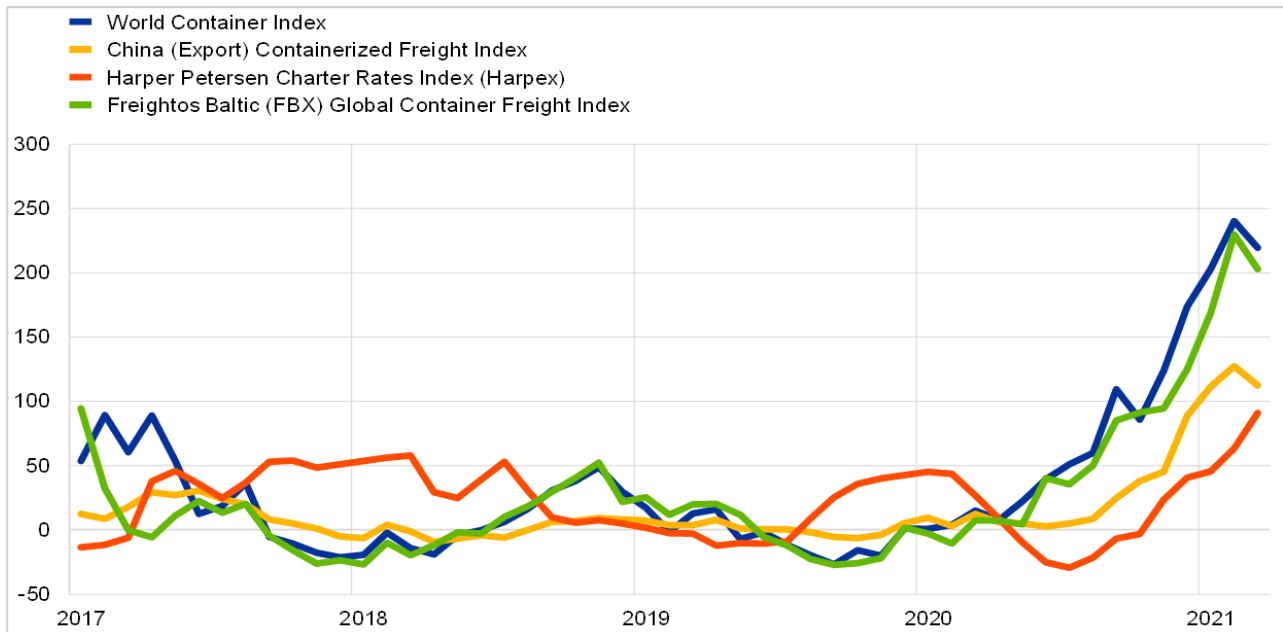


Source: World Bank Commodity Price Data

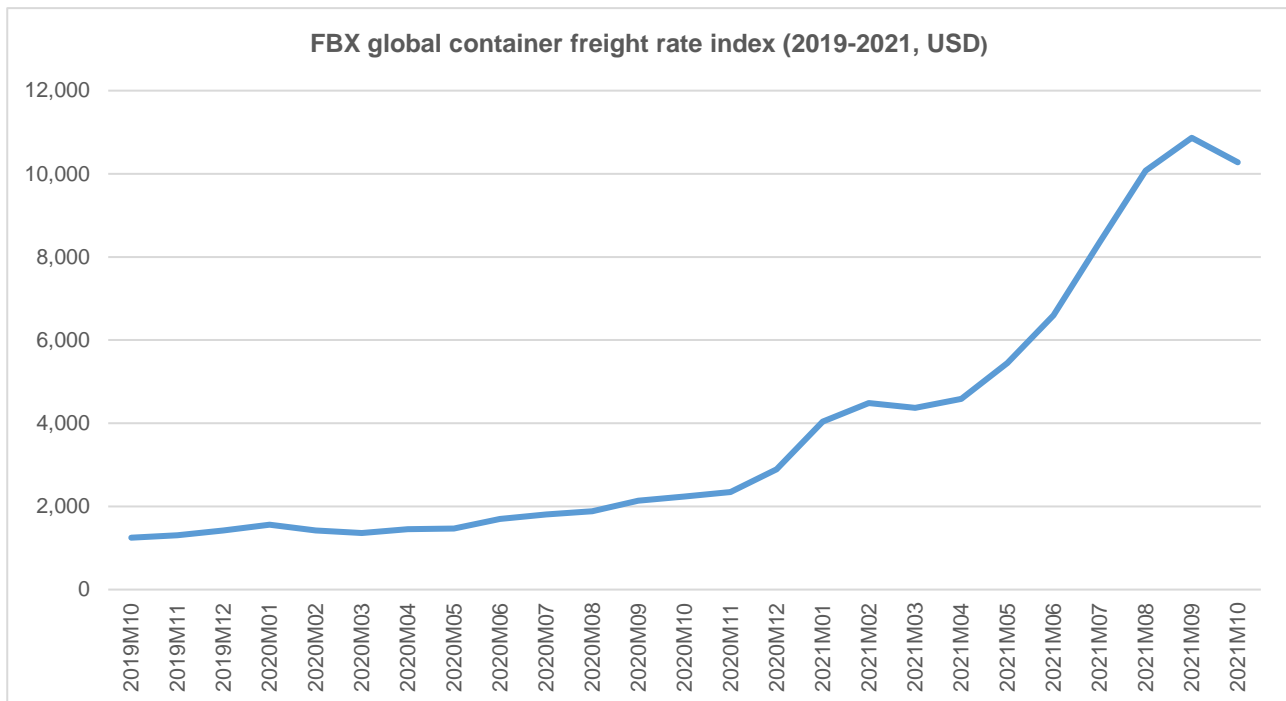
	Crude oil, Brent (USD/bbl)	Crude oil, WTI (USD/bbl)	Natural gas, Europe (USD/mmbtu)	Natural gas, US (USD/mmbtu)
2020M11	43	41	5	3
2020M12	50	47	6	3
2021M01	55	52	7	3
2021M02	62	59	6	5
2021M03	65	62	6	3
2021M04	65	62	7	3
2021M05	68	65	9	3
2021M06	73	71	10	3
2021M07	74	72	13	4
2021M08	70	68	15	4
2021M09	75	72	23	5
2021M10	84	81	31	5

Transport costs

Global shipping costs (year-on-year, % changes)



Source: [ECB](#)

