Zwick Center for Food and Resource Policy

Outreach Report No. 85

Connecticut Milk Cost of Production Estimates
for Quarter 2 (April, May, June) 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
September 7, 2025

Connecticut Milk Cost of Production Estimates
for Quarter 2 (April, May, June) 2025

Kimberly Rollins, and Isabella Lawless
September 7, 2025

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 August 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. It has recently come to our understanding that this number will no longer be produced for the state of Connecticut. In an effort to provide cost of production estimates in a timely manner, we utilize the 2024 values for Quarter 2 of 2025. We will work to have a solution for this for the Quarter 3 report and we will share updated estimates for Quarter 1 and 2 of 2025, however we do not expect there to be a significant difference in the values. In the second quarter of 2025, milk prices for Connecticut farmers decreased to $19.76/cwt, $1.48/cwt lower than in the previous quarter. Over the same period, the cost of production increased to $35.62/cwt, $0.30 more than in the previous quarter. The monthly average shortfall, the minimum sustainable cost minus the price, was $9.45/cwt, a 22.25% increase from the previous quarter. This difference was most significantly driven by an increase in opportunity cost of unpaid labor and management and cost of hired labor. 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 August Dairy Outlook reports national milk prices are expected to increase slightly in the third quarter of 2025 (*Livestock, Dairy, and Poultry Outlook)*. This is in part due to high demand in dairy products such as butter *(Livestock, Dairy, and Poultry Outlook)*. Despite higher 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

	April	May	June	Quarter 2 Average

	Dollars per Hundredweight			
Total Cost of Production				
Connecticut	$34.98	$35.62	$36.27	$35.62
Minimum Sustainable Cost of Production				
Connecticut	$28.69	$29.21	$29.74	$29.21
Statistical Uniform Price				
Hartford, CT	$19.62	$19.49	$20.16	$19.76
Minimum Sustainable Cost of Production Minus Statistical Uniform Price				
Connecticut	$9.07	$9.72	$9.58	$9.45

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: August 2025 (Report No. LDP-M-374).

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.