

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

June 29, 1944

EVAPORATED, CONDENSED, AND DRIED MILK REPORT
(May 1944)

EVAPORATED AND CONDENSED MILK

May production of evaporated milk, case goods, is estimated at 417,500,000 pounds, a seasonal increase of 31 percent above the April production, 11 percent larger than in May 1943, and 29 percent over the 5-year (1938-42) May average production. With the exception of 1942, the May output was the largest of record, and it was only 6 percent below the record production of May 1942. Output of canned condensed milk, estimated at 17,250,000 pounds for May, also made a sharp seasonal increase of 34 percent over April, was 54 percent higher than in May last year and 204 percent over the 5-year May average. The cumulative production during the first 5 months of this year (January through May) was 6 percent larger for evaporated milk and 19 percent larger for canned condensed milk, than in the first 5 months of 1943.

The output of sweetened condensed whole milk (bulk goods), estimated at 8,011,000 pounds for May, was 18 percent larger than in May 1943, but 4 percent below the 5-year May average, while production of sweetened condensed skim milk (bulk goods), placed at 40,985,000 pounds, was 30 percent larger than last year and 79 percent above the May average. Production of sweetened condensed milk, both skimmed and unskimmed, has been larger than a year earlier every month thus far in 1944, and the cumulative production during the first 5 months exceeded the output during those months last year by 26 percent for whole milk and 25 percent for skimmed milk.

May production of plain condensed whole milk (bulk goods) made only a slight seasonal increase over April. Estimated at 12,479,000 pounds, it was 3 percent larger than in May last year but was 8 percent under the 5-year May average. In April, output of this product was 15 percent larger than a year earlier and was equal to the 5-year April average. Production of plain condensed skim milk (bulk goods) continues to decline further compared with a year earlier, with the production estimated at 24,881,000 pounds, 15 percent lower than in May 1943 and 7 percent below the 5-year May average. Plain condensed skim milk (bulk goods) has declined steadily for several months, and the reason probably lies partly in the diversion of skim milk supplies to dried skim milk powder.

Manufacturers' stocks of evaporated milk, case goods, totaled 241,012,000 pounds on June 1, up 33 percent from a month earlier, but 5 percent lower than on June 1 last year and 2 percent below the 5-year June 1 average. This is the first time this year that manufacturers' stocks of canned evaporated milk have been lower than on the comparable date last year. In 1943, manufacturers' stocks more than doubled from May 1 to June 1. Stocks of canned condensed milk totaled 12,968,000 pounds on June 1, an increase of 54 percent during the month of May, 42 percent larger than on June 1 last year and 59 percent above the 5-year June 1 average.

Manufacturers' selling prices of canned evaporated milk in cartons remains unchanged at \$4.15 per case of 48-14 1/2 oz. cans, the same as last month and every month since early in 1943. Manufacturers' selling prices for canned condensed milk averaged \$6.33 per case of 48-14 oz. cans during May, an increase of 11 cents per case compared with April. This advance in price was due to specific dollar-and-cents wholesale ceiling prices established by Amendment 30 to MPR 289 which did not become effective until April 8, 1944. Therefore, the average price reported last month did not represent the full advance allowed by the amendment.

Wholesale prices for bulk condensed milk on the other hand, are lower than a month earlier except for plain condensed skim milk which averaged 5 cents per hundredweight higher than last month. These declines were carried over from April and resulted from the ceiling prices established by Amendment 30 to MPR 289. In early June, OPA announced higher maximum prices to processors of bulk condensed milk in the 13 North Eastern States and the District of Columbia, permitting an increase of around 7 cents per hundredweight on bulk skim milk products and 25 cents per hundredweight on condensed whole milk products.

During May, condenseries paid an average of \$2.61 per hundredweight f.o.b. the plant, for milk testing 3.5 percent butterfat. This represents a decline of 4 cents per hundredweight from the April average of \$2.65 and compares with \$2.59 in May last year. Prices paid by condenseries have declined 13 cents per hundredweight thus far this year from the February high of \$2.74, being down 3 cents in March, 6 cents in April, and 4 cents in May.

