MONTHLY CONDENSED AND EVAPORATED MILK MARKET REPORT NO. 30

PRICES PAID PRODUCERS F.O.B. FACTORY FOR FEBRUARY 1922

Prices paid producers for 3.5% milk delivered at factories during February are based on reports made by condensed and evaporated milk firms operating approximately 61% of the total factories in the United States.

Geographic Section	No. of Factories Manufacturing (Both Case and Bulk Goods)			Price per Cwt.		No. of Factories Manufacturing (Bulk Goods Only)	Price per Cwt.	
	Case Only	Case & B.	Total Fact's	Range	Average		Range	Average
New England	1	-	1	$1.68	$1.68	-	$ -	-
Middle Atlantic	2	3	5	1.67-2.09	1.88*	18	1.30-1.95	1.73*
South Atlantic	1	1	2	1.80-2.05	1.93	4	1.30-1.80	1.55
E. No. Central	61	12	73	1.27-2.23	1.50	22	1.31-2.30	1.78
W. No. Central	3	1	4	1.44-1.60	1.52	1	1.40	1.40
South Central	-	-	-	-	-	-	-	-
North Western	9	-	9	1.40-1.52	1.51	3	1.53-2.75	1.95
South Western	7	-	7	1.31-1.88	1.51	-	-	-
UNITED STATES	84	17	101	1.27-2.23	1.53	48	1.30-2.75	1.75

55 additional factories report prices to be based on current month's wholesale butter quotations, (32 of these in N.Y. and Pa.), 23 report prices not determined as yet, and 6 report factories closed. No price information received from remaining factories.

*Note:- A January price of $1.44 per cwt. for 3.5% milk was paid by factories in Middle Atlantic Section which were omitted last month on account of prices being based on January wholesale butter quotations.

MANUFACTURERS' WHOLESALE SELLING PRICES OF CONDENSED AND EVAPORATED MILK (JAN. 1922)

The wholesale prices given below are based on reports made by manufacturers covering actual sales of condensed and evaporated milk to jobbers, wholesale grocers and similar buyers delivered at manufacturers' distributing points on basis of cash or short time credit. Foreign prices are given as F.O.B. or F.A.S. points of export in section in which sales were made.

Geographic Section	Sweetened Condensed (Unskim) per case of 14 oz. cans*		Unsweetened Evaporated (Unskim) per case of 16 oz. cans*		Sweetened Condensed Bulk per Cwt.		Unsweetened Evap. Bulk per Cwt.	
	Domestic	Foreign	Domestic	Foreign	Unskim	Skimmed	Unskim	Skimmed
New England: Range	4.75-6.00	6.00	3.90-4.60	4.90	8.18-10.50	3.46-5.50	9.25	3.20-4.00
Average	5.68	6.00	4.25	4.90	9.17	4.61	9.25	3.60
Mid. Atlantic: Range	4.75-6.00	4.50-6.00	3.79-4.75	3.55-4.90	8.18-10.10	3.00-5.95	7.75-12.00	2.20-5.00
Average	5.57	5.30	4.26	4.32	8.96	4.43	9.04	3.36
So. Atlantic: Range	4.75-6.15	5.40-6.00	4.00-4.75	3.95-4.90	8.18-9.50	4.00-5.95	9.90	2.77-4.00
Average	5.77	5.80	4.39	4.45	8.64	4.86	9.90	3.39
E. N. Central: Range	4.25-6.00	6.00	3.00-4.65	3.75-4.70	8.00-9.50	3.50-5.95	7.00-9.00	2.50-4.30
Average	5.53	6.00	4.07	4.23	8.49	4.48	7.75	3.67
W. N. Central: Range	5.40-6.00	6.00	3.90-4.50	4.99	8.18-9.50	4.00-6.00	7.02-8.33	6.45
Average	5.73	6.00	4.17	4.99	8.79	5.49	7.68	6.45
So. Central: Range	5.70-6.15	6.00	4.00-4.70	4.90	8.18-9.50	4.00-5.95	-	-
Average	5.97	6.00	4.33	4.90	8.64	5.15	-	-
No. Western: Range	5.75-5.90	6.00	4.00-4.70	4.90	8.18-10.00	5.50-7.00	-	4.10-4.28
Average	5.83	6.00	4.39	4.90	9.23	6.15	-	4.16
So. Western: Range	5.75-5.90	6.00	4.00-4.85	4.75-4.90	8.18-9.50	5.50-5.95	-	-
Average	5.83	6.00	4.47	4.83	8.84	5.73	-	-
United States: Range	4.25-6.15	4.50-6.00	3.00-4.85	3.55-4.99	8.00-10.50	3.00-7.00	7.00-12.00	2.20-6.45
Average	5.70	5.76	4.25	4.58	8.83	4.82	8.35	3.77

* Case contains 48 cans.