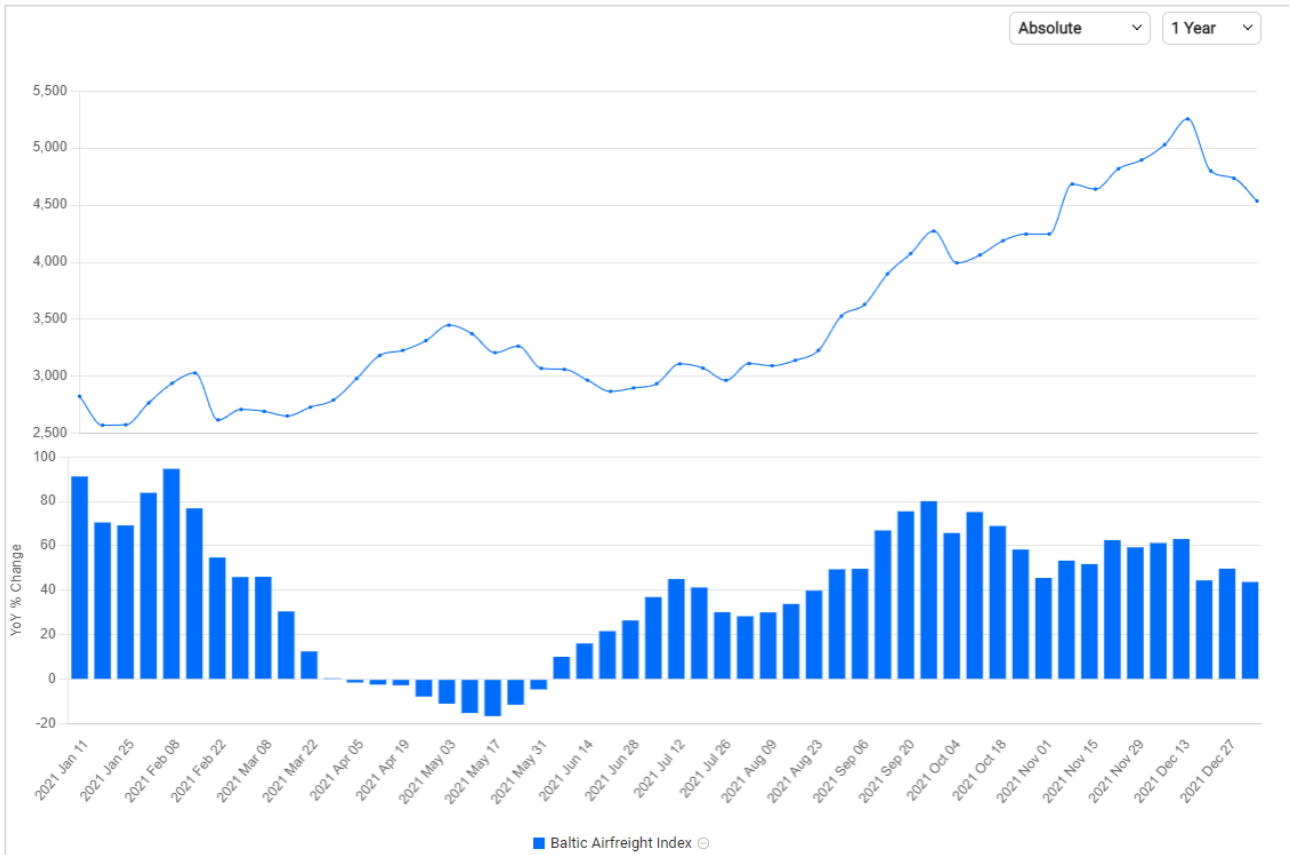


Source: *Freightos, global container freight rate index, cited by MacroMicro*

Supplementary notes:

FBX stands for Freightos Baltic Index. The index represents a market rate for freight for any given shipping lane for a 40' container. The index is based on aggregated and anonymized real-time business data from global freight carriers, freight forwarders, and shippers that use the WebCargo by Freightos freight rate management platform. The values are an average of the five business days of the last full week in each month. The values are a monthly average of weekly prices.

