

FAQs: League table and Milk price calculator

Milk price calculations

The following factors are included in the calculated prices:

1. AHDB Dairy levy
2. Farm assurance payments
3. Flat membership bonuses which are not related to production or targets
4. Health, welfare and environmental bonuses
5. Seasonality payments (where applicable)
6. Transport charges - when charges are made according to the number of collections as outlined below:

Number of Collections	EDC	EODC
31 Day Month	31	16
30 Day Month	30	15
28 Day Month	28	14

The following factors are excluded from price calculations:

1. Capital retention
2. Payments to producer bodies
3. VAT
4. Penalties for extraneous water in milk
5. Antibiotics testing costs and penalties
6. Forecasting and accuracy adjustments (unless stated within the individual contract notes)
7. Thermodynamic related penalties

Many pricing schedules include other adjustments, which are not included in the AHDB reported prices. Other caveats, inclusions and exclusions which are specific to individual contracts can be seen by hovering over the ⓘ symbol next to the contract name and/or consulting the milk price changes table that AHDB publishes.

Contract types

- Aligned liquid- Liquid contracts aligned to a retailer. These prices reflect the milk supplied to the retailer'
- Standard liquid - Liquid contracts not aligned to a retailer
- Standard manufacturing - Manufacturing contracts not aligned to a retailer

- A&B contracts – contracts which use differential pricing for base and additional volumes. Prices shown are combined prices based on the AHDB standard litre delivery profile

Glossary

+Add new profile

Having uploaded a profile to the Milk price calculator, clicking on Add new profile will provide an additional grid (populated with the same data). New data can then be entered manually or imported from a file to allow for price comparisons across milk profiles. The data can also be adjusted using the sliders at the top of the new grid.

Annual average price

This is the average price that would be paid on all litres delivered in the year if the milk pricing schedule stayed the same for the next 12 months. It is therefore a forward looking price rather than the average price for the past year.

Bactoscan

Measured and reported on a 'per ml' basis e.g. 30,000

Butterfat

Measured and reported as % figures e.g. 3.97%

Cashflow

This shows the monthly and annual revenue that would be generated for the next 12 months if the milk pricing schedule stayed the same, based upon the monthly volume delivered and calculated monthly prices.

EODC/EDC

'Every other day collection' (EODC), or 'Every day collection' (EDC). Delivery frequency can affect volume bonuses and transport charges. See 'Assumptions' for more details.

Fixed profile

A milk production profile where the values for butterfat, protein, bactoscan and SCC remain fixed throughout the 12 month period.

Import from file

Allows you to upload your own milk profile as an Excel or CSV file. Up to five profiles can be uploaded for comparison purposes.

Monthly price

The milk price received for the month in which contracts are based. The monthly price includes any seasonal payments or deductions, and may therefore fluctuate considerably through the year.

Preset profile

AHDB has produced three preset milk profiles which can be selected and modified if necessary. The profiles include the AHDB standard litre (an all year round profile), a typical Spring block calving profile and a typical Autumn block calving profile.

Protein

Measured and reported as % figure e.g. 3.30%

Region

Filters results to prices paid by milk buyers who operate in the different regions of the UK. It is not a reflection of current availability of supply contracts as some buyers may not be open to new suppliers.

SCC

Somatic cell count, which is measured and reported on a 'per ml' basis e.g. 185,000.

Standard litre - Milk composition profile

Annual average milk composition values in the grid are simple averages and not weighted by seasonal variations in protein and butterfat constituents.

Varied profile

A milk production profile where the values for butterfat, protein, bactoscan and SCC are different for each month

Q&A

Q: What is the annual average price?

A: This is the average price that would be paid on all litres produced in the year if the current month's milk price schedule stayed the same for the next 12 months. This is therefore a forward looking price and not an average of milk prices over the past year.

Q: Why are the prices in the League table and Milk price calculator more than a month behind the current date?

