

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
WASHINGTON, D. C.

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March 25, 1942

EVAPORATED AND CONDENSED MILK REPORT
(February 1942)

Continued heavy deliveries on government Lend-Lease purchases are making fairly heavy inroads on manufacturers' stocks of evaporated milk, reports the U. S. Department of Agriculture. These stocks totaled 216,410,000 pounds on March 1 compared with 252,532,000 pounds on February 1 -- a reduction of 36,122,000 pounds. At that, however, this year's March 1 stocks were still considerably larger than the stocks on the same date last year and the corresponding 5-year (1936-40) average -- 22 percent and 73 percent, respectively. But, as an offset to these increases, evaporated milk producers on March 1 held orders from the Agricultural Marketing Administration for 206,356,431 pounds (4,743,826 cases) on which deliveries had not yet been made, compared to orders for only 20 million pounds on the same date last year.

The Department of Agriculture has eased up slightly in its purchases of evaporated milk under its Lend-Lease program during the last 4 to 6 weeks. New commitments in February totaled 153,354,900 pounds (3,525,400 cases) compared with 191,671,658 pounds (4,406,245 cases) in January -- a decrease of about 20 percent. Due to the difference in the number of days between January and February, the average daily rate of new purchases by the Administration in February was only about 11 percent less than the average daily rate in January. Deliveries of evaporated milk on government contracts in February totaled 125,972,520 pounds (2,895,950 cases) compared with 147,856,500 pounds (3,399,000 cases) in January.

Reduction in government purchases has caused some evaporated milk plants to slow up slightly on their seasonal rate of increase. February production is estimated at 296,877,000 pounds -- a decrease of about 14 million pounds from the January output. That decrease was due entirely to the fact that February had 3 less producing days than January, as the average daily output in February was seasonally larger.

Production is still running far ahead of a year earlier, the February output being 77 percent larger than in February last year and 117 percent larger than the 5-year (1936-40) February average. In view of smaller purchases by the Agricultural Marketing Administration, a few condenseries are reported to have diverted some of their milk supplies to cheese factories during February.

The Agricultural Marketing Administration has again lowered its price for evaporated milk purchased under the Lend-Lease program. During the week ending March 14, it announced that in future under the offer and acceptance plan, it would pay \$3.30 per case of 48 14- $\frac{1}{2}$ oz. cans in the North Atlantic States, and \$3.20 per case in the Middle West. This made a total reduction of 35 cents per case from late January to mid-March.

Manufacturers' average selling price in February was \$3.64 per case -- a drop of 3 cents per case from the January average, but an increase of 69 cents per case over the February average of last year. Condensery paying price to producers in February was \$2.08 per cwt. for 3.5 percent milk. This was a drop of 8 cents per cwt. from the January average, but an increase of 33 cents per cwt. over the February average of last year and the highest February average since 1929.

War in the Far East has cut off one of the principal markets for domestic producers of condensed milk (case goods.) Partly in fear of what effect this might eventually have on their export trade, and partly because of the reduction in sugar supplies under the temporary rationing program of the War Production Board, the February production, estimated at 3,853,000 pounds, was 1 percent less than the February production of last year, although 9 percent larger than the 5-year (1936-40) February average. Stocks of condensed milk held by manufacturers dropped from 10 million pounds on February 1 to 6,223,000 pounds on March 1, and were then 14 percent less than the stocks on the same date a year earlier, but 37 percent larger than the 5-year (1936-40) March 1 average. The domestic demand for condensed milk seemed to hold steady during February as manufacturers' average selling price for the month continued at \$5.64 per case of 48 14-oz. cans, the same monthly average that has existed since November 1941.

This report has been regularly issued by the Agricultural Statistics Division of the Agricultural Marketing Service, which Division has been transferred to the Bureau of Agricultural Economics by Executive Order No. 9069 of February 23, 1942.