Air freight index

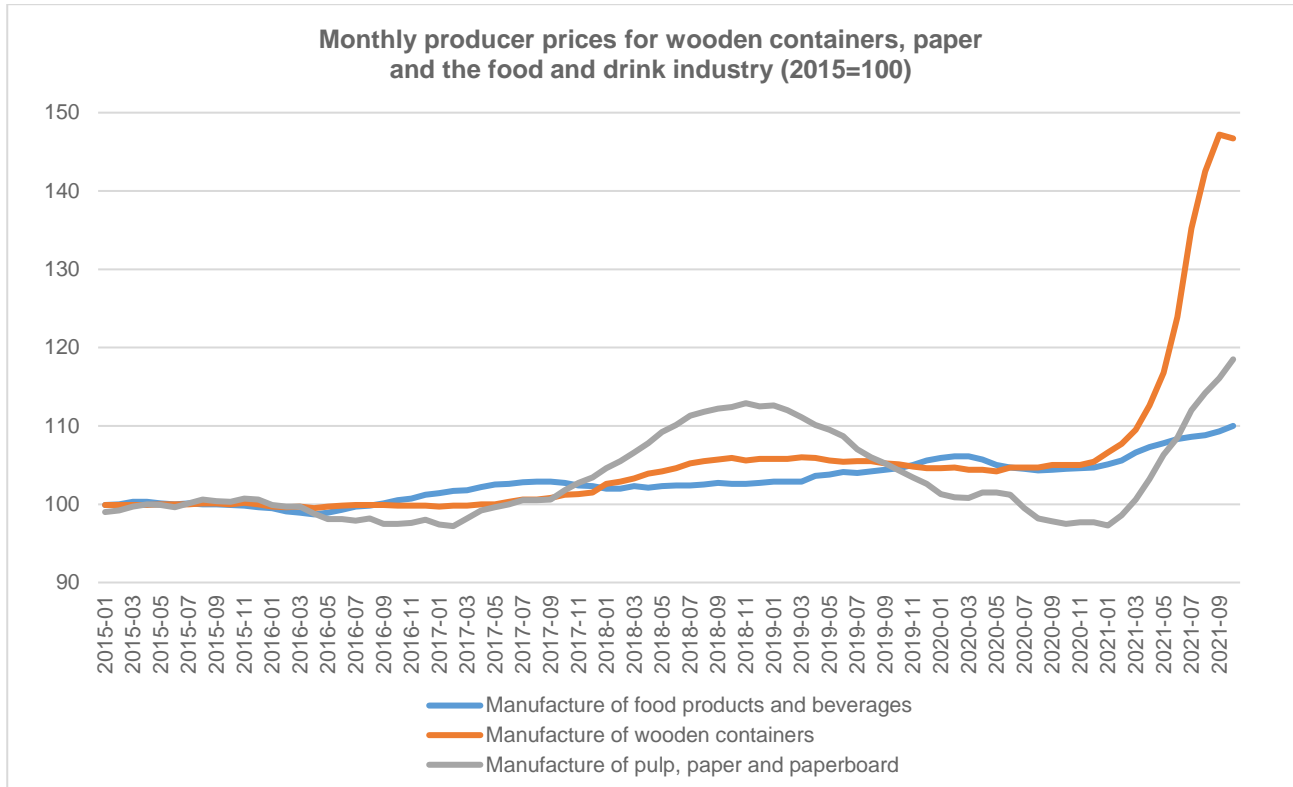


Source: [Baltic airfreight index](#)

The Baltic Exchange Airfreight Index (BAI) – powered by TAC data – reflects the price per kilogram of general cargo flown on 17 key tradelanes, from origin airport to destination region. The Baltic Air Freight Indices (BAI) reflect weekly transactional rates for general cargo as provided by freight forwarders. The data includes a headline index - the BAI Index – a weighted average of the 17 underlying destination basket routes, as well as six outbound indices – a weighted average of the destination baskets from each of the six origin airports.

