

September 29, 1943

EVAPORATED, CONDENSED, AND DRIED MILK REPORT

(August 1943)

EVAPORATED AND CONDENSED MILK

The production of evaporated milk, case goods, in August was slightly larger than the August production of last year and considerably larger than the 5-year (1937-41) August average. Estimated at 275,500,000 pounds, the August output exceeded that of August 1942 by 5,476,000 pounds or 2 percent, and the 5-year August average by 60,146,000 pounds, or 28 percent. In contrast, with this upward trend, production for the first eight months of 1943 -- January to August inclusive -- was 2,329,290 pounds, or 15 percent smaller than the production of the same period last year. Production of condensed milk, case goods, in August is estimated at 8,931,000 pounds, an increase of 425,000 pounds, or 5 percent over the August production of last year and 3,544,000 pounds or 66 percent over the 5-year (1937-41) August average. Production for the months of January to August inclusive, is estimated at 77,608,000 pounds, an increase of 34,821,000 pounds, or 81 percent over the production of the same months last year.

August production of plain condensed whole milk, bulk goods, is estimated at 12,188,000 pounds, a decrease of 5 percent from the production of August last year. Production of plain condensed skim milk, bulk goods, in August estimated at 35,053,000 pounds, was 7 percent larger. The August output of sweetened condensed whole milk, bulk goods, at 3,929,000 pounds was 35 percent smaller than a year earlier, but sweetened condensed skim milk, bulk goods, at 22,086,000 pounds was 2 percent larger. The demand for butterfat seems to encourage skimming and condensing of non-fat milk solids instead of condensing the whole milk.

Stocks of condensed milk held by evaporated milk plants declined during August, but at 376,779,000 pounds on September 1 were the second largest stocks of record for that date. They were 79 percent larger than the extremely smaller stocks of September last year, but only 12 percent larger than the 5-year (1937-41) September 1 average. Included in the 5-year average, however, are three years in which the September 1 stocks were unusually large, i.e., 1938, 1939, and 1940. Stocks of condensed milk, case goods, on September 1 totaled 10,736,000 pounds, 98 percent larger than the stocks of September 1 last year, 10 percent larger than the 5-year (1937-41) September 1 average, and the largest September 1 stocks since 1936.

Prices paid by condenseries to producers for milk during August average \$2.62 per hundredweight, delivered at plants for milk testing 3.5 percent butterfat. This average is 2 cents higher than the July average and 61 cents higher than the August average of last year. It is also the highest average for any month since records on paying prices of condenseries became available in 1922.

Manufacturers' selling prices in August remained unchanged from those of the preceding month but were up from those of the same month last year. The August average for evaporated milk was \$4.15 per case of 48 14 $\frac{1}{2}$ -ounce cans, and for condensed milk was \$5.84 per case of 48 14-ounce cans. These prices were 65 cents and 19 cents per case, respectively, higher than the corresponding prices of August last year.

DRIED MILK

Although continuing to exceed the level of a year earlier, the production of dried whole milk is no longer showing the exceptionally sharp gains that characterized the output of the months of February through July. August production, estimated at 9,125,000 pounds, was just about half of the July production and was only 64 percent above the output of the corresponding month last year, compared with a gain of 220 percent in July. With August milk production 2 percent under that of August last year, and with the demand for milk for fluid consumption continuing to expand in spite of the smaller production, supplies of whole milk are being diverted from manufactured dairy products to meet that demand. Irrespective of the trend of dried whole milk production for the remainder of the year, the 1943 output will, for the first time, exceed 100 million pounds. It had already reached 94,775,000 pounds at the end of August. This is an increase of 146 percent over the production of the same period last year.

Dried skim milk for human food produced in August -- spray and roller combined -- is estimated at 42,350,000 pounds. This is a decrease of 20 percent from the production of August last year. Spray dried skim milk at 21,400,000 pounds, was 24 percent less than that of a year earlier, and roller dried, at 20,950,000 pounds, was 16 percent less. August production of dried skim milk also reflected the effects of the lower August milk production and the continued shift of milk supplies from butter into fluid milk consumption. Both factors are causing less fluid skim milk supplies to be available for drying. Skim milk dried in August for animal feed is estimated at 4,750,000 pounds, a decrease of 67 percent from the August output of last year. Dried buttermilk, at 4,050,000 pounds, was 36 percent less.

