

# ECONOMIC BULLETIN on INPUT COSTS Up to November/December 2021

## Food and drink producer prices, consumer prices and inflation

- In December 2021, EU food and drink producer prices increased by 7.2% compared to December 2020.
- Consumer food prices registered a 4.3% increase since December 2020.
- Inflation was up by 5.3% in December 2021 year on year.

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## Energy prices

### Crude oil and natural gas

- In December 2021, crude oil prices increased by 51% compared to December 2020.
- EU natural gas prices rose by 549% since December 2020, while US prices have increased by 46%.

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## Transport costs

### Global shipping and air freight

- The global container freight rate index increased by 226% between December 2020 and December 2021. Following a peak in September 2021, the index declined by 13% in December 2021 compared to September 2021.
- Air freight rates are up 50% compared to December 2020.

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## Packaging

### Wood and paper

- December year-on-year, producer prices index of wooden containers grew by 37%. After a peak in September 2021, they slightly decreased (M12 2021/M09 2020: -2%).
- Producer price indices of pulp and paper have continuously increased in 2021 and registered a 26% rise compared to December 2020.

### Plastics and metal

- The producer price index of plastic packing goods grew by 13% since December 2020.

- Year-on-year, producer prices index of light metal packaging registered a lower increase (M12 2021/M12 2020: +7%).

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## Machinery for processing

- The producer price index of machinery for food and drink processing registered a 4% increase since December 2020.

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## Labour

### Labour shortage

- The job vacancy rate in the EU manufacturing industry has risen significantly since Q4 2020 (Q4 2021/Q4 2020: +62%).
- In November 2021, the job vacancy rate in the manufacturing industry varied across Member States, from 4.2% in the Netherlands to 0.4% and 0.3% in Greece and Spain respectively.

[Click here for more information](#)

## Agricultural raw materials

- The FAO food price index increased by 24% in December 2021 year on year.
- For further details, please see the European Commission's monthly [commodity price dashboard](#).

## Animal feed

- Producer prices of animal feed have continuously increased since August 2020.
- The December year-on-year comparison shows that the producer price index of animal feed grew by 16%.

[Click here for more information](#)

## 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 92%, 115% and 263% respectively.

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## Methodology

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- **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](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](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](http://www.fooddrinkeurope.eu)**

