

EVAPORATED AND CONDENSED MILK REPORT
(SEPTEMBER 1938)

MANUFACTURERS STOCKS OF EVAPORATED MILK REACH
ANOTHER NEW ALL TIME HIGH RECORD. PRODUCTION
STILL HEAVY.

Continued heavy production of evaporated milk in August and a further substantial increase in stocks are reported by the Bureau of Agricultural Economics. Reports from manufacturers of evaporated milk show that on September 1 their total stocks were the largest ever reported for any date in the history of the industry. Although production of evaporated milk in August reflected the seasonal decline in milk production, which started in July, it still was next to the highest output ever recorded for any August.

Stocks of evaporated milk, case goods, reported by manufacturers on September 1 amounted to 419,142,000 pounds compared with 263,324,000 on the same date last year and 213,905,000 pounds for the 5-year (1933-37) September 1 average. On a percentage basis, this year's stocks were 58 percent larger than those of September 1 last year and 96 percent larger than the September 1 average for the years of 1933-37. During August this year stocks held by manufacturers increased around 26 million pounds. This increase was smaller than the August increase of 36 million pounds last year, but was more than double the average increase for August of 12 million pounds for the 5 years of 1933-37.

Stocks of condensed milk, case goods, on September 1 totaled 9,932,000 pounds, which were approximately 7 percent less than the stocks reported on the same date last year and 33 percent below the 1933-37 September 1 average. Stocks of condensed milk declined about 3 percent during August compared with a decline of 5 percent a year earlier and 1 percent for the 5-year (1933-37) average.

Production of evaporated milk, case goods, in August is estimated at about 180 million pounds, an August production that has been exceeded only in one other year - 1936 - in the twenty years for which records are available. The current August production was about 16 percent larger than that of August last year and 12 percent larger than the average for the 5 years of 1932-36. Production of evaporated milk, case goods, for the first 8 months of 1938 is estimated at 1,563,500,000 pounds, an increase of about 153 million pounds, or 11 percent, over the production of the corresponding eight months last year. It is also the largest production for the months of January to August, inclusive, ever reported.

Wholesale markets continue to show the influence of the heavy output of evaporated milk and the record accumulation of supplies. The average wholesale quotations on evaporated milk per case of 48-14½ ounce cans for August was \$2.71, a decrease of 6 cents per case from the July average. This decrease is the largest reported for any August since 1931 and contrasts to an increase of 5 cents in August last year. Quotations on condensed milk, case goods, however, averaged about 1 cent per case of 48 - 14 ounce cans higher than in July. Stocks of condensed milk on September 1 were less than those of a year earlier, while the August production was also less.

Prices paid producers for 3.5 percent milk delivered condenseries averaged \$1.15 per cwt. during August, a decrease of 1 cent per cwt. from July. This is the first time in the 17 years for which records are available that the August price averaged lower than that of July. In August last year the average price increased 6 cents. The 5-year (1933-37) average from July to August shows a gain of 7 cents.

STOCKS AND PRODUCTION OF EVAPORATED AND CONDENSED MILK 1/

STOCKS

PRODUCT	Total Stocks 2/		Same Firms Reporting			Same Firms Reporting		
	Sept. 1, 1938	Aug. 1, 1938	Sept. 1, 1938	Aug. 1, 1938	Percent Change	Sept. 1, 1938	Sept. 1, 1937	Percent Change
	Thousand pounds		Thousand pounds			Thousand pounds		
Case goods:								
Evaporated.....	419,142	392,641	419,142	392,641	+7	415,031	263,324	+58
Condensed.....	9,932	10,249	9,932	10,249	-3	9,932	10,572	- 6
Bulk goods:								
Condensed.....	19,726	21,850	19,726	21,410	-8	19,716	13,057	+51

PRODUCTION

	Total Production		Same Firms Reporting			Same Firms Reporting		
	August 1938	August 1937	Aug. 1938	July 1938	Percent Change	Aug. 1938	Aug. 1937	Percent Change
	Thousand pounds		Thousand pounds			Thousand pounds		
Case goods:								
Evaporated.....	180,353	155,477	180,342	219,558	-18	179,015	154,495	+16
Condensed.....	4,750	3,992	3,216	3,281	- 2	3,216	3,992	-19
Bulk goods:								
Condensed.....	15,038	16,170	11,323	13,650	-17	11,216	12,075	- 7

- 1/ Stocks and production figures for the current month include reports from practically all firms manufacturing the classes of milk indicated.
- 2/ 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.
- 3/ Subject to revision. Revised figures will appear in next month's report.
- 4/ Revised.
- 5/ Estimated, subject to revision.