Geographic Sections Referred to Above

New England: Me., N.H., Vt., Mass., R.I., Conn.
Middle Atlantic: N.Y., N.J., Pa.
South Atlantic: Del., Md., D.C., Va., W.Va., N.C., S.C., Fla., Ga.
East North Central: Ohio, Ind., Ill., Mich., Wis.
West North Central: Minn., Iowa, Mo., N.D., S.D., Nebr., Kans.
South Central: Tenn., Ala., Miss., La., Texas, Okla., Ark., Ky.
Northwestern: Mont., Wyo., Idaho, Wash., Ore.
Southwestern: Colo., N. M., Ariz., Utah, Nev., Calif.

EXPORT DEMAND FOR CONDENSED AND EVAPORATED MILK LIGHTER

Despite the continued effort of manufacturers to increase sales, condensed and evaporated milk markets still occupy a position which the trade generally do not yet consider satisfactory. Following the cuts in prices which were made by some manufacturers the past month or so, some increases in sales were realized which in itself served to restore a degree of confidence, but on the whole no material change of much consequence has occurred nor is looked for in the immediate future.

(See other side of this report)

MANUFACTURERS' TOTAL STOCKS OF CONDENSED AND EVAPORATED MILK

Includes all stocks held by manufacturers reporting whether their own or stock or others; whether on their own premises; in storage, or in transit (unsold) for warehouse consignment; and whether sold or contracted for and not delivered.

Commodity	Total Stocks		Comparison of Stocks For same Firms Reporting			% Inc. or Dec. Feb. 1, 1922 over Feb. 1, 1921
	Firms	Feb. 1, 1922 Pounds	Firms	Jan. 1, 1922 Pounds	Feb. 1, 1922 Pounds	
Cond. Case Goods	18	24,047,121	18	24,886,630	24,047,121	- 35
Cond. Bulk Goods	50	7,243,877	50	11,180,473	7,243,877	- 48
Evap. Case Goods	38	141,708,472	38	148,069,514	141,708,472	+ 12
Evap. Bulk Goods	28	370,114	28	520,449	370,114	- 41
TOTAL	-	173,369,584	-	184,657,096	173,369,584	- 3

MANUFACTURERS' UNSOLD STOCKS OF CONDENSED AND EVAPORATED MILK

Includes all stocks held by manufacturers which were not sold or under contract for delivery on unfilled orders.

Commodity	Total Unsold Stocks		Comparison of Unsold Stocks For same Firms Reporting			% Inc. or Dec. Feb. 1, 1922 over Feb. 1, 1921
	Firms	Feb. 1, 1922 Pounds	Firms	Jan. 1, 1922 Pounds	Feb. 1, 1922 Pounds	
Cond. Case Goods	15	15,008,047	15	16,392,040	15,008,047	- 50
Cond. Bulk Goods	44	5,282,447	44	7,402,212	5,282,447	- 53
Evap. Case Goods	34	107,184,868	34	117,649,890	107,184,868	+ 43
Evap. Bulk Goods	23	358,706	22	505,489	358,706	- 34
TOTAL	-	127,834,068	-	141,949,631	127,834,068	+ 10

UNFILLED ORDERS FOR CONDENSED AND EVAPORATED MILK

Includes the amounts of each commodity for which orders have been received by manufacturers whose orders were in excess of their unsold stocks.