# ECONOMIC BULLETIN ON INPUT COSTS

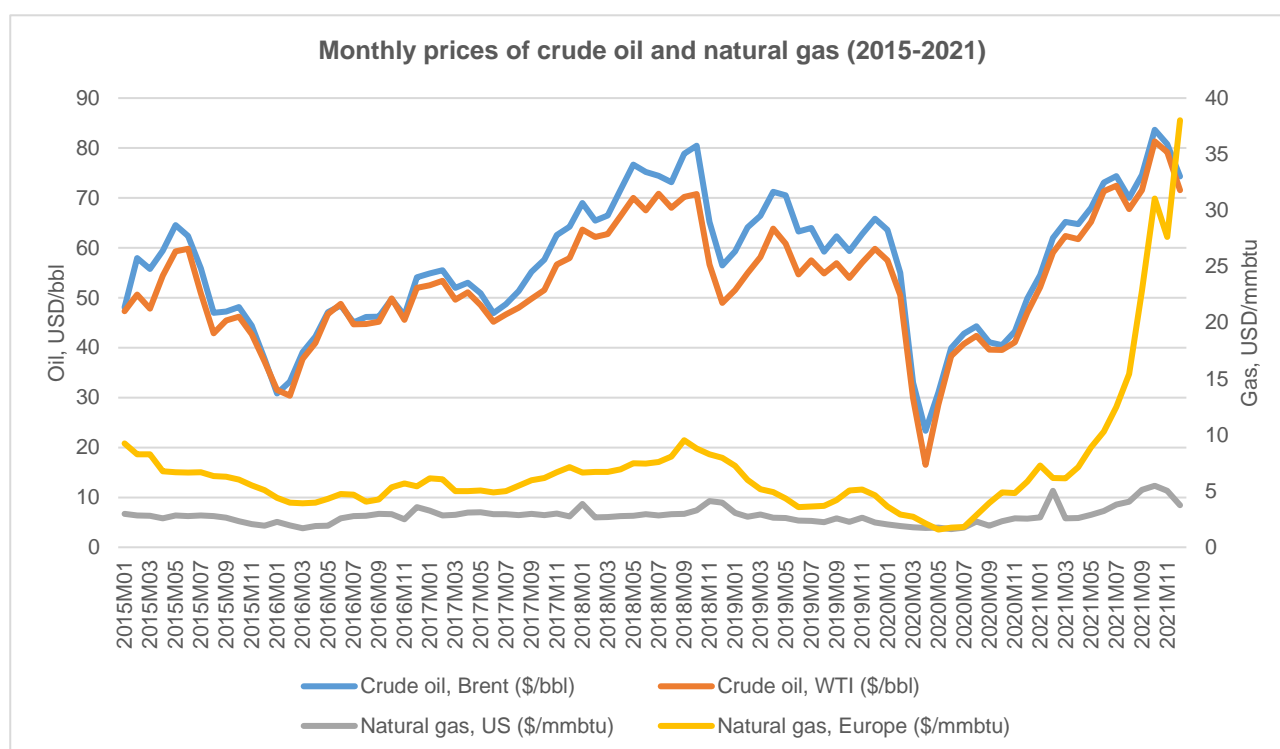
## Annex

### Food and drink producer prices, consumer prices and inflation

	Food and drink producer prices	Consumer food prices	Inflation
	2021M12 / 2020M12 (% change)	2021M12 / 2020M12 (% change)	2021M12 / 2020M12 (% change)
<b>EU</b>	7.2	4.3	5.3
<b>Belgium</b>	10.9	1.4	6.6
<b>Bulgaria</b>	10.4	8.9	6.6
<b>Czechia</b>	4.4	4.4	5.4
<b>Denmark</b>	5.8	1.9	3.4
<b>Germany</b>	7.5	5.9	5.7
<b>Estonia</b>	na	6.1	12.0
<b>Ireland</b>	2.9	1.2	5.7
<b>Greece</b>	3.0	4.5	4.4
<b>Spain</b>	8.1	4.8	6.6
<b>France</b>	4.5	1.5	3.4
<b>Croatia</b>	2.8	8.5	5.2
<b>Italy</b>	6.3	3.0	4.2
<b>Cyprus</b>	na	1.0	4.8
<b>Latvia</b>	na	7.9	7.9
<b>Lithuania</b>	5.4	11.7	10.7
<b>Luxembourg</b>	na	2.4	5.4
<b>Hungary</b>	12.9	8.3	7.4
<b>Malta</b>	na	5.4	2.6
<b>Netherlands</b>	10.7	2.6	6.4
<b>Austria</b>	4.7	1.6	3.8
<b>Poland</b>	12.4	8.2	8.0
<b>Portugal</b>	8.2	3.0	2.8
<b>Romania</b>	9.7	7.0	6.7
<b>Slovenia</b>	4.5	4.1	5.1
<b>Slovakia</b>	na	6.3	5.1
<b>Finland</b>	4.0	1.3	3.2
<b>Sweden</b>	5.0	1.7	4.5

