

# Connecticut Milk Cost of Production Estimates for July, August, and September 2015

Prepared for the Connecticut Commissioner of Agriculture  
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Connecticut farm milk prices increased an average of \$0.35/cwt during the third quarter, driven primarily by a September milk price that reached above \$17 for the first time since January 2015. Meanwhile, the total cost of production also increased back to first quarter estimates, averaging \$32.88/cwt. Overall, the average shortfall of prices minus the minimum sustainable cost per cwt increased to an average of \$9.90/cwt, thus continuing to trigger the need for payments to Connecticut dairy farmers under Public Act 09-229. Consistent with previous forecasts, milk prices are expected to stay stable with a slow recovery beginning in late 2016. The overall trends in milk prices and production costs 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

	July	August	September	Quarter 3 Average
	Dollars per Hundredweight			
<b>Total Cost of Production</b>				
Connecticut	\$32.42	\$33.23	\$32.98	\$32.88
<b>Minimum Sustainable Cost of Production</b>				
Connecticut	\$26.59	\$27.25	\$27.05	\$26.96
<b>Statistical Uniform Price</b>				
Hartford, CT	\$16.81	\$16.80	\$17.58	\$17.06
<b>Statistical Uniform Price Minus Minimum Sustainable Cost of Production</b>				
Connecticut	-\$9.78	-\$10.45	-\$9.47	-\$9.90

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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