

## EVAPORATED AND CONDENSED MILK REPORT

July 1940

Although the production of evaporated milk (case goods) showed a normal seasonal increase from May to June, there was not the usual seasonal increase in manufacturers' stocks during June. Stocks on July 1 of 288,565,000 pounds were only 787,000 pounds larger than those of June 1 this year, compared with a gain last year from June to July of 83,349,000 pounds and a 5-year (1934-38) average gain of 60,540,000 pounds.

Failure of manufacturers' stocks to increase seasonally during June may be attributed to two primary causes. The first was the reentry of the Federal Surplus Commodities Corporation in the market to purchase evaporated milk for distribution to families on relief. The second cause was the renewed buying by wholesale grocers who had been purchasing less than their average daily requirements since September 1939.

Early in June the Federal Surplus Commodities Corporation announced the purchase of 1,515,000 cases of evaporated milk (case goods) and that delivery was being scheduled for June, July, and probably August. Approximately 70,000 cases - the equivalent of around 3,000,000 pounds were delivered in June, leaving for July or later delivery in the neighborhood of 1,445,000 cases.

Possibly, however, of even greater effect upon June stocks than the June deliveries of Federal purchases was increased buying by wholesale grocers. Stocks of evaporated milk reported by wholesalers at the end of March 1940 were estimated as being the equivalent of 25 days' supply. On June 30, 3 months later these stocks had been increased to the equivalent of 38 days' supply. It is believed that most of that increase was made in June, as there was little evidence available prior to June to indicate that wholesale grocers were not continuing the conservative purchasing policy followed generally since early last fall.

June production of evaporated milk (case goods) was estimated at 294,203,000 pounds, an increase of 10 percent over the production of June last year, 18 percent over the June 1934-38 average and the largest June production of record. Production for the first 6 months of 1940 is estimated at 1,333,912,000 pounds, an increase of 12 percent over the production of the same period last year, 27 percent over the 1934-38 corresponding average and also the largest production of record for that period. June production of condensed milk is estimated at 6,157,000 pounds - the largest production for any month since August 1934, and more than double the production of June last year.

The average wholesale selling price of evaporated milk (case goods) during June was \$2.82 per case of 48 - 14 $\frac{1}{2}$  oz. cans. That average was 5 cents per case higher than the May average of this year. It is the first time since 1933 that the average for June has been higher than that of May. The 1934-38 average shows a decrease of 1 cent per case. The average wholesale selling price of condensed milk (case goods) during June of \$4.80 per case, however, was unchanged.

Prices paid producers for milk delivered to condenseries in June averaged \$1.27 per hundredweight for milk testing 3.5 percent butterfat. This is an increase of 1 cent per hundredweight over the May average of this year and 14 cents per hundredweight over the June average of last year. It was also the third highest average price paid producers during June since 1930, being exceeded by the June average of \$1.42 per hundredweight in 1937 and \$1.39 per hundredweight in 1936.

