

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

August 11, 1944

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

CORRECTED COPY

Because of errors in the revised figures on the production of dry milk solids during the first six months of 1944 on pages 1, 4, 5, and 6 of the July 31st release, this substitute corrected copy is issued to replace that release.

EVAPORATED AND CONDENSED MILK

During June the output of canned milk by the nation's condenseries continued well above that of last year according to reports furnished the Bureau of Agricultural Economics by a large section of the industry. Production of evaporated milk (case goods, unsweetened) was estimated at 412 million pounds; This was record high for June, 8 percent above that in June last year and 4 percent more than in June 1942. Seasonally, however, production declined slightly from the May output of 413 million pounds. In three other years of the past decade--1938, 1941 and 1942--production of evaporated milk reached its seasonal peak in May rather than in June. In the first half of 1944, the production of evaporated milk totaled 1,806 million pounds, about 6 percent higher than in the first 6 months of last year. Revised estimates of production for earlier months of 1944 and the recently released monthly production figures for 1943, as obtained in the preliminary enumeration of dairy plants, are shown on page 6. Production of canned sweetened condensed milk in June, at 16.4 million pounds, is also below the production in May this year, but was about one-third greater than June production last year, and was the highest for the month since 1927.

The 21 million pounds of bulk condensed whole milk produced in June was divided about equally between the unsweetened and sweetened products. Output of plain condensed (unsweetened) bulk goods, estimated at 10.4 million pounds, was up 5 percent from June 1943, but was about one-fourth less than was produced in that month during the 1938-42 period. Production of bulk sweetened condensed whole milk, estimated at 10.4 million pounds, was up 7 percent from last year and was about $1\frac{1}{2}$ times average June production. Production of unsweetened condensed skim milk was down about 17 percent from last year, while sweetened condensed skim milk was up about 10 percent.

Stocks of evaporated milk held by manufacturers on June 30 totaled 308 million pounds, about 18 percent below the record stocks for this date last year, but 6 percent above the average of quantities held on June 30 in the 1938-42 period. Manufacturers' holdings of condensed milk (case goods) totaling about 15 million pounds were 40 percent higher than on June 30 last year and were the highest recorded for the date since 1935.

Manufacturers' wholesale selling prices of evaporated milk in June averaged \$4.15 per case, the same as in each of the 15 preceding months. Wholesale selling prices of ~~sweetened condensed milk~~ averaged \$6.33 per case during June, the same as in May, but 8 percent higher than the average price a year earlier. War Food Administration purchases of canned milk during June totaled 35 million pounds of evaporated milk and 4 million pounds of sweetened condensed milk, bringing the total purchases in 1944 to 272 million pounds and 54 million pounds respectively.

Prices paid producers by condenseries for milk testing 3.5 percent butterfat averaged \$2.60 per hundredweight during June. This represents a decline of 1 cent from May and 14 cents since January, but was 1 cent higher than the average for June last year. In the main condensery areas, (East North Central) the price paid producers was 4 cents per hundredweight below last year, but prices higher than last year were paid in some other sections, particularly the West. In all areas the condensery paying prices were well above the "code" minimum established by the evaporated milk marketing agreement, with a spread of more than \$1.00 per hundredweight in sections 4 and 6.

DRIED MILK

Production of nonfat dried milk solids (dried skim milk) for human consumption continues at a high level according to reports to the Bureau of Agricultural Economics. Estimated at 79,350,000 pounds, the June output was the largest of record for that month, 20 percent higher than a year earlier, and 86 percent above the 5-year (1938-42) June average. Of this quantity, an estimated 33,235,000 pounds were produced by the spray process and 46,115,000 pounds by the roller process. Production of spray dried during June 1944 was 15 percent larger than in June 1943, while production of roller dried was 24 percent larger. The cumulative production of nonfat dried milk solids during the first 6 months of 1944 (January through June) totals 329,935,000 pounds or 3

