

UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
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MONTHLY EVAPORATED AND CONDENSED MILK MARKET REPORT
(October 1934)

No. 182

WASHINGTON, D.C.

OCTOBER 24, 1934

INFORMATION IN THIS MONTH'S REPORT IS FURNISHED BY ALL FIRMS OF RECORD WHICH MANUFACTURE CASE GOODS EVAPORATED MILK OR CONDENSED MILK, OR BOTH.

PRICES PAID PRODUCERS FOR 3.5% MILK F. O. B. FACTORY FOR SEPTEMBER 1934*

GEOGRAPHIC SECTIONS	NUMBER OF FACTORIES REPORTING	PRICE PER CWT.	
		RANGE	AVERAGE
NEW ENGLAND	-	\$ -	\$ -
MIDDLE ATLANTIC	6	.22-1.36	1.39
SOUTH ATLANTIC	2	.04-1.15	1.10
E. NORTH CENTRAL	84	.12-1.79	1.17
W. NORTH CENTRAL	9	.04-1.24	1.09
SOUTH CENTRAL	9	.04-1.14	1.05
NORTH WESTERN	10	1.01-1.23	1.12
SOUTH WESTERN	19	0.97-1.34	1.26
U.S. SEPT. 1934	139	0.97-1.79	1.17
U.S. AUG. 1934	138	0.98-1.67	1.21
U.S. SEPT. 1933	79	0.78-1.20	1.07

*NOTE: THE INFORMATION CARRIED IN THE BODY OF THIS TABLE APPLIES TO THE PREVIOUS MONTH RATHER THAN THE CURRENT MONTH. UNDER THE PROVISIONS OF THE EVAPORATED MILK MARKETING AGREEMENT NOW IN EFFECT, MOST MANUFACTURERS CALCULATE PRICES PAID PRODUCERS BY FORMULAS WHICH TAKE INTO ACCOUNT THE CURRENT MONTH'S AVERAGE WHOLESALE BUTTER MARKET QUOTATIONS. THESE AVERAGES ARE NOT AVAILABLE AT THIS TIME.

PRICES PAID PRODUCERS ACCORDING TO GEOGRAPHIC SECTIONS OUTLINED IN EVAPORATED MILK MARKETING AGREEMENT.

	SEPTEMBER 1934	AUGUST 1934	SEPTEMBER 1934
SECTION 1	\$1.17	\$1.23	\$1.13
" 2	1.39	1.39	1.37
" 3	1.06	1.18	1.00
" 4	1.12	1.05	0.85
" 5	1.11	1.05	0.98
" 6	1.31	1.21	0.99
U.S. AVERAGE	1.17	1.21	1.09

NET WHOLESALE SELLING PRICES IN CARLOTS - F.O.B. DISTRIBUTING POINTS - SEPTEMBER 1934
(CASE GOODS)

THE WHOLESALE PRICES GIVEN BELOW ARE BASED ON THE REPORTS MADE BY MANUFACTURERS COVERING ACTUAL SALES DELIVERED AT MANUFACTURERS' DISTRIBUTING POINTS ON BASIS OF CASH OR SHORT TIME CREDIT.

F. O. B.	EVAPORATED MILK (PER CASE OF 48 - 14½ OZ. CANS)		CONDENSED MILK (PER CASE OF 48 - 14 OZ. CANS)	
	RANGE	AVERAGE	RANGE	AVERAGE
BOSTON	\$2.50-2.70	\$2.60	\$4.75-4.85	\$4.82
NEW YORK CITY	2.50-2.70	2.59	4.26-4.90	4.61
PHILADELPHIA	2.50-2.70	2.60	4.75-4.85	4.82
CHICAGO	2.40-2.60	2.49	5.25	5.25
CLEVELAND	2.40-2.60	2.50	-	-
ST. LOUIS	2.40-2.60	2.50	-	-
KANSAS CITY	2.40-2.60	2.52	-	-
MINNEAPOLIS-ST. PAUL	2.40-2.60	2.50	-	-
ATLANTA	2.45-2.60	2.53	-	-
NEW ORLEANS	2.45-2.60	2.52	3.87-5.00	4.06
DENVER	2.45-2.60	2.52	-	-
SEATTLE	2.40-2.60	2.54	-	-
SAN FRANCISCO	2.45-2.60	2.55	4.90	4.90
LOS ANGELES	2.45-2.60	2.53	4.90	4.90

