

EVAPORATED AND CONDENSED MILK REPORT

OCTOBER 1939

The most outstanding feature of the various developments in the evaporated milk industry during September was an unprecedented decrease in manufacturers stocks of evaporated milk.

On September 1 stocks of evaporated milk held by manufacturers totaled 355,071,000 pounds. These were the second largest stocks of record for September 1 and exceeded by 66 percent the 5-year (1933-37) average for that date. On October 1, however, manufacturers reported stocks of only 135,135,000 pounds. These stocks were just one-third as large as those of a year earlier, and 39 percent less than the 5-year (1933-37) October 1 average. This is the first time since October 1936 that the stocks of evaporated milk reported currently for any month have been less than those of the preceding corresponding 5-year average. Stocks of evaporated milk on October 1 were also the lowest for that date since 1922 and the third lowest for any October 1 since records became available in 1920.

The sharp drop in manufacturers' reserves during September was brought about primarily by the war in Europe. The suggestion that the war might bring a sharp increase in the price of both domestic raw material and finished products stimulated a rush of buying in early September that did not subside until toward the close of the month. Many distributors who had allowed inventories to remain at low levels all through the year made haste to replenish them. That this is what happened in the evaporated milk industry is indicated by the Agricultural Marketing Service in its quarterly survey of evaporated milk held by wholesale grocers. At the end of the third quarter this year (September 30) this inquiry showed that on that date stocks of evaporated milk held by wholesale distributors equalled 45 days' supply based on current trade requirements. This was an increase of 21 days supply over stocks reported by the same houses three months earlier.

To replace some of their stocks depleted by the September buying, manufacturers increased their output of evaporated milk over that of September last year by 9 percent. In August, the increase over the production of a year earlier was only 3 percent. To some extent, however, manufacturers were hampered in their September output by the sharpest seasonal decrease in milk production for any September in the 15 years of record. The decrease was particularly severe in many of the Central States where a large number of evaporated milk plants are located.

Wholesale selling prices of evaporated milk showed the effects of the increased demand. The average of all prices reported for September was \$2.79 per case of 48-14½ oz. cans. This was an increase of 11 cents per case over the average price for August and was also the highest average for any month since June 1938.

Prices paid by condenseries for milk bought from producers during September also advanced. The average price of \$1.35 per cwt. for 3.5 percent milk delivered F.O.B. the plant was the highest average for any month since March 1938. The increase of 1.7¢ per cwt. over the August average was the largest increase over any August average in the 20 years of record.

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	Ave. 1933-37
Thousand pounds			Percent		
January	205,073	181,686	159,822	+ 13	+ 28
February	150,311	156,894	122,090	- 4	+ 23
March	120,397	132,663	93,045	- 9	+ 29
April	109,882	123,801	76,983	- 11	+ 43
May	134,625	151,669	90,244	- 11	+ 49
June	209,044	261,703	152,733	- 20	+ 37
July	292,393	350,790	206,647	- 17	+ 41
August	341,686	392,641	200,969	- 13	+ 70
September	355,071	419,142	213,905	- 15	+ 66
October 1/	135,135	398,287	223,029	- 66	- 39
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	Ave. 1933-37
Thousand pounds			Percent		
January	7,139	6,229	9,958	+ 15	- 28
February	6,101	4,935	7,431	+ 24	- 18
March	4,985	4,574	5,275	+ 9	- 5
April	4,959	4,827	4,338	+ 3	+ 14
May	4,608	5,601	4,985	- 18	- 8
June	6,437	9,052	9,661	- 29	- 33
July	7,764	9,434	13,523	- 18	- 43
August	8,570	10,249	14,923	- 16	- 43
September	8,001	9,932	14,802	- 19	- 46
October 1/	6,039	9,278	13,746	- 35	- 56
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	Ave. 1933-37
Thousand pounds			Percent		
January	9,235	5,019	6,676	+ 84	+ 38
February	8,536	4,229	5,662	+102	+ 51
March	7,202	4,037	4,768	+ 75	+ 48
April	5,809	5,319	4,717	+ 9	+ 23
May	6,135	7,118	5,473	- 17	+ 8
June	7,910	15,907	9,477	- 50	- 17
July	11,416	19,538	13,329	- 42	- 14
August	12,504	21,850	13,090	- 43	- 4
September	10,986	30,119	11,533	- 45	- 5
October 1/	7,741	17,777	10,314	- 56	- 25
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.