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

3/25/42

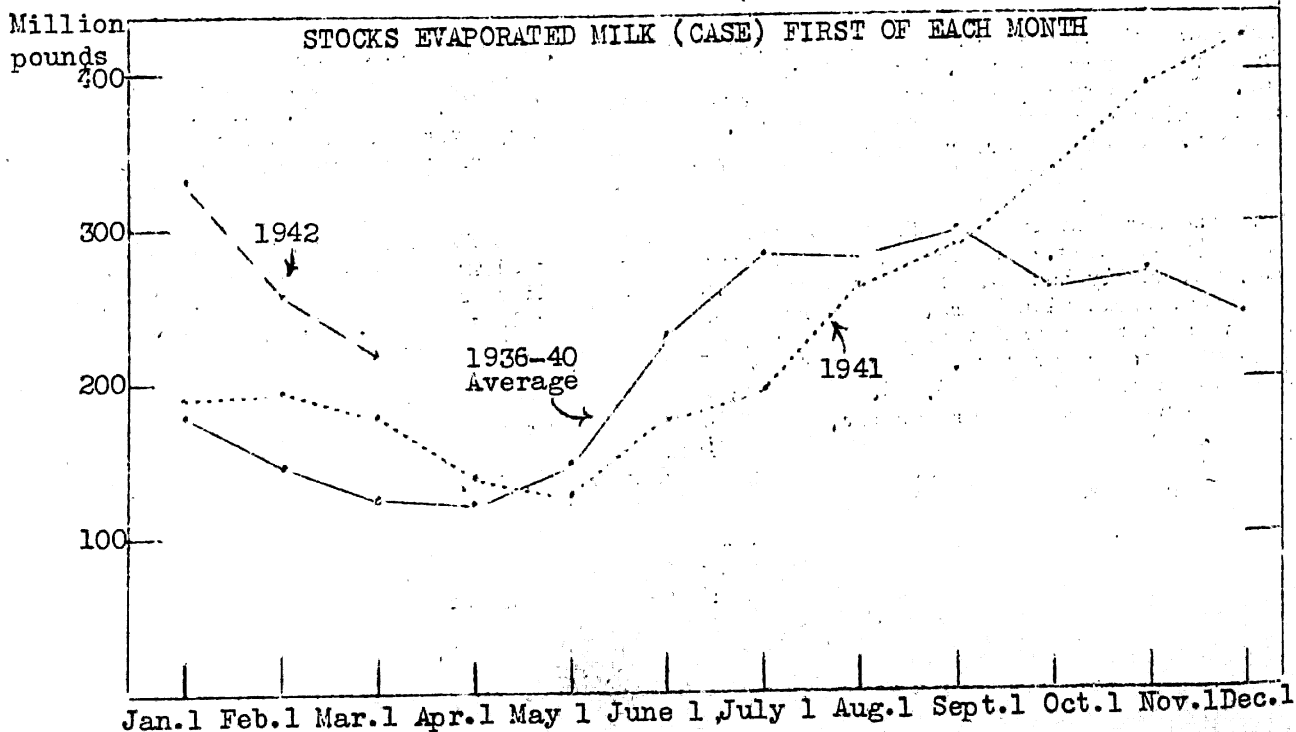
EVAPORATED MILK (Case Goods)

Month	1942	1941	Average 1936-40	Change in 1942 from	
				1941	Ave. 1936-40
		Thousand pounds		Percent	
January.....	328,475	187,652	180,932	+ 75	+ 82
February.....	252,532	189,246	147,692	+ 33	+ 71
March 1/.....	216,410	176,624	125,161	+ 22	+ 73
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.....	12,024	8,047	7,379	+ 49	+ 63
February.....	9,000	7,810	5,781	+ 15	+ 56
March 1/.....	6,223	7,274	4,551	- 14	+ 37
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	--	--