Commodity	Total Unfilled Orders		Comparison of Unfilled Orders For same Firms Reporting			% Inc. or Dec. Feb. 1, 1922 over Feb. 1, 1921
	Firms	Feb. 1, 1922 Pounds	Firms	Jan. 1, 1922 Pounds	Feb. 1, 1922 Pounds	
Cond. Case Goods	-	-	-	-	-	-
Cond. Bulk Goods	-	-	-	-	-	-
Evap. Case Goods	1	240,000	1	-	240,000	-100
Evap. Bulk Goods	-	-	-	-	-	-
TOTAL	-	240,000	-	-	240,000	-100

EXPORTS OF CONDENSED AND EVAPORATED MILK FROM THE UNITED STATES DURING JANUARY 1922 (POUNDS)

	Condensed	Evaporated
EUROPE		
Belgium	-	184,000
Germany	1,322,874	4,754,240
Italy	42,084	106
Turkey in Europe	347,667	30,363
U. Kingdom	902,138	2,415,346
Miscellaneous	31,274	661,758
NORTH AMERICA		
Bermuda	39,427	16,350
Newfld. & Labrador	4,200	11,986
Central America		
Br. Honduras	48,502	5,430
Panama	131,460	294,635
Mexico	61,310	116,989
West Indies		
Costa Rica	24,325	4,060
Cuba	3,056,404	382,005
Jamaica	56,884	8,325
Miscellaneous	95,418	35,062
SOUTH AMERICA		
Brazil	106,914	-
Columbia	18,170	7,917
Peru	3,450	263,715
Venezuela	7,338	4,155
Miscellaneous	25,889	22,012
ASIA		
China	307,920	85,648
Chosen	55,720	17,160
Hongkong	412,003	32,781
Japan	606,540	14,352
Miscellaneous	59,874	267,780
OCEANIA		
Phillipp. Is.	150,000	638,196
Misc.	720	664
AFRICA		
Br. So. Africa	79,294	1,560
Br. W. Africa	1,247	14,796
Misc.	11,974	49,124

TOTAL - JANUARY 1922 CONDENSED 8,011,020 LBS. . . EVAPORATED 10,340,515 LBS.

TOTAL - JANUARY 1921 CONDENSED 11,941,560 LBS. EVAPORATED 18,250,201 LBS.

EXPORT DEMAND FOR CONDENSED AND EVAPORATED MILK LIGHTER (CONTINUED)

Relief buying at New York has continued to be a factor of importance, although it is reported that with the calls for bids on 75,000 cases of evaporated late in February the supplying of this demand is nearing completion. Few of the trade anticipate much export demand unless prices continue to go lower, for European countries are said to be getting back to a pre-war basis of production and will be competing for this business. The recent price declines on manufactured goods were partly made possible by lower raw milk costs, but the consensus of opinion seems to be that unless butter prices show material reductions milk prices will not go much below their present level until the Spring drop comes later on. Just now butter markets are maintaining a steady tone under an apparent decrease in production and the consequent falling off in receipts at the markets, also because imports of foreign butter have for the time being ceased to be a factor of influence on account of firmer markets abroad. Some condenseries are still closed, others are making butter, and most of those which are condensing are said to be working on the lowest production possible in order to avoid accumulated stocks, in some cases it having become necessary to cancel contracts with producers or accept only part of the milk contracted for.

JANUARY SHIPMENTS 40% LESS THAN IN 1921

January export figures show an increase of over a million pounds in the exports of condensed milk, but a reduction of over 5,000,000 pounds of evaporated as compared with the previous month. As will be noted from the accompanying tables the combined January exports of condensed and evaporated goods were nearly 12,000,000 pounds less than in January 1921, during which month shipments totaled 30,191,000 pounds. Of the 10,340,000 pounds of evaporated milk exported in Jan. of this year over 4,750,000 lbs., went to Germany, but it is probable that part of this amount was for Russian relief, shipped via Hamburg. Further heavy shipments of milk purchased for Russian relief during Jan. were made during Feb. on account of clearances not being obtainable in Jan. Much of this is said to have gone via Hamburg, also, although some was to [illegible]

(See other side)

European Trade in Condensed Milk

(From "Commerce Reports" issued by the Bureau of Foreign and Domestic Commerce of the Department of Commerce)

Paris, France, February 17, 1922 by Alfred P. Dennis.