Source: Eurostat

## Energy prices

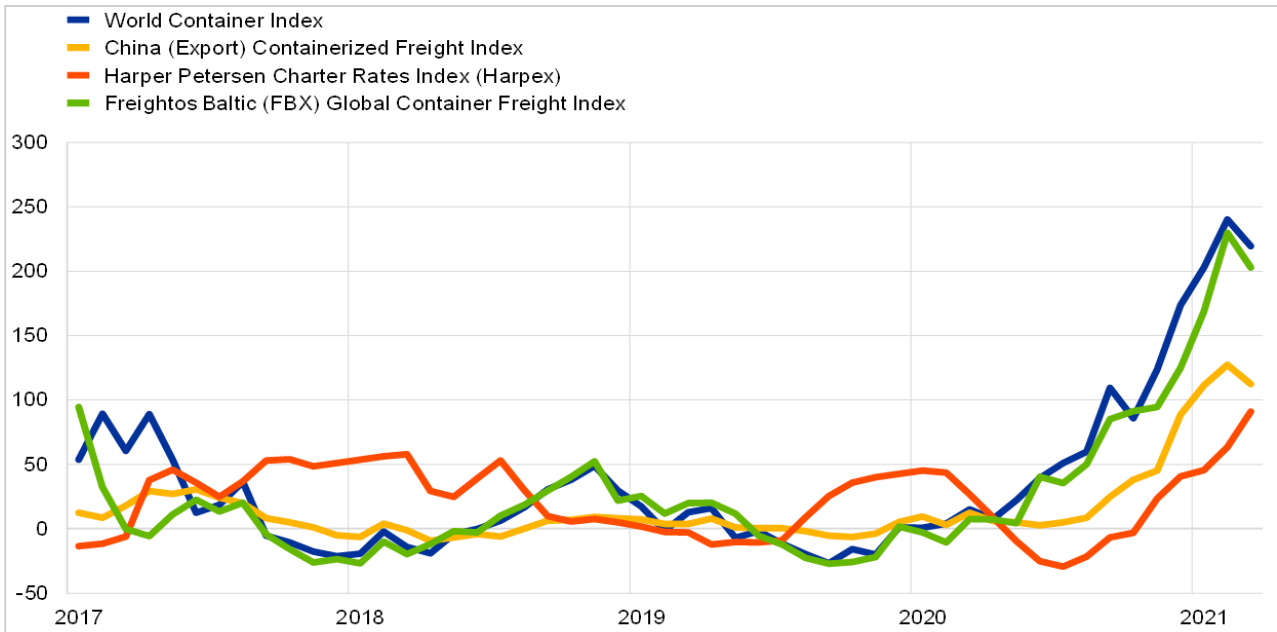


Source: World Bank Commodity Price Data

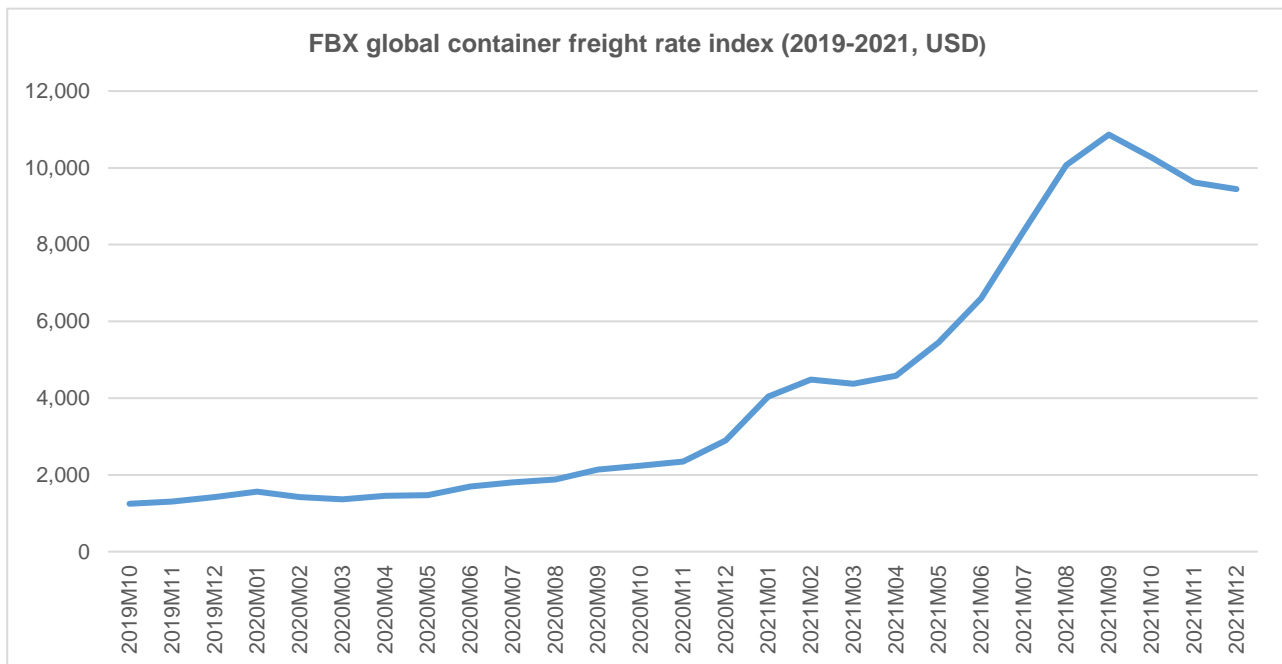
	Crude oil, Brent (USD/bbl)	Crude oil, WTI (USD/bbl)	Natural gas, Europe (USD/mmbtu)	Natural gas, US (USD/mmbtu)
2020M11	43	41	5	3
2020M12	50	47	6	3
2021M01	55	52	7	3
2021M02	62	59	6	5
2021M03	65	62	6	3
2021M04	65	62	7	3
2021M05	68	65	9	3
2021M06	73	71	10	3
2021M07	74	72	13	4
2021M08	70	68	15	4
2021M09	75	72	23	5
2021M10	84	81	31	5
2021M11	81	79	28	5
2021M12	74	72	38	4

## Transport costs

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



Source: [ECB](#)