AVERAGE WHOLESALE SELLING PRICES BY GEOGRAPHIC SECTIONS - SEPTEMBER 1934

	UNSWEETENED EVAPORATED (PER CASE OF 48 - 14½ OZ. CANS)	SWEETENED CONDENSED (PER CASE OF 48 - 14 OZ. CANS)	SWEETENED CONDENSED (BULK PER CWT.)	
			UNSKIMMED	SKIMMED
NEW ENGLAND	\$2.59	\$4.84	\$7.00	\$4.46
MIDDLE ATLANTIC	2.57	4.62	6.95	4.31
SOUTH ATLANTIC	2.56	4.93	7.00	4.75
E. N. CENTRAL	2.50	5.25	6.47	4.31
W. N. CENTRAL	2.50	-	6.75	4.65
SOUTH CENTRAL	2.52	4.45	7.00	4.75
NORTH WESTERN	2.54	4.90	6.30	4.75
SOUTH WESTERN	2.55	4.90	6.80	4.65
U. S. AVERAGE SEPT. 1934	\$2.54	\$4.73	\$6.77	\$4.50
U. S. AVERAGE AUG. 1934	\$2.53	\$4.73	\$6.83	\$4.45
U. S. AVERAGE SEPT. 1933	\$2.55	\$4.94	\$7.14	\$4.61

EVAPORATED MILK MARKET STEADY - HEAVY TRADE OUTPUT

NO CHANGES OF PARTICULAR IMPORTANCE APPEAR TO HAVE OCCURRED IN EVAPORATED MILK MARKETS DURING THE PAST MONTH. THE TONE OF THE MARKET IS STEADY, WITH PRICES SHOWING NO CHANGES OF ANY CONSEQUENCE. THERE HAS BEEN SOME DISCUSSION IN THE TRADE REGARDING THE POSSIBILITY OF THE MARKETING AGREEMENT BEING AMENDED TO PROVIDE FOR A NEW SCHEDULE OF WHOLESALE SELLING PRICES, BUT NO OFFICIAL APPROVAL HAS BEEN GIVEN TO SUCH A CHANGE.

PRODUCTION IN SEPTEMBER FOLLOWED THE USUAL SEASONAL TENDENCY DOWNWARD, AS COMPARED WITH THE PREVIOUS MONTH, WITH A DROP UNDER AUGUST AMOUNTING TO 16.6 PER CENT. IN RELATION TO SEPTEMBER 1933, HOWEVER, THERE WAS AN INCREASE OF 12.9 PERCENT, APPROXIMATELY THE SAME PERCENTAGE CHANGE WITH RESPECT TO THE PREVIOUS YEAR AS OCCURRED IN AUGUST. IN TERMS OF VOLUME, THE ESTIMATED INCREASE IN SEPTEMBER OVER SEPTEMBER 1933 WAS

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OCTOBER 1934

STOCKS AND PRODUCTION OF EVAPORATED AND CONDENSED MILK

TOTAL STOCKS INCLUDE ALL STOCKS HELD BY MANUFACTURERS REPORTING, WHETHER THEIR OWN OR STOCKS OF OTHERS; WHETHER ON THEIR OWN PREMISES, IN STORAGE, OR IN TRANSIT (UNSOLD) FOR WAREHOUSE CONSIGNMENT; AND WHETHER SOLD OR CONTRACTED FOR AND NOT DELIVERED.

STOCKS AND PRODUCTION FIGURES FOR THE CURRENT MONTH INCLUDE REPORTS FROM PRACTICALLY ALL FIRMS MANUFACTURING THE CLASSES OF MILK INDICATED.

