

UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
WASHINGTON, D. C.

Released
January 29, 1943

EVAPORATED, CONDENSED, AND DRIED MILK REPORT

(December 1942)

EVAPORATED AND CONDENSED MILK

After reaching a seasonal low point in November, the production of evaporated milk (case goods) followed the usual seasonal pattern by showing an upward trend in December. Estimated at 178,024,000 pounds, the December output was around 15 million pounds larger than that of November. This is an increase of 9 percent, compared with a 5-year (1936-40) November-December average increase of 7 percent. Although the December production was 38 percent below the record-breaking December output of 1941, it exceeded the December 5-year (1936-40) average by 43 percent. Estimated production for the year 1942 totaled 3,535,187,000 pounds -- an increase of 9 percent over the 1941 production, and a new annual record.

December production of condensed milk (case goods) is estimated at 7,033,000 pounds. This is an increase of 1,527,000 pounds, or 28 percent, over the November production, and 237,000 pounds, or 3 percent, over the December 1941 production, and 3,060,000 pounds, or 77 percent, over the 5-year (1936-40) December average. Total production for 1942 is estimated at 78,111,000 pounds, a decrease of 38,995,000 pounds, or 33 percent, from the 1941 production, but an increase of 61 percent over the 1936-40 average.

The December output of plain condensed whole milk (bulk goods) was 7 percent less than that of December 1941, while the output of skimmed was unchanged. Sweetened condensed bulk goods, however, was up -- the whole milk by 4 percent and the skimmed by 9 percent. Total production of plain condensed, whole milk (bulk goods) in 1942 is estimated at 114,507,000 pounds, and skimmed at 337,292,000 pounds. Sweetened condensed whole milk (bulk goods) in 1942 is estimated at 83,200,000 pounds, and the skimmed at 222,305,000 pounds. With the exception of the plain condensed whole milk -- which was unchanged -- the production of the other varieties was substantially higher than in 1941.

Following the usual seasonal trend, stocks of evaporated milk (case goods) held by manufacturers on the first of the month declined between December 1 and January 1. On January 1, 1943, these stocks totaled 82,672,000 pounds, the smallest on that date for several years, but exceeding by around 10 million pounds the recent January 1 low of 72,916,000 pounds in 1936. With the production of evaporated milk now expanding seasonally, and with 17 million cases still owned by the U. S. Department of Agriculture -- of which 2 million cases is in process of being released for civilian use -- it appears that the industry is entering upon the new production season with a reasonable and reassuring supply in reserve. Condensed milk (case goods) held by manufacturers on January 1, 1943 totaled 4,226,000 pounds, an increase of 1,640,000 pounds over the stocks of December 1, 1942, but a decrease of 7,793,000 pounds from the unusually large stocks of January 1 last year.

Since the December issue of this report, the Office of Price Administration has announced manufacturers' selling prices on evaporated milk for delivery to buyers' customary receiving points. A maximum price of \$4.10 per case of 48 14½-oz. is now in effect in the Central Zone and \$4.20 per case in the Northeastern and Western Zones. The margin between the new ceiling prices and the minimum price which manufacturers are required to pay for milk under the evaporated milk marketing agreement is slightly larger now than it has been heretofore.

DRIED MILK

The production of dried skim milk has already begun to show a seasonal upturn. The estimated total output of all skim milk dried for human consumption was 30 million pounds in December. This is the largest December production of record for human consumption and exceeded the November output by 2,700,000 pounds and the December 1941 output by 2½ million pounds.

Production of spray dried skim milk in December is estimated at 15,750,000 pounds, an increase of 500,000 pounds, or 3 percent, over the November output, and 1 million pounds, or 7 percent, over the December 1941 output. The production of roller dried skim milk for human consumption is estimated at 14,250,000 pounds, an increase of 2,200,000 pounds, or 18 percent, over the November production and an increase of 1,457,000 pounds, or 15 percent, over the December production of 1941. Total production of dried skim milk for human consumption in 1942 is estimated at 561,970,000 pounds, of which 285,695,000 pounds was spray dried and 276,275,000 pounds roller dried.

