



27th August 2015

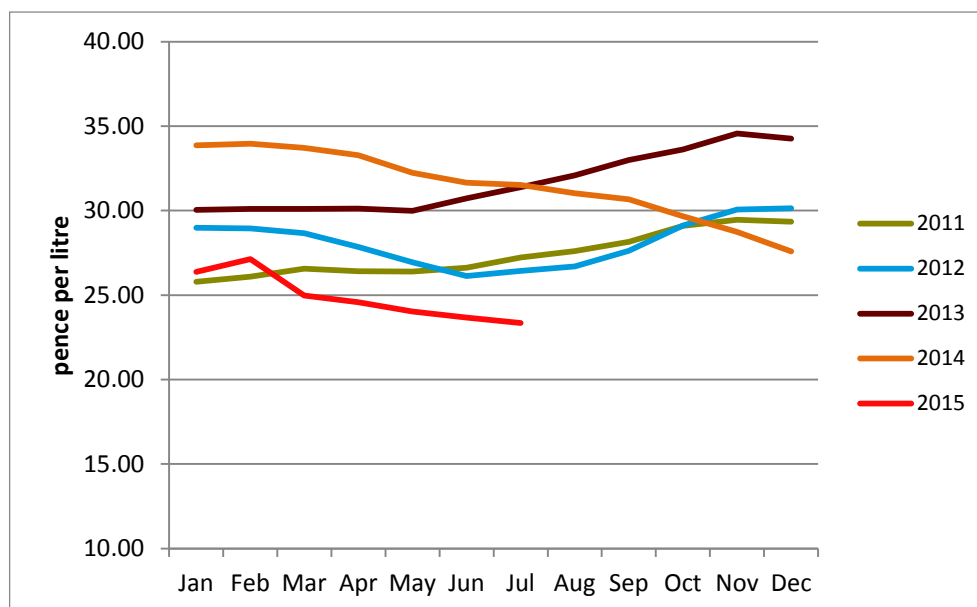
United Kingdom Price, Volume and Composition of Milk – July 2015

This release shows the latest information on average farm gate milk prices, volumes and the butterfat and protein content of UK produced milk.

Key point

For July 2015 there has been a 1.3% decrease (0.32p per litre) in the UK average farm gate milk price since last month to 23.35p per litre. This represents a 26% decrease on the July 2014 price.

Figure 1: United Kingdom farm gate milk price (pence per litre)



Source: Defra statistics

This monthly notice will be updated at 09:30 on 30th September 2015. A full time series and dataset can be found at:

<https://www.gov.uk/government/publications/uk-milk-prices-and-composition-of-milk>

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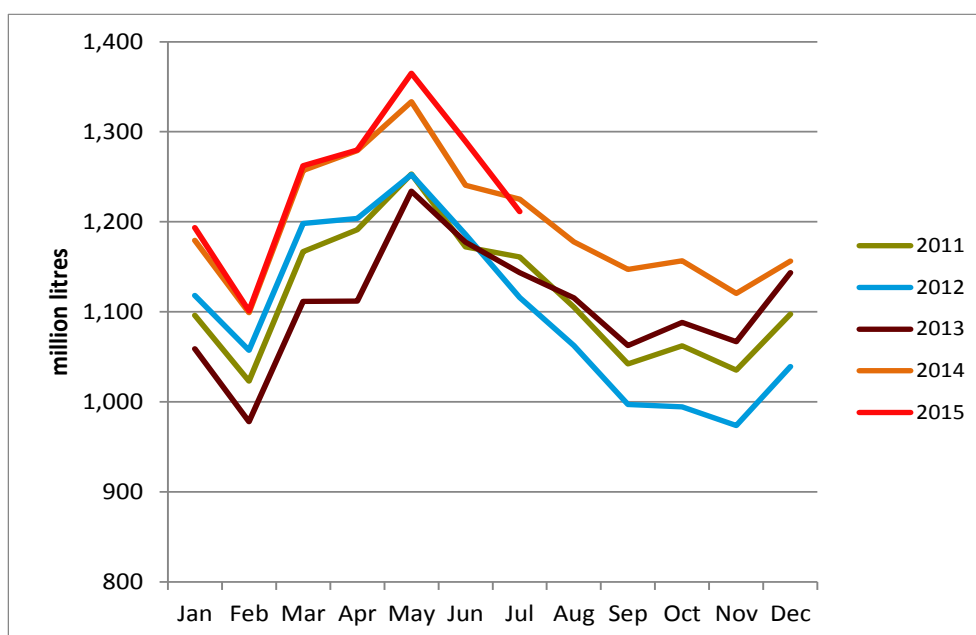
Commentary

UK milk production in July 2015 follows the usual seasonal pattern of reduction from the peak in May. Monthly production fell 6.0% on the previous month to 1211.4 million litres, a 1.1% reduction on the same period last year.

