

September 30, 1920.

CONDENSED AND EVAPORATED MILK MARKET REPORT FOR SEPTEMBER 1920

Condensed Milk Manufacturers  
Close Factories in Effort to Curtail Production.  
Prices Decline with Decrease in Exports  
and Increase in Stocks.

During the past two months the condensed and evaporated milk market has steadily been getting into worse shape, and now has reached a critical stage with many manufacturers.

Export business which stimulated increased production during the war and the building of many new factories, is now at a standstill. Companies which have been exporting have put their stocks on the domestic market, flooding it with goods which are offered at cut-rate prices in order to get their money out of it. Among the factors contributing to a decreased foreign demand is the increased production of foreign countries, which is being offered by Holland, Norway and Denmark in this and other countries at prices below our own.

It is reported that jobbers and wholesale grocers, in expectation of still lower prices, are not taking on any large stocks and are buying mostly for immediate sale to retail trade. The "tight money" condition is said to be a factor with many manufacturers and jobbers, causing them to unload at least a portion of their stocks previously made of high priced sugar at prices below actual cost.

Report of the stocks in hands of manufacturers on September 1 shows that the load carried had increased, while unfilled orders had become practically "nil" on bulk goods and on case goods they were below those of August 1. Some firms reported their stocks were larger than ever in their history and the bottom had practically dropped out of the market. During September, it has been a serious question in the minds of many manufacturers as to what to do on October 1, with producers in most sections contending for higher prices for milk. Some few manufacturers have offered to cooperate with producers in further manufacturing and holding of stocks until sold, before determining prices to be paid the milk producers. Others announce they will close their factories until the present situation improved. Such action will result in curtailed supply, permitting present stocks to be worked off at prices more satisfactory to holders.

Of the twenty-and-a half million pounds of condensed exported in August, over ten million went to the United Kingdom, nearly three million to Cuba, and nearly 1½ million to the Straight Settlements. Of the five million pounds of evaporated, France took nearly two million, the United Kingdom 1,220,000 and Cuba nearly 375,000, and other countries less than 200,000 pounds each.

Current prices on evaporated case goods range from \$5.00 to \$7.00 per case, and on condensed, from \$5.00 to \$10.50, with advertised brands bringing the higher prices.

Skim condensed bulk is quoted at \$8.75 to \$9.50 per Cwt., and condensed whole milk in bulk at \$15 to \$16 per Cwt.