October Evaporated and Condensed Milk Report

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
<u>Thousand pounds</u>			<u>Percent</u>		
January	129,452	125,682	112,899	+ 3	+15
February	137,882	130,077	113,777	+ 6	+21
March	181,094	169,247	144,190	+ 7	+26
April	202,090	206,214	175,124	- 2	+17
May	262,957	279,741	222,656	- 6	+18
June	265,536	276,652	237,891	- 4	+12
July	223,953	224,681	196,030	--	+14
August	194,162	188,507	166,418	+ 3	+17
September	159,880	146,679	146,721	+ 9	+ 9
October	---	122,885	132,684	---	---
November	---	100,723	96,634	---	---
December	---	119,614	99,669	---	---
Jan. - Sept. Inc.	1,757,056	1,747,480	1,513,706	---	+16

CONDENSED MILK (case Goods)

Month	1939 <u>1/</u>	1938 <u>1/</u>	Average 1933-37	Change in 1939 from	
				1938	Avg. 1933-37
<u>Thousand pounds</u>			<u>Percent</u>		
January	3,421	3,812	4,585	- 10	- 25
February	3,036	3,358	4,313	- 10	- 30
March	3,075	4,212	4,666	- 27	- 34
April	3,283	4,974	5,100	- 34	- 36
May	2,899	4,753	5,277	- 39	- 45
June	2,755	3,197	4,896	- 14	- 44
July	2,894	3,289	4,622	- 12	- 37
August	2,461	3,238	4,826	- 24	- 49
September	4,398	3,210	4,003	+ 37	+ 10
October	---	3,050	3,907	---	---
November	---	3,529	3,840	---	---
December	---	3,210	4,157	---	---
Jan. - Sept. Incl.	28,222	34,043	42,288	- 7	- 33

CONDENSED MILK (Bulk Goods)

