

Zwick Center for Food and Resource Policy
Outreach Report No. 32

**Connecticut Milk Cost of Production Estimates for
July, August, and September 2014**

Prepared for the Connecticut Commissioner of Agriculture

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November 4, 2014



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During the third quarter of 2014 milk prices remained steady, at historically high levels, for Connecticut dairy farmers. The statistical uniform price averaged \$25.34/cwt while the cost of production took a sharp increase in September to \$37.50/cwt. The primary factor contributing to increasing costs was an increase in the price of purchased feed. While it is not expected that these increased feed costs will remain at September levels, there is an expectation that the statistical uniform price will begin to decline in future months. Thus, the minimum sustainable cost of production still exceeds and is expected to continue to exceed milk prices at the farm level, supporting the need for payments to Connecticut dairy farmers for the third quarter of 2014 under Public Act 09-229.

2014 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			
Total Cost of Production				
Connecticut	\$34.87	\$34.60	\$37.50	\$35.66
Minimum Sustainable Cost of Production				
Connecticut	\$28.60	\$28.37	\$30.75	\$29.24
Statistical Uniform Price				
Hartford, CT	\$24.65	\$25.31	\$26.06	\$25.34
Statistical Uniform Price Minus Minimum Sustainable Cost of Production				
Connecticut	-\$3.95	-\$3.07	-\$4.69	-\$3.90

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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