Packaging

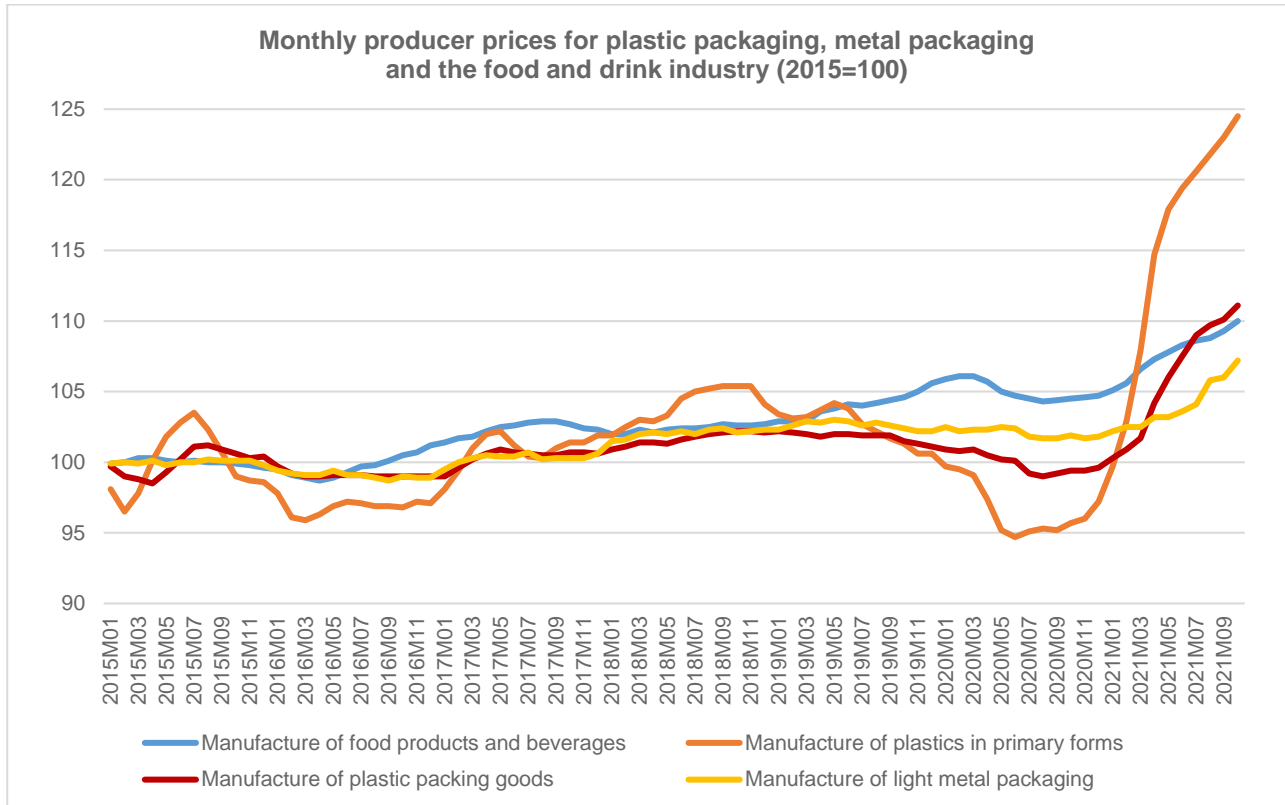
Wood and paper industries



Source: Eurostat (STS)

	Manufacture of wooden containers	Manufacture of pulp, paper and paperboard
2020M11	105	98
2020M12	105	98
2021M01	107	97
