

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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EVAPORATED AND CONDENSED MILK REPORT
FEBRUARY 1939

Continued improvement in the evaporated and condensed milk markets during January is reported by the Bureau of Agricultural Economics. Production of evaporated milk (case goods) was still exceptionally heavy, but with trade buying substantially in excess of the current output, stocks held by manufacturers continued to decline more than seasonally. Wholesale selling prices at principal centers of distribution made a small advance, but the increase was less than the average for January. This may have been due largely to efforts of manufacturers to reduce to a more reasonable level the exceptionally large supplies which they had accumulated during the flush condensing season of 1938.

Production of evaporated milk shows no indication of dropping from the high level of the past year. Estimated production of 129,452,000 pounds in January set a new high record for that month. It exceeded the production of the same month last year, the previous high record for January, by around 3 percent, and the January 5-year (1933-37) average by 15 percent. The estimated output of 3,421,000 pounds of condensed milk in January was 10 percent below the production of January last year and 25 percent less than the 5-year average for the month. It was also the smallest production for any January of record.

Stocks of evaporated milk reported by manufacturers on February 1, 1939, totaled 150,300,000 pounds. These stocks were approximately 7 million pounds less than the stocks on the same date last year. This is the first time since May 1938 that stocks reported for any month have been less than those for the corresponding month in the preceding year. Compared with the 5-year (1933-37) February 1 average, however, the current stocks were about 28 million pounds, or 23 percent larger. Stocks of condensed milk (case goods) on February 1 totaled 6,101,000 pounds, an increase of 24 percent, over stocks of the same date last year, but a decrease of 18 percent, from the 5-year (1933-37) February 1 average.

Stocks of evaporated milk held by manufacturers decreased around 55 million pounds during January, one of the largest January reductions of record. From September 1, 1938, to February 1, 1939, manufacturers stocks were reduced by 269 million pounds, the second largest reduction for that period in the history of the industry. It is believed that this unusually large decrease was due largely to renewed buying by wholesale grocers in the closing months of 1938. During the latter part of 1937 wholesale grocers built up unusually large stocks as a protection against additional advance in prices which were then anticipated but which failed to materialize. It required many months to reduce these supplies to the point where any large buying for replacement purposes would be necessary. This point was apparently reached during the latter part of 1938. Stocks of evaporated milk held by wholesale grocers at the end of the third quarter of 1938 were 50 percent smaller than stocks at the end of the corresponding quarter in 1937. At the end of the fourth quarter of 1938, however, stocks were only 25 percent less than a year earlier.

STOCKS OF EVAPORATED AND CONDENSED MILK REPORTED FIRST
OF EACH MONTH: 1939 WITH COMPARISONS

EVAPORATED MILK (Case Goods)						
Month	1939	1938	Average 1933-37	Change in 1939 from		
				1938	Avg. 1933-37	
		Thousand pounds		Percent		
January	205,073	181,686	159,822	+ 13	+ 28	
February <u>1/</u>	150,311	156,894	122,090	- 4	+ 23	
March	---	132,663	93,045	---	---	
April	---	123,801	76,983	---	---	
May	---	151,669	90,244	---	---	
June	---	261,703	152,733	---	---	
July	---	350,790	206,647	---	---	
August	---	392,641	200,969	---	---	
September	---	419,142	213,905	---	---	
October	---	398,287	223,029	---	---	
November	---	344,316	235,189	---	---	
December	---	284,375	203,315	---	---	

CONDENSED MILK (Case Goods)						
Month	1939	1938	Average 1933-37	Change in 1939 from		
				1938	Avg. 1933-37	
		Thousand pounds		Percent		
January	7,139	6,229	9,958	+ 15	- 28	
February <u>1/</u>	6,101	4,935	7,431	+ 24	- 18	
March	---	4,574	5,275	---	---	
April	---	4,827	4,338	---	---	
May	---	5,601	4,985	---	---	
June	---	9,052	9,661	---	---	
July	---	9,434	13,523	---	---	
August	---	10,249	14,923	---	---	
September	---	9,932	14,802	---	---	
October	---	9,278	13,746	---	---	
November	---	8,521	12,274	---	---	
December	---	7,854	10,212	---	---	

CONDENSED MILK (Bulk Goods)						
Month	1939	1938	Average 1933-37	Change in 1939 from		
				1938	Avg. 1933-37	
		Thousand pounds		Percent		
January	9,235	5,019	6,676	+ 84	+ 38	
February <u>1/</u>	8,532	4,229	5,662	+102	+ 51	
March	---	4,037	4,768	---	---	
April	---	5,319	4,717	---	---	
May	---	7,118	5,473	---	---	
June	---	15,907	9,477	---	---	
July	---	19,538	13,329	---	---	
August	---	21,850	13,090	---	---	
September	---	20,119	11,533	---	---	
October	---	17,777	10,314	---	---	
November	---	15,248	9,080	---	---	
December	---	11,701	7,037	---	---	

1/ Data for the current month of 1939 subject to revision through the addition of late reports.