<u>DRIED SKIM MILK</u> (Bulk goods) <u>Reported Sales</u>			<u>DRIED WHOLE MILK</u> (Bulk goods) <u>Reported Sales</u>		<u>DRIED BUTTERMILK</u> (Bulk goods) <u>Reported Sales</u>		
<u>Pounds</u>							
<u>Price</u>	<u>Human food</u>	<u>Animal feed</u>	<u>Price</u>	<u>Pounds</u>	<u>Price</u>	<u>Human food</u>	<u>Animal feed</u>
5 - 5½¢	-	24,624	26 - 26½¢	183,500	7 - 7½¢	-	66,369
6 - 6½	-	7,325	26½ - 27½	817,953	7½ - 8	-	369,582
6½ - 7	-	2,775	27½ - 28½	43,550	8 - 8½	-	625,713
7 - 7½	-	16,449	28½ - 29½	104,779	8½ - 9	-	615,902
7½ - 8	-	15,804	29½ - 30½	204,500	9 - 9½	-	229,197
8 - 8½	-	731,458	30½ - 31½	774,670	9½ - 10	-	66,133
8½ - 9	-	88,688	31½ - 32½	1,317,676	10 - 10½	24,722	225,876
9 - 9½	-	427,447	32½ - 33½	21,600	10½ - 11	20,800	28,821
9½ - 10	-	62,014	33½ - 34½	1,494,797	11 - 11½	25,900	3,737
10 - 10½	-	359,173	34½ - 35½	4,604,075	11½ - 12	24,409	20,142
10½ - 11	-	18,633	35½ - 36½	565,200	12 - 12½	117,450	41,344
11 - 11½	2,055	-	36½ - 37½	66,000	12½ - 13	1,592,157	-
11½ - 12	707,306	-	37½ - 38½	109,950	13 - 13½	71,190	-
12 - 12½	2,446,640	2,543	38½ - 39½	300,262	13½ - 14	33,800	-
12½ - 13	13,276,530	-			14 - 14½	120,000	-
13 - 13½	2,448,919	-			15 - 15½	168,768	-
13½ - 14	2,502,216	-			15½ - 16	9,027	-
14 - 14½	1,735,954	-					
14½ - 15	16,402,474	-					
15 - 15½	4,921,995	-					
15½ - 16	471,666	-					
16 - 16½	162,060	-					
16½ - 17	5,249	-					
TOTAL	45,083,064	1,756,933		10,608,512		2,208,223	2,292,816
GRAND TOTAL	46,839,997					4,501,039	
AVERAGE PRICE	13.79¢	8.79¢				12.93¢	8.68¢
August 1943		13.60¢		33.54¢			10.76¢
July 1943		13.51		31.66			10.88
August 1942		12.50		25.58			9.72

Total production of dried skim milk for human consumption -- spray and roller -- for the first 8 months of 1943, is estimated at 355,962,000 pounds. This is a decrease of 16 percent from the 423,503,000 pounds produced during the same 8 months last year. Production of dried skim milk for animal feed dropped from 49,691,000 pounds produced during the months of January to August, inclusive, last year to 20,009,000 pounds produced during the same months this year. This is a decrease of 60 percent. Dried buttermilk at 48,563,000 pounds was only 5 percent less.

Stocks of dried skim milk for human consumption held by manufacturers on September 1, 1943, totaled 45,665,000 pounds, compared with 36,703,000 pounds on the same date last year -- an increase of 24 percent. But, practically all of this year's stocks are being held for sale to the Army, Navy and other authorized governmental agencies, and to the Food Distribution Administration for Lend-Lease purposes. The demand for the relatively small amount of dried skim milk available for civilian consumption is such that manufacturers have little opportunity to build up inventories.

Stocks of dried whole milk on September 1 totaled 11,024,000 pounds, an increase of 26 percent over those of a year earlier. Although there are no restrictions on the sales of dried whole milk to civilians, a considerable part of the stocks held by manufacturers are for shipment under contract to the armed forces. Stocks of dried skim milk for animal feed were down -- totaling only 793,000 pounds, compared with 5,123,000 pounds on the same date last year. This is a decrease of 85 percent. September 1 stocks of dried buttermilk were also lower, totaling 3,949,000 pounds, compared with 7,447,000 pounds a year earlier -- a decrease of 47 percent.

Dried milk sold by dried milk plants for human consumption in August averaged 13.79 cents per pound, and for animal feed, 8.79 cents. The average of all dried milk sold was 13.60 cents per pound, compared with an average of 13.51 cents in July and 12.50 cents in August last year. Dried whole milk sold in August brought an average of 33.54 cents per pound, an increase of 1.88 cents per pound over the July average and 7.96 cents per pound over last year's August average. The August price of dried buttermilk was 10.76 cents per pound, fractionally lower than the July average but almost 1 cent higher than the 1942 August average.

	Unit	AUGUST		August Average 1937-41
		1943	1942	
Purchases, reported total	Pounds	557,985,000	568,871,000	421,154,000
Producers, number	Number	151,000	157,000	125,000
Average daily purchases per producer	Pounds	119.2	116.9	108.7
Changes in purchases per producer 1943 from '42	Percent	+ 2.0	xxx	xxx
1943 from 5-year average	"	+ 9.7	xxx	xxx

*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 AUGUST 1943*

Geographic Section	Case Goods		Bulk Goods			
	Evaporated (48 14½-oz. cans) Per case	Condensed (48 14-oz. cans) Per case	Plain Condensed (Unsweetened) Whole Skimmed		(Sweetened Cond.) Whole Skimmed	
	Dollars		Dollars per hundredweight			
New England	4.20	5.82	--	--	12.42	8.48
Mid Atlantic	4.15	5.82	11.00	4.30	13.11	9.03
South Atlantic	4.13	5.82	--	4.77	--	8.97
E. No. Central	4.11	5.90	9.28	3.38	11.66	8.56
W. No. Central	4.11	--	8.50	3.84	11.75	8.36
South Central	4.10	5.90	9.00	4.67	11.00	9.96
North Western	4.22	--	--	--	--	--
South Western	4.22	--	9.40	4.59	12.38	9.20
U.S. August 1943	4.15	5.84	9.72	4.16	12.12	8.83
U.S. July 1943	4.15	5.84	9.62	4.10	12.02	8.62
U.S. August 1942	3.50	5.65	8.01	3.67	11.46	8.12