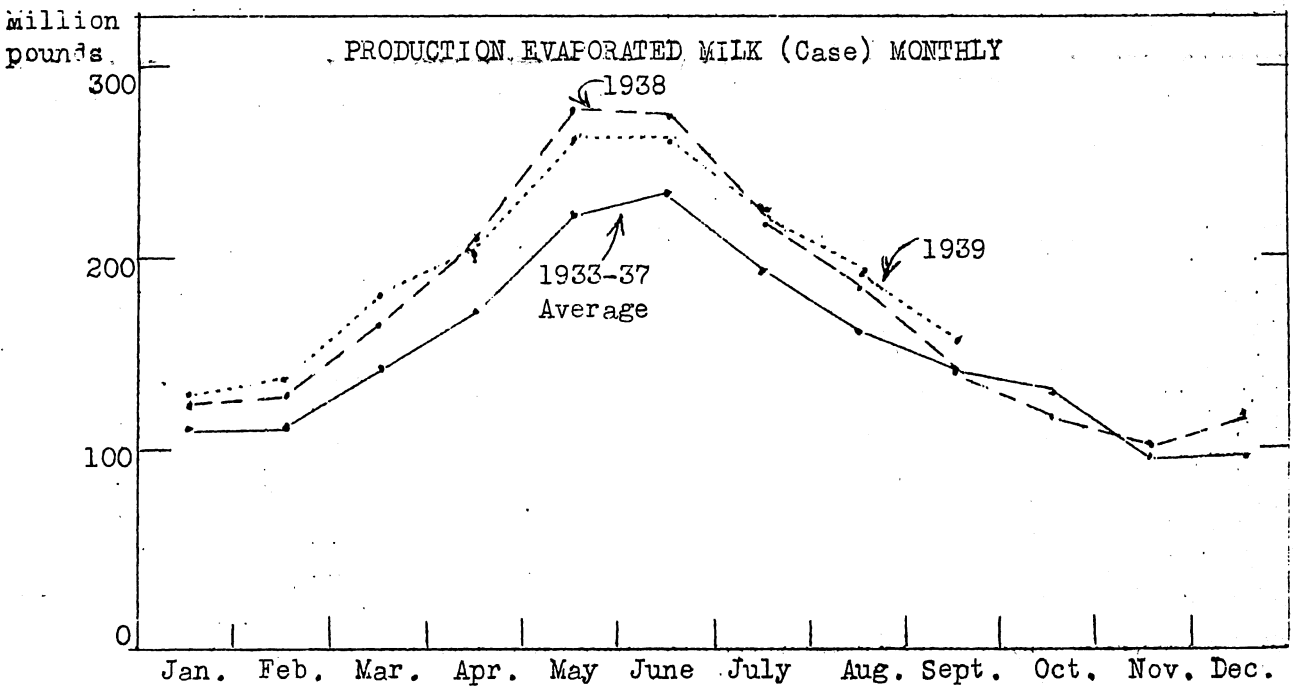
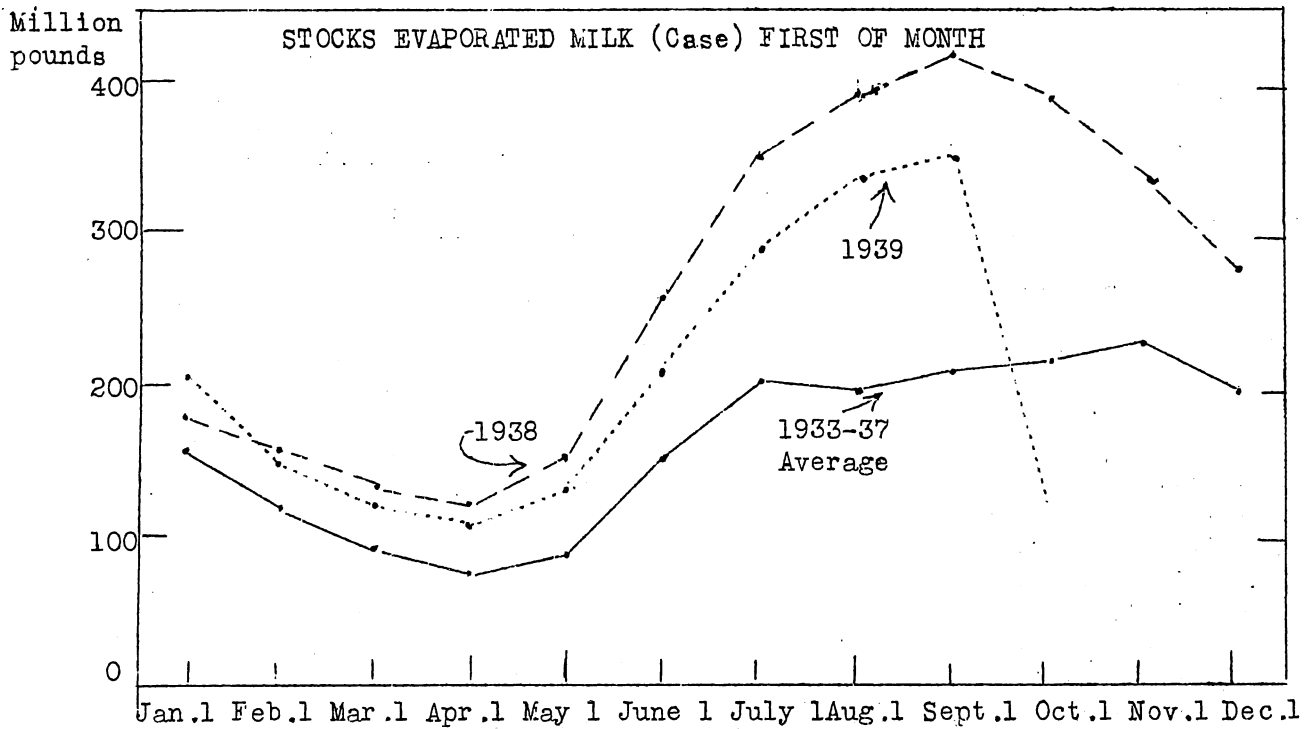
Month	1939 <u>1/</u>	1938 <u>1/</u>	Average 1933-37	Change in 1939 from	
				1939	Avg. 1933-37
<u>Thousand pounds</u>			<u>Percent</u>		
January	12,847	12,353	12,024	+ 4	+ 7
February	11,505	11,463	11,048	--	+ 4
March	15,408	17,916	13,069	- 14	+ 18
April	15,420	19,769	15,312	- 22	+ 1
May	22,007	30,147	21,766	- 27	+ 1
June	21,059	23,662	23,106	- 11	- 9
July	16,615	17,129	15,635	- 3	+ 6
August	16,817	14,752	14,519	+ 14	+ 16
September	15,170	14,178	15,128	+ 7	---
October	---	14,684	14,042	---	---
November	---	11,296	11,227	---	---
December	---	11,922	12,780	---	---
Jan. - Sept. Incl.	146,848	161,369	141,607	- 9	+ 4