Whole milk dried in December is estimated at 6,600,000 pounds, the largest December production of record. The total for 1942 is estimated at 59,800,000 pounds, also a new record, and exceeding

DRIED SKIM MILK (Bulk goods)			DRIED WHOLE MILK (Bulk goods)		DRIED BUTTERMILK (Bulk goods)		
Reported Sales			Reported Sales		Reported Sales		
Pounds			Pounds		Pounds		
Price	Human food	Animal feed	Price	Pounds	Price	Human food	Animal feed
5 $\frac{1}{2}$ - 6 $\frac{7}{8}$	-	6,709	23 - 23 $\frac{1}{2}$	99,000	7 - 7 $\frac{1}{2}$	-	36,986
6 - 6 $\frac{1}{2}$	-	28,107	24 - 24 $\frac{1}{2}$	138,000	7 $\frac{1}{2}$ - 8	-	167,016
7 - 7 $\frac{1}{2}$	-	525	24 $\frac{1}{2}$ - 25 $\frac{1}{2}$	889,708	8 - 8 $\frac{1}{2}$	-	1,607,361
7 $\frac{1}{2}$ - 8	-	12,115	25 $\frac{1}{2}$ - 26 $\frac{1}{2}$	333,305	8 $\frac{1}{2}$ - 9	10,301	362,249
8 - 8 $\frac{1}{2}$	-	1,166,486	26 $\frac{1}{2}$ - 27 $\frac{1}{2}$	650,695	9 - 9 $\frac{1}{2}$	-	265,025
8 $\frac{1}{2}$ - 9	-	205,111	27 $\frac{1}{2}$ - 28 $\frac{1}{2}$	64,750	10 - 10 $\frac{1}{2}$	-	335
9 - 9 $\frac{1}{2}$	-	158,270	29 $\frac{1}{2}$ - 30 $\frac{1}{2}$	7,055	10 $\frac{1}{2}$ - 11	33,700	-
9 $\frac{1}{2}$ - 10	-	52,237	30 $\frac{1}{2}$ - 31 $\frac{1}{2}$	16,200	11 $\frac{1}{2}$ - 12	4,125	-
10 - 10 $\frac{1}{2}$	82,088	8,684	31 $\frac{1}{2}$ - 32 $\frac{1}{2}$	1,042,677	12 - 12 $\frac{1}{2}$	1,481,873	410
10 $\frac{1}{2}$ - 11	19,600	22,293	32 $\frac{1}{2}$ - 33 $\frac{1}{2}$	1,975,545	12 $\frac{1}{2}$ - 13	24,310	-
11 - 11 $\frac{1}{2}$	764,790	1,200	33 $\frac{1}{2}$ - 34 $\frac{1}{2}$	171,148	13 - 13 $\frac{1}{2}$	24,000	-
11 $\frac{1}{2}$ - 12	1,201,966	-	34 $\frac{1}{2}$ - 35 $\frac{1}{2}$	-	13 $\frac{1}{2}$ - 14	6,459	-
12 - 12 $\frac{1}{2}$	2,152,021	-	35 $\frac{1}{2}$ - 36 $\frac{1}{2}$	-	15 - 15 $\frac{1}{2}$	123,925	-
12 $\frac{1}{2}$ - 13	4,965,506	-			15 $\frac{1}{2}$ - 16	800	-
13 - 13 $\frac{1}{2}$	3,956,094	-			16 $\frac{1}{2}$ - 17	2,573	-
13 $\frac{1}{2}$ - 14	1,347,589	-					
14 - 14 $\frac{1}{2}$	2,343,610	-					
14 $\frac{1}{2}$ - 15	2,611,638	-					
15 - 15 $\frac{1}{2}$	2,040,615	-					
15 $\frac{1}{2}$ - 16	190,261	-					
16 - 16 $\frac{1}{2}$	1,100	-					
16 $\frac{1}{2}$ - 17	178,000	-					
Total	21,854,878	1,661,737		5,388,083		1,712,066	2,439,382
GRAND TOTAL		23,516,615		5,388,083			4,151,448
AVERAGE PRICE	13.37¢	8.31¢				12.44¢	8.24¢
December 1942	13.01¢			30.66¢		9.97¢	
November 1942	12.80¢			28.58¢		9.95¢	
December 1941	12.38¢			24.18¢		9.34¢	

the 1941 production by around 31 percent. At 5,700,000 pounds, the December production of dried buttermilk was also up compared with both November 1942 and December 1941, but the total of 74 million pounds for the year was about 2 percent less than for 1941.

