

UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
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EVAPORATED, CONDENSED, AND DRIED MILK REPORT

(October 1942)

EVAPORATED AND CONDENSED MILK

The production of evaporated milk (case goods) continues to fall further behind that of the same period last year. The estimated output of 208,445,000 pounds was 26 percent smaller than that of a year earlier, compared with a decrease of 22 percent in September. A comparison of the relation of the October production with this corresponding 5-year (1936-40) average shows but little change in the last 2 months, the October production being 39 percent larger and the September production 37 percent. The cumulative production for the first 10 months of 1942 (January to October, inclusive) totals 3,193,515,000 pounds, an increase of 18 percent over the production of the same months last year.

Stocks of evaporated milk (case goods) held by manufacturers continue to shrink sharply. Totalling 97,706,000 pounds on November 1 -- the smallest for that date since 1922 -- they were 38,920,000 pounds smaller than the October stocks of this year, and 284,899,000 pounds, or 74 percent, smaller than the November 1 stocks of last year. The demand for evaporated milk continues strong, and in some areas wholesalers are reported to be short on supplies and showing some tendency to restrict sales to their regular customers.

The October output of condensed milk (case goods) is estimated at 7,364,000 pounds, a decrease of 29 percent from the October production of last year but an increase of 67 percent over the October 5-year (1936-40) average. Cumulative production for the first 10 months of 1942 totals 65,668,000 pounds, a decrease of 36 percent from the production of the same period last year but an increase of 61 percent over the corresponding 5-year (1936-40) average.

Among the minor condensery products, a sharp increase in the output of sweetened condensed skimmed milk (bulk goods) is noted. Estimated at 15,885,000 pounds, the October output was 47 percent larger than that of October last year and 46 percent larger than the 5-year (1936-40) October average. The October production of plain condensed whole milk, unsweetened (bulk goods) was only 1 percent larger than that of a year earlier, the production of plain condensed skimmed, unsweetened (bulk goods) 3 percent, and sweetened condensed whole milk (bulk goods) 1 percent. The October production of these three products was considerably in excess of their 5-year (1936-40) average.

DRIED MILK

The drop in the production of all dried skim milk from September to October was larger this year than last. Estimated at 36 million pounds, the October output was 18 percent smaller than that of September, compared with a decrease of only 11 percent last year. Although this year's drop in the production of spray-dried skim milk was less pronounced than that roller-dried -- averaging 12 percent -- it was still larger than the September-to-October drop of 4 percent last year. Butter production is running several percent under that of a year earlier and the consumption of fluid milk is running about 15 to 18 percent above.

The production of dried skim milk for human consumption, however, continues to exceed that of a year earlier, although by a gradually narrowing margin. The estimated October output of 34 million pounds was 35 percent higher than that of October last year, compared with an increase of 50 percent in September. The gain in the production of spray-dried milk for human consumption was also smaller, the estimated October output of 21,590,000 pounds representing a gain of only 42 percent, compared with the September increase of 56 percent. But spray-dried skim milk constituted a larger proportion of all skim milk dried in October than in September -- 61 percent, compared with 51 percent.

An act of considerable import to the dried milk industry was taken by the Secretary of Agriculture early in November. Through Conservation Order DA-1; Spray Dried Skim Milk, it is now provided that "Every manufacturer of spray dried skim milk shall set aside at least 90 percentum of the spray dried milk produced by him during the period November 5, 1942 to November 30, 1942, inclusive, and during each subsequent calendar month for delivery to the Agricultural Marketing Administration (Federal Surplus Commodities Corporation), Army, Navy, Marine Corps, Coast Guard, War Shipping Administration, or any other governmental agency designated by the Secretary of Agriculture." The order also provides that "If no governmental unit, or agency, specified in subparagraph (b) (1) has contracted for, or declared its intention or desire to contract for, any portion of the set-aside quantity within 30 days after the end of the month in which such quantity was set aside by the manufacturers, such manufacturers may be deemed released from the restrictions

The Wholesale prices given below are based upon reports from manufacturers covering actual sales to jobbers, wholesale grocers and similar buyers for goods F.O.B. factory on the basis of cash or short-time credit. Wide ranges in prices may be in part attributed to differences in quality or grade of product sold.

