

EVAPORATED AND CONDENSED MILK REPORT

August 1940

Despite a seasonal drop in production and heavy deliveries on purchases made by the Surplus Marketing Administration for relief distribution, stocks of evaporated milk, case goods, held by manufacturers continued to mount during July, reports the Agricultural Marketing Service. That development, however, apparently was not a seriously disturbing market factor, the average wholesale selling price for the month being about 3 cents per case higher than the June average, compared with a 1 cent per case increase a year earlier and also a 5-year (1934-38) average increase of 1 cent.

Production of evaporated milk, case goods, in July was estimated at 260,722,000 pounds. That production was about 33½ million pounds less than this year's June production, compared with a corresponding decrease last year of 41 million pounds, and a 5-year (1934-38) average decrease of 44 million pounds. But last year's July production was estimated at 226,715,000 pounds, making this year's output not only 44 million pounds, or 15 percent larger, but also the largest July production of record. With the exception of one month (May 1940) production has consistently set new monthly records since last December.

Stocks of evaporated milk, case goods, held by manufacturers on August 1, totaled 321,332,000 pounds, compared with 341,686,000 pounds on the same date last year and 253,100,000 pounds for the 5-year (1934-38) August 1 average. On a percentage basis, this year's stocks were 6 percent less than those of a year earlier, but 27 percent larger than the corresponding 5-year average. Due primarily to deliveries of 31,276,500 pounds of evaporated milk on purchases made by the Surplus Marketing Administration, the increase in manufacturers' stocks during July totaled only 33,000,000 pounds, compared with an increase last year of about 49 million pounds. The increases in both instances, however, are in marked contrast to a drop of approximately 3 million pounds for the 5-year (1934-38) June to July average.

Production of condensed milk, case goods, in July was estimated at 6,736,000 pounds, the largest production for this product for any month since April-1932. Compared with July-1939, this year's production was 133 percent larger and 56 percent larger than the 5-year (1934-38) July average. Stocks of condensed milk, case goods, held by manufacturers on August 1 totaled 10,454,000 pounds. Those stocks were 22 percent larger than the stocks of August 1 last year, but 23 percent less than the 5-year (1934-38) August 1 average.

Wholesale selling prices of evaporated milk, case goods, in July averaged \$2.85 per case of 48 - 14½-oz. cans. That average is 3 cents higher than the June average this year, 17 cents per case higher than the July average last year, and 3 cents per case higher than the 1934-38 July average. Condensed milk at \$4.80 per case of 48 - 14 oz. cans was unchanged, compared with either June this year or July last year.

Prices paid producers for milk averaging 3.5 percent butterfat delivered at plants was \$1.30 per cwt. for July. That average was 3 cents per cwt. higher than this year's June average and 14 cents per cwt. higher than the July average of last year. With the exception of 1937 and 1936, it is the highest average for any July since 1930. It is, however, 33 cents per cwt. less than the post-depression July high of 1936.