DRIED NONFAT SOLIDS (Bulk goods)			DRIED WHOLE MILK (Bulk Goods)		DRIED BUTTERMILK (Bulk Goods)		
Reported Sales			Reported Sales		Reported Sales		
Price ¢	Pounds		Price ¢	Pounds	Price ¢	Pounds	
	Human Food	Animal feed				Human food	Animal feed
5 -5½		16,241	25½ - 26½	628,800	7 - 7½		87,216
6 -6½		29,981	26½ - 27½	922,327	7½ - 8		146,050
6½ -7		23,358	28½ - 29½	2,012,092	8 - 8½		719,324
7 -7½		21,744	29½ - 30½	8,000	8½ - 9		499,271
7½ -8		73,604	30½ - 31½	41,000	9 - 9½		195,801
8 -8½		292,283	31½ - 32½	410,300	9½ - 10		92,776
8½ -9		109,318	32½ - 33½	3,600	10 - 10½		270,732
9 -9½		211,133	33½ - 34½	271,750	10½ - 11	5,639	3,055
9½ -10		288,062	34½ - 35½	556,260	11½ - 12	20,400	
10 -10½		110,715	35½ - 36½	208,702	12 - 12½	114,675	
10½ -11		5,273	36½ - 37½	1,112,150	12½ - 13	5,800	
11 -11½		42,797	37½ - 38½	1,564,867	13 - 13½	24,500	
11½ -12		7,600	38½ - 39½	1,378,666	13½ - 14	243,572	
12 -12½	4,900	7,707	39½ - 40½	7,251,591	14 - 14½	216,130	
12½ -13	4,236,448	-			14½ - 15	1,321,058	
13 -13½	541,372	-			15 - 15½	125,205	
13½ -14	6,936,789	36,070			15½ - 16	600	
14 -14½	20,428,699				16 - 16½	119,025	
14½ -15	23,129,881						
15 -15½	14,129,013						
15½ -16	1,238,547						
16 -16½	590,419						
16½ -17	200						
TOTAL	71,236,268	1,275,886		16,370,105		2,196,604	2,014,225
GRAND TOTAL		72,512,154				4,210,829	
AVERAGE PRICE	14.40¢	9.01¢				14.42¢	8.63¢
JUNE 1944	14.31¢			36.19¢		11.65¢	
MAY 1944	14.43¢			1/ 36.50¢		11.82¢	
JUNE 1943	13.69¢			32.91¢		10.59¢	

1/ Revised

percent more than in those months last year. On July 17, the War Food Administration announced new set-aside quotas of nonfat dried milk solids, for war uses, effective August 1. Under these new quotas, 60 percent of the production of spray dried milk powder and 35 percent of the production of roller dried milk powder will be required to be set aside by manufacturers during August and September. During July, manufacturers were required to set aside 75 percent of their production of spray dried nonfat dried milk solids and 50 percent of their production of roller dried.

The June production of dried whole milk is placed at 18,985,000 pounds, an increase of 11 percent compared with a year earlier and 407% compared with the 5-year June average. Production of dried whole milk has been increasing rapidly for approximately 2 years and current levels of production are much above those prior to 1943. In 1941, for instance, the June production of dried whole milk was only 4,294,000 pounds, less than one-fourth of that of June, 1944.

Production of dried skim milk for animal feed, on the other hand, continues to lag far behind earlier years. Production for June is placed at 2,550,000 pounds, a decrease of 27 percent compared with the June 1943 production and 84 percent less than the 5-year June average output. The cumulative production of dried skim milk for animal feed, during the first 6 months of 1944 was 34 percent lower than those months last year.

DRIED BUTTERMILK

Estimated at 7,675,000 pounds, the June production of dried buttermilk was 4 percent larger than a year earlier and 2 percent over the 5-year June average. The cumulative production thus far this year was 7 percent lower than in the first half of 1943.

The manufacturers' wholesale selling prices for nonfat dried milk solids averaged a little less in June than in May. The June average for human food was 14.40 cents per pound compared with 14.59 cents in May, while the price for animal feed averaged 9.01 cents in June as against 9.12 cents in May. The combined average for nonfat dried milk solids-both human food and animal feed-was 14.31 cents in June compared with 14.43 cents a month earlier and 13.69 cents in June last year.

