



26 June 2014

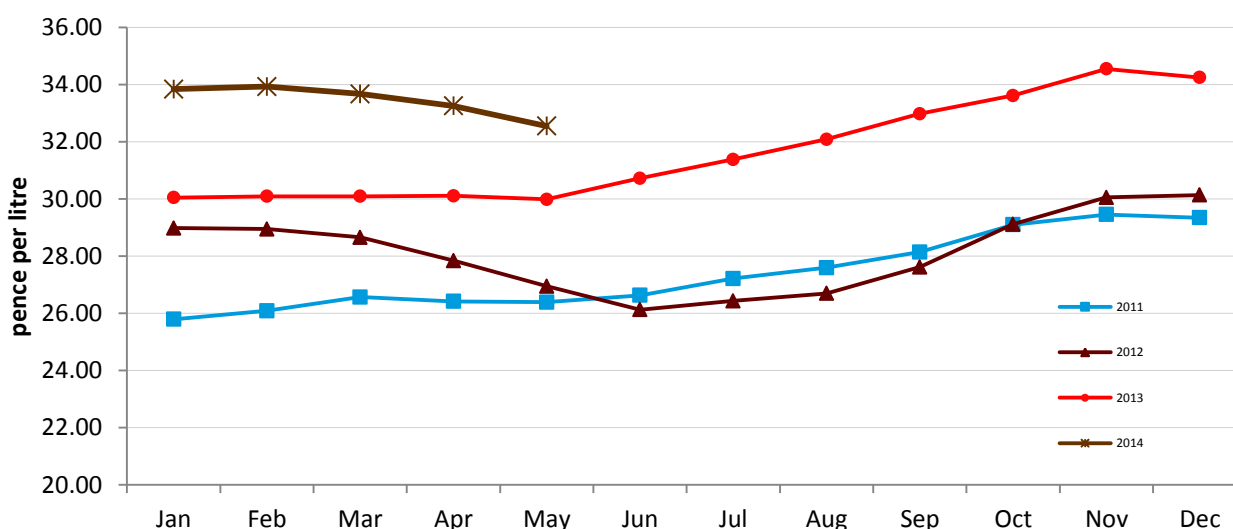
United Kingdom Milk Prices and Composition of Milk – May 2014

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

Key point

Further reductions in prices paid to milk producers by the majority of dairies in May 2014 has resulted in a UK average farm gate milk price of 32.6 pence per litre (at current prices), a 2.1% (0.7 pence per litre) reduction since last month, but still showing a 9% increase on the May 2013 price.

Figure 1: United Kingdom farm gate milk price



This monthly notice will be updated at 09:30 on 31 July 2014.

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: 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 on the front page.

Table 1: United Kingdom farm gate milk price

		pence per litre
		Farmgate milk price (b)
2008		25.93
2009 (a)		23.73
2010		24.67
2011		27.36
2012		28.08
2013*		31.64
2013*	May	29.99
	Jun	30.72
	Jul	31.38
	Aug	32.09
	Sep	32.98
	Oct	33.62
	Nov	34.55
	Dec	34.25
2014*	Jan	33.85
	Feb	33.93
	Mar	33.68
	Apr	33.26
	May	32.55

(*) 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.

(b) Includes retrospective bonus payments paid to milk producers.

Suspension of 'milk price excluding bonus' timeseries

Following a review in April and May 2014, we have suspended the timeseries of 'milk prices excluding bonus payments' as no concerns were raised from industry bodies, Defra policy teams or wider data users. We now only report the 'milk price including bonus payments' timeseries. The price difference between the two series was often negligible and sometimes zero so the two timeseries showed very similar results. This new single timeseries ensures consistency between data users and avoids any confusion. The online dataset will continue to show a historic timeseries for both prices to enable comparison between the two.

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 %			
	2011/12	2012/13	2013/14*	2014/15*	2011/12	2012/13	2013/14*	2014/15*
Apr	4.02	4.06	4.10	3.98	3.22	3.27	3.21	3.27
May	3.90	3.97	3.91	3.91	3.24	3.24	3.22	3.25
Jun	3.94	3.93	3.84		3.23	3.22	3.21	
Jul	3.92	3.94	3.82		3.23	3.20	3.19	
Aug	4.00	4.00	3.92		3.26	3.22	3.23	
Sep	4.10	4.11	4.06		3.31	3.29	3.33	
Oct	4.13	4.19	4.08		3.32	3.33	3.32	
Nov	4.18	4.20	4.18		3.33	3.34	3.35	
Dec	4.20	4.18	4.12		3.31	3.30	3.33	
Jan	4.14	4.11	4.07		3.27	3.23	3.29	
Feb	4.13	4.13	4.07		3.26	3.23	3.27	
Mar	4.10	4.13	4.06		3.24	3.23	3.26	
Average	4.06	4.07	4.02		3.27	3.26	3.27	

(*) 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.
6. Similar surveys are run by the Rural & Environment Research and Analysis Directorate (RERAD) 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, RERAD and DARD NI surveys.
8. 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.
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 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) 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.
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 figures from April 2013 onwards due to the inclusion of retrospective bonus payments from some dairies and from January 2014 due to revised survey data from Scotland. Revisions have all been minor, for example, the February 2014 milk price (inc. bonus payments) has only increased by 0.09 pence from 33.84 to 33.93 (0.3%).