Figure 2 and Table 1 below, clearly shows the consecutive months of high domestic milk production over the past milk year. These have contributed to an abundance of supply in the market. This led to falls in the milk price, as shown in Figure 1.

As expected the price has again fallen slightly due to higher volumes of annual milk production.

Figure 2: United Kingdom wholesale milk production (million litres)



Source: Defra statistics from April 2015: Rural Payments Agency milk quota data to March 2015.

Table 1: United Kingdom wholesale milk production (million litres)

	2011	2012	2013	2014	2015
Jan	1096.20	1118.10	1059.00	1179.40	1193.60
Feb	1023.00	1057.30	978.10	1099.20	1101.10
Mar	1167.00	1198.10	1111.60	1256.90	1262.30
Apr	1191.40	1203.80	1111.90	1279.10	1279.85
May	1253.00	1252.30	1234.10	1333.40	1364.87
Jun	1172.20	1186.10	1177.40	1240.70	1289.17
Jul	1161.00	1116.00	1143.60	1225.20	1211.39
Aug	1105.30	1062.70	1115.70	1177.80	
Sep	1042.30	997.10	1062.70	1147.30	
Oct	1062.20	994.40	1088.20	1156.70	
Nov	1035.30	973.70	1066.90	1120.40	
Dec	1097.60	1039.20	1143.50	1156.40	

Source: Defra statistics from April 2015: Rural Payments Agency milk quota data to March 2015.
Note: Any data shown in bold have been revised since the previous publication.

Section 1: United Kingdom farm gate milk price

Table 2 shows the monthly average farm gate milk prices for the last 13 months, along with historical annual averages (at actual prices). Monthly comparisons between years can be seen in Figure 1 on the front page and in the full timeseries on the website at <https://www.gov.uk/government/publications/uk-milk-prices-and-composition-of-milk>

Table 2: United Kingdom farm gate milk price

		pence per litre
2009 (a)		23.73
2010		24.67
2011		27.36
2012		28.08
2013		31.64
2014*		31.52
2014*	Jul	31.51
	Aug	31.03
	Sep	30.67
	Oct	29.66
	Nov	28.75
	Dec	27.59
2015*	Jan	26.37
	Feb	27.12
	Mar	24.98
	Apr	24.58
	May	24.03
	Jun	23.67
	Jul	23.35

(*) provisional figures

(a) Milk prices during 2009 were affected by Dairy Farmers of Britain going into receivership. The annual average milk price for 2009 excluding milk purchased by DFoB was 24.00ppl.

Section 2: Composition of milk in the United Kingdom

Table 3 shows the average butterfat and protein content of milk. Butterfat content figures prior to April 2015 were sourced from published RPA figures and are presented here for reference only. Protein (and from April 2015, butterfat) content figures are calculated from UK milk survey data.

Table 3: Average butterfat and protein content of United Kingdom produced milk

	Butterfat %				Protein %			
	2012/13	2013/14	2014/15*	2015/16*	2012/13	2013/14	2014/15*	2015/16*
Apr	4.06	4.10	4.01	4.03	3.27	3.21	3.27	3.29
May	3.97	3.91	3.90	3.92	3.24	3.22	3.25	3.31
Jun	3.93	3.84	3.84	3.90	3.22	3.21	3.24	3.31
Jul	3.94	3.82	3.84	3.83	3.20	3.19	3.23	3.33
Aug	4.00	3.92	3.92		3.22	3.23	3.27	
Sep	4.11	4.06	3.97		3.29	3.33	3.33	
Oct	4.19	4.08	4.08		3.33	3.32	3.34	
Nov	4.20	4.18	4.11		3.34	3.35	3.33	
Dec	4.18	4.12	4.10		3.30	3.33	3.31	
Jan	4.11	4.07	4.07		3.23	3.29	3.28	
Feb	4.13	4.07	4.09		3.23	3.27	3.27	
Mar	4.13	4.06	4.10		3.23	3.26	3.28	
Average	4.07	4.02	4.00		3.26	3.27	3.28	

(*) provisional

Source: Defra statistics: RPA (butterfat and pre-April 2015 only)

Note: Any data shown in bold have been revised since the previous publication.