DRIED MILK

The May production of dried skim milk for human consumption was the largest of record. Estimated at 78,025,000 pounds, it was 15 percent larger than in May last year and 81 percent above the 5-year May average. Of this quantity, an estimated 32,800,000 pounds were produced by the spray process and 45,225,000 pounds by the roller process. Compared with May 1943 current estimates represent an increase of 13 percent in the output of spray process and a 17 percent increase for roller process. The cumulative production (January through May) is 3 percent larger than a year earlier for spray process and 30 percent larger for roller process.

DRIED SKIM MILK (Bulk goods)		DRIED WHOLE MILK (Bulk Goods)		DRIED BUTTERMILK (Bulk Goods)	
Reported Sales		Reported Sales		Reported Sales	
Pounds		Pounds		Pounds	
Price		Price		Price	
¢		¢		¢	
Human food	Animal feed	Human food	Animal feed	Human food	Animal feed
5 - 5½	8,433	25½ - 26½	137,450	6½ - 7	12,832
5½ - 6	3,412	26½ - 27½	151,535	7 - 7½	100,635
6 - 6½	41,097	27½ - 28½	352,800	7½ - 8	101,608
6½ - 7	1,950	28½ - 29½	968,375	8 - 8½	667,055
7 - 7½	18,868	29½ - 30½	8,725	8½ - 9	378,236
7½ - 8	16,564	30½ - 31½	174,447	9 - 9½	206,295
8 - 8½	351,028	31½ - 32½	496,860	9½ - 10	84,041
8½ - 9	148,412	32½ - 33½	565,400	10 - 10½	202,072
9 - 9½	168,960	33½ - 34½	3,167,539	10½ - 11	8,215
9½ - 10	316,387	34½ - 35½	801,318	11 - 11½	8,590
10 - 10½	69,948	35½ - 36½	24,000	11½ - 12	-
10½ - 11	19,745	36½ - 37½	859,550	12 - 12½	85,767
11 - 11½	8,535	37½ - 38½	511,330	12½ - 13	7,200
11½ - 12	72,410	38½ - 39½	1,473,226	13½ - 14	318,583
12 - 12½	1,347			14 - 14½	209,435
12½ - 13	121,360			14½ - 15	207,246
13 - 13½	391,644			15 - 15½	1,129,947
13½ - 14	3,703,354			16 - 16½	79,601
14 - 14½	22,130,575			17 - 17½	225
14½ - 15	18,960,497				
15 - 15½	8,747,749				
15½ - 16	2,853,458				
16 - 16½	2,335,181				
16½ - 17	1,925				
TOTAL	59,245,753		9,692,555		2,046,594
GRAND TOTAL	60,518,927				1,760,989
AVERAGE PRICE	14.55¢		34.13¢		14.65¢
	9.12¢				8.53¢
MAY 1944	14.43¢		34.13¢		11.82¢
APRIL 1944	14.40¢		34.93¢		12.01¢
MAY 1943	13.58¢		32.63¢		11.40¢

1/ Correct grand total for last month was 3,424,933. Prices were correct.

Because of a temporary but severe shortage of new barrels, WFA announced on June 12 that manufacturers of dried skim milk need to set-aside only 50 percent of their production of spray process skim milk powder during June and only 35 percent of their June production of roller process powder. Previously, manufacturers were required to set-aside 75 percent of their monthly production of their spray process and 50 percent of their roller output. WFA emphasized that the reduction in June set-aside percentages is just an emergency action and does not mean that requirements for milk powder have declined. The higher set-aside percentages will be resumed in July.

Production of dried whole milk is placed at 18,500,000 pounds for May, an increase of 40 percent compared with May last year and about 4½ times larger than the 5-year May average production. Current rates of production are the largest of record. They have been larger than a year earlier every month thus far in 1944, although in March there was only a 4 percent increase compared with a year earlier.

