

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service
Washington, D. C.

Released
April 23, 1940.

EVAPORATED AND CONDENSED MILK REPORT

April 1940

Manufacturers' stocks of evaporated milk (case goods) continue to show a contra-seasonal month-to-month increase, as well as a sharp gain over stocks of a year earlier, the Agricultural Marketing Service reports. Stocks on hand April 1 were the second largest for that date since records became available in 1920. The quarterly survey of stocks of evaporated milk held by wholesale grocers at the end of the first quarter of 1940 show that wholesalers are still drawing on supplies purchased during the closing months of 1939, and this may be largely responsible for the current increase in manufacturers' stocks.

Stocks reported by manufacturers for April 1 total 173,378,000 pounds. This is an increase of 63,496,000, or 58 percent, over stocks of April 1 last year, and 81,749,000 pounds, or 89 percent, over the 5-year (1934-38) April 1 average. With the exception of 1920, these stocks were the largest ever reported for any April 1 of record, and failed to reach the previous record by only 1 million pounds. The March increase of stocks was 23 million pounds. This was in contrast to the decrease of 10½ million pounds reported for March last year, and the average March decrease of 7,600,000 pounds for the 5-years (1934-38).

The estimated production of 203,619,000 pounds of evaporated milk (case goods) set a new peak output for March. Compared with a year earlier, it represented a gain of 11 percent, and with the 5-year (1934-38) March average, a gain of 36 percent. Total production for the first three months of 1940 is estimated at 532,672,000 pounds, a gain of 78,440,000 pounds, or 17 percent, over the production of the corresponding three months of last year, and a gain of 150,159,000 pounds, or 39 percent, over the 5-year (1934-38) average for the same three months.

The heavy production and the sharp increase in supplies have had little effect on wholesale prices. The March average wholesale price of \$2.90 per case of 48 - 14½ oz. cans, was only 1 cent per case less than the February average. Last year the drop between the February and March averages was only 1 cent per case, but for the 5-year (1934-38) average, the decrease was 4 cents per case.

The seasonal decline in prices paid producers for milk delivered to condenser series during March was slightly larger than usual. The average of all prices reported for March was \$1.36 per hundredweight for milk testing 3.5 percent butterfat, delivered at plants. This was a decrease of 9 cents per hundredweight from the February average. Last year the decrease between the two months was 7 cents per hundredweight, while in 1938 it was only 6 cents per hundredweight.

The regular quarterly inquiry of wholesale grocers on stocks of evaporated milk (case goods) currently held indicated that at the end of March 1940 wholesalers generally were drawing on supplies accumulated before the turn of the year, but that they were approaching the point where new buying might be expected to develop. Wholesale grocers estimated that on March 31, 1940, their supplies were sufficient to last for an average of 25 days. This is a sharp decrease from the estimate of 45 days' supply reported at the end of September 1939, but is slightly larger than the 22 days reported at the end of March 1939.