It is the opinion of a prominent French importer that the trade in condensed milk, which has been rapidly declining in the past year, will continue to fall off progressively and that in five years from now there will be no call whatever for American condensed milk in France. This conclusion is not borne out by investigation, however. Adverse influences are bearing heavily upon the entire business, but there is no reason why American trade in special brands can not be maintained and developed. The adverse factors referred to are of two classes. The first has to do with general considerations such as the unfavorable exchange and reduced buying power, all of which apply not only to France, but to other important consuming countries. A second class of trade difficulties is to be connected more particularly with France. This class includes (a) a low per capita consumption of milk, as the people are by habit wine drinkers and use little milk, even in their morning coffee; (b) a rapid restoration of live stock, with increasing supplies of fresh milk; (c) the market drag of surplus war stocks, of which a considerable amount was thrown on the market in bad condition; and (d) the French discriminative tariff, which confers an initial advantage upon competitors against American producers in the canned-milk market.

Offsetting these adverse factors may be mentioned certain favorable factors, such as superior American manufacturing technique, with production costs that enable the producers to turn out better brands for the money. On the negative side is a growing recognition that the canned-milk business has been overdone in Europe. A reaction has already set in with marked curtailment, especially in Switzerland. Further, continental dairying tends to revert to normal conditions under which surplus milk is converted into butter and cheese. In brief, the continental dairy trade possesses a valuable good-will asset in the cheese business, whereas in the condensed-milk industry it has yet to acquire a position of primacy. In Turkey, Greece, Austria, Germany, and Poland the sale of condensed milk is a question of finance rather than actual demand. In the case of France the restoration of the dairying industry does not necessarily imply that condensed milk will be supplanted by fresh milk. A broad demand may be built up and maintained in the case of certain brands. No matter how plentiful fresh milk may be, there are always some people who distrust its purity and are willing to accept condensed milk as a satisfactory substitute.

Demand for American Tinned Milk During War

Before the war the United States exported but limited quantities of condensed milk to Europe. It was thought that America could not produce so cheaply as the European countries, and the European markets were hedged about for the most part by high import duties. With the outbreak of the war import duties yielded to food necessities. Coincidently, the decrease in the native herds, accompanied by the increased demand for portable food for the use of armies in the field, gave impetus to a strong buying movement.

At first the demand for American milk was concentrated on sweetened milk, owing to the prevailing sugar shortage. The first contracts for American unsweetened tinned milk were not given until the latter part of the year 1916. The business increased steadily, unsweetened milk tending to overtake the sweetened brands until at present unsweetened milk imports are about 75 per cent of the total. Trade volume attained such proportions that 800,000 cases of war stocks remained to be disposed of in France alone at the conclusion of hostilities. Naturally, these heavy stocks have affected the market in the past 18 months, but at present they are nearing exhaustion. There may be 35,000 to 50,000 cases left, but the amount is no longer sufficient to prove a determinative influence in the market. With the rapid restoration of French herds to something like the pre-war status, import necessities are obviously declining. Much of the ground, however, that was lost in the past 12 months may be regained by the right sort of trade campaigning. In brief, a trade in special brands may be built up through advertising and aggressive salesmanship. Safety and purity are the qualities that should be emphasized in a campaign of this sort. To a greater degree than ever before people are demanding that the milk used for human consumption be sterilized in some way. Leading hotels in the principal urban centers of France boil all milk before it is offered to guests for consumption.

Competition Offered by European Brands

There is only one important canned-milk factory in France, and it is not likely that this country will become an important producer in the near future. The French prefer to devote surplus fresh milk to cheese and butter making. In Switzerland, where the canned-milk industry of Europe may be said to have originated, the trade has passed through many changes in the past seven years. Business has clearly been overdone, and, with the sharp reaction in demand, accompanied by falling prices, the whole tendency now is toward curtailment. Swiss competition in the next few years will manifest itself on the side of quality rather than quantity. A certain brand of Swiss milk is being liberally advertised at present in the United Kingdom as the best canned milk produced in the world. The major premise of the argument is the statement that the Swiss cows produce the richest milk and that the manufacturers, using the best raw material and employing the best methods, produce a brand that excels all others. This particular Swiss firm claims that its milk contains $27\frac{1}{2}$ per cent more cream (butter fat) than one leading American brand and $31\frac{1}{2}$ per cent more than another. Standard American brands contain butter fats to the amount of, say, 8 per cent, whereas the Swiss brands run as high as 10 to $12\frac{1}{2}$ per cent. The American manufacturer could easily increase the percentage of butter fat in his product, but the price would have to be raised accordingly. The object of the American manufacturer is to produce a milk adapted not only to the popular taste but to the popular purse. The past market verdict would seem to confirm the view of the American producer that low price, rather than richness in quality, is the thing desired by the European trade.