7/31/44

MILK PURCHASES BY CONDENSERIES JUNE 1944, WITH COMPARISONS*

P. 73

	Unit	JUNE		JUNE AVERAGE
		1944	1943	1938-42
Purchases, reported total	Pounds	737,909,000	687,622,000	551,849,000
Producers	Number	159,000	152,000	134,000
Average daily purchases per producer	Pounds	154.7	150.8	137.3
Changes in purchases per producer 1944 and '43	Percent	+ 2.6	xxx	xxx
1944 from 5-yr. average	"	+12.7	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 JUNE 1944*

Geographic Section	Case Goods		Bulk Goods			
	Evaporated (48 14½ oz. cans) per case	Condensed (48 14 oz. cans) per case	Plain Condensed (Unsweetened)		Sweetened Cond.	
			Whole	Skimmed	Whole	Skimmed
	Dollars		Dollars per hundredweight			
New England	4.20	6.34	-	3.93	12.59	8.28
Mid. Atlantic	4.14	6.34	11.32	4.42	12.44	8.13
South Atlantic	4.13	6.34	9.11	4.45	-	8.08
East North Central	4.10	6.25	8.45	3.80	12.08	7.97
West North Central	4.12	-	8.36	3.81	12.69	7.99
South Central	4.10	6.34	-	4.59	-	8.11
North Western	4.21	-	-	-	-	-
South Western	4.22	-	-	4.42	12.28	8.18
U.S. JUNE 1944	4.15	6.33	9.70	4.19	12.28	8.08
U.S. MAY 1944	4.15	6.33	9.70	4.22	12.17	8.07
U.S. JUNE 1943	4.15	5.84	9.65	4.20	11.95	8.75

*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 JUNE 1944

8 GEOGRAPHIC SECTIONS

Geographic Section	Number of factories reporting	Price per cwt.	
		Range Dollars	Average Dollars
New England	- 1/	-	-
Mid. Atlantic	9 1/	2.64 - 2.70	2.68
So. Atlantic	7	2.45 - 2.90	2.54
E. No. Central	93	2.40 - 2.94	2.55
W. No. Central	12	2.40 - 2.65	2.51
South Central	14	2.38 - 2.54	2.43
North Western	11	2.45 - 2.81	2.62
South Western	23	2.49 - 3.14	2.92
U.S. JUNE 1944	169	2.38 - 3.14	2.60
U.S. MAY 1944	168	2.30 - 3.14	2.61
U.S. JUNE 1943	169	2.28 - 3.20	2.59

6 EVAPORATED MILK MARKETING AGREEMENT SECTIONS

Section	June 1944 Dollars	May 1944 Dollars	June 1943 Dollars
1	2.56	2.57	2.59
2	2.68	2.70	2.68
3	2.46	2.47	2.44
4	2.66	2.66	2.56
5	2.59	2.59	2.54
6	3.06	3.07	2.86
U.S. AVERAGE	2.60	2.61	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 June \$2.03. Prices paid at Midwest condenseries promulgated officially under the New York and Chicago Marketing Milk Order for June, New York City \$2.570940 Chicago \$2.582.

EVAPORATED MILK MARKETING AGREEMENT MINIMUM PRICES FOR JUNE

Section 1 - \$1.962
Section 4 - \$1.598

Section 2 - \$2.032
Section 5 - \$1.627

Section 3 - \$1.774
Section 6 - \$1.785

COMMODITY	June 1944 1/	June 1943 2/	Change in June 1944 from		Cumulative total	
			1943	1938-42 average	Jan. June 1944	Change from Jan. June 1943
	Thousand	Pounds	Percent		Thous. lbs.	Percent
<u>Evaporated and Condensed Milk</u>						
Evaporated (case goods)	412,500	382,636	+ 8	+ 30	1,806,016	+ 6
Condensed (case goods)	16,400	12,429	+32	+181	71,978	+18
Plain Condensed Whole (bulk)	10,438	9,935	+ 5	- 26	57,138	+ 5
" " Skimmed (bulk)	27,281	32,869	-17	- 5	152,908	- 2
Sweetened Cond. Whole (bulk)	10,443	9,760	+ 7	+ 53	49,539	+22
" " Skimmed (bulk)	51,190	46,536	+10	+142	206,323	+21
<u>Dried Milk</u>						
Dried Whole	18,985	17,056	+11	+407	93,685	+25
Dried Nonfat Solids 4/						
Human Food-Spray Process	33,235	29,009	+15	3/	144,735	+ 8
" " Roller Process	46,115	37,145	+24	3/	176,200	- 1
<u>Total (Human Food)</u>	79,350	66,154	+20	+ 86	320,935	+ 3
Dried Skim Milk (Animal Feed)	2,550	3,504	-27	- 84	10,240	-34
Dried Buttermilk	7,675	7,354	+ 4	+ 2	33,500	- 7