DRIED SKIM MILK (Bulk goods)			DRIED WHOLE MILK (Bulk goods)		DRIED BUTTERMILK (Bulk goods)		
Reported Sales			Reported Sales		Reported Sales		
Pounds					Pounds		
Price	Human food	Animal feed	Price	Pounds	Price	Human food	Animal feed
4½ - 5¢	-	55,903	10-10½¢	2,750	5 - 5½¢	-	905
5½ - 6	18,400	-	15-15½¢	204,400	5½ - 6½¢	-	405
6½ - 7	-	4,572	22½-23½¢	100,502	6½ - 7½¢	-	30,441
7 - 7½¢	-	6,350	23½-24½¢	395,000	7½ - 8½¢	-	777,158
7½ - 8	-	936,789	24½-25½¢	426,147	8½ - 9½¢	11,500	1,783,426
8 - 8½¢	-	1,500,181	25½-26½¢	265,325	11½-12½¢	245,825	-
8½ - 9	3,565	282,707	26½-27½¢	5,600	12½-13½¢	1,268,425	-
9 - 9½¢	-	251,773	27½-28½¢	266,200	13½-14½¢	103,600	-
9½ - 10	22,969	28,796	28½-29½¢	50,200	15½-16½¢	2,204	-
10 - 10½¢	320,923	14,069	29½-30½¢	1,400			
10½-11	159,050	18,377	31½-32½¢	3,914,919			
11 - 11½¢	2,318,991	-	32½-33½¢	247,796			
11½-12	4,554,297	270	34½-35	207,215			
12 - 12½¢	2,431,368	122					
12½-13	6,747,263	-					
13 - 13½¢	4,020,440	-					
13½-14	8,244,241	-					
14 - 14½¢	9,185,433	-					
14½-15	5,720,368	-					
15 - 15½¢	707,700	-					
15½-16	-	-					
16 - 16½¢	166,593	-					
20 - 20½¢	375	-					
TOTAL	44,621,976	3,099,909		6,087,454		1,631,554	2,592,329
GRAND TOTAL		47,721,885		6,087,454			4,223,883
AVERAGE PRICE	13.26¢	8.14¢				12.63¢	8.33¢
October 1942		12.92¢		29.82¢			9.99¢
September 1942		12.72¢		25.93¢			9.85¢
October 1941		11.47¢		24.37¢			8.49¢

of subparagraph (b) (1). Quantities set aside may also be released by notice to that effect from the Administrator, Agricultural Marketing Administration, United States Department of Agriculture or from any governmental agency specifically authorized by him to issue such notice."

The provisions of this order are to be administered by the Dairy and Poultry Branch of the Agricultural Marketing Administration.

Although temporary ceilings on dried skim milk prices were established by the Office of Price Administration in early October, the October average of all dried skim milk sold was fractionally higher than that of September. This is due to a larger proportion of the total sales being made up of dried skim milk for human consumption, particularly spray process, in October than in September. Also, a smaller proportion of the dried milk sold was for animal feed. The October average of all dried milk sold was 12.92 cents per pound, a gain of .2 cents per pound over the September average and 1.45 cents per pound over the October average of last year.

	Unit	October		5-year average 1936-40
		1942	1941	
Purchases, reported total.....	Pounds	425,348,000	429,365,000	313,333,000
Producers, number.....	Number	148,000	153,000	116,000
Average daily purchases per producer.....	Pounds	92.7	90.5	87.1
Changes in purchases per producer 1942 and 1941.....	Percent	+ 2.4	XXXXX	XXXXX
1942 from 5-year average.....	"	+ 6.4	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, OCTOBER 1942*

Geographic Section	Case Goods		Bulk Goods			
	Evaporated (48 14 $\frac{1}{2}$ -oz. cans) Per case	Condensed (48 14-oz. cans) Per case	Plain Condensed (Unsweetened)		Sweetened Condensed	
	Dollars		Whole	Skimmed	Whole	Skimmed
Dollars per hundredweight						
New England	3.80	5.82	-	3.90	12.60	8.65
Mid. Atlantic	3.74	5.82	9.46	3.75	12.59	8.50
South Atlantic	3.77	5.80	-	4.20	-	8.12
E. N. Central	3.68	5.80	9.39	3.46	11.17	7.81
W. N. Central	3.70	-	7.98	3.88	10.92	8.21
South Central	3.78	5.88	8.02	4.16	10.90	8.54
North Western	3.85	-	-	-	-	-
South Western	3.77	-	9.23	4.56	12.50	8.75
U. S. Oct. 1942	3.75	5.83	8.95	3.87	11.69	8.25
U. S. Sept. 1942	3.66	5.83	8.59	3.81	11.55	8.15
U. S. Oct. 1941	3.67	5.33	7.53	3.12	9.70	6.25

* Wholesale prices are based upon the reports made by manufacturers covering actual sales of goods delivered at manufacturers' distributing points on the basis of cash or short-time credit.

