



Dairy industry in the UK: statistics

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This note sets out key statistics and current trends for the UK dairy industry. More detailed information on milk prices can be found in Standard Note SN/SC/546: [Milk Prices](#).

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A. UK dairy industry

The UK is the third largest milk producer in the EU after Germany and France – and the ninth largest producer in the world. Milk accounted for 16.1% of total agricultural output in the UK in 2010.¹ Around 13 billion litres of milk are produced each year. Most of this is consumed within the UK, as liquid milk and dairy products. The industry was worth £3.3 billion at market prices.²

In 2010, around half (51%) of the milk processed in the UK was used for liquid milk. A further 26% was processed as cheese, with the remainder used for milk powder and condensed milk (10%), cream (2%), butter (2%), yoghurt (2%) and other products (3%).³

B. UK dairy herd

Table 1 shows that the number of dairy cows in the UK has declined steadily since 1980. The total has fallen from 3.2 million in 1980, to 1.8 million in 2010: a 43% reduction.

The decline in the size of the dairy herd has been accompanied by a similar fall in the number of dairy producers. Table 2 shows that the number of registered dairy producers in the UK fell from 35,741 in 1995 to 15,716 in 2010. Table 3 shows that the average herd size has risen, as those holdings with smaller herds have left the industry. In 2009 the average number of cows per herd was 113, compared to 80 in 1999.

C. Production

While the number of UK dairy cows has decreased, the yield per cow had been increasing up to 2005. As a result, total domestic milk production has been fairly static between 1995 and 2005. Between 2005 and 2009 total domestic milk production has fallen. However, in 2010 production increased for the first time since 2003, and average yield per cow has increased every year since 2008 (see Table 4).⁴

Table 5 details milk production over the period 1998-2009 in the fifteen top milk-producing countries in 2009. The decline in production over the period in the UK corresponds to reduced outputs in a number of other European countries. By contrast, production in China, Pakistan, India, Brazil and New Zealand has increased considerably over the period.

¹ Defra, *Agriculture in the United Kingdom 2010*, May 2011, Table 9.1:
<http://www.defra.gov.uk/statistics/foodfarm/cross-cutting/auk/>

² Defra, *Agriculture in the United Kingdom 2010*, May 2011, Table 5.17:
<http://www.defra.gov.uk/statistics/foodfarm/cross-cutting/auk/>

³ Dairy Co. *UK Milk Utilisation*. 16 May 2011.

⁴ The average yields have to be taken with a degree of caution as they are based only on the total milk production recorded divided by the size of the dairy herd.

D. International Trade

There is little overseas trade in liquid milk, but considerable trade in processed products. In 2009 less than 0.5% of liquid milk produced in the EU was exported.⁵ Table 6 shows that the UK had a negative trade balance in dairy products in 2009 – mainly butter and cheese.

Imports make up a very small proportion of total supply of liquid milk in the UK. Less than 1% of milk available to UK dairies was imported in 2010.⁶ For milk products, imports are more important. The UK imports significant quantities of butter and cheese, being 67% and 54% self-sufficient in each respectively in 2009.⁷ For cheese, imports are largely from other European countries: Ireland, France, Germany, Italy and Belgium were the leading origin countries for these imports in 2010. Imported butter mainly comes from New Zealand, Denmark and Ireland.⁸

E. Consumption

In 1995, doorstep delivery accounted for 45% of household purchases of milk in Great Britain. By the end of 2010, this proportion had declined to 5%, with retailers accounting for the remaining 95% of sales. This switch has been accompanied by a growing price differential between milk from the two sources. In 1995, a pint of milk cost an average of 37.9p on the doorstep and 23.9p from retailers. By the end of 2010, a pint cost 57.5p on the doorstep and 36p from retailers.⁹

F. Farm-gate prices

Farm-gate prices are those received by milk producers. They are monitored monthly and represent the average price per litre, net of delivery charges. Chart 1 shows that until 2007, the trend was towards declining prices, from around 25 pence per litre (ppl) in 1997 to 18 ppl in November 2007. However, a sharp upturn in prices since November 2007 means that the 12-month moving average has now risen to around 25 ppl.

⁵ Dairy Co. *Dairy statistics: an insider's guide 2010*, p51.