2021M02	108	99
2021M03	110	101
2021M04	113	103
2021M05	117	106
2021M06	124	109
2021M07	135	112
2021M08	142	114
2021M09	147	116
2021M10	110	147

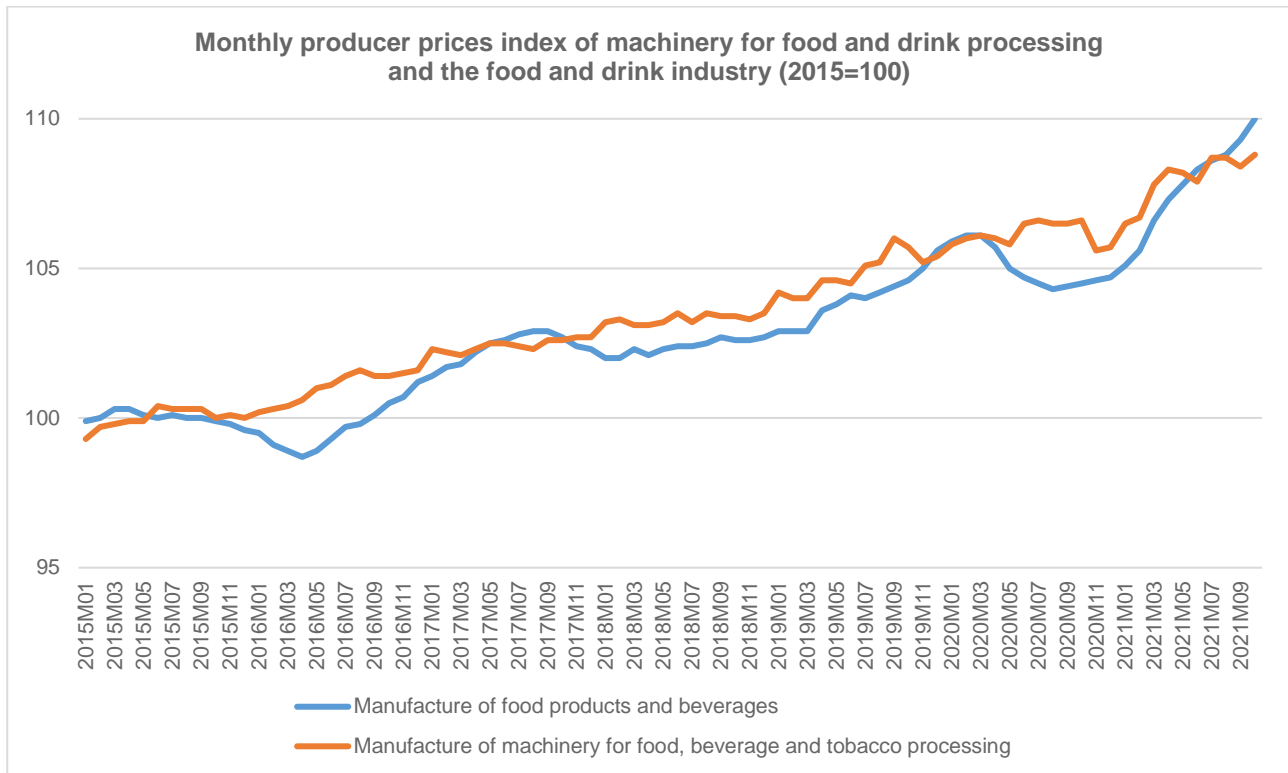
Plastic and metal industries



Source: Eurostat (STS)