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

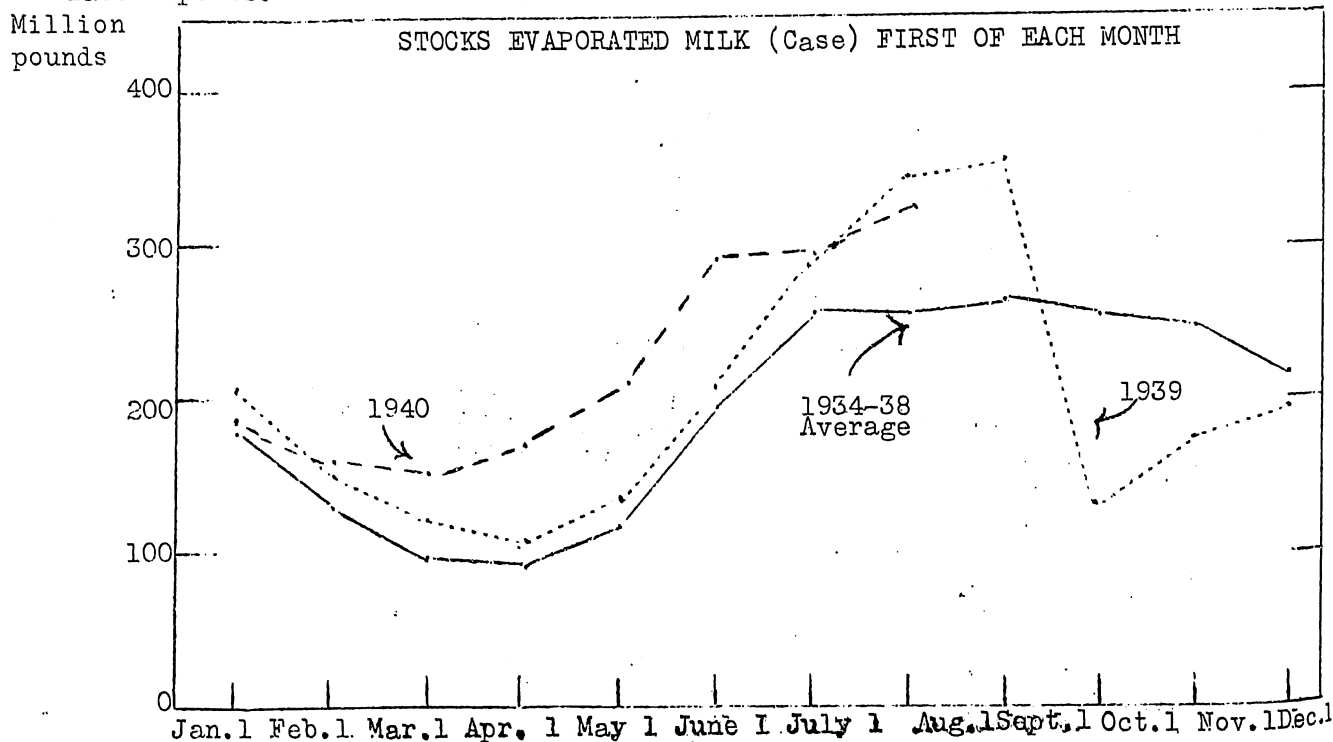
8/23/40

| Month          | 1940                   | 1939    | Average<br>1934-38 | Change in 1940 from |              |
|----------------|------------------------|---------|--------------------|---------------------|--------------|
|                |                        |         |                    | 1939                | Avg. 1934-38 |
|                | <u>Thousand pounds</u> |         |                    | <u>Percent</u>      |              |
| January.....   | 186,091                | 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.....      | 288,565                | 292,393 | 255,988            | - 1                 | +13          |
| August 1/..... | 321,332                | 341,686 | 253,100            | - 6                 | +27          |
| 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<br>1934-38 | Change in 1940 from |              |
|----------------|------------------------|-------|--------------------|---------------------|--------------|
|                |                        |       |                    | 1939                | Avg. 1934-38 |
|                | <u>Thousand pounds</u> |       |                    | <u>Percent</u>      |              |
| 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.....      | 10,221                 | 7,764 | 12,410             | +13                 | -18          |
| August 1/..... | 10,454                 | 8,570 | 13,585             | +22                 | -23          |
| 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.



