Zwick Center for Food and Resource Policy

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Connecticut Milk Cost of Production Estimates for Quarter 3 (July, August, September) 2026

Prepared for Bryan Hurlburt, Commissioner, Connecticut Department of Agriculture

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In the third quarter of 2026, milk prices for Connecticut farmers decreased to $20.05/cwt, $1.21/cwt lower than in the previous quarter. Over the same period, the cost of production increased to $29.80/cwt, $0.75 more than in the previous quarter. The monthly average shortfall, the minimum sustainable cost minus the price, was $9.75/cwt, a 28.1% increase from the previous quarter. This difference was most significantly driven by an increase in the cost of purchased feed, opportunity cost of unpaid labor and management, and hired labor. This shortfall remains a substantial burden to producers.

We also provide an estimate of the "trigger price" based on the Massachusetts dairy farmer tax credit program when the Federal Milk Marketing Order I price drops below the trigger price anytime during the taxable year. The trigger price is estimated as total operating costs plus hired labor plus opportunity cost of unpaid labor, as defined by MA regulation 330 CMR section 29.05(2)(a). The average estimated trigger price for quarter 3 is just under a dollar (3 %) more than the average minimum sustainable cost of production.

Looking ahead, USDA ERS October 2026 reports that national milk prices are expected to remain steady throughout 2026 (*Livestock, Dairy, and Poultry Outlook).* The minimum sustainable cost of milk production is expected to continue to exceed the price of milk throughout 2026. We thus see a need for continuing payments to Connecticut dairy farmers under Public Act 09-229.

2026 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	$36.35	$35.79	$36.89	$36.34
Minimum Sustainable Cost of Production	$29.80	$29.35	$30.25	$29.80
Statistical Uniform Price (Hartford, CT)	$21.16	$19.80	$19.19	$20.05
Minimum Sustainable Cost of Production Minus Statistical Uniform Price	$8.64	$9.55	$11.06	$9.75
Trigger Price	$30.64	$30.21	$31.24	$30.70

Data Sources

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. (2026). Livestock, dairy, and poultry outlook: October 2026 (Report No. LDP-M-388).

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. Charles Towe at charles.towe@uconn.edu with any questions.