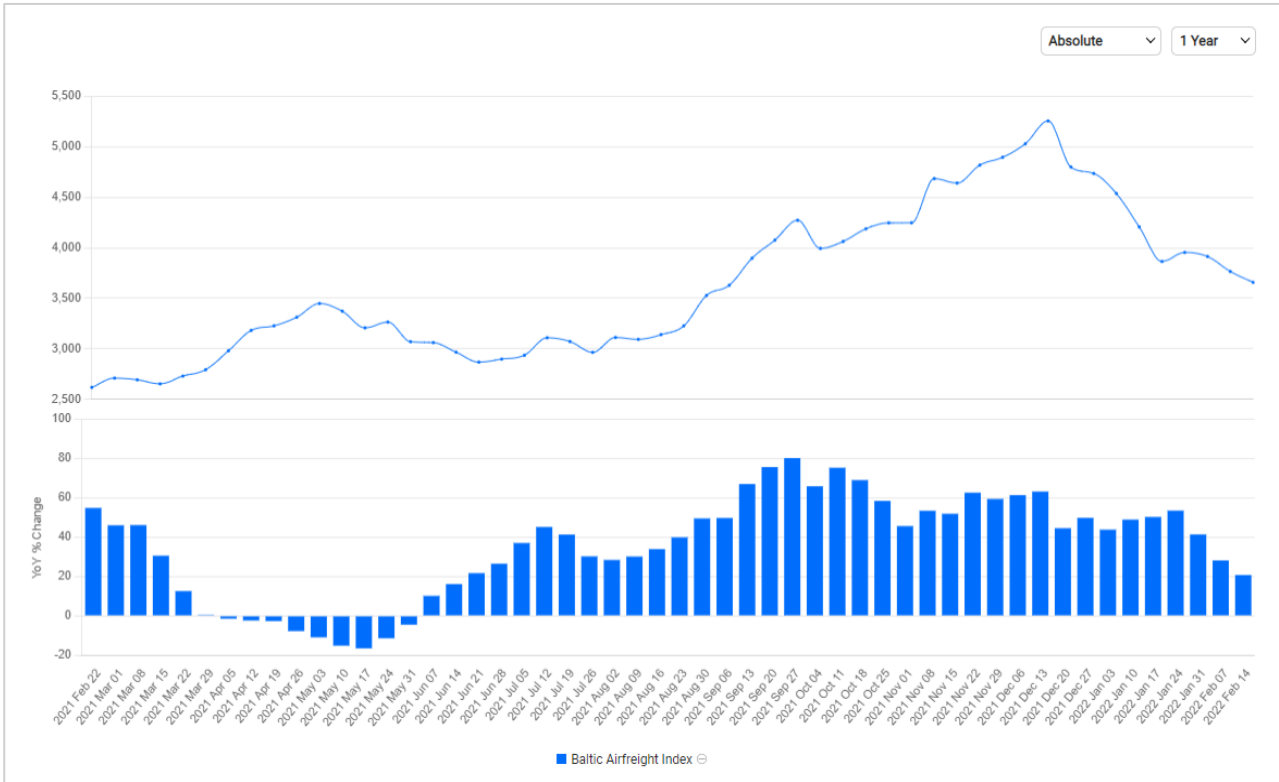


Source: *Freightos, global container freight rate index, cited by MacroMicro*

### 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

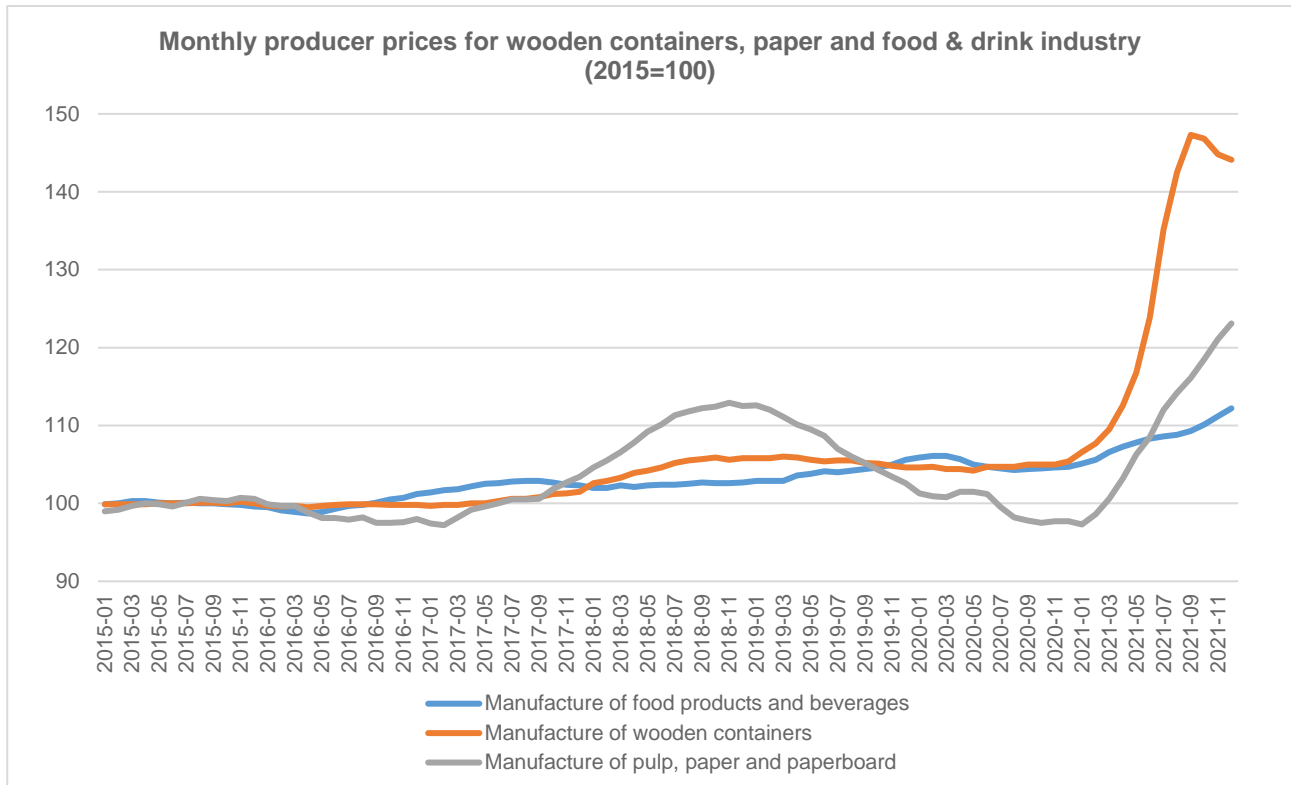


Source: [Baltic airfreight index](#)