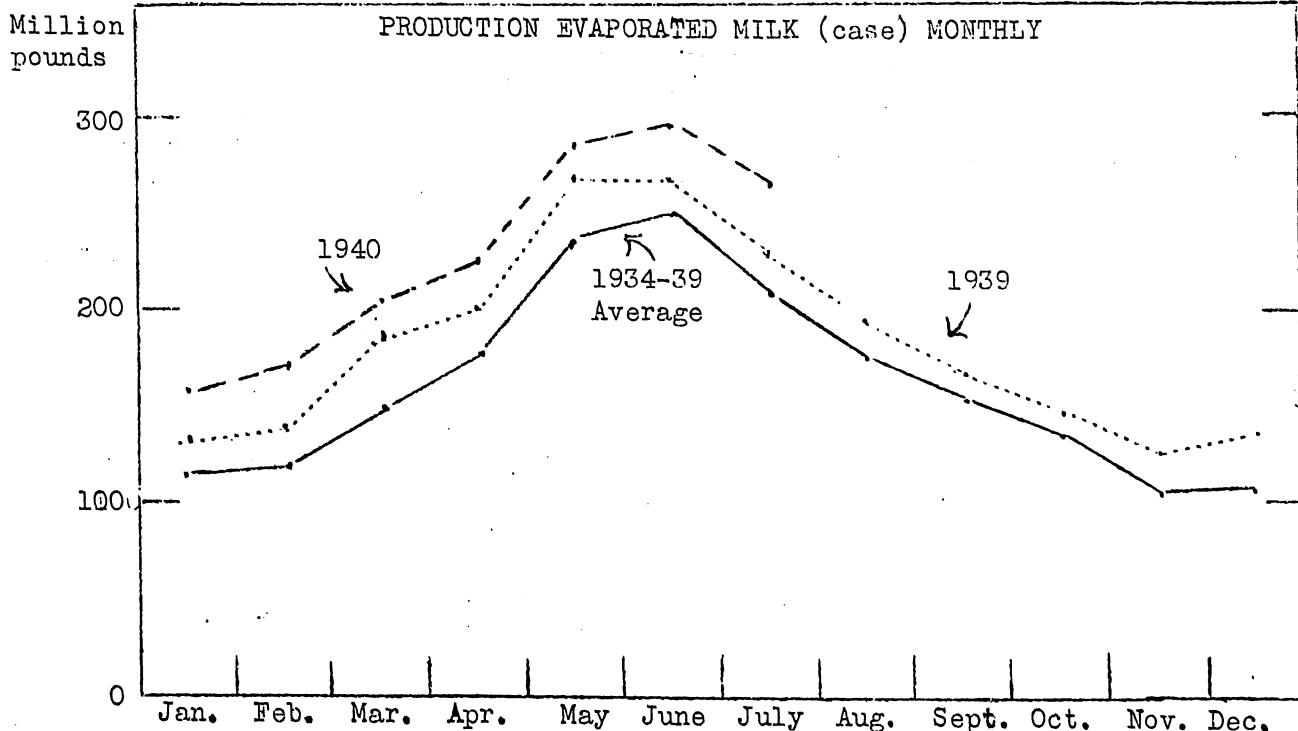
August Evaporated and Condensed Milk Report  
 PRODUCTION OF EVAPORATED AND CONDENSED MILK  
 1940, BY MONTHS, WITH COMPARISONS  
 EVAPORATED MILK (Case Goods)

| Month             | 1940 1/   | 1939 1/   | Average<br>1934-38 | Change in 1940 from |              |
|-------------------|-----------|-----------|--------------------|---------------------|--------------|
|                   |           |           |                    | 1939                | Avg. 1934-38 |
| Thousand pounds   |           |           | Percent            |                     |              |
| January.....      | 158,656   | 131,131   | 114,970            | +21                 | +38          |
| February.....     | 170,397   | 139,670   | 118,206            | +22                 | +44          |
| March.....        | 203,619   | 183,441   | 149,337            | +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.....         | 260,722   | 226,715   | 205,678            | +15                 | +27          |
| 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. - July, Inc. | 1,594,634 | 1,416,121 | 1,253,441          | +13                 | +27          |

CONDENSED MILK (Case Goods)

| Month             | 1940 1/ | 1939 1/ | Average<br>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.....         | 6,736   | 2,891   | 4,319              | +133                | +56          |
| 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. - July, Inc. | 30,659  | 21,396  | 32,007             | +43                 | - 4          |