	EVAPORATED MILK (CASE GOODS)	CONDENSED MILK (CASE GOODS)	CONDENSED MILK (BULK GOODS)
<u>TOTAL STOCKS</u>			
TOTAL STOCKS ON OCT. 1, 1934	175,128,759 LBS.	15,891,476 LBS.	8,922,924 LBS.
No. OF FIRMS REPORTING*	40	8	30
<u>COMPARISON FOR SAME FIRMS:</u>			
OCTOBER 1, 1934	172,858,373 LBS.	15,891,476 LBS.	8,922,924 LBS.
SEPTEMBER 1, 1934	167,863,392 LBS.	17,432,461 LBS.	8,961,790 LBS.
% CHANGE DURING MONTH	+ 2.98%	- 8.84%	- 0.43%
FIRMS IN COMPARISON	39	8	30
OCTOBER 1, 1934	169,206,404 LBS.	15,891,476 LBS.	8,204,406 LBS.
OCTOBER 1, 1933	208,493,238 LBS.	14,683,251 LBS.	9,807,630 LBS.
% CHANGE FROM PREV. YEAR	-18.84%	+ 8.23%	-16.35%
FIRMS IN COMPARISON*	35	8	27
<u>PRODUCTION</u>			
<u>COMPARISON FOR SAME FIRMS:</u>			
SEPTEMBER, 1934	139,432,832 LBS.	4,136,195 LBS.	8,733,176 LBS.
AUGUST, 1934	167,341,737 LBS.	6,470,937 LBS.	8,837,276 LBS.
% CHANGE DURING MONTH	-16.68%	-36.08%	- 1.18%
FIRMS IN COMPARISON*	37	7	31
SEPTEMBER, 1934	135,929,577 LBS.	4,136,195 LBS.	7,935,882 LBS.
SEPTEMBER, 1933	120,370,736 LBS.	3,444,029 LBS.	9,223,945 LBS.
% CHANGE FROM PREV. YEAR	+12.93%	+20.10%	-13.96%
FIRMS IN COMPARISON*	33	7	28
<u>FINAL REVISIONS FOR LAST MONTH:</u>			
TOTAL STOCKS ON SEPT. 1, 1934	167,863,392 LBS.	17,432,461 LBS.	9,210,198 LBS.
ESTIMATED TOTAL PRODUCTION SEPTEMBER 1934	146,130,000 LBS.	4,136,000 LBS.	12,090,000 LBS.

* FIRMS, NOT FACTORIES. SOME FIRMS OPERATE MORE THAN ONE FACTORY.

AVERAGE DAILY PURCHASES PER PRODUCER*

	SEPTEMBER		AUGUST	
	1934	1933	1934	1933
TOTAL PURCHASES	301,601,491 LBS.	270,371,024 LBS.	347,457,822 LBS.	316,568,939 LBS.
NUMBER OF PRODUCERS	94,477	87,694	92,474	84,982
AVERAGE DAILY PURCHASES PER PRODUCER	106.41 LBS.	102.77 LBS.	121.21 LBS.	120.17 LBS.
PERCENTAGE CHANGES IN 1934 COMPARED WITH 1933	+ 3.54		+ 0.87	

PERCENTAGE CHANGE IN SEPTEMBER 1934 COMPARED WITH AUGUST 1934 - -12.21

PERCENTAGE CHANGE IN SEPTEMBER 1933 COMPARED WITH AUGUST 1933 - -14.49

* THESE FIGURES INCLUDE MILK PURCHASED PRIMARILY FOR THE MANUFACTURE OF EVAPORATED AND CONDENSED MILK.