	Manufacture of plastics in primary forms	Manufacture of plastic packing goods	Manufacture of light metal packaging
2020M11	96	99	102
2020M12	97	100	102
2021M01	100	100	102
2021M02	103	101	103
2021M03	108	102	103
2021M04	115	104	103
2021M05	118	106	103
2021M06	119	108	104
2021M07	121	109	104
2021M08	122	110	106
2021M09	123	110	106
2021M10	125	111	107

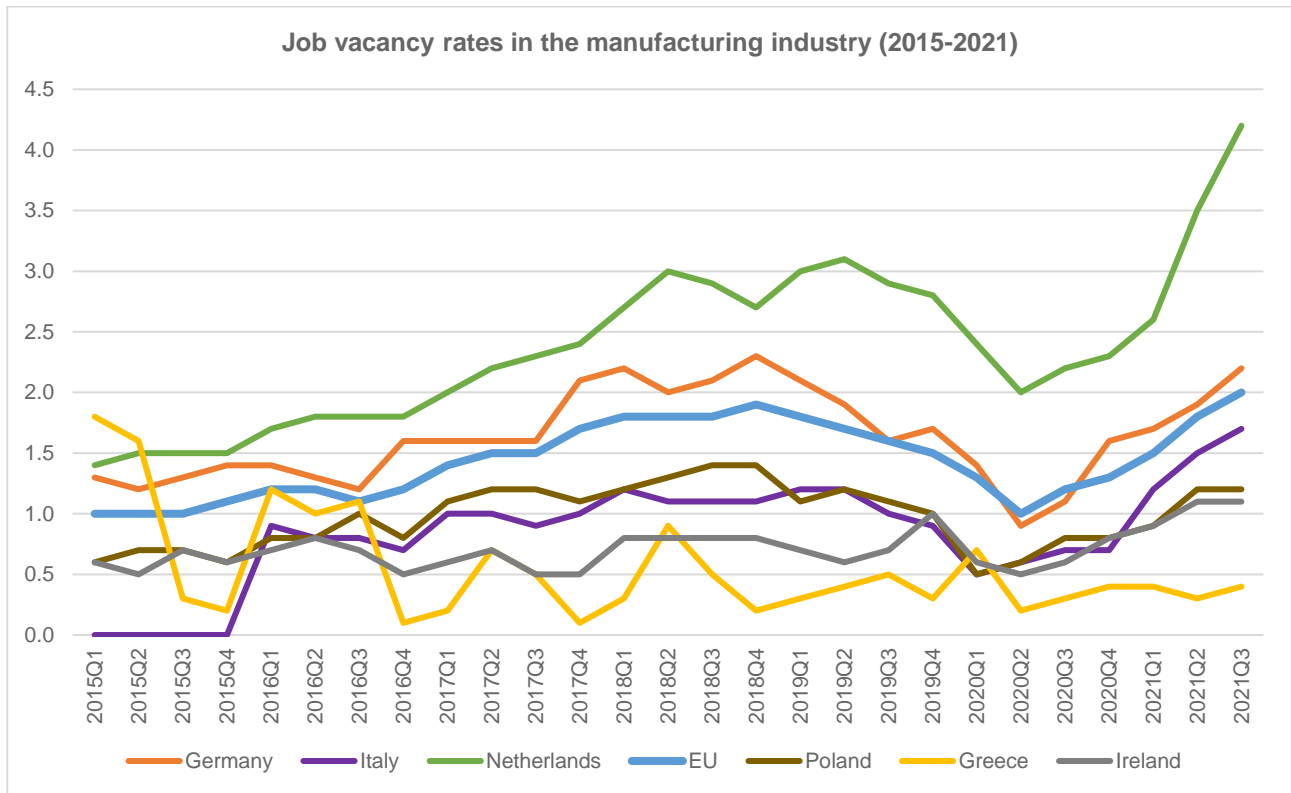
Machinery for food and drink processing



Source: Eurostat (STS)

Manufacture of machinery for food, beverage and tobacco processing	
2020M11	106
2020M12	106
2021M01	107
2021M02	107
2021M03	108
2021M04	108
2021M05	108
2021M06	108
2021M07	109
2021M08	109
2021M09	108
2021M10	109