During the war the Dutch developed their canned-milk industry tremendously. They stuck, however, to the old line of sweetened milk, and there is only one factory in the Netherlands now that specializes in the unsweetened brand. The Dutch butter-fat standard for condensed milk is slightly higher than the American, although at present some special business is being done in a low-grade canned milk prepared from skimmed milk. This product is used largely by British coal miners.

Denmark, a great dairy country, entered the condensed-milk industry rather late and is but a slight competitive influence in Western Europe outside of England, where a considerable trade is

DONE. THIS TRADE TENDS TO FOLLOW THE DANISH EXPORT BUTTER TRADE. IT IS A RATHER CURIOUS FACT THAT THE DANES EXPORT THEIR BUTTER AND EAT ITS CHEAPER SUBSTITUTE, MARGARINE. IN LIKE MANNER A FINE QUALITY OF CONDENSED MILK IS EXPORTED FROM DENMARK TO ENGLAND, AND THE SKIMMED MILK, OUT OF WHICH INFERIOR BRANDS MIGHT BE MANUFACTURED, IS CONSUMED AT HOME.

GROWTH OF AMERICAN INDUSTRY - EUROPEAN MARKET

BEFORE THE WAR THE AMERICAN CONDENSED-MILK INDUSTRY CONTENTED ITSELF WITH SUPPLYING DOMESTIC NEEDS. THESE DOMESTIC REQUIREMENTS RAN SLIGHTLY UNDER 20,000,000 CASES A YEAR. IN THE BOOM PERIOD CULMINATING IN 1919, ABOUT 39,000,000 CASES WERE PRODUCED, OR NEARLY 100 PER CENT MORE THAN WAS NEEDED FOR DOMESTIC CONSUMPTION. THIS SURPLUS REPRESENTED NEARLY 75 PER CENT OF THE WORLD'S CONSUMPTION OF CANNED MILK IN 1914. IN 1920 THE UNITED STATES PRODUCTION DROPPED TO LESS THAN 25,000,000 CASES. IT IS INTERESTING TO OBSERVE THAT WHEREAS THE UNITED STATES ATTAINED PEAK PRODUCTION IN 1919, CONTINENTAL EUROPE REACHED ITS HIGHEST PRODUCTION POINT ONLY IN 1921. A SWIFT REACTION HAS NOW SET IN, WITH EVIDENCES OF MARKED CURTAILMENT. ONE MAY NOT REASONABLY ANTICIPATE A RETURN TO THE SMALL PRE-WAR PRODUCTION, BUT THE DRIFT JUST NOW IS PLAINLY TOWARD THE RESUMPTION OF CHEESE AND BUTTER MAKING AT THE EXPENSE OF THE NEWLY DEVELOPED CANNED-MILK INDUSTRY. EVEN ITALY, WHICH CAN NOT BE RATED AS A DAIRY COUNTRY, HAS PRODUCED SOME CANNED MILK IN THE PAST TWO OR THREE YEARS. ITALIAN CANNED MILK HAS BEEN OFFERED WITHIN THE PAST 30 DAYS ON THE PARIS MARKET, BUT AT PRICES CONSIDERABLY ABOVE AMERICAN BRANDS OF EQUAL QUALITY. SPAIN HAS BEEN BUYING LARGE QUANTITIES OF TINNED MILK THROUGH ITS FORMER SOURCE OF SUPPLY, THE NETHERLANDS.

THERE IS NO COUNTRY IN EUROPE IN WHICH MORE CONDENSED MILK COULD BE USED NOW THAN GERMANY. THE REDUCED HERDS AND THE SCARCITY OF FODDER, DUE TO LAST SEASON'S PROLONGED DROUGHT, COMBINE TO PRODUCE A SEVERE SHORTAGE IN THE SUPPLIES OF FRESH MILK. TRADE WITH THE UNITED STATES IS AFFECTED BY THE DIFFICULTY OF FINANCING IMPORTS. THE SAME DEMAND, ONLY MORE ACUTE, EXISTS FOR CONDENSED MILK IN AUSTRIA AND POLAND, WITH THE DIFFICULTIES OF FINANCE MORE INVOLVED. IT IS LEARNED THAT CONDENSED MILK IS MUCH WANTED IN GREECE, THAT MARKET BEING AT PRESENT SUPPLIED BY A WELL-KNOWN EUROPEAN HOUSE THAT HAS RECENTLY ESTABLISHED FACTORIES IN THE UNITED STATES. THERE IS A STRONG DEMAND IN CONSTANTINOPLE AND ASIA MINOR, BUT SATISFACTION OF THIS DEMAND AWAITS, AS IN THE CASE OF CENTRAL EUROPE, SOUND MEASURES OF FINANCE.