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APPROXIMATELY 16 MILLION POUNDS. THIS INCREASE, HOWEVER, TOGETHER WITH INCREASES OVER THE CORRESPONDING PERIODS OF LAST YEAR WHICH OCCURRED IN JULY AND AUGUST, WERE NOT SUFFICIENT TO OFFSET DECREASES IN PRECEDING MONTHS, SO THAT THE NET CHANGE UNDER 1933 FOR THE CALENDAR YEAR UP TO OCTOBER 1 IS AN ESTIMATED DECREASE OF 4 PERCENT, REPRESENTING CLOSE TO 60 MILLION POUNDS. IT IS OF PARTICULAR INTEREST TO NOTE THE EVAPORATED MILK PRODUCTION TREND OF THE PAST FEW MONTHS, AS COMPARED WITH LAST YEAR. SUCH A STUDY REVEALS THAT DESPITE THE DROUGHT CONDITIONS, WHICH TO SOME DEGREE AFFECTED MANY OF THE PRINCIPAL DAIRY AREAS, EVAPORATED MILK PRODUCTION SINCE JUNE HAS ACTUALLY GAINED IN VOLUME OVER 1933. IN SEPTEMBER, AVERAGE DAILY DELIVERIES PER PRODUCER TO CONDENSERIES WERE 3.5 PERCENT HEAVIER THAN IN SEPTEMBER 1933. FURTHERMORE, THE DROP UNDER AUGUST IN AVERAGE DAILY DELIVERIES PER PRODUCER DURING SEPTEMBER WAS LESS THIS YEAR THAN LAST.

TOTAL STOCKS OF EVAPORATED MILK IN MANUFACTURERS' HANDS ON OCTOBER 1 AMOUNTED TO 175,129,000 POUNDS. COMPARED WITH OCTOBER 1, 1933, THIS WAS A REDUCTION OF 18.8 PERCENT, BUT ON THE OTHER HAND, IT REPRESENTED AN INCREASE OF ALMOST 3 PERCENT OVER STOCKS OF SEPTEMBER 1. IN TERMS OF POUNDS, THIS INCREASE BETWEEN SEPTEMBER 1 AND OCTOBER 1 WAS 5 MILLION POUNDS, AND WHILE DURING

SEPTEMBER LAST YEAR THERE WAS AN INCREASE OF 31 MILLION POUNDS, OR 17.4 PERCENT, COMPARED TO FIGURES FOR OTHER PREVIOUS YEARS REVEALS THAT FOR THE FIVE-YEAR PERIOD (1929-1933 INCLUSIVE) THE CHANGE WAS NOT AN INCREASE, BUT AN AVERAGE REDUCTION DURING SEPTEMBER OF 16 MILLION POUNDS.

ALONG WITH A CONSIDERATION OF CURRENT PRODUCTION AND STOCKS, IT IS DESIRABLE TO INCLUDE ALSO THE MOVEMENT OF EVAPORATED MILK INTO CONSUMING TRADE CHANNELS. IN AUGUST THE INCREASED TRADE OUTPUT OVER AUGUST, 1933 WAS 102 MILLION POUNDS, OR 96 PERCENT, AND AGAIN IN SEPTEMBER A HEAVY INCREASE OCCURRED, APPROXIMATING 40 MILLION POUNDS, OR 42 PERCENT. THIS HEAVY MOVEMENT INTO WHOLESALE AND RETAIL TRADE CHANNELS HAS BEEN A MATERIAL FACTOR SUPPORTING EVAPORATED MILK MARKETS.

PRODUCTION OF CONDENSED CASE IN SEPTEMBER SHOWED A 36.0 PERCENT REDUCTION UNDER AUGUST BUT WAS 20.0 PERCENT GREATER THAN A YEAR EARLIER. TOTAL AMOUNTS PRODUCED, HOWEVER, CONTINUES TO BE RELATIVELY SMALL, AND COMPARED WITH EVAPORATED MILK. STOCKS OF CONDENSED CASE ON OCTOBER 1 TOTALING APPROXIMATELY 15 MILLION POUNDS WERE 9 PERCENT HEAVIER THAN A YEAR EARLIER. APPARENT CONSUMPTION OF THIS CLASS OF GOODS FOR THE CALENDAR YEAR ALSO EXCEEDS THAT OF LAST YEAR.