The production of dried skim milk for animal feed continues relatively low, with the skimmed milk solids ordinarily used for that purpose being diverted into other channels. The estimated output of 2 million pounds for December was 46 percent less than the December production of a year earlier and 78 percent less than the 5-year (1935-40) average. A slight increase, however, was shown compared with the November production. The estimated output of 50,560,000 pounds for 1942 is less than half of the 1941 production.

Stocks of dried skim milk for human food on January 1, 1943 totaled 25,728,000 pounds, an increase of 39 percent over the stocks of January 1, 1942. Stocks of dried whole milk totaled 6,723,000 pounds on the same date, an increase of 5 percent over a year earlier. Stocks of dried buttermilk totaled 4,355,000 pounds, an increase of 3 percent.

Dried skim milk for human consumption sold by manufacturers in December averaged 13.37 cents per pound, f.o.b. the plant. This average is fractionally larger than the average of 13.16 cents for November. The December average for animal feed was 8.31 cents per pound, compared with 8.07 cents per pound in November. Manufacturers' and wholesalers' price ceilings on dried skim milk for human consumption have been established by the Office of Price Administration. Two zones have been set up, with the ceiling in the eastern States being 1/4 cent per pound higher than in the rest of the country. Ceilings on sales by dried skim milk plants to U. S. Government agencies have been set at 14.5 cents per pound, spray process, and 12.5 cents per pound for roller process, both f.o.b. mid-western plants. A 1-cent differential over the Government price with a discount of 5 percent on sales from manufacturers to wholesalers has likewise been provided to cover domestic sales by either manufacturers or wholesalers on a delivered basis.

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MILK PURCHASES BY CONDENSERIES DECEMBER 1942, WITH COMPARISONS*

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	Unit	December		5-year average 1936-40
		1942	1941	
Purchases, reported total.....	Pounds	363,284,000	423,401,000	278,218,000
Producers, number.....	Number	139,000	153,000	111,000
Average daily purchases per producer.....	Pounds	84.3	89.3	83.6
Changes in purchases per producer 1942 and 1941.....	Percent	- 5.6	XXXXXX	XXXXXX
1942 from 5-year average....	"	+ 0.8	XXXXXX	XXXXXX

* 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 1942*

Geographic Section	Case Goods		Bulk Goods			
	Evaporated (48 14 1/2-oz. cans) Per case	Condensed (48 14-oz. cans) Per case	Plain Condensed (Unsweetened)		Sweetened Condensed	
			Whole	Skimmed	Whole	Skimmed
	Dollars		Dollars per hundredweight			
New England	3.90	5.92	-	3.90	12.50	8.73
Mid. Atlantic	3.87	5.90	9.84	4.08	12.73	8.56
South Atlantic	3.89	5.88	-	4.18	-	8.23
E. N. Central	3.77	5.80	9.54	3.61	11.52	7.97
W. N. Central	3.80	-	8.02	3.76	11.26	8.25
South Central	3.87	6.00	8.02	4.24	10.95	8.54
North Western	3.91	-	-	-	-	-
South Western	3.91	-	9.38	4.43	12.50	8.75
U. S. Dec. 1942	3.85	5.92	8.12	3.99	11.81	8.34
U. S. Nov. 1942	3.73	5.83	8.35	3.92	11.69	8.33
U. S. Dec. 1941	3.67	5.64	7.87	3.35	9.91	6.59