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



## MILK PURCHASES BY CONDENSERIES, JULY 1940, WITH COMPARISONS\*

|  | Unit    | July        |             | 5-Year Average<br>1934-38 |
|--|---------|-------------|-------------|---------------------------|
|  |         | 1940        | 1939        |                           |
| Purchases, reported total.....                             | Pounds  | 472,128,000 | 433,237,000 | 411,276,000               |
| Producers, number.....                                     | Number  | 126,000     | 116,000     | 109,000                   |
| Average daily purchases<br>per producer.....               | Pounds  | 120.9       | 120.5       | 121.7                     |
| Changes in purchases<br>per producer<br>1940 and 1939..... | Percent | +0.3        | xxxx        | xxxx                      |
| 1940 from 5-year average.....                              | "       | -0.7        | xxxx        | xxxx                      |

\*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, JULY 1940\*

| Geographic<br>Section | Evaporated Milk<br>(Per case of 48 - 14½ oz. cans) |  | Condensed Milk<br>(Per case of 48-14 oz. cans) |  |
|-----------------------|--|--|--|--|
|                       | Dollars  |  | Dollars  |  |
| New England           | 2.90   |  | 4.80   |  |
| Mid Atlantic          | 2.87   |  | 4.72   |  |
| South Atlantic        | 2.89   |  | 4.72   |  |
| E. N. Central         | 2.79   |  | 5.25   |  |
| W. N. Central         | 2.79   |  | 5.25   |  |
| South Central         | 2.87   |  | 4.72   |  |
| North Western         | 2.92   |  | -  |  |
| South Western         | 2.84   |  | -  |  |
| U. S. July 1940       | 2.85   |  | 4.80   |  |
| U. S. June 1940       | 2.82   |  | 4.80   |  |
| U. S. July 1939       | 2.68   |  | 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 JULY 1940

## 8 Geographic Sections

| Geographic<br>Section | Number of factories<br>reporting | Price per cwt. |         |
|-----------------------|----------------------------------|----------------|---------|
|                       |                                  | Range          | Average |
|                       |                                  | Dollars        | Dollars |
| New England           | 1/ -                             | -              | -       |
| Mid Atlantic          | 1/ 6                             | 1.35-1.40      | 1.38    |
| South Atlantic        | 4                                | 1.31-1.65      | 1.42    |
| E. N. Central         | 86                               | 1.24-1.68      | 1.29    |
| W. N. Central         | 10                               | 1.18-1.30      | 1.25    |
| South Central         | 13                               | 1.14-1.40      | 1.21    |
| North Western         | 11                               | 1.27-1.42      | 1.32    |
| South Western         | 20                               | 1.22-1.48      | 1.41    |
| U. S. July 1940       | 150                              | 1.14-1.68      | 1.30    |
| U. S. June 1940       | 150                              | 1.12-1.60      | 1.27    |
| U. S. July 1939       | 152                              | .93-1.50       | 1.16    |

## 6 EVAPORATED MILK MARKETING AGREEMENT SECTIONS

| Section       | July 1940 | June 1940 | July 1939 |
|---------------|-----------|-----------|-----------|
|               | Dollars   | Dollars   | Dollars   |
| 1             | 1.29      | 1.25      | 1.16      |
| 2             | 1.42      | 1.37      | 1.36      |
| 3             | 1.23      | 1.21      | 1.11      |
| 4             | 1.31      | 1.27      | 1.13      |
| 5             | 1.32      | 1.27      | 1.10      |
| 6             | 1.44      | 1.43      | 1.20      |
| U. S. Average | 1.30      | 1.27      | 1.16      |

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 July \$1.32.

## EVAPORATED MILK MARKETING AGREEMENT MINIMUM PRICES FOR JULY

Section 1 - \$1.245 Section 2 - \$1.315 Section 3 - \$1.114  
Section 4 - \$1.087 Section 5 - \$1.118 Section 6 - \$1.228

mbp