



23rd February 2017

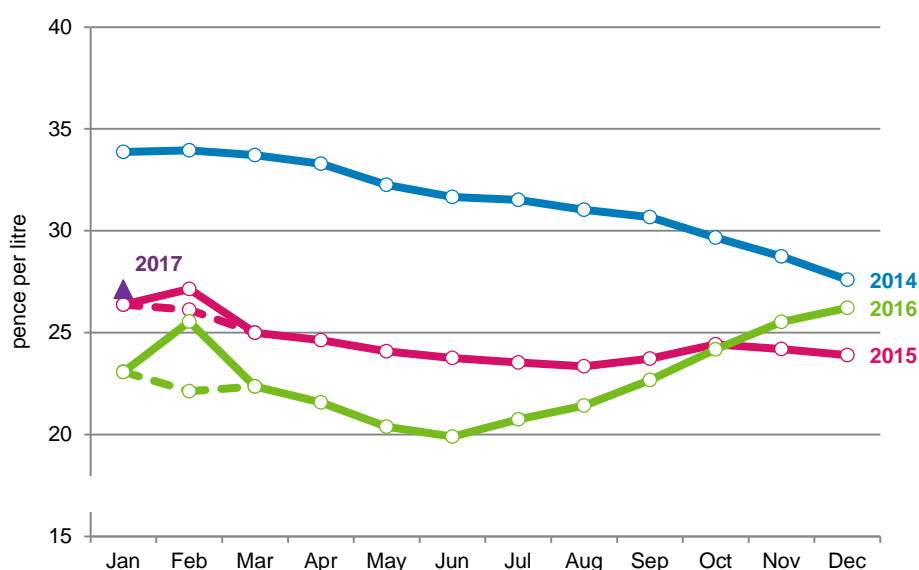
United Kingdom Price, Volume and Composition of Milk – January 2017

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

The UK average farm-gate milk price for January 2017 is 27.13p per litre. This represents a 3.5% (0.91ppl) increase on December 2016, and an 18% (4.06ppl) increase on the same month last year, it is the seventh consecutive monthly increase.

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



* For February 2015 and 2016, price shown both with and without retrospective bonus payments.

This monthly notice will be updated at 09:30 on 30th March 2017. A full time series and dataset can be found at:

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

Enquiries on this publication to:

Julie Rumsey, Department for Environment, Food and Rural Affairs, Room 201, Foss House, Kings Pool, 1 - 2 Peasholme Green, York YO1 7PX. Tel:++ 44 (0) 2080 266306, email:Julie.Rumsey@defra.gsi.gov.uk

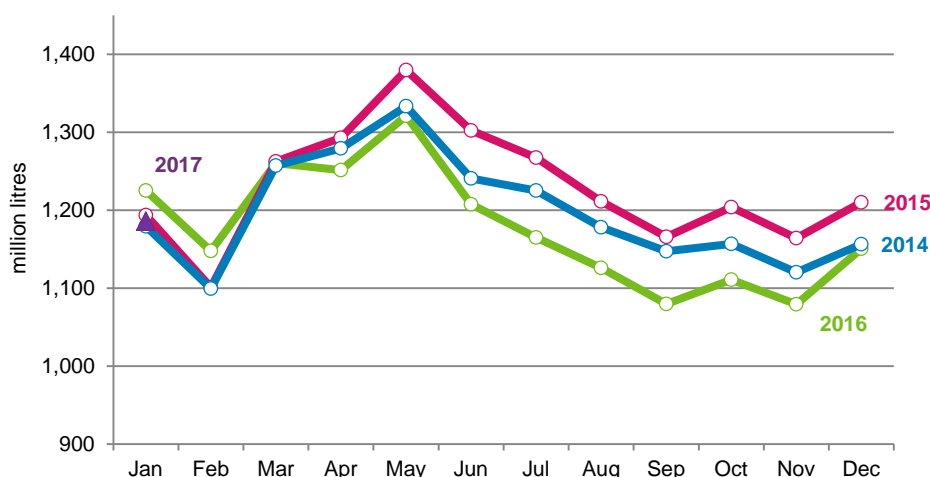
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Commentary

The UK average farm-gate milk price for January 2017 is 27.13p per litre. This represents a 3.5% (0.91ppl) increase on December 2016, and an 18% (4.06ppl) increase on the same month last year, it is the seventh consecutive monthly increase. UK milk production for January 2017 increased 3.0% on the previous month to 1,185 million litres, a 3.2% decrease from January 2016.