4/26/40

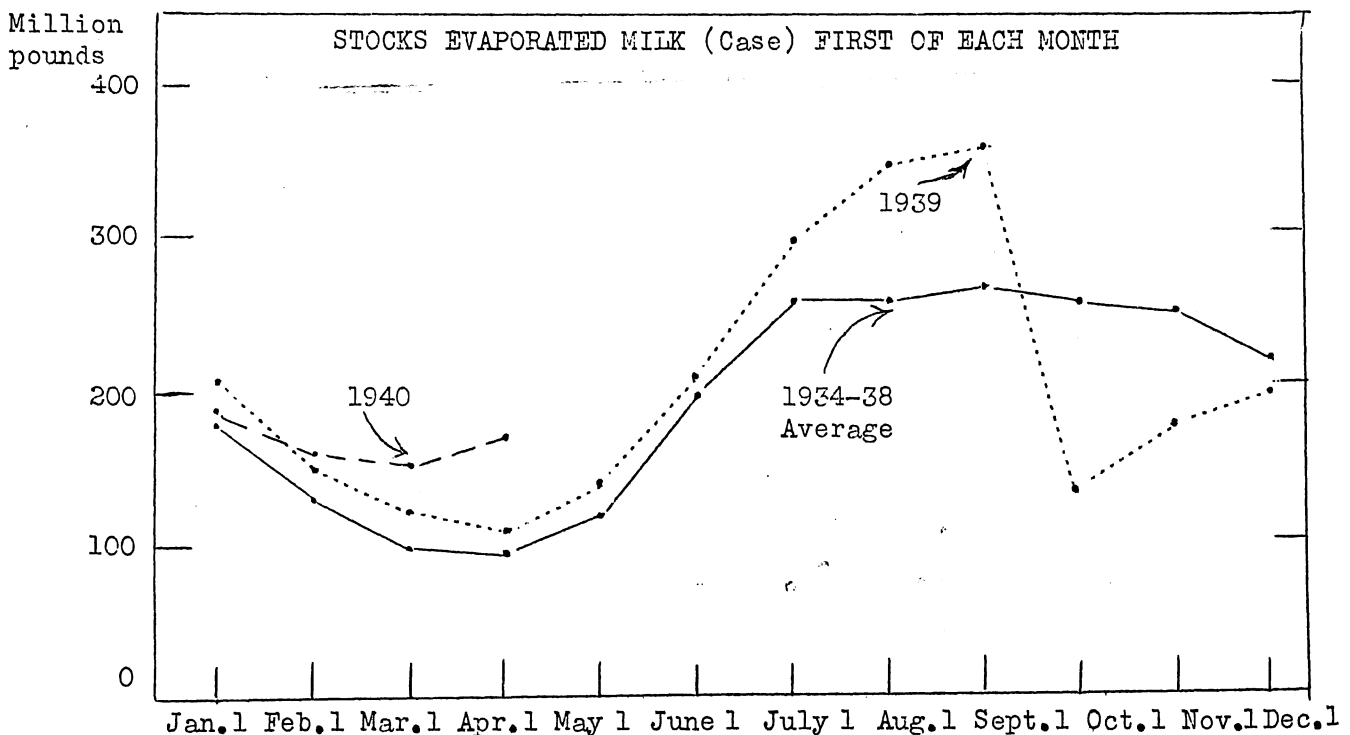
April Evaporated and Condensed Milk Report
 STOCKS OF EVAPORATED AND CONDENSED MILK REPORTED FIRST
 OF EACH MONTH: 1940 WITH COMPARISONS
 EVAPORATED MILK (Case Goods)

Month	1940	1939	Average 1934-38	Change in 1940 from	
				1939	Avg. 1934-38
	Thousand pounds			Percent	
January.....	186,081	205,073	176,141	- 9	+ 6
February.....	156,253	150,311	132,038	+ 4	+18
March.....	150,458	120,397	99,360	+25	+51
April 1/.....	173,378	109,382	91,629	+58	+89
May.....	---	134,625	113,182	---	---
June.....	---	209,044	195,448	---	---
July.....	---	292,393	255,988	---	---
August.....	---	341,686	253,100	---	---
September.....	---	355,071	262,226	---	---
October.....	---	155,135	260,988	---	---
November.....	---	175,645	257,120	---	---
December.....	---	188,290	215,182	---	---

CONDENSED MILK (Case Goods)

Month	1940	1939	Average 1934-38	Change in 1940 from	
				1939	Avg. 1934-38
	Thousand pounds			Percent	
January.....	5,627	7,139	8,754	-21	-36
February.....	4,702	6,101	6,513	-23	-28
March.....	4,579	4,385	4,624	- 8	- 1
April 1/.....	3,958	4,959	4,116	-21	- 4
May.....	---	4,308	5,044	---	---
June.....	---	6,437	9,499	---	---
July.....	---	7,764	12,410	---	---
August.....	---	8,570	13,565	---	---
September.....	---	8,001	13,503	---	---
October.....	---	6,039	12,665	---	---
November.....	---	6,312	11,339	---	---
December.....	---	5,990	9,326	---	---

1/ Data for the current month of 1940 subject to revision through the addition of late reports.