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



3/25/42

PRODUCTION OF EVAPORATED AND CONDENSED MILK
1942, BY MONTHS, WITH COMPARISONS

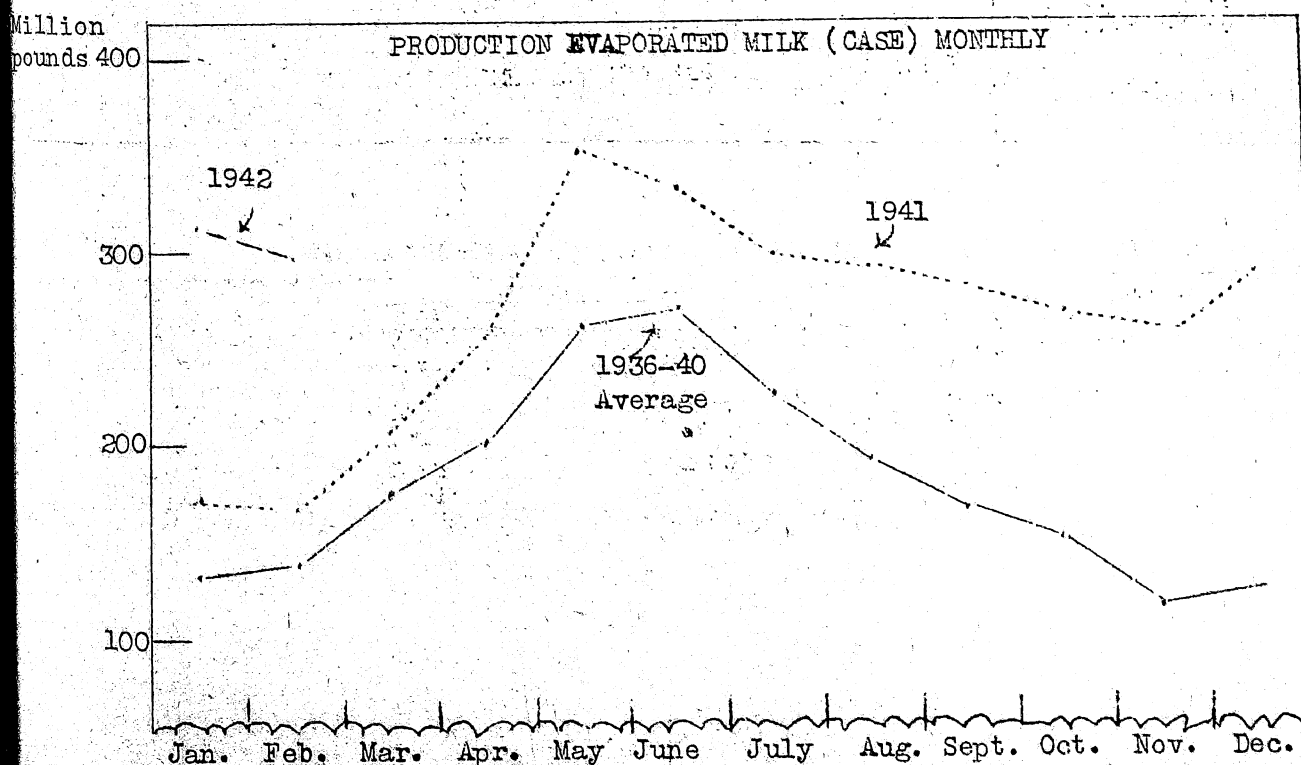
EVAPORATED MILK (Case Goods)

Month	1942 1/	1941 1/	Average 1936-40	Change in 1942 from	
				1941	Ave, 1936-40
Thousand pounds			Percent		
January.....	310,952	170,869	130,664	+ 82	+ 138
February.....	296,877	167,703	136,614	+ 77	+ 117
March.....	--	205,312	170,807	--	--
April.....	--	252,679	199,241	--	--
May.....	--	350,495	259,441	--	--
June.....	--	331,285	269,600	--	--
July.....	--	297,981	223,834	--	--
August.....	--	291,714	189,987	--	--
September.....	--	281,147	165,910	--	--
October.....	--	268,134	150,258	--	--
November.....	--	257,649	116,301	--	--
December.....	--	286,736	124,192	--	--
Jan.-Feb., Inc.	607,829	338,572	267,278	+ 80	+ 127

