

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
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EVAPORATED AND CONDENSED MILK REPORT
(January 1942)

In producing 286,899,000 pounds of evaporated milk (case goods) during December, the evaporated milk industry established a new December production high and closed the year with the largest annual production of record, the U. S. Department of Agriculture reports. The December output was 93 percent larger than that of December 1940, and 150 percent larger than the December 1935-39 average. Total production for the year is estimated at 3,165,906,000 pounds -- 28 percent larger than the 1940 production and 57 percent larger than the 1935-39 average. The industry more than exceeded the goal that was set following the passage of the Lend-Lease Act last March.

Purchases by the Federal Government continue to dominate the evaporated milk situation. In December, such purchases totaled 4,001,850 cases, or 174,080,475 pounds. During December the Government accepted delivery of 4,830,790 cases, or 210,139,365 pounds, and on January 1, 1942, had 4,555,210 cases, or 198,151,635 pounds on order with manufacturers on which delivery had not been made. From March 15, 1941, when purchases under the Lend-Lease Act began, to December 31, 1941, purchases of evaporated milk by the Government totaled 17,542,280 cases, or 763,089,180 pounds. Purchases during January 1942 through the 24th totaled 3,295,960 cases, or 143,374,260 pounds.

Heavy government purchases of evaporated milk during December helped to reduce the extremely large stocks in the hands of manufacturers on the first of the month. Stocks reported by manufacturers on January 1, 1942, totaled 328,393,000 pounds -- still heavy compared with both those of the preceding year and the corresponding 5-year average, but considerably smaller than the 417,643,000 pounds reported on December 1. To some extent, the sharp increase in stocks held by manufacturers between October 1 and December 1 last year was caused by an almost complete absence of orders from wholesale grocers. On September 30, wholesale grocers had the equivalent of 54 days' supply of evaporated milk on their shelves -- a supply considerably in excess of normal for that date. By December 31, however, these stocks had been reduced to the equivalent of 37 days' supply, indicating that during the intervening 3 months wholesale grocers had drawn extensively on their reserves rather than making new purchases. With stocks now more nearly normal, some pickup in orders from wholesale grocers should be expected. Purchases of whole milk from producers by condenseries in December averaged about 6 percent larger than the corresponding purchases of a year earlier.

Prices paid producers for milk testing 3.5 percent butterfat averaged \$2.17 per cwt. This is the highest average price paid for any December since 1928 and for any month since February 1929. For the third consecutive month, the average wholesale price of evaporated milk was unchanged, the December average of \$3.67 per case of 48 14½-oz. cans being the same as the November and October average. The wholesale price of condensed milk (case goods) at \$5.64 per case of 48 14-oz. cans was also unchanged from the average of the preceding month.

The 1942 production goal of the evaporated milk industry is now placed at 3,800,000,000 pounds, the equivalent of 88 million cases. This goal represents an increase of approximately 20 percent over the 1941 output.