PRODUCTION OF EVAPORATED AND CONDENSED MILK
1940, BY MONTHS, WITH COMPARISONS
EVAPORATED MILK (Case Goods)

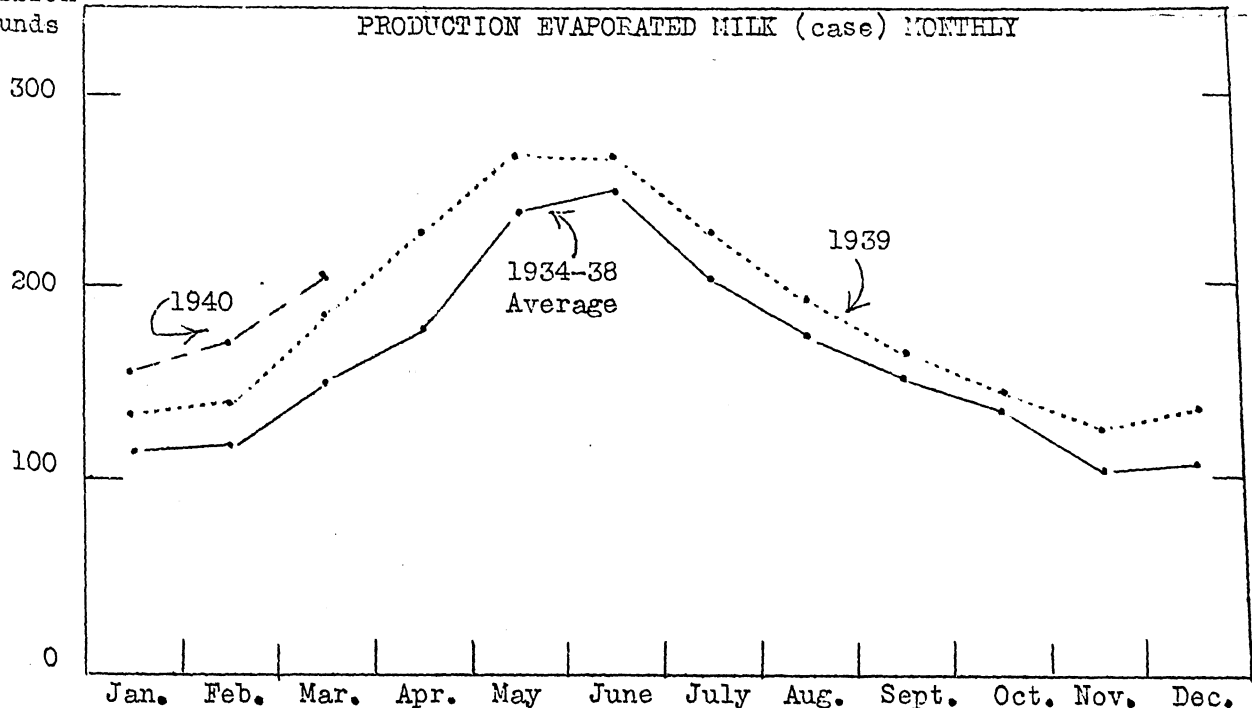
Month	1940 <u>1/</u>	1939 <u>1/</u>	Average 1934-38	Change in 1940 from	
				1939	Avg. 1934-38
	Thousand pounds			Percent	
January.....	158,356	131,121	114,970	+21	+38
February.....	170,397	139,670	118,206	+22	+44
March.....	203,619	183,441	149,337	+11	+36
April.....	---	199,184	178,534	---	---
May.....	---	268,533	237,155	---	---
June.....	---	267,457	249,561	---	---
July.....	---	226,715	205,678	---	---
August.....	---	191,332	172,661	---	---
September.....	---	164,723	151,065	---	---
October.....	---	143,988	135,033	---	---
November.....	---	125,629	102,327	---	---
December.....	---	135,536	105,665	---	---
Jan. - Mar., Inc.	532,672	454,232	322,515	+17	+39