Output of dried skim milk for animal feed showed a sharp seasonal increase during May and production, estimated at 3,050,000 pounds, is one percent higher than in May 1943. Compared with the 5-year May average, however, it is down 82 percent and the cumulative production thus far this year is 39 percent lower than in the first 5 months of 1943. Production of dried skim milk for animal feed reached the peak in 1941, but has lagged continuously since that time.

The May production of dried buttermilk was estimated at 5,950,000 pounds, a decline of 5 percent compared with April, 20 percent lower than in May last year, and 22 percent under the 5-year May average. The cumulative production during the first 5 months of 1944 is 18 percent lower than in those months a year earlier.

Manufacturers' wholesale selling prices for spray and roller process dried skim milk for human consumption averaged 14.55 cents per pound during May. The wholesale price for dried skim milk for animal feed averaged 9.12 cents per pound, and the combined prices for both human food and animal feed averaged 14.43 cents compared with 14.40 in April and 13.58 cents in May last year. The wholesale price for dried whole milk averaged 34.13 cents during May, down 0.8 of a cent from the April average of 34.93 cents. It compares with the May 1943 average of 32.63 cents. The decline from the April price was caused by a larger portion of the sales at the 33½ to 34½ cent level, and fewer sales at the top level of 38½ to 39½ cents. Dried buttermilk prices averaged 11.82 cents per pound during May, compared with 12.01 cents in April and 11.40 cents in May last year.

Manufacturers' stocks of dried skim milk for human food totaled 66,482,000 pounds on June 1, an increase of 52 percent compared with that date in 1943 and 80 percent above the 5-year average for June 1. June 1 stocks of spray process, totaling 30,081,000 pounds were 3 percent lower than on that date last year, but stocks of roller process were 187 percent higher. Stocks of dried skim milk for animal feed totaled 1,912,000 pounds on June 1, more than double the stocks on that date last year, but 73 percent less than the 5-year June 1 average. Stocks of dried buttermilk totaled 4,969,000 pounds on June 1, up 7 percent from June 1, 1943, but 11 percent lower than the 5-year av.

	Unit	1944	1943	May Average 1938-42
Purchases, reported total	Pounds	736,231,000	653,457,000	557,032,000
Producers	Number	154,000	148,000	130,000
Average daily purchases per producer	Pounds	154.2	144.6	138.2
Changes in purchases per producer 1944 from '43	Percent	+6.6	xxx	xxx
1944 from 5-yr. average	"	+11.6	xxx	xxx

*These figures represent milk purchases primarily for the manufacture of evaporated and condensed milk.

AVERAGE WHOLESALE SELLING PRICES IN CARLOTS OF EVAPORATED AND CONDENSED MILK BY GEOGRAPHIC SECTIONS MAY 1944*

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) Whole Skimmed		Sweetened Cond. Whole Skimmed	
	Dollars		Dollars per hundredweight		Dollars per hundredweight	
New England	4.20	6.34	-	3.91	12.44	8.26
Mid. Atlantic	4.14	6.34	11.27	4.29	12.50	8.09
South Atlantic	4.13	6.34	8.81	4.47	11.98	7.97
East North Central	4.10	6.25	8.42	3.81	11.90	7.95
West North Central	4.11	-	8.36	4.04	12.69	8.08
South Central	4.10	6.34	-	4.65	12.28	8.19
North Western	4.21	-	-	-	-	-
South Western	4.23	-	-	4.42	12.28	8.18
U.S. MAY 1944	4.15	6.33	9.70	4.22	12.17	8.07
U.S. APRIL 1944	4.15	6.22	10.16	4.17	12.19	8.14
U.S. MAY 1943	4.15	5.84	9.58	4.16	11.87	8.58

*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 MAY 1944

B. GEOGRAPHIC SECTIONS

Geographic Section	Number of factories reporting	Price per cwt.	
		Range Dollars	Average Dollars
New England	1/	-	-
Mid. Atlantic	9 1/2	2.65 - 2.75	2.70
So. Atlantic	7	2.45 - 2.90	2.56
E. No. Central	92	2.30 - 2.93	2.56
W. No. Central	12	2.40 - 2.65	2.50
South Central	14	2.40 - 2.54	2.45
North Western	11	2.40 - 2.81	2.61
South Western	23	2.49 - 3.14	2.93
U.S. MAY 1944	168	2.30 - 3.14	2.61
U.S. APRIL 1944	168	2.40 - 3.14	2.65
U.S. MAY 1943	168	2.28 - 2.97	2.59