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

1/26/42

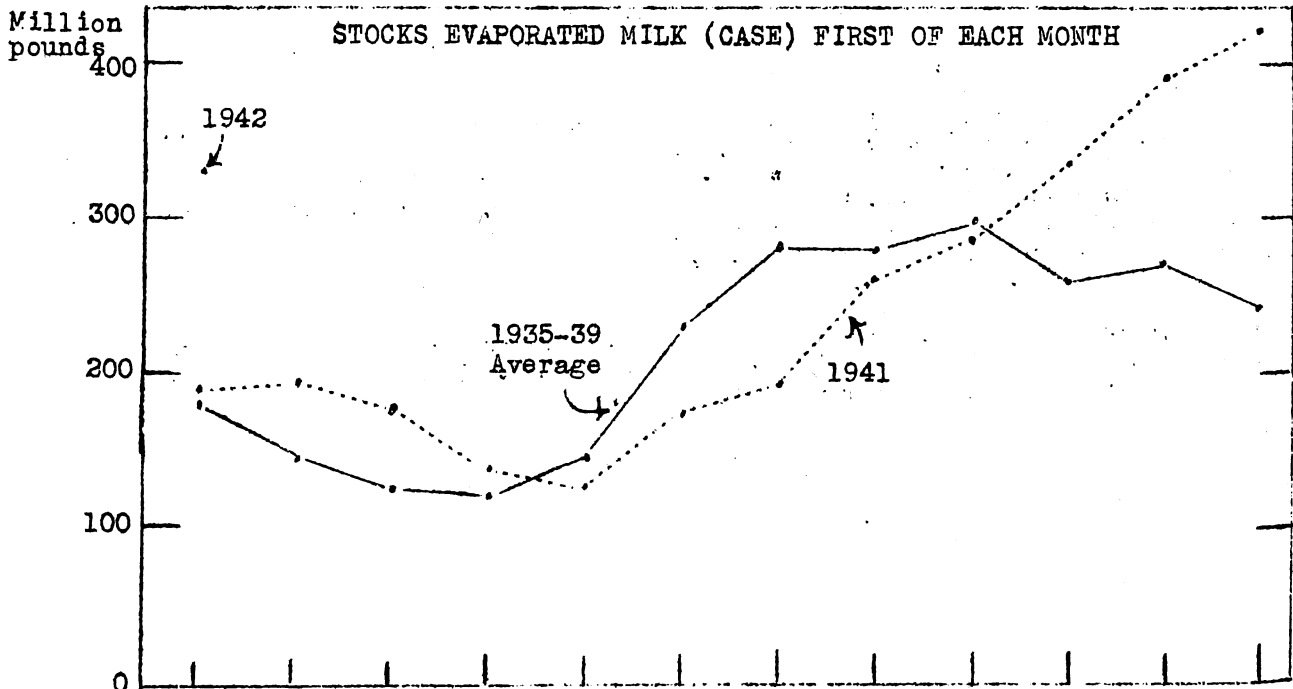
EVAPORATED MILK (Case Goods)

Month	1942	1941	Average 1936-40	Change in 1942 from	
				1941	Ave. 1936-40
	Thousand pounds			Percent	
January.1/.....	328,393	187,652	180,932	+ 75	+ 82
February.....	---	189,246	147,692	---	---
March.....	---	176,624	125,161	---	---
April.....	---	136,073	120,447	---	---
May.....	---	126,160	143,403	---	---
June.....	---	173,838	228,537	---	---
July.....	---	189,711	284,108	---	---
August.....	---	261,559	276,599	---	---
September.....	---	289,904	297,798	---	---
October.....	---	339,716	260,472	---	---
November.....	---	382,605	274,941	---	---
December.....	---	417,643	239,163	---	---

CONDENSED MILK (Case Goods)

January.1/.....	12,024	8,047	7,379	+ 49	+ 63
February.....	---	7,810	5,781	---	---
March.....	---	7,274	4,551	---	---
April.....	---	7,340	4,178	---	---
May.....	---	7,228	4,472	---	---
June.....	---	10,327	7,843	---	---
July.....	---	10,009	9,923	---	---
August.....	---	9,783	10,327	---	---
September.....	---	10,494	9,870	---	---
October.....	---	10,062	9,105	---	---
November.....	---	11,245	8,779	---	---
December.....	---	11,906	7,946	---	---

1/ Data for current month of 1942 subject to revision through the addition of late reports.