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

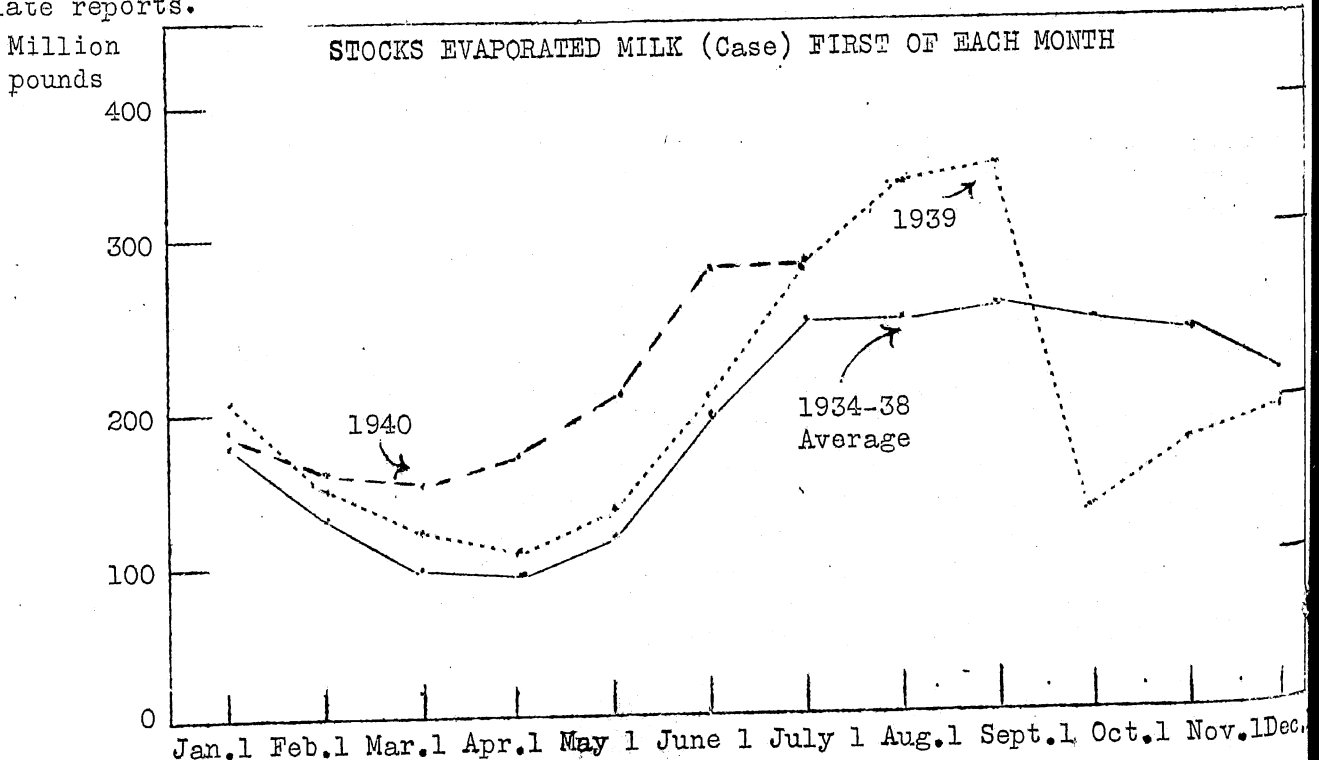
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Month	1940	1939	Average 1934-38	Change in 1940 from	
				1939	Avg. 1934-38
	Thousand pounds			Percent	
January.....	186,081	205,073	176,141	- 9	+ 6
February.....	156,253	150,311	132,038	+ 4	+ 18
March.....	150,458	120,397	99,360	+ 25	+ 51
April.....	173,378	109,882	91,629	+ 58	+ 89
May.....	207,740	134,625	113,182	+ 54	+ 84
June.....	287,778	209,044	195,448	+ 38	+ 47
July 1/.....	288,565	292,393	255,988	- 1	+ 13
August.....	---	341,686	253,100	---	---
September.....	---	355,071	262,226	---	---
October.....	---	135,135	260,988	---	---
November.....	---	175,646	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	4,985	4,624	- 8	- 1
April.....	3,938	4,959	4,116	- 21	- 4
May.....	4,014	4,608	5,044	- 13	- 20
June.....	6,815	6,437	9,499	+ 6	- 28
July 1/.....	10,221	7,764	12,410	+ 13	- 18
August.....	---	8,570	13,585	---	---
September.....	---	8,001	13,503	---	---
October.....	---	6,039	12,665	---	---
November.....	---	6,312	11,339	---	---
December.....	---	5,990	9,626	---	---

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



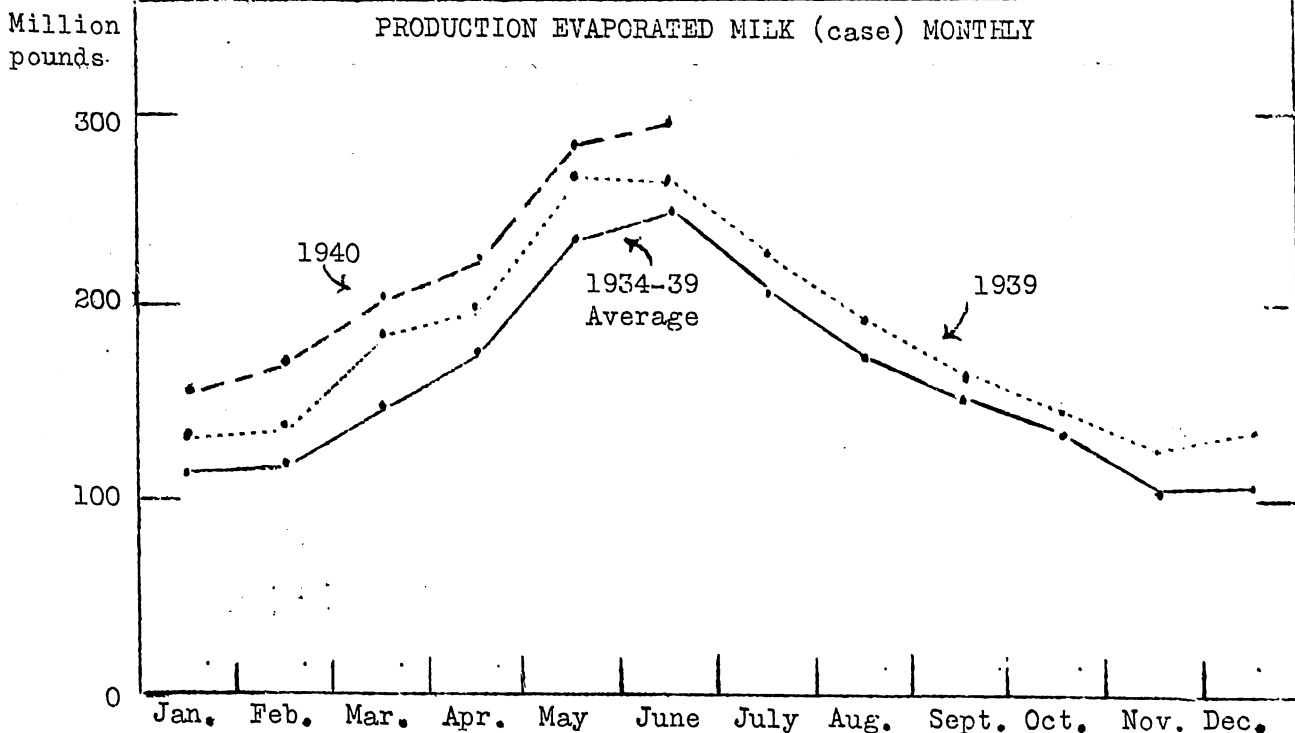
July Evaporated and Condensed Milk Report  
 PRODUCTION OF EVAPORATED AND CONDENSED MILK  
 1940, BY MONTHS, WITH COMPARISONS  
 EVAPORATED MILK (Case Goods)