Labour



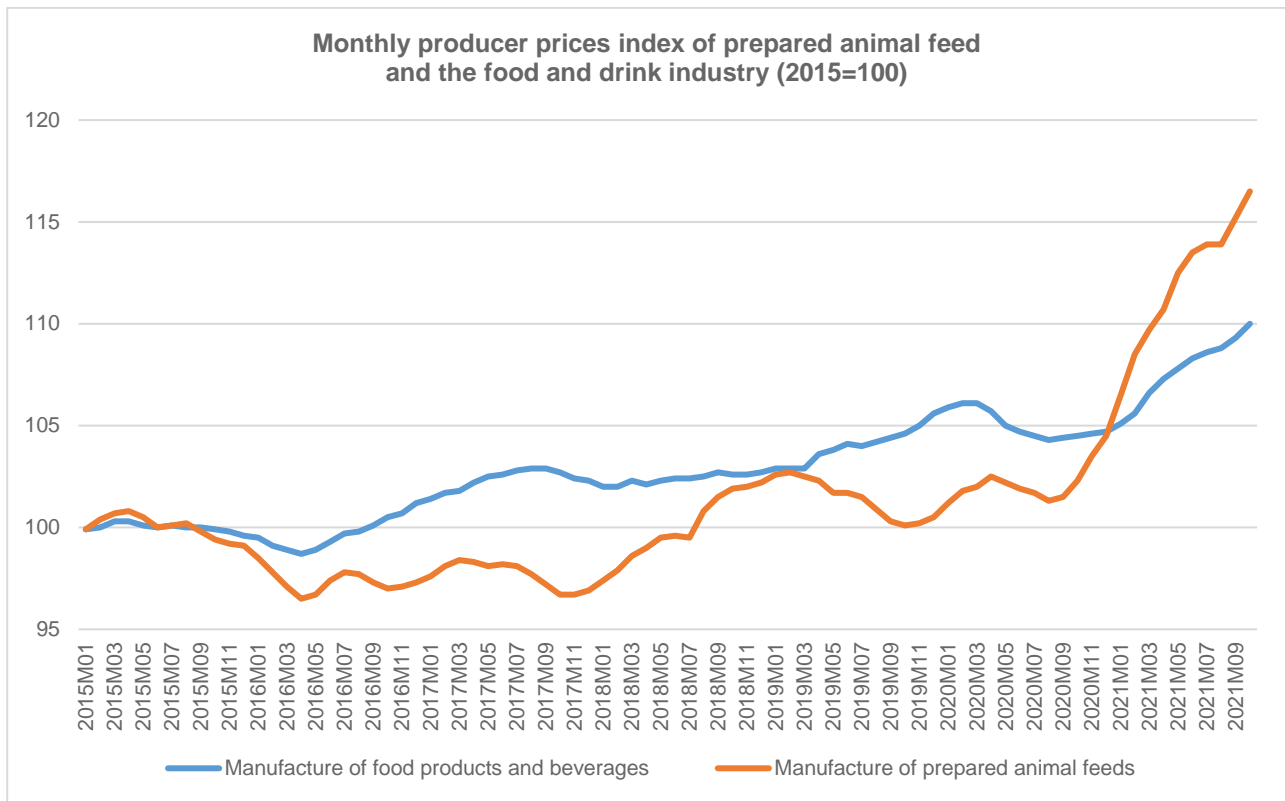
Source: Eurostat (jvs)

Job vacancy rate in the manufacturing industry

	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3
EU	1.3	1.0	1.2	1.3	1.5	1.8	2.0
Germany	1.4	0.9	1.1	1.6	1.7	1.9	2.2
Greece	0.7	0.2	0.3	0.4	0.4	0.3	0.4
Ireland	0.6	0.5	0.6	0.8	0.9	1.1	1.1
Italy	0.5	0.6	0.7	0.7	1.2	1.5	1.7
Netherlands	2.4	2	2.2	2.3	2.6	3.5	4.2
Poland	0.5	0.6	0.8	0.8	0.9	1.2	1.2