PRICES PAID PRODUCERS FOR 3.5% MILK F.O.B. FACTORY FOR OCTOBER 1942
8 Geographic Sections

Geographic Section	Number of factories reporting	Price per cwt.	
		Range	Average
		Dollars	Dollars
New England	- 1/	-	-
Mid. Atlantic	9 1/	2.22 - 2.40	2.36
South Atlantic	7	2.10 - 2.82	2.25
E. N. Central	94	2.15 - 2.81	2.25
W. N. Central	12	2.14 - 2.25	2.17
South Central	12	1.92 - 2.10	2.00
North Western	11	2.19 - 2.48	2.39
South Western	23	2.14 - 2.73	2.50
U. S. Oct. 1942	168	1.92 - 2.82	2.28
U. S. Sept. 1942	168	1.97 - 2.62	2.13
U. S. Oct. 1941	163	1.74 - 2.55	2.12

6 EVAPORATED MILK MARKETING AGREEMENT SECTIONS

Section	October 1942	September 1942	October 1941
	Dollars	Dollars	Dollars
1	2.25	2.10	2.15
2	2.40	2.23	2.28
3	2.08	1.97	1.89
4	2.24	2.16	2.03
5	2.41	2.28	2.15
6	2.63	2.47	2.17
U. S. Average	2.28	2.13	2.12

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 October \$2.22.

Prices paid at Midwest condenseries promulgated officially under the New York and Chicago Marketing Milk Order for October, New York City \$2.25547; Chicago \$2.257.

EVAPORATED MILK MARKETING AGREEMENT MINIMUM PRICES FOR OCTOBER

Section 1 - \$2.147 Section 2 - \$2.217 Section 3 - \$1.991
Section 4 - \$1.846 Section 5 - \$1.886 Section 6 - \$2.056

PRODUCTION OF EVAPORATED, CONDENSED AND DRIED MILK

12/1/42

Commodity	October 1942 1/	October 1941 2/	Change in 1942 from		Cumulative Total	
			1941	Average 1936-40	Jan. - Oct. 1942	Change from Jan.- Oct. 1941
	Thousand pounds		Percent		Thousand pounds	Percent
Evaporated and Condensed Milk						
Evaporated (case goods)	208,445	281,683	- 26	+ 39	3,193,515	+ 18
Condensed (case goods)	7,364	10,372	- 29	+ 67	65,668	- 36
-Plain Condensed Whole (bulk)	8,938	8,850	+ 1	+ 4	118,628	+ 1
" " Skimmed "	27,882	27,070	+ 3	+ 71	280,687	+ 3
Sweetened Condensed Whole (bulk)	6,947	6,878	+ 1	+ 53	71,613	+ 6
" " Skimmed "	15,885	10,806	+ 47	+ 46	197,848	+ 31
Dried Milk						
Dried Whole	6,750	4,704	+ 43	+259	51,110	+ 30
Dried Skim (human food)	34,000*	25,239*	+ 35	+ 72	504,214	+ 60
" " (animal feed)	2,000	3,930	- 49	- 77	46,786	- 54
Total Dried Skim	36,000	29,169	+ 23	+ 26	551,000	+ 32
Dried Buttermilk	3,950	4,944	- 30	- 2	64,192	- 1

1/ Estimated. Subject to revision when the final report is available for 1941. 2/ Preliminary figures. *Estimated production Spray Process October 1942 - 21,590,000 pounds. Estimated production Spray Process October 1941 - 15,184,000 pounds.

STOCKS OF EVAPORATED, CONDENSED, AND DRIED MILK
November 1, 1942

Commodity	1942	1941 1/	Average 1936-40	Change in 1942 from	
				1941	Av. 1936-40
	Thousand pounds			Percent	
Evaporated (case goods)	97,706	382,605	274,941	- 74	- 64
Condensed (case goods)	2,445	11,245	8,779	- 78	- 72
Dried whole milk	8,205	5,746	4,348	+ 43	+ 89
Dried skim milk (human food)	16,847	19,427	23,589	- 13	- 29
Dried skim milk (animal feed)	2,216	2,043	6,215	+ 8	- 64
Total dried skim milk	19,063 2/	21,470	29,804	- 11	- 36
Dried buttermilk	5,452	4,110	4,671	+ 33	+ 12

1/ Revised figures include late reports. 2/ Equivalent to approximately 15 days' supply compared with 17 days' supply on November 1, 1941.

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