PRODUCTION OF EVAPORATED AND CONDENSED MILK:
1939, BY MONTHS, WITH COMPARISONS

EVAPORATED MILK (Case goods)

Month	1939 <u>1/</u>	1938 <u>1/</u>	Average 1933-37	Change in 1939 from 1938 - Avg. 1933-37	
				Thousand pounds	Percent
January	129,452	125,682	112,899	+ 3	+ 15
February	---	130,077	113,777	---	---
March	---	169,247	144,190	---	---
April	---	206,214	173,124	---	---
May	---	279,741	222,656	---	---
June	---	276,652	237,891	---	---
July	---	224,681	196,030	---	---
August	---	188,507	166,418	---	---
September	---	146,679	146,721	---	---
October	---	122,885	132,684	---	---
November	---	100,723	96,634	---	---
December	---	119,614	99,669	---	---

CONDENSED MILK (Case goods)

Month	1939 <u>1/</u>	1938 <u>1/</u>	Average 1933-37	Change in 1939 from 1938 - Avg. 1933-37	
				Thousand pounds	Percent
January	3,421	3,812	4,585	- 10	- 25
February	---	3,358	4,313	---	---
March	---	4,212	4,666	---	---
April	---	4,974	5,100	---	---
May	---	4,753	5,277	---	---
June	---	3,197	4,896	---	---
July	---	3,289	4,622	---	---
August	---	3,238	4,826	---	---
September	---	3,210	4,003	---	---
October	---	3,050	3,907	---	---
November	---	3,529	3,840	---	---
December	---	3,210	4,157	---	---

CONDENSED MILK (Bulk goods)

