

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington, D. C.

Released
July 23, 1942

STOCKS OF EVAPORATED AND CONDENSED MILK
HELD BY WHOLESALE GROCERS
(June 30, 1942)

Stocks of evaporated milk (case goods) held by wholesale grocers on June 30, 1942, showed a moderately sharp drop from those of 3 months earlier, and an extremely sharp drop from those of a year earlier. The U. S. Department of Agriculture, in its second 1942 quarterly survey of wholesale grocers, found that on June 30, 1942, they had on hand stocks of evaporated milk (case goods) that were the equivalent of 23 days' supply based upon their prevailing average daily sales. Three months earlier they reported stocks that were the equivalent of 29 days' supply, and a year earlier, 45 days' supply. The number of days' supply on hand June 30 this year was the smallest for any quarterly date since March 31, 1939, when 22 days' supply was reported.

Since shortly after the first of the year, wholesalers have been slow in replacing evaporated milk sold out of stock, preferring to operate on a smaller marginal reserve than a year earlier. With current production of evaporated milk still running considerably ahead of that at the same time last year, with stocks held by manufacturers at new record proportions, and with lend-lease needs becoming progressively less, wholesalers feel that there is no need for haste in building up their usual seasonal reserves. This attitude is greatly different from that of a year earlier, when lend-lease needs were increasing faster than production and with prices rising, wholesalers jumped into the market to stock up on supplies without regard to cost. Average manufacturers' prices reached a high of \$3.57 per case in October 1941 and continued through January 1942, but are back to an average of about \$3.50 per case, a drop of 17 cents per case.

The 3-year (1939-41) average on June 30 of stocks held by wholesale grocers was the equivalent of 36 days' supply. Present holdings are considerably below that average. It appears likely, therefore, that during the quarter just ahead wholesalers will be in the market more aggressively than they were during the preceding quarter, particularly as they usually build up their supplies during the season of heavy production. It is not likely that production of evaporated milk (case goods) during the last 6 months of 1942 will equal that of a year earlier. Another drop of 10 cents per case in the Department of Agriculture buying price for evaporated milk (case goods) for lend-lease purposes has just been announced. At the same time, a 3-cent increase in the price flooring for butter, a 3/4-cent per pound increase in the Department's buying price for cheese, and 1/2-cent per pound on dried skim milk, spray process, have also been announced. These changes in price relations are likely to cause a very marked shift in milk supplies from evaporated milk plants to those producing butter, cheese, dried milk, etc.

STOCKS REPORTED JUNE 30, 1942

	No. of firms reporting	Condensed Milk (pounds)	Evaporated Milk (pounds)
TOTAL - JUNE 30, 1942	324	507,481	20,446,248
JUNE 30, 1941	335	479,557	40,392,575
MAR. 31, 1942**	335	757,626	22,909,054
MAR. 31, 1941	341	392,451	21,781,745
COMBINED TOTALS -			
JUNE 30, 1942	324	20,953,729 lb.	
JUNE 30, 1941	335	40,872,132 lb.	
MAR. 31, 1942**	335	23,666,680 lb.	
MAR. 31, 1941	341	22,174,196 lb.	

**Revised figures include late reports.

COMPARISON FOR SAME FIRMS REPORTING DIFFERENT PERIODS

		(Pounds)			
310 Firms--Evap. Milk--	June 30, 1942	20,087,849	314 Firms--	June 30, 1942--20,364,589	
" " "	June 30, 1941--	40,216,968	" "	Mar. 31, 1942--22,694,636	
" Cond. Milk--	June 30, 1942	500,913	" "	June 30, 1942	505,881
" " "	June 30, 1941	475,600	" "	Mar. 31, 1942	749,735
314 firms reported an average of 23 days' supply	- June 30, 1942				
318 " " " " " 45 " "	- June 30, 1941 (Revised)				
335 " " " " " 29 " "	- Mar. 31, 1942				