*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 AUGUST 1943

8 GEOGRAPHIC SECTIONS

Geographic Section	Number of factories reporting	Price per cwt.	
		Range Dollars	Average Dollars
New England	-- 1/	--	--
Mid Atlantic	9 1/	2.67-2.80	2.73
South Atlantic	8	2.41-3.30	2.65
E.N. Central	94	2.40-3.08	2.60
W.No. Central	12	2.47-2.67	2.52
South Central	12	2.43-2.58	2.47
North Western	11	2.48-2.65	2.57
South Western	23	2.50-3.08	2.82
U.S. August 1943	169	2.40-3.30	2.62
U.S. July 1943	169	2.28-3.20	2.60
U.S. August 1942	168	1.75-2.50	2.01

6 EVAPORATED MILK MARKETING AGREEMENT SECTIONS

Section	August 1943	July 1943	August 1942
	Dollars	Dollars	Dollars
1	2.61	2.59	1.97
2	2.73	2.69	2.09
3	2.50	2.46	1.85
4	2.60	2.59	2.05
5	2.56	2.56	2.08
6	2.92	2.87	2.36
U.S. Average	2.62	2.60	2.01

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 August \$2.03. Prices paid at Midwest condenseries promulgated officially under the New York and Chicago Marketing Milk Order for August New York City \$2.59875 Chicago \$2.599.

EVAPORATED MILK MARKETING AGREEMENT MINIMUM PRICES FOR AUGUST

Section 1 - \$1.962	Section 2 - \$2.032	Section 3 - \$1.774
Section 4 - \$1.598	Section 5 - \$1.627	Section 6 - \$1.785

PRODUCTION OF EVAPORATED, CONDENSED AND DRIED MILK

9/29/43

Commodity	August 1943	August 1942	Change in Aug. 1943 from		Cumulative total	
	1/	2/	1942	1937-41 average	Jan.-Aug. 1943	Change from Jan.-Aug. 1942
	Thousand pounds		Percent		Thous. lbs.	Percent
Evaporated and Condensed Milk						
Evaporated (case goods)	275,500	270,024	+ 2	+ 28	2,329,290	- 15
Condensed (case goods)	8,931	8,506	+ 5	+ 66	77,608	+ 81
Plain Condensed Whole (bulk)	12,188	12,830	+ 5	- 5	78,557	- 15
" " Skimmed (bulk)	35,053	32,760	+ 7	+ 27	222,340	- 1
Sweetened Condensed Whole (bulk)	3,929	6,044	- 35	- 23	39,509	- 27
" " Skimmed (bulk)	22,088	21,653	+ 2	+ 74	193,928	+ 17
Dried Milk						
Dried Whole	9,125	5,558	+ 64	+295	94,775	+146
Dried Skim (Human Food):						
Spray Process	21,400	28,035	- 24	3/	182,750	- 13
Roller Process	20,950	24,861	- 16	3/	173,212	- 18
Total (Human Food)	42,350	52,896	- 20	+ 78	355,962	- 16
Dried Skim (Animal Feed)	1,750	5,377	- 67	- 82	20,009	- 60
Total Dried Skim	44,100	58,273	- 24	+ 32	375,971	- 21
Dried Buttermilk	4,050	6,336	- 36	- 22	48,563	- 5

1/ Estimated. Subject to revision when the final report is available for 1942. 2/ Preliminary figures. 3/ Spray and roller-dried skim not reported separately prior to 1942.

STOCKS OF EVAPORATED, CONDENSED AND DRIED MILK SEPTEMBER 1

Commodity	1943	1942	Average 1937-41	Change in '43 from	
	1943	1/		1942	Av. 1937-41
	Thousand pounds		Thous. lbs.	Percent	
Evaporated and Condensed Milk					
Evaporated (case goods)	376,779	210,140	335,375	+ 79	+ 12
Condensed (case goods)	10,736	5,412	9,745	+ 98	+ 10
Dried Milk					
Dried Whole	11,024	8,760	5,490	+ 26	+101
Dried Skim (Human Food):					
Spray Process	22,437	2/	2/	2/	2/
Roller Process	23,228	2/	2/	2/	2/
Total (Human Food)	45,665	36,703	32,283	+ 24	+ 41
Dried Skim (Animal Feed)	793	5,123	6,292	- 85	- 87
Total Dried Skim	46,458	41,826	38,575	+ 11	+ 20
Dried Buttermilk	3,949	7,447	5,109	- 47	- 23

1/ Revised to include late reports. 2/ Not reported separately prior to January 1, 1943.

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