Figure 2 and Table 1 below, show increased domestic milk production during 2015 and the first half of 2016. This contributed to an abundance of supply in the market leading to falls in the milk price, as shown in Figure 1. Between May 2016 through until the beginning of 2017, production followed the usual seasonal pattern but at a reduced level. After seven consecutive months of price increases, January 2017 shows both prices and production are around the same levels as those seen at the end of 2014 and the beginning of 2015.

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)

	2012	2013	2014	2015	2016	2017
Jan	1,118.10	1,059.00	1,179.40	1,193.60	1,225.18	1,185.55
Feb	1,057.30	978.10	1,099.20	1,101.10	1,147.69	
Mar	1,198.10	1,111.60	1,256.90	1,262.30	1,260.12	
Apr	1,203.80	1,111.90	1,279.10	1,292.85	1,251.28	
May	1,252.30	1,234.10	1,333.40	1,379.52	1,320.76	
Jun	1,186.10	1,177.40	1,240.70	1,302.23	1,207.54	
Jul	1,116.00	1,143.60	1,225.20	1,267.44	1,164.94	
Aug	1,062.70	1,115.70	1,177.80	1,211.00	1,125.89	
Sep	997.10	1,062.70	1,147.30	1,165.86	1,079.65	
Oct	994.40	1,088.20	1,156.70	1,203.60	1,110.74	
Nov	973.70	1,066.90	1,120.40	1,163.92	1,079.11	
Dec	1,039.20	1,143.50	1,156.40	1,209.82	1,150.47	

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

Note: Bold figures represent data revisions since last 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
Farmgate milk price (b)		
2011		27.36
2012		28.08
2013		31.64
2014		31.52
2015		24.47
2016		22.74
2016*	Jan	23.07
	Feb	25.55
	Mar	22.36
	Apr	21.57
	May	20.38
	Jun	19.89
	Jul	20.75
	Aug	21.42
	Sep	22.67
	Oct	24.17
	Nov	25.53
	Dec	26.21
2017	Jan	27.13

(*) provisional figures

Section 2: Composition of milk in the United Kingdom

Table 3 shows the average butterfat and protein content of milk. Butterfat levels show a seasonality effect. In spring, cattle are put out to grass as the weather improves, butterfat level fall as production increases. Traditionally May see a fall in butterfat figures, which this year dropped from 4.16% in April to 3.99%. As cattle are housed for winter, we tend to see an increase in butterfat levels around September, which this year rose by 2.5%. January shows a 0.7% decrease on December to 4.16%, 0.1% up on January 2016.

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

	Butterfat %			Protein %		
	2014/15	2015/16	2016/17*	2014/15	2015/16	2016/17*
Apr	4.01	4.02	4.16	3.27	3.29	3.27
May	3.90	3.91	3.99	3.25	3.31	3.28
Jun	3.84	3.90	3.94	3.24	3.30	3.23
Jul	3.84	3.83	3.94	3.23	3.31	3.22
Aug	3.92	3.99	3.98	3.27	3.31	3.25
Sep	3.97	4.03	4.09	3.33	3.44	3.32
Oct	4.08	4.12	4.18	3.34	3.41	3.38
Nov	4.11	4.15	4.25	3.33	3.36	3.39
Dec	4.10	4.13	4.19	3.31	3.32	3.36
Jan	4.07	4.15	4.16	3.28	3.28	3.28
Feb	4.09	4.18		3.27	3.28	
Mar	4.10	4.20		3.28	3.29	
Average	4.00	4.05		3.28	3.33	

(*) provisional

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

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. Butterfat content figures prior to April 2015 were sourced from published RPA figures. All major dairies purchasing over 2 million litres of milk a year (34 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, Environment and Rural Affairs (DAERA) 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 <https://www.daera-ni.gov.uk/articles/milk-price-quality-and-production-statistics>
7. UK average prices are calculated using the weighted results from the Defra, RESAS and DAERA 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, DAERA 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.