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

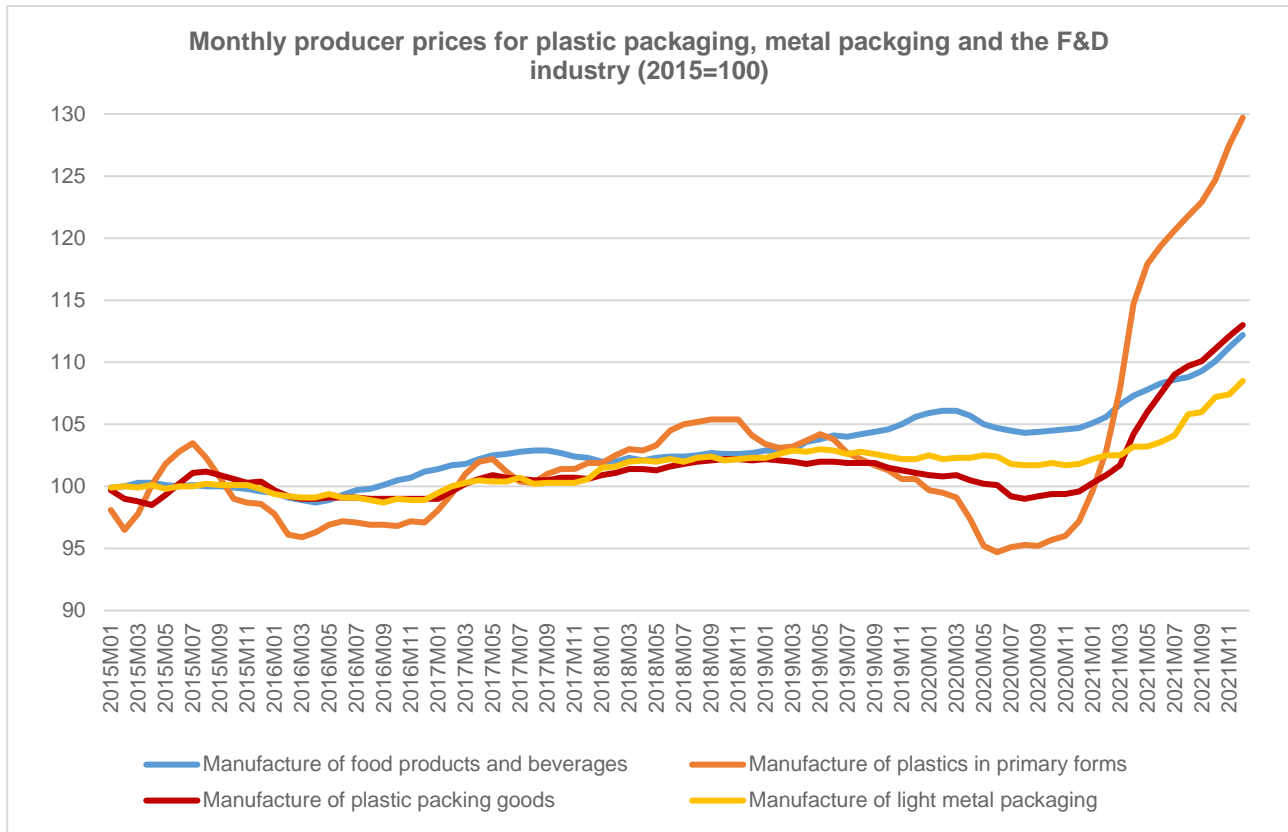
### Wood and paper industries



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	143	114
2021M09	147	116
2021M10	147	119
2021M11	145	121
2021M12	144	123