<http://www.dairyco.net/library/market-information/dairy-statistics/dairy-statistics-an-insider's-guide-2010.aspx>

⁶ Defra, *Agriculture in the United Kingdom 2010*, May 2011, Table 5.17:

<http://www.defra.gov.uk/statistics/foodfarm/cross-cutting/auk/>

⁷ Defra, *Agriculture in the United Kingdom 2009*, April 2010, Table 5.18:

<http://www.defra.gov.uk/statistics/foodfarm/cross-cutting/auk/>

⁸ Dairy Co. *UK Dairy Imports*. 24 May 2011

<http://www.dairyco.net/library/market-information/datum/uk-dairy-imports.aspx>

⁹ Dairy Co *Liquid Milk Expenditure and Volume Sales*, 5 May 2011:

<http://www.dairyco.net/datum/consumer/liquid-milk-market/liquid-milk-market.aspx>

Table 1: UK dairy cow numbers, 1980 to 2010 (thousands)

	England & Wales	Scotland ¹	Northern Ireland	United Kingdom
1980	2,672	282	270	3,224
1985	2,580	274	294	3,148
1990	2,324	245	278	2,847
1994	2,205	235	274	2,714
1995	2,103	226	271	2,600
1996	2,079	225	281	2,585
1997	1,981	217	279	2,477
1998	1,934	216	288	2,438
1999	1,938	214	286	2,438
2000	1,844	207	284	2,335
2001 ²	1,760	196	295	2,251
2002	1,730	199	298	2,227
2003	1,703	198	290	2,191
2004	1,645	195	288	2,128
2005	1,575	197	291	2,063
2006	1,495	199	285	1,979
2007	1,470	198	286	1,954
2008	1,428	192	289	1,909
2009	1,385	187	285	1,857
2010	1,381	185	281	1,847

Notes: ¹ Provisional June Census Data.

² Figures for 2001 should be treated with caution due to the foot and mouth disease outbreak.

Source: DairyCo, *Cow Numbers*

Table 2: Number of registered UK dairy production holdings, 1995 to 2010

	England & Wales	Scotland	Northern Ireland	United Kingdom
1995	28,093	2,239	5,409	35,741
1996	27,092	2,135	5,343	34,570
1997	26,110	2,009	5,409	33,528
1998	24,681	1,951	5,121	31,753
1999	23,286	1,896	5,039	30,221
2000	21,772	1,795	4,855	28,422
2001	20,191	1,624	4,741	26,556
2002	18,695	1,639	4,596	24,930
2003	16,977	1,590	4,425	22,992
2004	15,846	1,569	4,201	21,616
2005	14,732	1,523	4,058	20,313
2006	13,778	1,472	3,761	19,011
2007	12,867	1,429	3,619	17,915
2008	12,252	1,351	3,457	17,060
2009	11,743	1,298	3,363	16,404
2010	11,256	1,266	3,194	15,716

Source: DairyCo, *Producer Numbers*

Table 3: Average UK dairy herd size, 1999 to 2009

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
England	85	88	93	98	101	96	94	96	101	103	105
Wales	61	62	66	67	71	74	75	83	61	63	64
Scotland	99	102	108	109	111	113	119	125	128	133	135
Northern Ireland	52	54	58	60	61	63	66	69	69	73	75
United Kingdom	80	84	86	89	91	92	98	104	109	112	113

Source: DairyCo, *Average herd size*

Table 4: UK milk production, 1995 to 2010

	Total milk production (million litres) ¹	Average yield (litres per cow)
1995	14,259	5,398
1996	14,256	5,545
1997	14,426	5,790
1998	14,220	5,775
1999	14,587	5,964
2000	14,078	5,979
2001	14,291	6,346
2002	14,447	6,493
2003	14,583	6,621
2004	14,134	6,763
2005	14,059	6,986
2006	13,909	6,977
2007	13,626	6,913
2008	13,326	6,943
2009	13,204	7,086
2010 ^P	13,540	7,315

Note: ¹ Please note that total milk production is based on all milk produced on farm, including the milk which is delivered to dairies, milk used on farm in the production of dairy products, milk consumed in farm households, milk fed to livestock and farm waste. Suckled milk is excluded.

^P Figures are provisional

Source: Defra, *Agriculture in the UK 2010*, Table 5.17

Table 5: Milk production in the 15 top milk-producing countries in the world in 2009, 1998 to 2009

