

Zwick Center for Food and Resource Policy

Outreach Report No. 84

**Connecticut Milk Cost of Production Estimates
for Quarter 1 (January, February, March) 2025**

Prepared for Bryan Hurlburt, Commissioner, Connecticut Department of Agriculture
Prepared by Kimberly Rollins, Department Head and Professor and Zwick Center Director
Isabella Lawless, Undergraduate Research Assistant
Department of Agricultural and Resource Economics
University of Connecticut
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Charles J. Zwick Center for Food and Resource Policy
Department of Agricultural and Resource Economics
College of Agriculture and Natural Resources
1376 Storrs Road, Unit 4021
Storrs, CT 06269-4021

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This quarterly report was prepared with data from the USDA Economic Research Service, the cost of dairy model at UConn's Zwick Center, and market analysis from the USDA February Dairy Outlook (link below). One variable we use to calculate the cost of production is an estimate for the number of dairy cows in Connecticut, reported annually in January by the USDA National Agricultural Statistical Service. Typically, this estimate is reported before we report the quarter 1 estimates, however, the 2025 estimate is currently unreported. In an effort to provide cost of production estimates in a timely manner, we utilize the 2024 values. Once the 2025 value is reported, we will share updated estimates, however we do not expect there to be a significant difference in the values. In the first quarter of 2025, milk prices for Connecticut farmers decreased to \$21.24/cwt, \$1.28/cwt lower than in the previous quarter. Over the same period, the cost of production decreased to \$35.32/cwt, \$2.37 lower than in the previous quarter. The monthly average shortfall, the minimum sustainable cost minus the price, was \$7.73/cwt, a 7.79% decrease from the previous quarter. This difference was most significantly driven by a decrease in cost of purchased feed and opportunity cost of unpaid labor and management. This shortfall remains a substantial burden to producers. We thus see a need for continuing payments to Connecticut dairy farmers under Public Act 09-229.

Looking ahead, USDA ERS April Dairy Outlook reports national milk prices are expected to continue to decrease slightly in the second quarter of 2025 (*Livestock, Dairy, and Poultry Outlook*). This is in part due to increasing productivity of cows as an increase in milk per cow per day is being observed across the United States (*Livestock, Dairy, and Poultry Outlook*). With the lower projected milk prices, the minimum sustainable cost of milk production should continue to exceed the price of milk throughout 2025. Connecticut dairy farmers will face additional financial pressure in the absence of Public Act 09-229 payments.

2025 Connecticut Milk Cost of Production Estimates, Statistical Uniform Price, and Application of Public Act 09-229

January	February	March	Quarter 1 Average
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	Dollars per Hundredweight			
Total Cost of Production				
Connecticut	\$36.27	\$35.31	\$34.38	\$35.32
Minimum Sustainable Cost of Production				
Connecticut	\$29.75	\$28.95	\$28.19	\$28.96
Statistical Uniform Price				
Hartford, CT	\$21.71	\$21.54	\$20.46	\$21.24
Minimum Sustainable Cost of Production Minus Statistical Uniform Price				
Connecticut	\$8.04	\$7.41	\$7.73	\$7.73

References:

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>). Values rounded to nearest cent per hundredweight.

U.S. Department of Agriculture, Economic Research Service. (2025). Livestock, dairy, and poultry outlook: April 2025 (Report No. LDP-M-370).

For details on the methodology used, please see Zwick Center Research Report No. 1 available at: http://zwickcenter.uconn.edu/outreach-presentations_4_2016452852.pdf

Please contact Prof. Kimberly Rollins at kimberly.rollins@uconn.edu or (860) 486-4394 with questions.