PRODUCTION OF EVAPORATED AND CONDENSED MILK
1941, BY MONTHS, WITH COMPARISONS

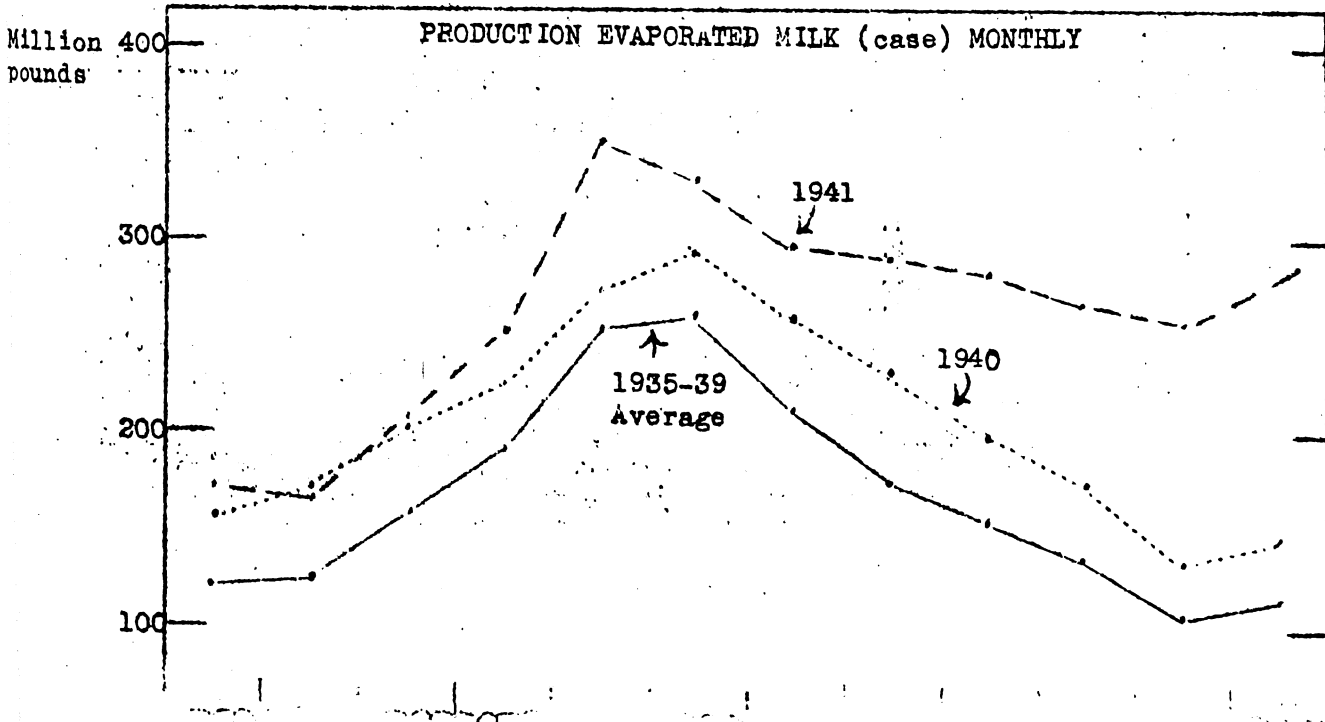
EVAPORATED MILK (Case Goods)

Month	1941 1/	1940 1/	Average 1935-39	Change in 1941 from	
				1940	Ave. 1935-39
	Thousand pounds			Percent	
January.....	170,879	158,221	121,684	+ 8	+ 41
February.....	167,714	171,137	126,615	- 2	+ 32
March.....	205,322	201,296	159,850	+ 2	+ 27
April.....	252,695	225,619	189,573	+ 12	+ 36
May.....	350,513	273,838	251,979	+ 28	+ 40
June.....	331,337	293,219	261,533	+ 13	+ 26
July.....	298,120	259,235	212,470	+ 15	+ 41
August.....	292,597	230,391	176,189	+ 27	+ 66
September.....	282,309	198,809	153,343	+ 42	+ 82
October.....	269,320	172,641	136,909	+ 56	+ 97
November.....	258,203	134,254	106,829	+ 92	+ 142
December.....	286,899	148,607	114,824	+ 93	+ 150
Jan. -Dec., Inc.	3,165,906	2,467,267	2,011,798	+ 28	+ 57

CONDENSED MILK (Case Goods)