## Plastic and metal industries

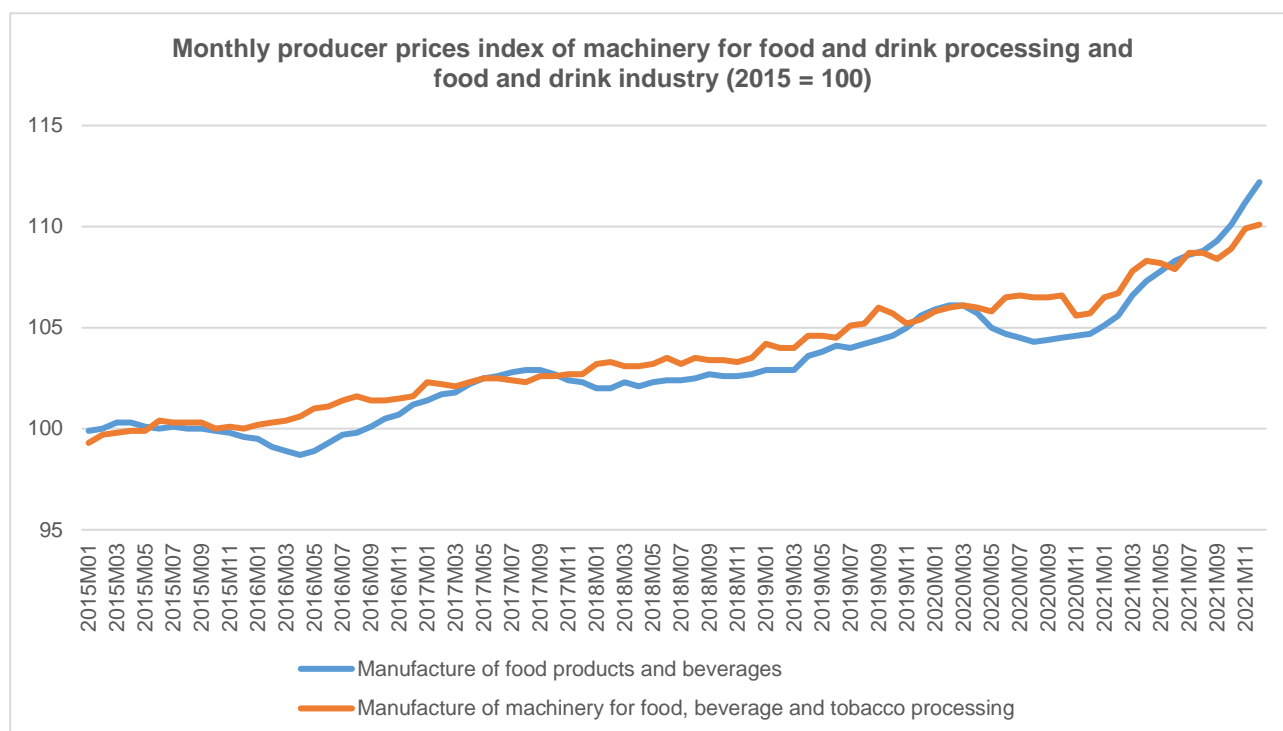


Source: Eurostat (STS)

	Manufacture of plastics in primary forms	Manufacture of plastic packaging 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
2021M11	128	112	107
2021M12	130	113	109



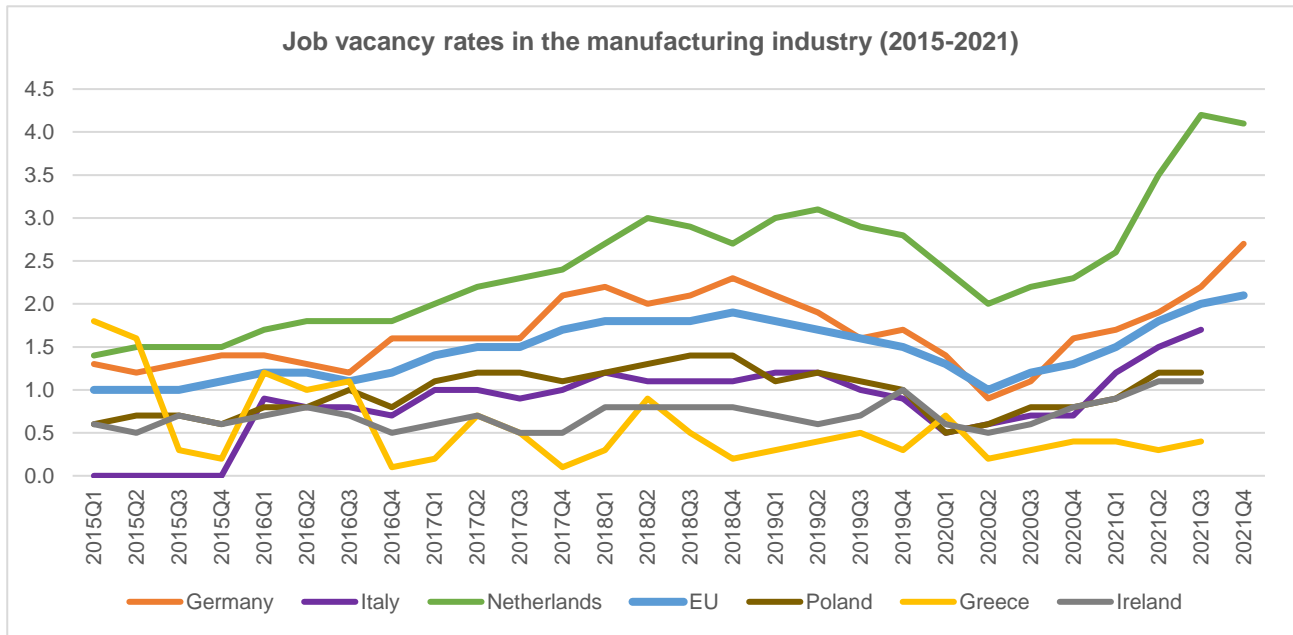
## Machinery for food and drink processing



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
2021M11	110
2021M12	110

## Labour



Source: Eurostat (jvs)