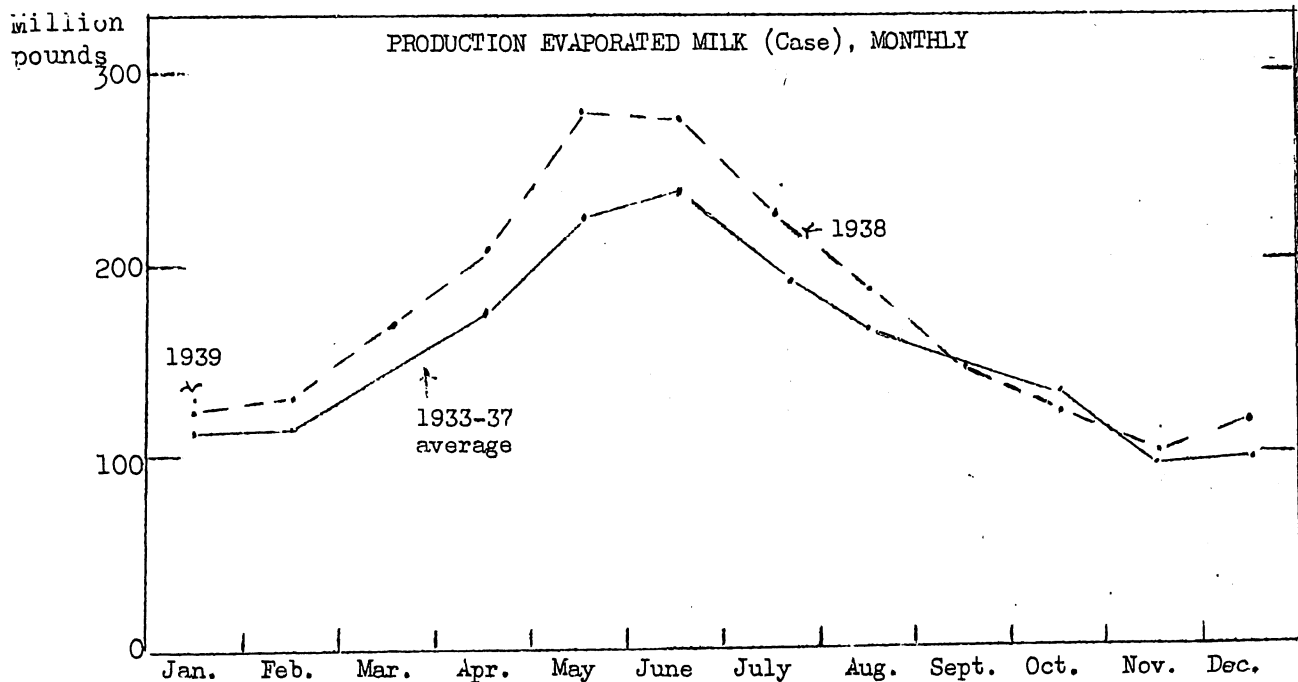
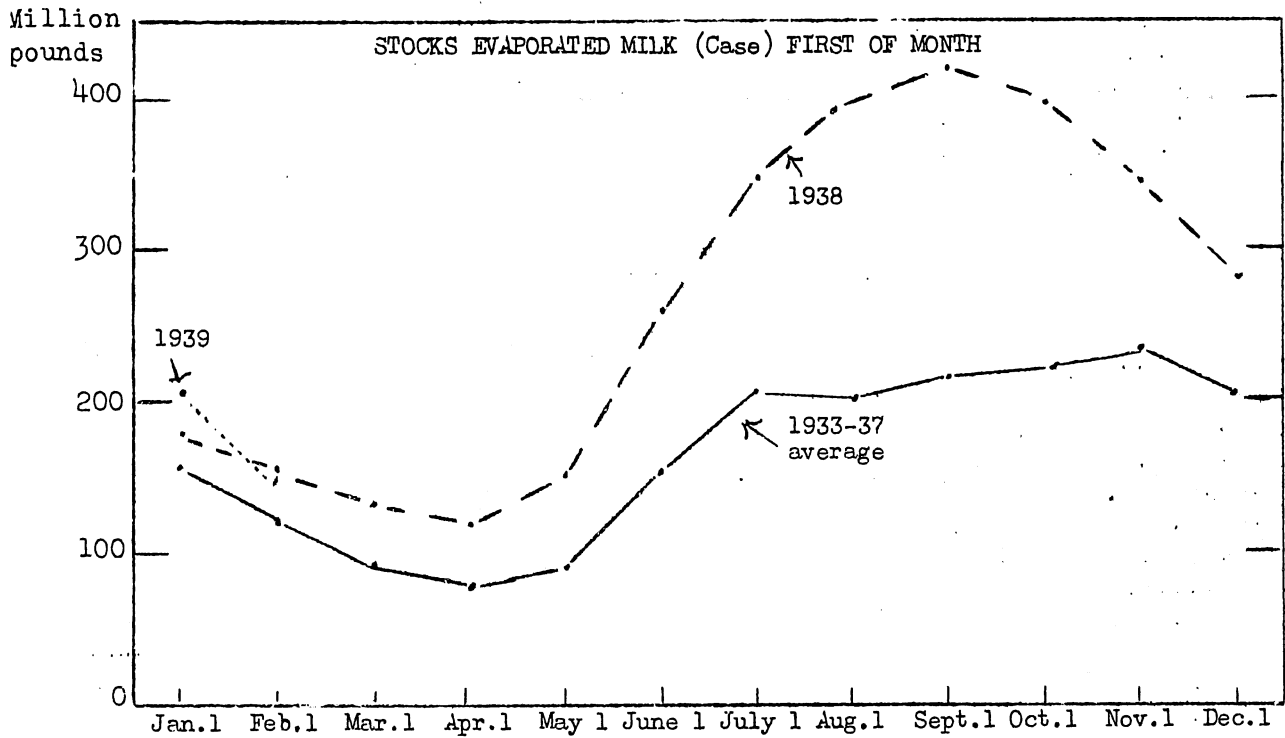
Month	1939 <u>1/</u>	1938 <u>1/</u>	Average 1933-37	Change in 1939 from 1938 - Avg. 1933-37	
				Thousand pounds	Percent
January	12,847	12,353	12,024	+ 4	+ 7
February	---	11,463	11,048	---	---
March	---	17,916	13,069	---	---
April	---	19,769	15,312	---	---
May	---	30,147	21,766	---	---
June	---	23,662	23,106	---	---
July	---	17,129	15,635	---	---
August	---	14,752	14,519	---	---
September	---	14,178	15,128	---	---
October	---	14,684	14,042	---	---
November	---	11,296	11,227	---	---
December	---	11,922	12,780	---	---

1/ Estimated. Subject to revision when final report is available for 1938.