MILK PURCHASES BY CONDENSERIES, AUGUST 1938, WITH COMPARISONS*

	Unit	August		5-year average 1932-36
		1938	1937	
Purchases, reported total....	Pounds	407,011,000	355,929,000	331,560,000
Producers, number.....	Number	125,000	114,000	93,000
Average daily purchases per producer.....	Pounds	105.0	100.7	115.0
Changes in purchases per producer.....				
1938 from 1937.....	Percent	+4.3	xxxx	xxxx
1938 from 5-yr. av.	"	-8.7	xxxx	xxxx

* These figures represent milk purchased primarily for the manufacture of evaporated and condensed milk.

NET WHOLESALE SELLING PRICES EVAPORATED AND CONDENSED MILK, CASE GOODS IN CARLOTS,
F.O.B. DISTRIBUTING POINTS, AUGUST 1938*

F. O. B. CITY	Evaporated milk (Per case of 48 - 14 $\frac{1}{2}$ oz. cans)		Condensed milk (Per case of 48 - 14 oz. cans)	
	Range	Average	Range	Average
	Dollars	Dollars	Dollars	Dollars
Boston	2.65 - 2.90	2.78	4.40 - 5.00	4.70
New York City	2.65 - 2.90	2.79	4.40 - 5.00	4.64
Philadelphia	2.60 - 2.90	2.75	4.40 - 5.00	4.67
Chicago	2.55 - 2.80	2.68	-	-
Cleveland	2.55 - 2.85	2.69	4.50 - 5.00	4.66
St. Louis	2.55 - 2.80	2.68	-	-
Kansas City	2.55 - 2.80	2.69	-	-
Minneapolis-St. Paul	2.55 - 2.80	2.69	-	-
Atlanta	2.60 - 2.80	2.69	4.40	4.40
New Orleans	2.60 - 2.80	2.70	4.40 - 5.00	4.53
Denver	2.60 - 2.80	2.70	-	-
Seattle	2.55 - 2.89	2.71	-	-
San Francisco	2.45 - 2.80	2.58	-	-
Los Angeles	2.45 - 2.80	2.58	-	-

AVERAGE WHOLESALE SELLING PRICES, EVAPORATED AND CONDENSED MILK, BY
GEOGRAPHIC SECTIONS, AUGUST 1938*

Geographic Section	Evaporated milk (per case of 48-14 $\frac{1}{2}$ oz. cans)		Condensed milk (per case of 48-14 oz. cans)		Condensed milk (Bulk per cwt.)	
	Dollars		Dollars		Unskimmed	Skimmed
	Dollars		Dollars		Dollars	
New England	2.77	4.80	6.92	4.28		
Mid Atlantic	2.73	4.73	7.25	4.15		
South Atlantic	2.75	4.73	7.13	5.00		
E. N. Central	2.67	5.25	6.83	3.96		
W. N. Central	2.69	5.25	6.94	4.60		
South Central	2.70	4.73	7.13	5.00		
North Western	2.74	5.39	7.13	5.00		
South Western	2.65	5.39	7.34	4.63		
U. S. Aug. 1938	2.71	4.86	7.01	4.38		
U. S. July 1938	2.77	4.85	7.10	4.55		
U. S. Aug. 1937	3.06	4.89	8.02	5.15		

* Wholesale prices are based on the reports made by manufacturers covering actual sales of goods delivered at manufacturers' distributing points on basis of cash or short time credit.

PRICES PAID PRODUCERS FOR 3.5% MILK F. O. B. FACTORY FOR AUGUST 1938.
8 Geographic Sections

Geographic Section	Number of factories reporting	Price per cwt.	
		Range	Average
		Dollars	Dollars
New England	- 1/	-	-
Middle Atlantic	6 1/	1.21 - 1.24	1.23
South Atlantic	4	1.14 - 1.40	1.25
E. North Central	84	1.08 - 1.32	1.16
W. North Central	11	1.06 - 1.25	1.11
South Central	13	.95 - 1.08	1.04
Northwestern	11	.95 - 1.23	1.07
Southwestern	22	.96 - 1.25	1.19
U. S. Aug. 1938	151	.95 - 1.40	1.15
U. S. July 1938	151	.93 - 1.40	1.16
U. S. Aug. 1937	152	1.30 - 1.83	1.52

6 EVAPORATED MILK MARKETING AGREEMENT SECTIONS

Section	August 1938	July 1938	August 1937
	Dollars	Dollars	Dollars
1	1.16	1.18	1.52
2	1.25	1.26	1.66
3	1.07	1.07	1.43
4	1.11	1.09	1.53
5	1.04	1.04	1.45
6	1.23	1.23	1.66
U. S. Average	1.15	1.16	1.52

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 \$1.23.