FRENCH IMPORTS OF CONDENSED MILK

FRENCH IMPORTS OF SWEETENED AND UNSWEETENED CONDENSED MILK (GIVEN IN METRIC TONS), ALSO THE PRINCIPAL SOURCES OF SUPPLY, DURING THE YEARS 1913, 1920, AND 1921 ARE SHOWN BELOW:

COUNTRIES OF ORIGIN	UNSWEETENED MILK			SWEETENED MILK		
	1913	1920	1921	1913	1920	1921
	TONS	TONS	TONS	TONS	TONS	TONS
SWITZERLAND	119	89	397	1,217	2,848	2,953
NETHERLANDS	48	411	1,205	-	385	1,369
GERMANY	11	-	-	-	-	-
GREAT BRITAIN	7	417	-	58	-	-
BELGIUM	5	951	-	-	450	-
CANADA	-	1,359	-	-	235	762
UNITED STATES	-	27,871	8,130	-	2,614	426
OTHER COUNTRIES	13	45	791	11	226	369
TOTAL	203	31,143	10,523	1,286	6,758	5,879

AMERICAN TRADE IN CONDENSED MILK, STIMULATED IN 1919 TO NEARLY 100 PER CENT PRODUCTION ABOVE HOME CONSUMPTION REQUIREMENTS, MUST CONTINUE THE POLICY OF CURTAILMENT UNLESS HOME DEMAND CAN BE INCREASED AND AT THE SAME TIME THE SWIFT DECLINE IN CONTINENTAL BUYING ARRESTED. IN RESPECT TO THE EUROPEAN TRADE AMERICAN MANUFACTURERS OCCUPY A POSITION OF BOTH WEAKNESS AND STRENGTH. THE WEAKNESS IS DUE TO INCREASED CONTINENTAL COMPETITION, TARIFF BARRIERS, AND A REDUCED PURCHASING POWER THROUGH THE GENERAL IMPOVERISHMENT OF EUROPEAN COUNTRIES. ON THE OTHER HAND, THE CALL FOR CHEAPER FOOD INVESTS AMERICAN BRANDS WITH A MORE POPULAR APPEAL THAN THE MORE EXPENSIVE EUROPEAN MAKES. FURTHER, THE PROGRESSIVE APPRECIATION OF THE CURRENCIES OF BOTH FRANCE AND GREAT BRITAIN IS A FAVORABLE FACTOR IN ITS BEARING UPON THE AMERICAN TINNED-MILK TRADE. THE DAY HAS PASSED WHEN THE AMERICAN MANUFACTURERS CAN HOPE TO SELL IN ROUND LOTS ON GENERAL CONSIGNMENT TO EUROPEAN MARKETS. THIS DOES NOT NECESSARILY MEAN, HOWEVER, THAT THEY CAN DO NO BUSINESS IN EUROPE. IT RATHER MEANS THAT THEY CAN REBUILD BUSINESS ON THE MORE STABLE FOUNDATION OF POPULARIZING CERTAIN AMERICAN BRANDS. THE ONE THING NEEDED IN EUROPE TO-DAY IS CHEAP, PURE, PORTABLE FOODS - FOODS THAT CAN BE USED FOR CHILDREN AND FOR SICK AND UNDERNOURISHED PEOPLE.