MILK PURCHASES BY CONDENSERIES, JANUARY 1939, WITH COMPARISONS*

	Unit	January		5-year average
		1939	1938	1933-37
Purchases, reported total ..	Pounds	283,861,000	279,154,000	252,195,000
Producers, number	Number	106,000	111,000	85,000
Average daily purchases per producer	Pounds	86.4	81.1	95.7
Changes in purchases per producer				
1939 from 1938	Percent	+ 6.5	XXXX	XXXX
1939 from 5-year av.....	"	= 9.7	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, JANUARY 1939*

F.O.B. CITY	Evaporated milk (Per case of 48 - 14½ ox. cans)		Condensed milk (Per case of 48 - 14 oz. cans)	
	Range	Average	Range	Average
	Dollars	Dollars	Dollars	Dollars
Boston	2.60 - 2.90	2.73	4.40 - 5.00	4.70
New York City	2.65 - 2.90	2.77	4.40 - 5.00	4.65
Philadelphia	2.60 - 2.90	2.72	4.40 - 5.00	4.68
Chicago	2.55 - 2.80	2.64	-	-
Cleveland	2.55 - 2.90	2.66	4.50 - 5.00	4.66
St. Louis	2.55 - 2.80	2.66	-	-
Kansas City	2.55 - 2.80	2.67	-	-
Minneapolis-St. Paul	2.55 - 2.80	2.67	-	-
Atlanta	2.55 - 2.80	2.68	4.40	4.40
New Orleans	2.55 - 2.90	2.69	4.40 - 5.00	4.53
Denver	2.55 - 2.80	2.68	-	-
Seattle	2.56 - 2.89	2.73	-	-
San Francisco	2.50 - 2.80	2.64	-	-
Los Angeles	2.50 - 2.80	2.65	-	-

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

Geographic Section	Evaporated milk (Per case of 48-14½ 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	2.73	4.80	7.13	4.33
Mid. Atlantic	2.69	4.73	7.17	3.81
South Atlantic	2.73	4.73	7.13	4.75
E. N. Central	2.66	5.25	6.67	3.88
W. N. Central	2.68	5.25	7.16	4.41
South Central	2.68	4.73	7.13	4.75
North Western	2.74	5.39	7.13	4.75
South Western	2.67	5.39	7.25	4.67
U.S. Jan. 1939	2.70	4.86	6.99	4.24
U.S. Dec. 1938	2.69	4.86	7.00	4.26
U.S. Jan. 1938	3.06	4.86	8.10	5.19

*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 JANUARY 1939
8 Geographic Sections

Geographic Section	Number of factories reporting	Price per cwt.	
		Range	Average
		Dollars	Dollars
New England	- 1/	-	-
Middle Atlantic	6 1/	1.25 - 1.88	1.60
South Atlantic	4	1.16 - 1.50	1.30
E. North Central	85	1.09 - 1.35	1.20
W. North Central	10	1.07 - 1.23	1.13
South Central	13	1.05 - 1.11	1.08
Northwestern	11	1.01 - 1.33	1.17
Southwestern	22	1.02 - 1.29	1.22
U.S. Jan. 1939	151	1.01 - 1.88	1.20
U.S. Dec. 1938	148	1.05 - 1.60	1.26
U.S. Jan. 1938	149	1.30 - 1.97	1.53

6 EVAPORATED MILK MARKETING AGREEMENT SECTIONS

Section	January 1939	December 1938	January 1938
	Dollars	Dollars	Dollars
1	1.20	1.26	1.54
2	1.59	1.50	1.82
3	1.09	1.15	1.44
4	1.18	1.27	1.49
5	1.14	1.23	1.44
6	1.27	1.36	1.60
U.S. Average	1.20	1.26	1.53

1/ Reports not received from ten factories in these areas which base prices on formula in evaporated milk market agreement. Formula price for this area in January \$1.25.

STOCKS OF EVAPORATED AND CONDENSED MILK IN HANDS
OF WHOLESALE GROCERS IN 38 CITIES
 (December 31, 1938)

Stocks of evaporated and condensed milk (case goods) reported by wholesale grocers for December 31, 1938, represented approximately a 22 days' supply for their regular trade, reports the Bureau of Agricultural Economics. This confirms a preliminary report released January 19, which, on the basis of reports received up to that date, indicated a 21 days' supply.

