



27 March 2014

## United Kingdom Milk Prices and Composition of Milk – February 2014

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

### Key point

There have been no significant changes in the UK average farm gate milk price, so this now stands at 33.9 pence per litre (at current prices). This represents a modest 0.3% increase on the January 2014 price.

### User consultation

We are currently carrying out an internal review on whether to continue reporting the farm-gate milk prices on the two bases of including/excluding bonus payments. The price difference between the two series is often negligible and sometimes zero so the two timeseries are showing very similar results.

We propose to suspend the timeseries of milk prices excluding bonus payments and to continue reporting the milk price including bonus payments timeseries. We are consulting Defra colleagues and other external users for their views and would also appreciate your feedback on this proposal. Please could you let us know if it would cause you any major problems if you no longer had access to the timeseries of milk prices excluding bonus payments. We will continue our consultation through April and May before deciding whether to stop the “excluding bonus payment” series so we would appreciate your feedback by 15 May 2014.

This monthly notice will be updated at 09:30 on 30 April 2014.

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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**Enquiries on this publication to:** Leigh Riley, Department for Environment, Food and Rural Affairs, Room 201, Foss House, Kings Pool, 1 - 2 Peasholme Green, York YO1 7PX.  
Tel:++ 44 (0)1904 455095, email:leigh.riley@defra.gsi.gov.uk

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## Section 1: United Kingdom farm gate milk price

Table 1 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.

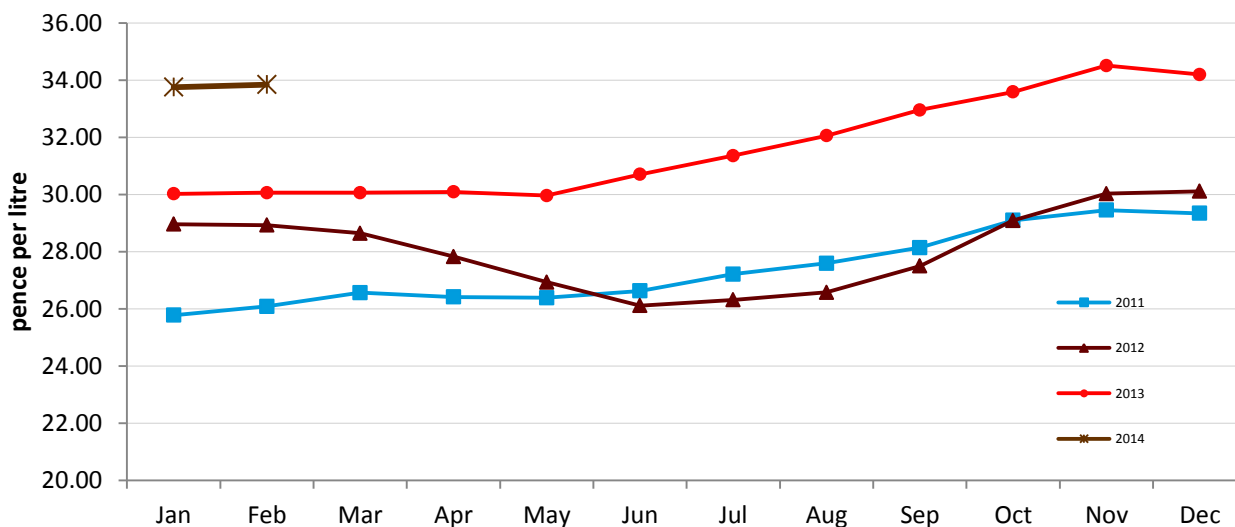
**Table 1: United Kingdom farm gate milk price** pence per litre

		Excluding retrospective bonus payments made by purchasers	Including retrospective bonus payments made by purchasers
2008		25.91	25.93
2009 (a)		23.71	23.73
2010		24.65	24.67
2011		27.35	27.36
2012		28.04	28.08
2013*		31.61	31.63
2013*	Feb	30.07	30.09
	Mar	30.07	30.09
	Apr	30.09	30.11
	May	29.96	29.98
	Jun	30.71	30.72
	Jul	31.36	31.38
	Aug	32.06	32.08
	Sep	32.96	32.98
	Oct	33.59	33.61
	Nov	34.51	34.53
	Dec	34.20	34.22
2014*	Jan	33.76	33.76
	Feb	33.85	33.85

(\*) 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.

**Figure 1: United Kingdom farm gate milk price**



## Section 2: Composition of milk in the United Kingdom

Table 2 shows the average butterfat and protein content of milk. Butterfat content figures are sourced from published RPA figures and are presented here for reference only. Protein content figures are calculated from UK milk survey data.

**Table 2: Average butterfat and protein content of United Kingdom produced milk**

	Butterfat %				Protein %			
	2010/11	2011/12	2012/13*	2013/14*	2010/11	2011/12	2012/13*	2013/14*
Apr	3.94	4.02	4.06	4.10	3.23	3.22	3.27	3.21
May	3.80	3.90	3.97	3.91	3.27	3.24	3.24	3.22
Jun	3.76	3.94	3.93	3.84	3.25	3.23	3.22	3.21
Jul	3.82	3.92	3.94	3.82	3.22	3.23	3.20	3.19
Aug	3.85	4.00	4.00	3.92	3.25	3.26	3.22	3.23
Sep	3.92	4.10	4.11	4.06	3.33	3.31	3.29	3.33
Oct	4.03	4.13	4.19	4.08	3.36	3.32	3.33	3.32
Nov	4.11	4.18	4.20	4.18	3.36	3.33	3.34	3.35
Dec	4.15	4.20	4.18	4.12	3.37	3.31	3.30	3.33
Jan	4.03	4.14	4.11	4.07	3.28	3.27	3.23	3.29
Feb	3.99	4.13	4.13	4.07	3.25	3.26	3.23	3.27
Mar	4.08	4.10	4.13		3.24	3.24	3.23	
Average	3.95	4.06	4.07		3.28	3.27	3.26	

(\*) provisional

Source: RPA (butterfat), Defra (protein)

## 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 and protein 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. Similar surveys are run by RERAD in Scotland and DARD in Northern Ireland which are used to calculate UK average prices.
6. The total volume of milk recorded by the surveys is compared with information from the Rural Payments Agency on the volume of milk delivered to dairies (information which is collected under milk quota regulations). The milk prices surveys cover approximately 90 per cent of milk purchased from farms in the UK.
7. 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. When this happens the bonus is split across the relevant months, and applied to the "including bonus" prices shown in Table 1.
8. Composition of milk: The Rural Payment Agency collects information on the butterfat content of milk delivered to dairies under the milk quota regulations. The information is published on the RPA website ([www.rpa.gov.uk](http://www.rpa.gov.uk)) and is repeated here for convenience. The RPA also collects information on the average protein content of milk, but only from larger purchasers. This information is supplemented with information 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.

9. 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**

10. 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 "including bonus" price.
11. **This month there are minor revisions to previously published figures from January 2014 due to revised Northern Ireland survey data. For example, the January 2014 milk price (exc. bonus payments) has decreased by 0.08 pence (0.2%).**