* 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 DECEMBER 1942

8 Geographic Sections

Geographic Section	Number of factories reporting	Price per cwt.	
		Range Dollars	Average Dollars
New England	1	-	-
Mid. Atlantic	9	2.58 - 2.65	2.62
South Atlantic	7	2.10 - 3.00	2.32 2/
E. N. Central	94	2.40 - 2.97	2.51
W. N. Central	12	2.16 - 2.52	2.32
South Central	12	2.08 - 2.34	2.19
North Western	11	2.29 - 2.51	2.43
South Western	23	2.30 - 2.73	2.54
U. S. Dec. 1942	168	2.08 - 3.00	2.47
U. S. Nov. 1942	158	1.95 - 2.90	2.35
U. S. Dec. 1941	163	1.71 - 2.60	2.17

6 EVAPORATED MILK MARKETING AGREEMENT SECTIONS

Section	December 1942	November 1942	December 1941
	Dollars	Dollars	Dollars
1	2.50	2.34	2.32
2	2.66	2.52	2.37
3	2.23	2.14	1.95
4	2.37	2.29	2.01
5	2.45	2.44	2.17
6	2.61	2.63	2.16
U. S. Average	2.47	2.35	2.17

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 \$2.22.

2/ November price \$2.28 instead of \$2.34.

Prices paid at Midwest condenseries promulgated officially under the New York and Chicago Marketing Milk Order for December -- New York City \$2.515; Chicago \$2.522.

EVAPORATED MILK MARKETING AGREEMENT MINIMUM PRICES FOR DECEMBER

Section 1 - \$2.148 Section 2 - \$2.218 Section 3 - \$1.992
Section 4 - \$1.843 Section 5 - \$1.883 Section 6 - \$2.053

PRODUCTION OF EVAPORATED, CONDENSED AND DRIED MILK

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Commodity	December 1942 <u>1/</u>	December 1941	Change in 1942 from		Cumulative total	
	Thousand pounds	Thousand pounds	1941	Average 1936-40	Jan.-Dec. 1942	Change from Jan. - Dec. 1941
			Percent		Thous. pounds	Percent
Evaporated and Condensed Milk						
Evaporated (case goods)	178,024	286,684	- 38	+ 43	3,535,187	+ 9
Condensed (case goods)	7,033	6,796	+ 3	+ 77	78,111	- 33
Plain condensed whole (bulk)	7,404	7,961	- 7	0	114,507	0
" " skimmed "	24,865	24,746	0	+ 77	337,292	+ 3
Sweetened condensed whole (bulk)	5,966	5,737	+ 4	+ 60	83,200	+ 5
" " skimmed "	14,260	13,083	+ 9	+ 25	222,305	+ 28
Dried Milk						
Dried whole	6,600	4,340	+ 52	+301	59,800	+ 31
Dried skim (human food)	30,000*	27,543*	+ 9	+ 53	561,970	+ 53
" " (animal feed)	2,000	3,729	- 46	- 78	50,560	- 54
Total dried skim	32,000	31,272	+ 2	+ 12	612,530	+ 29
Dried buttermilk	5,700	5,159	+ 10	+ 33	74,000	- 2
<u>1/</u> Estimated. Subject to revision.		*Estimated production Spray Process		December 1942	- 15,750,000	
		Estimated production Spray Process		December 1941	- 14,750,000	

STOCKS OF EVAPORATED, CONDENSED, AND DRIED MILK

January 1, 1943.

Commodity	1943	1942 <u>1/</u>	Average 1937-41	Change in 1943 from	
	Thousand pounds	Thousand pounds	Thousand pounds	1942	Av. 1937-41
				Percent	
Evaporated (case goods)	82,672	326,475	203,879	- 75	- 59
Condensed (case goods)	4,226	12,024	7,223	- 65	- 41
Dried whole milk	6,723	6,389	3,782	+ 5	+ 78
Dried skim milk (human food)	25,728	18,565	21,175	+ 39	+ 22
Dried skim milk (animal feed)	1,332	1,591	5,608	- 26	- 76
Total dried skim milk	27,060	20,156	26,783	+ 34	+ 1
Dried buttermilk	4,355	4,242	4,390	+ 3	- 1

1/Revised figures include late reports.

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