CONDENSED MILK (Case Goods)

January.....	3,079	6,998	3,690	- 56	- 17
February.....	3,853	6,530	3,532	- 41	+ 9
March.....	--	9,355	3,720	--	--
April.....	--	8,601	3,892	--	--
May.....	--	10,130	4,405	--	--
June.....	--	9,745	4,155	--	--
July.....	--	9,923	4,279	--	--
August.....	--	9,793	4,104	--	--
September.....	--	8,017	4,500	--	--
October.....	--	7,999	4,400	--	--
November.....	--	8,126	3,801	--	--
December.....	--	7,086	3,973	--	--
Jan.-Feb., Inc.	6,923	13,528	7,222	- 49	- 4

1/ Estimated. Subject to revision when final report is available for 1941.



MILK PURCHASES BY CONDENSERIES FEBRUARY 1942, WITH COMPARISONS*

	Unit	February		5-year average
		1942	1941	1936-40
Purchases, reported total....	Pounds	445,536,000	323,702,000	265,657,000
Producers, number.....	Number	153,000	118,000	98,000
Average daily purchases per producer.....	Pounds	104.0	98.0	96.8
Changes in purchases per producer 1942 and 1941	Percent	+6.1	XXXX	XXXX
1942 from 5-year average	"	+7.4	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, FEBRUARY 1942*

Geographic Section	Evaporated milk	Condensed milk
	(Per case of 48 14 $\frac{1}{2}$ -ounce cans) Dollars	(Per case of 48 14-ounce cans) Dollars
New England	3.68	5.67
Mid Atlantic	3.64	5.65
South Atlantic	3.68	5.65
E. N. Central	3.58	5.65
W. N. Central	3.56	5.40
South Central	3.64	5.55
North Western	3.70	-
South Western	3.66	-
U. S. Feb. 1942	3.64	5.64
U. S. Jan. 1942	3.67	5.64
U. S. Feb. 1941	2.95	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 FEBRUARY 1942
8 Geographic Sections

Geographic Section	Number of factories reporting	Price per cwt.	
		Range Dollars	Average Dollars
New England	- 1/	-	-
Mid Atlantic	10 1/	2.14 - 2.28	2.19
South Atlantic	7	1.92 - 2.50	2.09
E. N. Central	91	1.70 - 2.38	2.07
W. N. Central	11	1.72 - 2.02	1.92
South Central	13	1.72 - 1.92	1.84
North Western	10	1.93 - 2.35	2.10
South Western	23	1.95 - 2.39	2.22
U. S. Feb. 1942	165	1.70 - 2.50	2.08
U. S. Jan. 1942	166	1.74 - 2.58	2.16
U. S. Feb. 1941	149	1.28 - 1.82	1.45

6 EVAPORATED MILK MARKETING AGREEMENT SECTIONS

Section	Feb. 1942	Jan. 1942	Feb. 1941
	Dollars	Dollars	Dollars
1	2.07	2.19	1.44
2	2.22	2.35	1.62
3	1.90	1.96	1.38
4	2.05	2.04	1.46
5	2.10	2.16	1.46
6	2.30	2.25	1.56
U. S. Average	2.08	2.16	1.45

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 February \$1.76.

Prices paid at Midwest Condenseries promulgated officially under the New York and Chicago Marketing Milk Order for February, New York City \$2.067; Chicago \$2.076.

EVAPORATED MILK MARKETING AGREEMENT MINIMUM PRICES FOR FEBRUARY

Section 1 - \$1.689 Section 2 - \$1.759 Section 3 - \$1.478
Section 4 - \$1.403 Section 5 - \$1.447 Section 6 - \$1.573