

BUREAU OF AGRICULTURAL ECONOMICS
MONTHLY EVAPORATED AND CONDENSED MILK MARKET REPORT
(SEPTEMBER 1936)

No. 205

WASHINGTON, D.C.

SEPTEMBER 23, 1936

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 AUGUST 1936*

GEOGRAPHIC SECTIONS	NUMBER OF FACTORIES REPORTING	PRICE PER CWT.	
		RANGE	AVERAGE
NEW ENGLAND	- 1/1	\$ -	\$ -
MIDDLE ATLANTIC	6	1.80-1.83	1.81
SOUTH ATLANTIC	2	1.64	1.64
E. NORTH CENTRAL	86	1.61-2.15	1.77
W. NORTH CENTRAL	9	1.59-1.78	1.70
SOUTH CENTRAL	13	1.50-1.71	1.59
NORTH WESTERN	11	1.58-1.73	1.66
SOUTH WESTERN	22	1.41-1.90	1.78
U.S. AUGUST 1936	149	1.41-2.15	1.74
U.S. JULY 1936	149	1.43-1.98	1.63
U.S. AUGUST 1935	142	1.01-1.44	1.18

* 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, PRICES PAID PRODUCERS ARE CALCULATED BY FORMULAS WHICH TAKE INTO ACCOUNT THE CURRENT MONTH'S AVERAGE WHOLESALE BUTTER AND CHEESE MARKETING QUOTATIONS. THESE AVERAGES ARE NOT AVAILABLE AT THIS TIME.

1/ REPORTS NOT RECEIVED FROM TEN FACTORIES IN THESE AREAS WHICH BASE PRICES ON FORMULA IN EVAPORATED MILK MARKETING AGREEMENT. FORMULA PRICE FOR THIS AREA IN AUGUST \$1.66.

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

SECTION	AUGUST 1936	JULY 1936	AUGUST 1935
1	\$1.76	\$1.66	\$1.18
2	1.81	1.69	1.31
3	1.62	1.50	1.04
4	1.66	1.55	1.19
5	1.66	1.59	1.09
6	1.83	1.74	1.29
U.S. AVERAGE	1.74	1.63	1.18

NET WHOLESALE SELLING PRICES IN CARLOTS - F.O.B. DISTRIBUTING POINTS - AUGUST 1936
(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 - 14 1/2 OZ. CANS)		CONDENSED MILK (PER CASE OF 48 - 14 OZ. CANS)	
	RANGE	AVERAGE	RANGE	AVERAGE
BOSTON	\$3.00-3.40	\$3.28	\$4.40-5.00	\$4.73
NEW YORK CITY	3.00-3.40	3.28	4.40-5.00	4.69
PHILADELPHIA	3.00-3.40	3.26	4.40-5.00	4.73
CHICAGO	3.09-3.30	3.18	5.25	5.25
CLEVELAND	2.90-3.30	3.17	-	-
ST. LOUIS	3.09-3.30	3.18	-	-
KANSAS CITY	3.09-3.30	3.20	-	-
MINNEAPOLIS-ST. PAUL	2.90-3.30	3.18	-	-
ATLANTA	3.09-3.30	3.19	-	-
NEW ORLEANS	2.90-3.30	3.19	4.40	4.40
DENVER	3.09-3.30	3.19	4.25-5.00	4.33
SEATTLE	2.95-3.35	3.18	-	-
SAN FRANCISCO	2.80-3.30	3.05	-	-
LOS ANGELES	2.80-3.30	3.06	-	-

AVERAGE WHOLESALE SELLING PRICES BY GEOGRAPHIC SECTIONS - AUGUST 1936

	UNSWEETENED EVAPORATED (PER CASE OF 48 - 14 1/2 OZ. CANS)	SWEETENED CONDENSED (PER CASE OF 48 - 14 OZ. CANS)	SWEETENED CONDENSED (BULK PER CWT.)	
			UNSKIMMED	SKIMMED
NEW ENGLAND	\$3.27	\$4.81	\$9.00	\$5.55
MIDDLE ATLANTIC	3.23	4.69	9.00	5.50
SOUTH ATLANTIC	3.25	4.75	9.00	5.13
E. N. CENTRAL	3.17	4.87	8.63	5.64
W. N. CENTRAL	3.19	4.87	8.56	5.80
SOUTH CENTRAL	3.20	4.66	9.00	6.13
NORTH WESTERN	3.22	5.39	9.50	6.13
SOUTH WESTERN	3.10	5.39	9.00	6.13
U. S. AVERAGE Aug. 1936	\$3.20	\$4.82	\$8.86	\$5.74
U. S. AVERAGE JULY 1936	\$3.17	\$4.79	\$8.43	\$5.39
U. S. AVERAGE Aug. 1935	\$2.58	\$4.77	\$7.14	\$4.60

HEAVY PACK OF EVAPORATED MILK IN AUGUST - STOCKS VERY LOW

September evaporated milk markets are firm, as a result of continued light supplies and an active movement from manufacturers' hands. Perhaps the outstanding feature of the past month has been the unusually low stocks of September 1. The amount held by manufacturers on that date was only 102,021,000 pounds, a new low record for September 1, and a reduction of 12,000,000

pounds below the previous low record which was reached in 1921. Stocks on September 1 of last year, totaling 358,780,000 pounds, were thus more than three times heavier than this year, and the September 1 average during the past five year period, 1931-35, was more than double that of the current year. All dairy products are now in light supply, although