CONDENSED MILK (Case Goods)

Month	1940 <u>1/</u>	1939 <u>1/</u>	Average 1934-38	Change in 1940 from	
				1939	Avg. 1934-38
	Thousand pounds			Percent	
January.....	2,817	3,478	4,356	-19	-35
February.....	3,370	3,036	4,115	+11	-18
March.....	3,504	3,101	4,627	+13	-24
April.....	---	3,201	5,161	---	---
May.....	---	2,903	4,917	---	---
June.....	---	2,786	4,510	---	---
July.....	---	2,891	4,319	---	---
August.....	---	2,455	4,621	---	---
September.....	---	4,368	3,938	---	---
October.....	---	3,479	3,712	---	---
November.....	---	2,354	3,721	---	---
December.....	---	2,228	3,381	---	---
Jan. - Mar., Inc.	9,691	9,615	13,095	---	-26

^{1/}Estimated. Subject to revision when final report is available for 1939.

Million
pounds



MILK PURCHASES BY CONDENSERIES, MARCH 1940, WITH COMPARISONS *

	Unit	March		5-Year Average 1934-38
		1940	1939	
Purchases, reported total...	Pounds	368,874,000	331,892,000	302,142,000
Producers, number	Number	109,000	103,000	90,000
Average daily purchases per producer.....	Pounds	109.2	103.9	108.3
Changes in purchases per producer 1940 and 1939	Percent	+5.1	XXXXX	XXXXX
1940 from 5-year average	"	+0.8	XXXXX	XXXXX

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

AVERAGE WHOLESALE SELLING PRICES, EVAPORATED AND CONDENSED MILK,
BY GEOGRAPHIC SECTIONS, MARCH 1940 *

Geographic Section	Evaporated Milk (Per case of 48 - 14 1/2 oz. cans)	Condensed Milk (Per case of 48 - 14 oz. cans)
	Dollars	Dollars
New England	2.94	4.80
Mid. Atlantic	2.91	4.72
South Atlantic	2.94	4.72
E. N. Central	2.85	5.25
W. N. Central	2.86	5.25
South Central	2.91	4.72
North Western	2.94	-
South Western	2.88	-
U. S. Mar. 1940	2.90	4.80
U. S. Feb. 1940	2.91	4.80
U. S. Mar. 1939	2.69	4.66

*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 MARCH 1940

8 Geographic Sections

Geographic Section	Number of factories reporting	Price per cwt.	
		Range Dollars	Average Dollars
New England	1/ -	-	-
Mid Atlantic	1/ 6	1.40 - 1.52	1.45
South Atlantic	4	1.38 - 1.75	1.50
E. N. Central	86	1.30 - 1.60	1.33
W. N. Central	10	1.22 - 1.36	1.32
South Central	13	1.22 - 1.47	1.31
North Western	11	1.30 - 1.50	1.40
South Western	19	1.36 - 1.60	1.51
U. S. Mar. 1940	149	1.22 - 1.75	1.36
U. S. Feb. 1940	149	1.24 - 1.75	1.45
U. S. Mar. 1939	153	.95 - 1.35	1.11

6 EVAPORATED MILK MARKETING AGREEMENT SECTIONS

Section	Mar. 1940	Feb. 1940	Mar. 1939
	Dollars	Dollars	Dollars
1	1.33	1.43	1.11
2	1.50	1.60	1.27
3	1.33	1.39	1.05
4	1.36	1.47	1.10
5	1.41	1.50	1.05
6	1.55	1.62	1.18
U. S. Average	1.36	1.45	1.11

7 Reports not received from ten factories in these areas which base prices on formula in evaporated milk market agreements. Formula price for this area in March \$1.37.

EVAPORATED MILK MARKETING AGREEMENT MINIMUM PRICES FOR MARCH

Section 1 - \$1.304 Section 2 - \$1.374 Section 3 - \$1.184
Section 4 - \$1.102 Section 5 - \$1.145 Section 6 - \$1.244