Month	1940 1/	1939 1/	Average 1934-38	Change in 1940 from	
				1939	Avg. 1934-38
Thousand pounds			Percent		
January.....	158,656	131,121	114,970	+21	+38
February.....	170,397	139,670	118,206	+22	+44
March.....	203,619	183,441	149,237	+11	+36
April.....	225,007	199,184	173,534	+13	+26
May.....	281,960	268,533	237,155	+ 5	+19
June.....	294,203	267,457	249,561	+10	+18
July.....	--	226,715	205,678	--	--
August.....	--	191,382	172,661	--	--
September.....	--	164,723	151,065	--	--
October.....	--	143,988	135,033	--	--
November.....	--	125,529	102,327	--	--
December.....	--	135,536	105,665	--	--
Jan. - June, Inc.	1,333,912	1,189,406	1,047,763	+12	+27

CONDENSED MILK (Case Goods)

Month	1940 1/	1939 1/	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.....	3,169	3,201	5,161	- 1	-39
May.....	4,906	2,903	4,919	+69	--
June.....	6,157	2,786	4,510	+121	+36
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	3,881	--	--
Jan. - June, Inc.	23,923	18,505	27,638	+29	-14

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



7/27/40

## JULY EVAPORATED AND CONDENSED MILK REPORT

## MILK PURCHASES BY CONDENSERIES; JUNE 1940, WITH COMPARISONS\*

	Unit	June		5-Year Average
		1940	1939	1934-38
Purchases, reported total...	Pounds	520,791,000	478,381,000	443,577,000
Producers, number.....	Number	124,000	116,000	106,000
Average daily purchases per producer.....	Pounds	140.0	137.5	139.5
Changes in purchases per producer 1940 and 1939	Percent	+1.8	xxxxx	xxxxx
1940 from 5-year average	"	+0.4	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, JUNE 1940\*

Geographic Section	Evaporated Milk	Condensed Milk
	(Per case of 48 - 14 $\frac{1}{2}$ oz. cans)	(Per case of 48-14 oz. cans)
	Dollars	Dollars
New England	2.86	4.80
Mid Atlantic	2.83	4.73
South Atlantic	2.86	4.72
E. N. Central	2.77	5.25
W. N. Central	2.78	5.25
South Central	2.84	4.72
North Western	2.85	--
South Western	2.81	--
U. S. June 1940	2.82	4.80
U. S. May 1940	2.77	4.80
U. S. June 1939	2.67	4.80

\* Wholesale prices are based on the reports made by manufacturers covering actual sales or 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 JUNE 1940

## 8 Geographic Sections

Geographic Section	Number of factories reporting	Price per cwt.	
		Range	Average
		Dollars	Dollars
New England	1/ -	-	-
Mid Atlantic	1/ 6	1.32 - 1.35	1.33
South Atlantic	4	1.27 - 1.60	1.36
E. N. Central	86	1.22 - 1.47	1.25
W. N. Central	10	1.14 - 1.30	1.22
South Central	13	1.12 - 1.40	1.20
North Western	11	1.20 - 1.32	1.27
South Western	20	1.26 - 1.47	1.39
U. S. June 1940	150	1.12 - 1.60	1.27
U. S. May 1940	149	1.12 - 1.60	1.26
U. S. June 1939	152	.93 - 1.45	1.13

## 6 EVAPORATED MILK MARKETING AGREEMENT SECTIONS

Section	June 1940	May 1940	June 1939
	Dollars	Dollars	Dollars
1	1.25	1.24	1.14
2	1.37	1.37	1.24
3	1.21	1.21	1.08
4	1.27	1.22	1.12
5	1.27	1.24	1.06
6	1.43	1.41	1.20
U. S. Average	1.27	1.26	1.13

1/ 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 June \$1.30

## EVAPORATED MILK MARKETING AGREEMENT MINIMUM PRICES FOR JUNE

Section 1 - \$1.230 Section 2 - \$1.300 Section 3 - \$1.104  
Section 4 - \$1.090 Section 5 - \$1.085 Section 6 - \$1.231