million tonnes	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Change over period
USA	71.4	73.8	76.0	75.0	77.1	77.3	77.5	80.3	82.5	84.2	86.2	85.9	20.2%
India	30.5	32.6	33.0	34.5	34.6	35.0	37.3	39.8	41.1	43.5	44.1	45.1	48.2%
China	7.0	7.5	8.6	10.6	13.4	17.8	22.9	27.8	32.3	35.6	35.9	35.5	410.2%
Russian Federation	33.0	32.0	32.0	32.6	33.2	33.1	31.9	30.9	31.2	31.9	32.1	32.3	-1.9%
Brazil	19.3	19.7	20.4	21.1	22.3	22.9	24.2	25.4	26.2	26.1	27.6	29.1	51.0%
Germany	28.4	28.3	28.3	28.2	27.9	28.5	28.2	28.5	28.0	28.4	28.7	27.9	-1.6%
France	24.8	24.9	25.0	24.9	25.2	24.6	24.4	24.9	24.2	24.4	24.5	23.3	-6.0%
New Zealand	11.4	10.9	12.2	13.1	13.9	14.3	15.0	14.6	15.2	15.6	15.2	15.4	35.3%
UK	14.6	15.0	14.5	14.7	14.9	15.0	14.6	14.5	14.3	14.0	13.7	13.2	-9.5%
Poland	12.6	12.3	11.9	11.9	11.9	11.9	11.8	11.9	12.0	12.1	12.4	12.4	-1.2%
Italy	11.8	11.9	12.3	11.3	11.3	11.3	10.7	11.0	11.0	10.6	11.3	12.2	3.3%
Pakistan	7.7	7.9	8.0	8.2	8.4	8.5	8.7	8.8	10.7	11.1	11.6	12.0	54.7%
Turkey	8.8	9.0	8.7	8.5	7.5	9.5	9.6	10.0	10.9	11.3	11.3	11.6	31.2%
Netherlands	11.0	11.2	11.2	11.0	10.7	11.1	10.9	10.8	11.0	11.1	11.3	11.5	4.3%
Ukraine	13.5	13.1	12.4	13.2	13.8	13.4	13.4	13.4	13.0	12.0	11.5	11.4	-16.0%

Source: Food and Agriculture Organisation of the United Nations, *PRODSTAT database*

Table 6: UK trade balance in dairy products, 2009

	Imports	Exports
000 tonnes		
Butter	90	26
Cheese	411	103
Cream	61	66
Condensed milk	37	4
Skimmed milk powder	66	72
Total	665	271

Note: All figures are provisional

Source: Defra, *Agriculture in the United Kingdom 2009*, Table 5.18

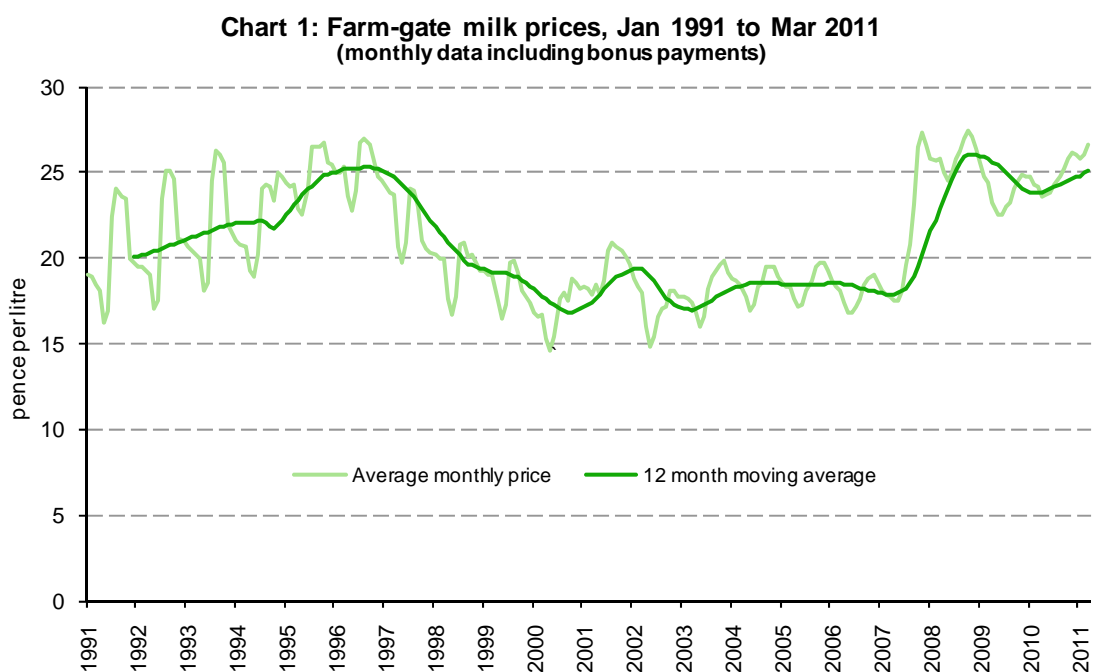


Chart 1: Farm-gate milk prices: Jan 1991 to March 2011

Notes: ¹ Average UK milk prices, net of delivery charges and including retrospective bonuses. No deductions for superelevy have been made.

Source: DairyCo, *Farmgate milk prices*, 9 May 2011.