Data on the number of days' supply of evaporated and condensed milk (case goods) held by wholesale grocers on December 31, 1937, are not available; but reports from 348 firms, which gave the volume on hand for both dates, indicate about 25 percent smaller stocks at the end of 1938 than a year earlier. Reports from 372 firms indicated stocks on December 31 around 11 percent smaller than those reported 3 months earlier. This decrease is largely of a seasonal nature, but the extent was much less than for the same period in either 1937 or 1936.

As stated in the preliminary release of January 19, the decrease in stocks from those of a year earlier was not so great for the quarter ended December 31 as for the previous quarter. This relative situation was not due to any increase in stocks during the last quarter of 1938 but resulted from the sharp drop in stocks toward the close of 1937 when wholesale grocers stopped buying and began to use the heavy supplies previously accumulated. These supplies had been bought during the spring and summer of 1937, when prices on evaporated milk were advancing, as a protection against further advances which were then anticipated.

During the first three quarters of 1938, wholesale grocers held their purchases of evaporated and condensed milk closely to their minimum trade requirements. As a result, supplies held by evaporated and condensed milk manufacturers established new high records during the summer and fall of 1938. But, during the fourth quarter, with stocks depleted, wholesale grocers started buying more freely, and manufacturers stocks at the end of the year had shown a sharp drop from the peak reported on September 1. At the same time wholesale grocery stocks had increased, but were still below a point considered normal by the evaporated milk industry.

STOCKS REPORTED DECEMBER 31, 1938

	No. of firms Reporting	Condensed Milk (pounds)	Evaporated Milk (pounds)
TOTAL - DEC. 31, 1938	379	398,073	15,060,211
DEC. 31, 1937	404	470,936	20,051,673
SEPT. 30, 1938	397	457,326	17,425,252
SEPT. 30, 1937**	402	714,203	34,640,675
COMBINED TOTALS -			
DEC. 31, 1938	379	15,458,284 lbs.	
DEC. 31, 1937**	404	20,522,609 lbs.	
SEPT. 30, 1938	397	17,882,578 lbs.	
SEPT. 30, 1937	402	35,354,878 lbs.	

** Revised figures include late reports.

COMPARISONS FOR SAME FIRMS REPORTING BOTH CONDENSED
AND EVAPORATED MILK DIFFERENT PERIODS
 (pounds)

348 Firms - Dec. 31, 1938	15,035,000	372 Firms - Dec. 31, 1938	15,430,830
" Dec. 31, 1937	19,724,965	" Sept. 30, 1938	17,368,110

259 firms reported an average of 22 days' supply.

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TOTAL STOCKS ON DECEMBER 31, 1938 - 379 FIRMS

Class of Product	Net weight per can	Cans per case	Cases on Hand Dec. 31, 1938
Evaporated Milk (Unsweetened)	14½ oz.	48	294,369
" " "	6 oz.	96	7,591
" " "	6 oz.	48	94,336
" " "	8 lbs.	6	5,915
Condensed Milk (Sweetened)	15 oz.	24	6,040
" " "	14 oz.	24	9,703
" " "	14 oz.	48	888
" " "	11 oz.	48	641

Of the 1636 firms which have at one time or another been circularized since these quarterly surveys were inaugurated in 1927, 425 reported that no stocks of condensed or evaporated milk were carried, 335 reported out of business and 426 have never replied.

CITIES INCLUDED IN EACH GEOGRAPHIC SECTION

- New England: - Bangor, Portland, Boston, Springfield, Providence, Hartford, New Haven.
- Middle Atlantic: - Brooklyn, New York City, Buffalo, Philadelphia, Pittsburgh.
- South Atlantic: - Baltimore, Norfolk, Atlanta, Savannah, Jacksonville, Miami, Tampa.
- East North Central: - Cincinnati, Cleveland, Toledo, Chicago, Detroit,
- West North Central: - Minneapolis, St. Paul, Kansas City, St. Louis, Omaha.
- South Central: - Memphis, Birmingham, Dallas, New Orleans.
- Northwestern: - Seattle, Portland.
- Southwestern: - Denver, Los Angeles, San Francisco.

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1929-38
1939 -
binder on ss = 1945 -