

Connecticut Milk Cost of Production Estimates for April, May, and June 2015

Prepared for the Connecticut Commissioner of Agriculture
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During the second quarter of 2015, Connecticut farm milk prices stabilized around the first quarter average, just below \$17/cwt. Meanwhile, the cost of production decreased on average \$2.27/cwt to a second quarter average of \$30.50/cwt. These decreases in production costs are primarily from lower feed and labor costs. Overall, the average shortfall of prices minus the minimum sustainable cost per cwt decreased to an average of \$8.30/cwt, thus continuing to trigger the need for payments to Connecticut dairy farmers under Public Act 09-229. Throughout the next year milk prices are expected to stay relatively stable with the beginning of an upward trend forecast for late 2016. These overall trends continue to result in significant financial stress on Connecticut dairy farmers absent Public Act 09-229.

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

	April	May	June	Quarter 2 Average
	Dollars per Hundredweight			
Total Cost of Production				
Connecticut	\$31.12	\$30.18	\$30.20	\$30.50
Minimum Sustainable Cost of Production				
Connecticut	\$25.51	\$24.74	\$24.76	\$25.01
Statistical Uniform Price				
Hartford, CT	\$16.41	\$16.72	\$16.99	\$16.71
Statistical Uniform Price Minus Minimum Sustainable Cost of Production				
Connecticut	-\$9.11	-\$8.02	-\$7.77	-\$8.30

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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