6 EVAPORATED MILK MARKETING AGREEMENT SECTIONS

Section	May 1944 Dollars	April 1944 Dollars	May 1943 Dollars
1	2.57	2.61	2.59
2	2.70	2.76	2.68
3	2.47	2.51	2.43
4	2.66	2.67	2.61
5	2.59	2.61	2.55
6	3.07	3.07	2.83
U.S. Average	2.61	2.55	2.59

1/ Reports not received from 7 factories in these areas which base prices on formula in evaporated milk market agreements. Formula price for these areas in May \$2.03

Prices paid at Midwest condenseries promulgated officially under the New York and Chicago Marketing Milk Order for May, New York City \$2.578250. Chicago \$2.588

EVAPORATED MILK MARKETING AGREEMENT MINIMUM PRICES FOR MAY

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

*REVISION OF PRICES FOR MARCH, APRIL AND MAY 1943

Section 4 - \$1.790 not \$1.810 as published
Section 5 - \$1.819 not \$1.848 as published
Section 6 - \$1.995 not \$2.016 as published

COMMODITY	MAY 1944 1/	May 1943 1/	Change in May 1944 from		Cumulative total	
			1943	1938-42 average	Jan. May 1944	Change from Jan. May 1943
Evaporated and Condensed Milk	Thousand Pounds		Percent		Thous. lbs.	Percent
Evaporated (case goods)	417,500	376,015	+11	+39	1,409,200	+6
Condensed (case goods)	17,250	11,207	+54	+204	56,879	+19
Plain Condensed Whole (bulk)	12,479	12,116	+3	-8	44,141	+5
" " Skimmed (bulk)	24,881	29,272	-15	-7	120,201	-5
Sweetened Cond. Whole (bulk)	8,011	6,789	+18	-4	32,395	+26
" " Skimmed (bulk)	40,985	31,527	+30	+79	137,198	+25
DRIED MILK						
Dried Whole	18,500	13,174	+40	+447	76,020	+38
Dried Skim (Human Food)						
Spray Process	32,800	29,125	+13	2/	111,600	+3
Roller Process	45,225	3/38,700	+17	2/	3/128,725	+30
Total (Human Food)	78,025	67,825	+15	+81	3/240,325	+16
Dried Skim (Animal Feed)	3,050	3,018	+1	-82	7,600	-39
Total Dried Skim	81,075	70,843	+14	+35	247,925	+13
Dried Buttermilk	5,950	7,468	-20	-22	26,250	-18

1/Estimated. Subject to revision when the final report is available for 1943. 2/Spray and roller-dried skim not reported separately prior to 1942. 3/Revised, Apr. 1944 prod. revised to 34,250,000 lb

STOCKS OF EVAPORATED, CONDENSED AND DRIED MILK JUNE 1

COMMODITY	1944	1943 1/	Average 1938-42	Change in 1944 from	
				1943	Ave. 1938-42
Evaporated and condensed Milk	Thousand Pounds		Thous. lbs.	Percent	
Evaporated (case goods)	241,012	253,149	244,984	-5	-2
Condensed (case goods)	12,968	9,121	8,162	+42	+59
Dried Milk					
Dried Whole	20,301	16,588	4,605	+22	+341
Dried Skim (Human Food)					
Spray Process	30,081	30,980	2/	-3	2/
Roller Process	36,401	12,689	2/	+187	2/
Total (Human Food)	66,482	43,669	37,030	+52	+80
Dried Skim (Animal Feed)	1,912	930	7,203	+106	-73
Total Dried Skim	68,394	44,599	44,233	+53	+55
Dried Buttermilk	4,969	4,628	5,596	+7	-11

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

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