A: Prices reported are based on pricing schedules for the most recent month in which producers have already been paid for their milk. Hence they are generally two months behind the current month. This is due to the practice of paying in arrears for milk deliveries and the legal requirement that contractual milk prices cannot be published in advance of producers receiving payment. While the information provided through the League table and Milk price calculator pages are not completely up to date, a view to current pricing can be established through the additional use of publically announced milk price changes, available on the AHDB website: <https://ahdb.org.uk/dairy/milk-price-changes>

Q: Why do the League table prices not match what I receive?

A: Monthly and annual average prices are calculated using the AHDB standard litre milk profile, which will differ from the milk individual farmers deliver to their buyers.

Q: Why are the AHDB League table prices different to other published League tables and/or the prices quoted in my contract?

A: Prices reported by AHDB may differ from other published League tables due to potential variations in the combination of milk constituents, production profiles and hygiene measures, as well as the addition or exclusion of bonus payments. This is

also the case with prices quoted by milk buyers, which may be based on a different composition of factors

Q: Why isn't my milk buyer's contract included in the League table or Milk price calculator?

A: Pricing schedules are provided to AHDB on a voluntary basis and so there is not 100% coverage of the contracts available in the UK.

Q: Why do some contracts appear only in the AHDB League table but not in the Milk price calculator (or vice versa)?

A: Pricing schedules are provided to AHDB on a voluntary basis by milk buyers and they select whether to be included in both or just one.


Q: As a milk buyer, how can I have my contract(s) included in the League table and/or the Milk price calculator?

A: Please contact AHDB Dairy on 02476 978383 or email datum@ahdb.org.uk with your request.

Q: How do I get help with a query or technical issue with the Milk price calculator?

A: Please contact AHDB Dairy on 02476 978383 or email datum@ahdb.org.uk with your query.

Q: Why can't I see all the details of each contract?

A: Contracts are provided to AHDB on a confidential basis and so only limited information can be provided. By clicking on the  next to the contract name, it is possible to view the caveats, inclusions and exclusions which are unique to that pricing schedule.

Q: Why does the annual average price differ from what I received over the past year?

A: The annual average price is forward looking and is based upon prices for the next 12 months from the month displayed and therefore will not correspond to prices received on average over the past year.

Q: Why does the monthly price quoted by AHDB differ from the annual average price quoted?

A: Monthly prices may be affected by seasonality/profile payments and so may differ considerably from the annual average during the year.

Q: Do you have further information on how to get the most out of my contract?

A: Please refer to the [Optimising your milk contract](#) document

Q: Do you have information on retail prices for milk?

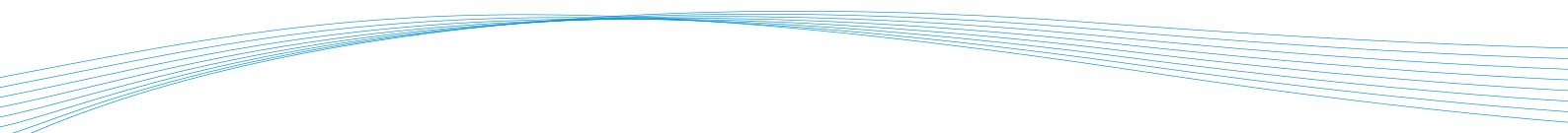
A: AHDB Dairy has developed a webpage containing the latest information which can be accessed on the <https://ahdb.org.uk/dairy/gb-retail-prices>

Q: Can I upload my own milk profile data rather than having to key in the data each time I use the calculator?

A: Yes, you can upload up to five milk profiles in the Milk price calculator using Excel or CSV files Please see the Milk price calculator instructions document for details.

Q. What is the cashflow that I can see in the Excel file of downloaded results?

A: The cashflow shows the monthly and annual revenue you would receive based on the calculated monthly prices and the delivery volumes entered into the calculator for your profile. Prices are provided for the upcoming 12 months assuming there are no changes to the pricing schedule. The results are presented in both tabular and graphical form so you can see the seasonality.



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