### Job vacancy rate in the manufacturing industry

	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4
<b>EU</b>	1.3	1.0	1.2	1.3	1.5	1.8	2.0	2.1
<b>Germany</b>	1.4	0.9	1.1	1.6	1.7	1.9	2.2	2.7
<b>Greece</b>	0.7	0.2	0.3	0.4	0.4	0.3	0.4	na
<b>Ireland</b>	0.6	0.5	0.6	0.8	0.9	1.1	1.1	na
<b>Italy</b>	0.5	0.6	0.7	0.7	1.2	1.5	1.7	na
<b>Netherlands</b>	2.4	2	2.2	2.3	2.6	3.5	4.2	4.1
<b>Poland</b>	0.5	0.6	0.8	0.8	0.9	1.2	1.2	na

Source: Eurostat

## Agricultural raw materials



Source: [FAO Food Price Index](#)

### AGRICULTURAL COMMODITY PRICES – December 2021

Agricultural Commodity	EUROPEAN UNION 27			WORLD			
	Monthly average	Annual change	Monthly change	Monthly average	Annual change	Monthly change	
<b>CEREALS (1)</b>	<b>EUR/T</b>	<b>%</b>	<b>%</b>	<b>USD/T</b>	<b>EUR/T</b>	<b>%</b>	<b>%</b>
Soft wheat	286.9	38.7%	-1.5%	379.5 (2)	335.7	41.9%	0.5%
				329.4 (3)	291.4	32.2%	-0.2%
Durum wheat	454.7	59.7%	-4.7%				
Maize	295.0 (5)	51.3%	-6.3%	266.2	235.5	34.0%	6.7%
Barley	262.8	36.1%	-0.5%	300.0	265.4	38.8%	-0.1%
<b>MEAT</b>							
Beef	4 415.4	21.8%	2.1%	5 954.6	5 267.7	35.3%	0.0%
Pork	1 314.1	2.2%	2.1%	1 322.5 (6)	1 170.0 (6)	15.3%	4.1%
Poultry	2 112.0	17.3%	2.2%	2 699.4	2 388.0	47.8%	17.1%
<b>DAIRY</b>							
Butter	5,480	62.2%	7.1%	5 833.3	5 160.4	34.5%	3.6%
Cheese	3,344	7.2%	1.2%	5 291.7	4 681.3	32.7%	5.4%
SMP	3,243	48.0%	5.9%	3 737.5	3 306.4	24.1%	4.0%
WMP	4,056	48.4%	7.5%	3 929.2	3 475.9	20.7%	-0.4%
<b>OILSEEDS</b>							
Soya beans				565.0 (5)	499.8	10.1%	2.2%
Rapeseed	727.2 (5)	77.0%	4.7%				
<b>SUGAR</b>							
White sugar	420.0 (4)	10.8%	0.7%	510.0 (5)	451.0	26.6%	-1.0%
<b>RICE (milled)</b>							
Japonica	980.0	36.1%	8.9%	1,200.0	1,061.6	41.8%	0.5%
Indica	710.0	1.4%	0.9%	381.2	337.2	-23.4%	1.2%

#### Notes:

Changes in world prices are based on prices expressed in USD.

1) EU cereal quotations: soft wheat and barley (delivered Rouen), durum wheat (Port-La-Nouvelle/La Pallice) and maize (Bordeaux).

2-3) US Hard Red Winter Wheat and US Soft Red Winter Wheat.

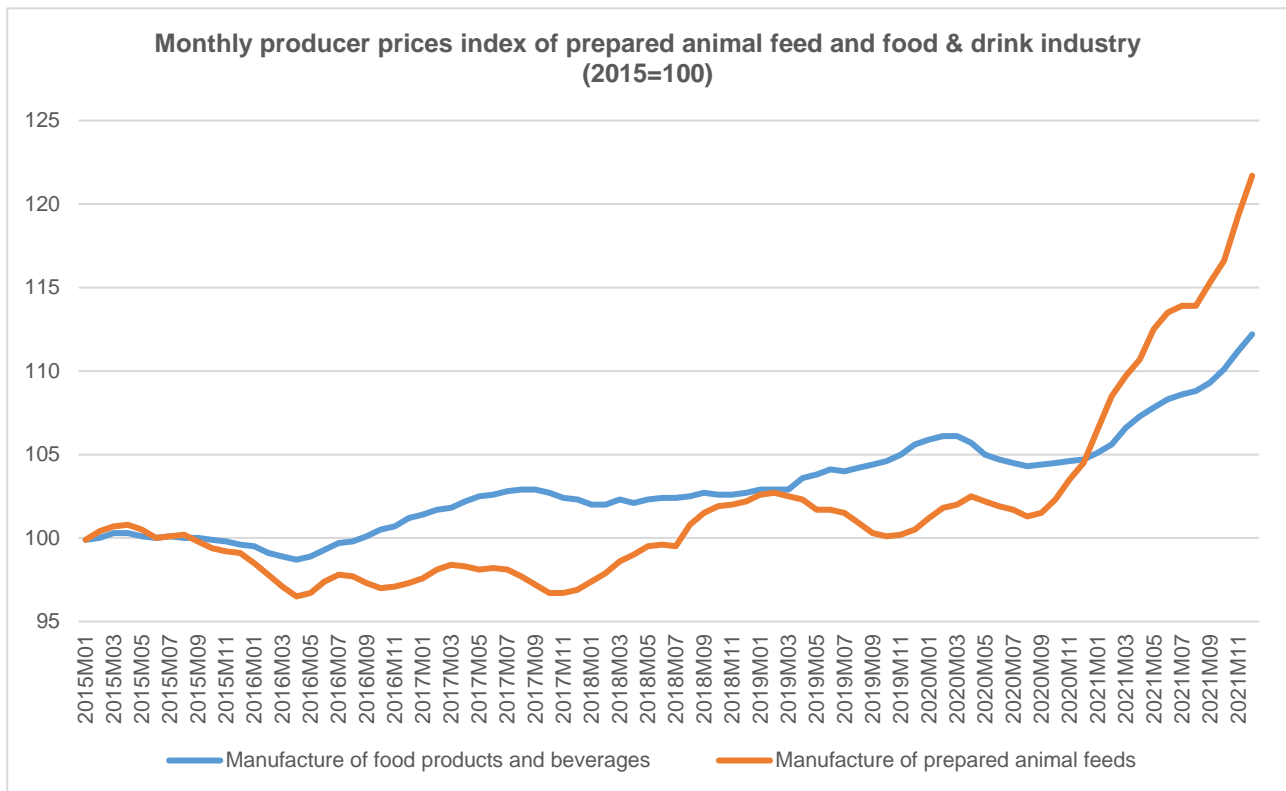
4) Figures for previous month.