AUSTRIA

CONSUL CAROL H. FOSTER, VIENNA, FEB. 20

THE SUPPLY OF FRESH MILK IN VIENNA IS NOW ONLY 100,000 LITERS (26,000 GALLONS) DAILY, WHEREAS BEFORE THE WAR IT WAS ABOUT 900,000 LITERS (238,000 GALLONS). THE AUSTRIAN PROVINCES CAN NOT SUPPLY THE NEED, AS THEY ARE HAMPERED BY A LAW THAT FRESH MILK MUST BE SOLD AT 168 AUSTRIAN CROWNS PER LITER (ABOUT 4 CENTS A QUART), WHICH IS MUCH LESS THAN THE COST OF PRODUCTION. THIS CAUSES THE AUSTRIAN PRODUCER TO MAKE BUTTER AND FEED THE SKIMMED MILK TO THE HOGS, RATHER THAN SELL THE FRESH MILK. THERE IS A SHORTAGE OF FODDER, AND FACILITIES FOR MILK TRANSPORTATION ARE LIMITED AND EXPENSIVE, WHEREAS BUTTER AND PORK CAN EASILY BE TRANSPORTED AND DISPOSED OF IN WAYS NOT SUBJECT TO STATE CONTROL. MOREOVER, AS A NATURAL RESULT OF THE WAR, AUSTRIAN HERDS ARE SMALL AND IN POOR CONDITION. AS AN ADEQUATE SUPPLY OF FRESH MILK CAN NOT BE OBTAINED, THE CONSUMER MUST TURN TO IMPORTED PRESERVED MILK.

IMPORTS OF PRESERVED MILK INTO AUSTRIA IN 1920 AMOUNTED TO 11,500 METRIC TONS, OF WHICH 1,000 TONS CAME FROM ITALY, 1,500 FROM THE NETHERLANDS, 3,100 FROM SWITZERLAND, AND 5,000 TONS FROM THE UNITED STATES. OFFICIAL STATISTICS FOR 1921 ARE AVAILABLE FOR ONLY THE FIRST HALF OF THE YEAR. DURING THIS PERIOD THE IMPORTS WERE 8,900 METRIC TONS, 3,300 TONS BEING SUPPLIED BY THE NETHERLANDS, 1,500 BY SWITZERLAND, 1,000 BY THE UNITED STATES, AND 700 TONS BY FRANCE. THE PURCHASES DURING THE SECOND HALF OF THE YEAR ARE SAID TO BE CONSIDERABLY SMALLER THAN THOSE FOR THE FIRST HALF.

THE CHIEF DIFFICULTIES AFFECTING THE SALE OF AMERICAN CANNED MILK IN AUSTRIA ARE THE QUESTIONS OF CREDIT, EXCHANGE, AND DELIVERY. THESE HINDRANCES TO TRADE can be overcome only by the establishment of large transit stocks in the capitals of all the Austrian Provinces. It is the opinion of the heads of the large milk-importing companies of this city that the chief difficulty confronting the purchaser of American goods is that, without transit stocks on hand in Vienna, American products must be ordered 8 or 10 weeks before they can be delivered. Such long-term deliveries entail a risk that no Austrian business man is willing to take.

The Netherlands

Consul General George E. Anderson, Rotterdam, February 17

It is rather significant that as the export market for Dutch butter and cheese becomes more restricted and the domestic market is invaded by Danish and Australian butter, the export of condensed milk, milk powder, and other milk products has been greatly increased. The total volume of these exports in 1921 was 96,652 metric tons, with a value of $20,005,000, as compared with 73,016 tons, valued at $16,252,000, in 1920.

Exports of fresh skimmed milk in 1921 were 5,000 metric tons, valued at $91,000, as compared with no shipments in 1920; and of fresh full milk, 11,000 tons, value $476,000, against 14,000 tons, value $596,000, in 1920. Germany takes practically all of the fresh milk shipped from this country.

There were 23,000 metric tons of sweetened condensed full milk, valued at $6,478,000 shipped from the Netherlands during the past year, as compared with 17,000 tons, valued at $5,025,000, in 1920. The principal purchaser in 1921 was Great Britain, with 11,000 tons, valued at $3,082,000. In the previous year Germany was the chief buyer, with 6,000 tons, valued at $1,568,000, followed closely by the Dutch East Indies, with nearly 4,000 tons, value $1,175,000, and Great Britain, with above 3,000 tons, value $1,007,000.

Sweetened condensed skimmed milk to the amount of 51,000 tons, valued at $10,531,000, was shipped in 1921, as against 35,000 tons, valued at $8,573,000, in 1920. Great Britain took the greater part of these shipments in both years, with 47,000 tons, valued at $9,807,000 in 1921, and 28,000 tons, value $7,061,000, in the previous year.

Exports of other milk products are small, but show an increase over 1920 in every item, with the exception of skimmed-milk powder.