Section 3: Data users, methodology, notes and revisions policy

Data users

1. Users of the milk prices data include the EU Commission where the milk price statistics are required monthly under Regulation no. 479/2010 Article 2 (3)(a). Detailed information on this legislation and successive amendments are available at: [European Commission legislation](#) European level statistics on the milk industry are available at: [European Commission statistics](#)
2. The milk price statistics accompany another Defra monthly publication on milk utilisation by dairies (this is available at <https://www.gov.uk/government/collections/milk-utilisation-by-dairies> and provides more detailed statistics on the volumes of raw milk which are processed into other products e.g. liquid milk, butter, cheese etc.) This data, alongside the milk prices, gives a comprehensive overview of the UK milk market and is used heavily by the dairy industry, in particular the division of the Agriculture and Horticulture Development Board (AHDB) known as DairyCo (who represent milk producers) and Dairy UK (who represent milk processors). DairyCo consider the price and utilisation statistics vital for assessing market trends and to carry out further analysis on how changing prices affect the sector. Milk utilisation data provides insight into market characteristics and to monitor where milk is being used for domestic production. It provides insight to how production of products (such as butter, cheese etc.) changes in response to changes in global demand and market conditions.
3. The information in this notice is also used by the UK government as evidence for assessing market conditions and evaluating agricultural policy. Other users include academia and the general public.
4. Contact details are available on the front page of this notice, for you to send feedback or ask questions about the information provided.

Methodology

5. Farm gate milk prices: Defra runs a compulsory monthly survey of dairies in England and Wales to collect information on the volume, value, protein and butterfat content of milk purchased from farms in England and Wales. All major dairies purchasing over 2 million litres of milk a year (32 in England and Wales) take part in the survey.
6. Similar surveys are run by the Rural & Environment Science and Analytical Service (RESAS) for Scotland and the Department of Agriculture and Rural Development (DARD) for Northern Ireland. Scottish milk price and production statistics are available in the Economic Report on Scottish Agriculture at: <http://www.scotland.gov.uk/Topics/Statistics/Browse/Agriculture-Fisheries/PubEconomicReport> (Section 5.25). This website also contains contact details and more information. Northern Ireland results are available at <http://www.dardni.gov.uk/index/statistics/agricultural-and-market-prices/statistics-milk-price-and-production-statistics.htm>.
7. UK average prices are calculated using the weighted results from the Defra, RESAS and DARD NI surveys.
8. Based on long term comparisons with information from the Rural Payments Agency on the volume of milk delivered to dairies (information collected under milk quota regulations), we calculate the milk prices surveys cover approximately 90 per cent of milk purchased from farms in the UK. In the short term, the total volume of milk recorded by the surveys is raised using this methodology.
9. The published farm gate prices are weighted according to the volume of milk purchased by dairies. The averages are strongly influenced by the larger milk purchasers, and smaller purchasers have little influence on the UK weighted average. The farm gate price is the average price paid to producers, net of delivery charges. No deduction is made for superlevy.

Some purchasers pay bonuses retrospectively to producers and these are included in the figures.

10. Composition of milk: The Rural Payment Agency no longer collects information on the butterfat or protein content of milk delivered to dairies (previously collected under the milk quota regulations). This information is now collected by Defra, DARD NI and RESAS from the milk prices surveys to obtain a UK average. In the same way as for the average prices, the average butterfat and protein contents are weighted according to the volume of milk purchased.
11. The data are subject to a variety of validation checks which identify inconsistencies in the data. All data are cleaned prior to publication in discussion with the survey respondents.

Revisions policy

12. Figures in this notice are provisional and subject to revision. We will provide information about any revisions we make to previously published information in this statistics notice, and the associated datasets. Revisions could occur for various reasons, including:
 - a. If we have not received survey data from respondents we make an estimate based on their previous returns. These estimates are replaced with actual figures when they are received.
 - b. Survey respondents occasionally supply amended figures for previous periods.
 - c. Receipt of amended data from Scotland and Northern Ireland.
 - d. Payment of retrospective bonuses which affect the previously supplied price data.
13. **This month there are minor revisions to previously published volume figures, due to actual survey data replacing previous estimates. For example, the June 2015 UK milk price has increased by 0.01 pence to 23.67 ppl.**