5) Preliminary price.

6) World pork price is represented by US, as it is the biggest world exporter after the EU.

Source: [European Commission PRICE DASHBOARD No 115 – December 2021 edition](#)

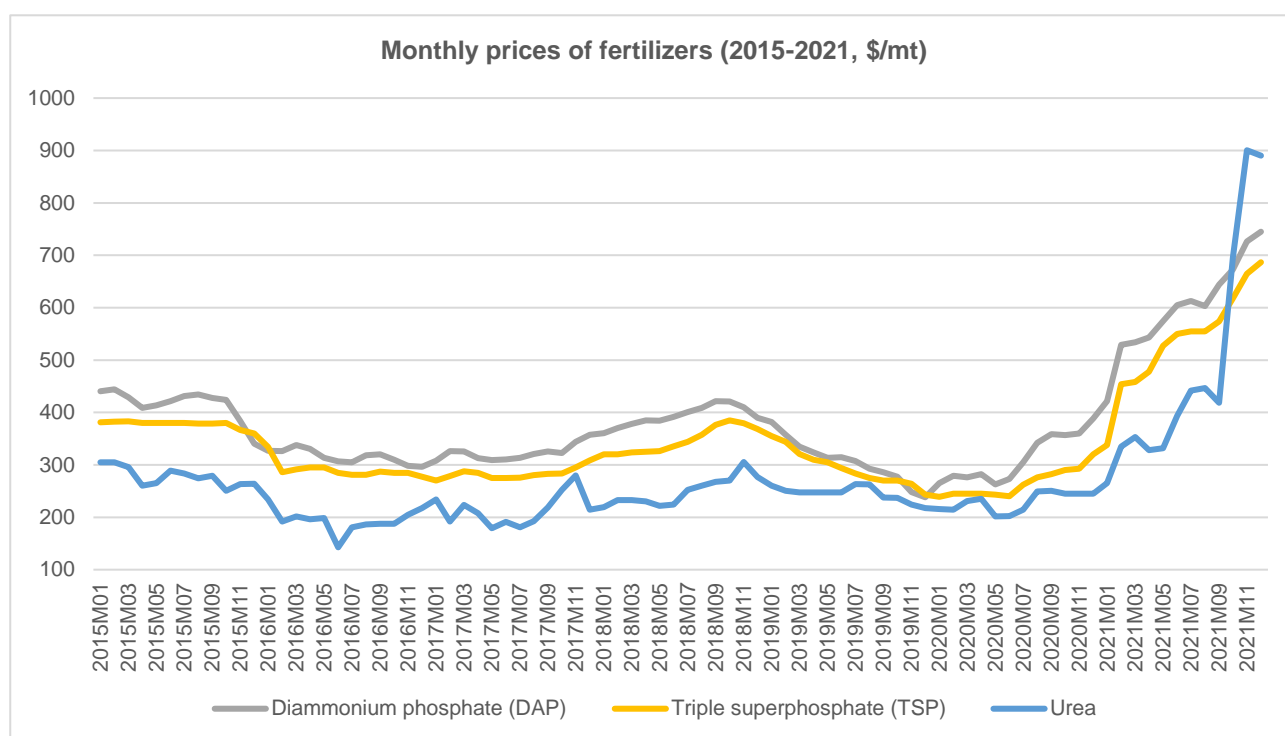
## Animal feed



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
2021M11	119
2021M12	122

## 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
2021M11	727	665	901
2021M12	745	687	890