Source: Eurostat

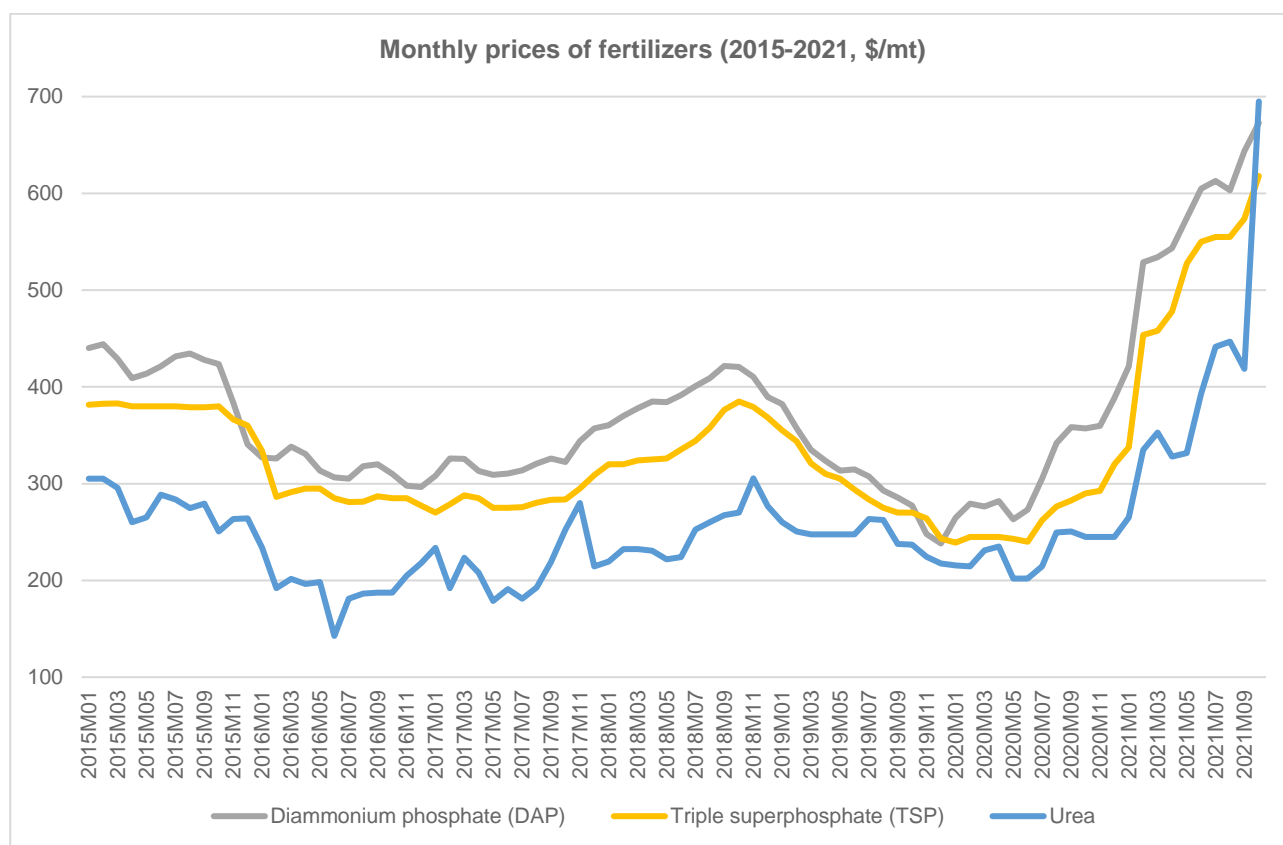
Animal feed



Source: Eurostat (STS)

Manufacture of prepared animal feeds	
2020M11	104
2020M12	105
2021M01	107
2021M02	109
2021M03	110
2021M04	111
2021M05	113
2021M06	114
2021M07	114
2021M08	114
2021M09	115
2021M10	117

Fertilizers



Source: World Bank Commodity Price Data

	Diammonium phosphate DAP (\$/mt)	Triple superphosphate TSP (\$/mt)	Urea (\$/mt)
2020M11	360	293	245
2020M12	389	320	245
2021M01	421	338	265
2021M02	529	454	335
2021M03	534	458	353
2021M04	543	478	328
2021M05	575	528	332
2021M06	605	550	393
2021M07	613	555	442
2021M08	603	555	447
2021M09	644	574	419
2021M10	673	618	695