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

MILK PURCHASES BY CONDENSERIES, SEPTEMBER 1939, WITH COMPARISONS*

	Unit	September		5-year average
		1939	1938	1933-1937
Purchases, reported total ..	Pounds	332,197,000	346,401,000	301,039,000
Producers, number	Number	116,000	122,000	100,000
Average daily purchases per producer	Pounds	95.4	94.6	100.3
Changes in purchases per producer				
1939 from 1938	Percent	+ 0.8	XXXX	XXXX
1939 from 5-year average	"	- 4.9	XXXX	XXXX

* These figures represent milk purchases 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, SEPTEMBER 1939*

F.O.B. CITY	Evaporated milk (Per case of 48 - 14½ oz. cans)		Condensed milk (Per case of 48 - 14 oz. cans)	
	Range	Average	Range	Average
	Dollars	Dollars	Dollars	Dollars
Boston	2.65 - 3.10	2.84	4.40 - 5.00	4.77
New York City	2.60 - 3.10	2.81	4.40 - 5.00	4.63
Philadelphia	2.60 - 3.10	2.81	4.40 - 5.00	4.65
Chicago	2.55 - 3.00	2.74	-	-
Cleveland	2.55 - 3.00	2.74	4.50 - 5.00	4.55
St. Louis	2.55 - 3.00	2.76	-	-
Kansas City	2.55 - 3.00	2.77	-	-
Minneapolis-St. Paul	2.55 - 3.00	2.79	4.50 - 5.00	4.55
Atlanta	2.55 - 3.00	2.79	4.40	4.40
New Orleans	2.65 - 3.00	2.79	4.40 - 5.00	4.55
Denver	2.65 - 3.00	2.81	-	-
Seattle	2.65 - 3.00	2.80	-	-
San Francisco	2.62 - 3.00	2.80	-	-
Los Angeles	2.65 - 3.05	2.82	-	-

AVERAGE WHOLESALE SELLING PRICES, EVAPORATED AND CONDENSED MILK,
BY GEOGRAPHIC SECTIONS, SEPTEMBER 1939*

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	2.84		4.80		8.00	4.60
Mid. Atlantic	2.77		4.72		8.12	4.60
South Atlantic	2.83		4.72		8.00	5.25
E. N. Central	2.72		5.25		7.66	5.08
W. N. Central	2.76		5.25		7.68	4.91
South Central	2.78		4.72		8.00	5.25
North Western	2.85		-		-	-
South Western	2.82		-		8.42	5.50
U. S. Sept. 1939	2.79		4.80		7.73	4.95
U. S. Aug. 1939	2.68		4.80		7.53	4.59
U. S. Sept. 1938	2.70		4.86		7.03	4.33

* 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 SEPTEMBER 1939
8 Geographic Sections

	Number of factories reporting	Price per cwt.	
		Range	Average
		Dollars	Dollars
New England	- 1/	-	-
Middle Atlantic	5 1/	1.33 - 2.00	1.58
South Atlantic	4	1.29 - 1.58	1.39
E. North Central	86	1.88 - 1.77	1.35
W. North Central	10	1.27 - 1.37	1.27
South Central	14	1.16 - 1.27	1.21
Northwestern	11	1.14 - 1.44	1.30
Southwestern	22	1.20 - 1.47	1.40
U.S. Sept. 1939	152	1.14 - 2.00	1.35
U.S. Aug. 1939	151	.98 - 1.47	1.18
U.S. Sept. 1938	150	.93 - 1.40	1.14

6 EVAPORATED MILK MARKETING AGREEMENT SECTIONS

Section	Sept. 1939	Aug. 1939	Sept. 1938
	Dollars	Dollars	Dollars
1	1.35	1.18	1.15
2	1.58	1.37	1.27
3	1.23	1.11	1.06
4	1.34	1.16	1.13
5	1.27	1.14	1.09
6	1.44	1.25	1.23
U.S. Average	1.35	1.18	1.14

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 September \$1.36.

EVAPORATED MILK MARKETING AGREEMENT MINIMUM PRICES FOR SEPTEMBER:-
Section 1 - \$1.29; Section 2 - \$1.36; Section 3 - \$1.16; Section 4
\$1.14; Section 5 - \$1.14; Section 6 - \$1.29.