

Connecticut Milk Cost of Production Estimates for January, February, and March 2015

Prepared for the Connecticut Commissioner of Agriculture
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Connecticut farm milk prices continued their downward spiral in the first quarter of 2015. The statistical uniform price for farm milk averaged \$16.78/cwt, more than \$7/cwt (approximately 30%) lower than a year ago. Meanwhile, the cost of production has remained stable at around \$33/cwt. Consequently, the minimum sustainable cost per cwt of milk exceeded prices by approximately \$10.10/cwt in the first quarter of 2015, triggering the need for payments to Connecticut dairy farmers under Public Act 09-229. Although milk prices appear to be stabilizing at the new lows and are even expected to increase slightly in the coming months, these trends continue to subject Connecticut dairy farmers to significant financial stress that can be partially mitigated by the continued implementation of Public Act 09-229.

2015 Connecticut Milk Cost of Production Estimates, Statistical Uniform Prices, and Application of Public Act 09-229

	January	February	March	Quarter 1 Average
	Dollars per Hundredweight			
Total Cost of Production				
Connecticut	\$33.16	\$32.76	\$32.40	\$32.77
Minimum Sustainable Cost of Production				
Connecticut	\$27.19	\$26.86	\$26.57	\$26.87
Statistical Uniform Price				
Hartford, CT	\$17.47	\$16.56	\$16.30	\$16.78
Statistical Uniform Price Minus Minimum Sustainable Cost of Production				
Connecticut	-\$9.72	-\$10.30	-\$10.27	-\$10.10

Source: 2012 CT DFBS Survey with annual updates. Minimum Sustainable Cost of Production is 82% of the Total Cost of Production. Statistical Uniform Price is from the USDA Federal Milk Order No. 1 (<http://www.fmmone.com>).

For details on the methodology used to compute the Connecticut milk cost of production please see Zwick Center Outreach Report No. 13 available at: <http://zwickcenter.uconn.edu>.

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