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 CONSIGNMENTS; 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 SEPT. 1, 1936	102,021,173 LBS.	11,115,984 LBS.	12,111,723 LBS.
No. OF FIRMS REPORTING*	36	8	26
COMPARISON FOR SAME FIRMS:			
SEPT. 1, 1936	101,597,048 LBS.	11,115,984 LBS.	12,111,723 LBS.
AUG. 1, 1936	99,638,153 LBS.	11,188,358 LBS.	13,344,363 LBS.
% CHANGE DURING MONTH	+ 1.97%	- 0.65%	- 9.24%
FIRMS IN COMPARISON	35	8	26
SEPT. 1, 1936	101,597,048 LBS.	11,115,984 LBS.	12,111,723 LBS.
SEPT. 1, 1935	358,579,687 LBS.	18,460,352 LBS.	10,511,450 LBS.
% CHANGE FROM PREV. YEAR	- 71.67%	-39.78%	+15.22%
FIRMS IN COMPARISON*	35	8	26
<u>PRODUCTION</u>			
COMPARISON FOR SAME FIRMS:			
AUG. 1936	179,109,757 LBS.	4,738,131 LBS.	11,040,825 LBS.
JULY, 1936	197,507,184 LBS.	4,162,836 LBS.	12,163,023 LBS.
% CHANGE DURING MONTH	- 9.31%	+13.82%	- 9.23%
FIRMS IN COMPARISON*	34	7	26
AUG. 1, 1936	179,109,757 LBS.	4,738,131 LBS.	11,040,825 LBS.
AUG. 1, 1935	156,747,771 LBS.	4,331,256 LBS.	9,556,037 LBS.
% CHANGE FROM PREV. YEAR	+ 14.27%	+ 9.4%	+ 15.54%
FIRMS IN COMPARISON	34	7	26

FINAL REVISIONS FOR LAST MONTH:

TOTAL STOCKS ON AUG. 1, 1936	99,638,153 LBS.	11,188,358 LBS.	13,653,990 LBS.
ESTIMATED PRODUCTION AUG. 1936**	183,428,000 LBS.	4,994,000 LBS.	14,280,000 LBS.
FINAL PRODUCTION AUG. 1935	160,522,000 LBS.	4,565,000 LBS.	12,359,000 LBS.

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

** SUBJECT TO REVISION.

AVERAGE DAILY PURCHASES PER PRODUCER*

	AUGUST		JULY	
	1936	1935	1936	1935
TOTAL PURCHASES	346,283,163 LBS	354,041,366 LBS	382,409,737 LBS	395,869,901 LBS
NUMBER OF PRODUCERS	103,505	99,015	102,761	101,494
AVERAGE DAILY PURCHASES PER PRODUCER	107.92 LBS	115.34 LBS	120.04 LBS	125.82 LBS
PERCENTAGE CHANGES IN 1936 COMPARED WITH 1935	- 6.43		- 4.59	

PERCENTAGE CHANGE IN AUGUST 1936 COMPARED WITH JULY 1936 - -10.10

PERCENTAGE CHANGE IN AUGUST 1935 COMPARED WITH JULY 1935 - - 8.33

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

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evaporated milk and butter show the heaviest reductions. In terms of milk equivalents, stocks of the principal manufactured dairy products on September 1 were almost a third below a year ago, and about 13.0 percent below average.

Production of evaporated milk during August, estimated at 183,428,000 pounds, was 14.0 percent heavier than last year, and the increase makes the total pack for the year 2.5 percent greater than during January to August, inclusive, in 1935. The seasonal decrease in August this year, as compared with July, was 9.3 percent, while the average decrease during recent years has been 16.5 percent. August production was the heaviest of record for that date, and that this should have occurred at a time when such is not the general trend of dairy production, was probably due to the extreme shortage of current supplies previously referred to, and the resulting effort of numerous manufacturers to build up reserves, or at least to retain their prevailing supply situation. Butter production in August was about 12.5 percent below last year, and total U. S. milk production as estimated for September 1 was about 8 percent lower than in 1935 and 5 percent lower than in 1934. The

final report of the Bureau on total production of evaporated milk in 1935, which has just become available, shows a total pack of case goods last year amounting to 1,838,890,000 pounds. This is an increase of 127,000,000 pounds over 1934. Production of evaporated milk has almost doubled in the past 15 years.

Prices paid producers supplying condenseries, being based upon the formula set forth in the Federal marketing agreement, follow largely the changes in butter and cheese markets, and thus in August were higher than in July, the average price per cwt. for 3.5 percent milk these two months being \$1.74 and \$1.63, respectively. In August 1935 the average price paid producers was \$1.18 per cwt. September prices are not generally available as yet, although average butter and cheese prices so far this month do not show much change from August. August selling prices, averaging \$3.20 per case, were slightly above July, and as yet there appears to be no material change in September selling values. Current selling prices, however, are 60 to 65 cents per case above a year ago.