January.....	6,998	2,777	4,070	+152	+ 72
February.....	6,530	3,401	3,850	+ 92	+ 69
March.....	9,355	3,452	4,009	+171	+ 135
April.....	8,601	2,896	4,591	+197	+ 105
May.....	10,130	4,756	3,253	+113	+ 215
June.....	9,745	6,129	3,868	+ 59	+ 153
July.....	9,923	6,939	3,714	+ 43	+ 160
August.....	9,793	6,198	3,777	+ 58	+ 156
September.....	8,017	6,626	3,980	+ 21	+ 101
October.....	7,999	7,920	3,590	+ 1	+ 123
November.....	8,126	6,349	2,338	+ 28	+ 248
December.....	7,086	6,384	3,501	+ 11	+ 102
Jan. -Dec., Inc.	102,303	63,827	44,541	+ 60	+ 130

1/ Amounts shown for January to December 1941 have been revised on the basis of final reports for 1940. All the 1941 estimates are subject to further revision when the final report, based upon a complete enumeration for all plants manufacturing evaporated and condensed milk, is available for 1941.



MILK PURCHASES BY CONDENSERIES DECEMBER 1941, WITH COMPARISONS*

	Unit	DECEMBER		5-year average 1935-39
		1941	1940	
Purchases, reported total....	Pounds	423,401,000	311,697,000	258,270,000
Producers, number.....	Number	153,000	119,000	105,000
Average daily purchases; per producer.....	Pounds	89.3	84.5	79.3
Changes in purchases per producer 1941 and 1940 1941 from 5-year ave.	Percent "	+ 5.7 +12.6	XXXX XXXX	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, DECEMBER 1941*

Geographic Section	Evaporated Milk	Condensed Milk
	(Per case of 48 14 $\frac{1}{2}$ -ounce cans)	(Per case of 48 14-ounce cans)
	Dollars	Dollars
New England	3.73	5.67
Mid Atlantic	3.68	5.65
South Atlantic	3.69	5.65
E. N. Central	3.62	5.65
W. N. Central	3.63	5.40
South Central	3.66	5.65
North Western	3.71	-
South Western	3.67	-
U. S. Dec. 1941	3.67	5.64
U. S. Nov. 1941	3.67	5.64
U. S. Dec. 1940	2.98	4.80

*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 DECEMBER 1941
8 Geographic Sections

Geographic Section	Number of factories reporting	Price per cwt.	
		Range	Average
		Dollars	Dollars
New England	- 1/	-	-
Mid Atlantic	9 1/	2.30 - 2.40	2.34
South Atlantic	7	1.97 - 2.60	2.14
E. N. Central	90	2.14 - 2.56	2.23
W. N. Central	11	1.71 - 2.15	2.02
South Central	13	1.78 - 1.97	1.90
North Western	10	2.00 - 2.34	2.14
South Western	23	1.76 - 2.20	2.12
U. S. Dec. 1941	163	1.71 - 2.60	2.17
U. S. Nov. 1941	163	1.76 - 2.61	2.16
U. S. Dec. 1940	150	1.44 - 2.00	1.59

6 EVAPORATED MILK MARKETING AGREEMENT SECTIONS

Section	Dec. 1941	Nov. 1941	Dec. 1940
1	2.22	2.20	1.60
2	2.37	2.34	1.77
3	1.95	1.94	1.51
4	2.01	2.01	1.54
5	2.17	2.18	1.53
6	2.16	2.17	1.61
U. S. Average	2.17	2.16	1.59

1/ Reports not received from 7 factories in these areas which base prices on formula in evaporated milk market agreements. Formula price for this area in December \$1.78.

EVAPORATED MILK MARKETING AGREEMENT MINIMUM PRICES FOR DECEMBER

Section 1 - \$1.710 Section 2 - \$1.780 Section 3 - \$1.481
Section 4 - \$1.359 Section 5 - \$1.394 Section 6 - \$1.524