1/ Estimated. Subject to revision when the final report is available for 1943. 2/ Preliminary figures. 3/ Spray and roller dried nonfat solids not reported separately prior to 1942.

STOCKS OF EVAPORATED, CONDENSED AND DRIED MILK JUNE 30

COMMODITY	1944	1943 1/	Average 1938-42	Change in 1944 from	
				1943	Ave. 1938-42
	Thousand	Pounds	Thous. lbs.	Percent	
<u>Evaporated and condensed Milk</u>					
Evaporated (case goods)	307,697	373,784	290,606	-18	+ 6
Condensed (case goods)	15,023	10,736	8,975	+40	+ 67
<u>Dried Milk</u>					
Dried Whole	22,868	15,784	5,589	+45	+309
Dried Nonfat Solids 4/					
Human Food-Spray Process	32,536	24,513	2/	+33	2/
" " Roller Process	40,274	32,172	2/	+25	2/
<u>Total (Human Food)</u>	72,810	56,685	37,055	+28	+ 96
Dried Skim Milk (Animal Feed)	2,682	1,591	7,933	+69	- 66
Dried Buttermilk	8,341	5,169	5,934	+61	+ 41

1/ Revised to include late reports. 2/ Not reported separately prior to January 1, 1943.
4/ Formerly dried skim milk.

The manufacturers' wholesale price for dried whole milk averaged 36.19 cents during June, down slightly from the May average of 36.50 cents per pound (revised owing to late reports), and compares with 32.91 cents during June last year. The price of dried buttermilk also declined slightly during June compared with May. The June average was 11.65 cents per pound, compared with 11.82 cents in May and 10.59 cents in June 1943.

Manufacturers' stocks of dried milk on June 30, ranged from 25 to 69 percent larger than on that date a year earlier. June 30 stocks of dried whole milk totaled 22,868,000 pounds, an increase of 45 percent compared with that date last year and 309 percent larger than the 5-year average stocks for that date. Stocks of nonfat dried milk solids for human consumption totaled 72,810,000 pounds on June 30, of which 32,536,000 pounds were spray process and 40,274,000 pounds made by the roller process. Compared with a year earlier stocks of spray process were 33 percent larger, roller 25 percent larger, and combined stocks 28 percent larger. Stocks of dried skim milk for animal feed showed the largest percentage increase compared with a year earlier, totaling 2,682,000 pounds, or 69 percent more than on June 30, 1943, but 66 percent less than the 5-year average for that date. Stocks of dried buttermilk were also larger, totaling 8,341,000 pounds, 61 percent more than on June 30 last year and 41 percent above the 5-year average.

EVAPORATED MILK (Case Goods)

Month	1944 1/	1943 1/ Thousand Pounds	Average 1938-42	Change in 1944 from	
				1943	Ave. 1938-42 Percent
January	191,031	201,085	180,803	- 5	+ 6
February	208,992	208,076	183,381	0	+14
March	266,621	251,529	220,374	+ 6	+21
April	313,508	285,007	249,818	+10	+26
May	413,364	372,400	324,624	+11	+27
June	412,500	382,636	317,849	+ 8	+30
July		331,556	267,680		
August		275,285	236,857		
September		232,620	203,939		
October		188,627	185,249		
November		153,870	157,133		
December		169,717	173,617		
Total		3,052,408	2,700,904		

CONDENSED MILK (Case Goods)

January	7,528	8,009	4,099	- 6	+84
February	9,435	8,431	4,189	+12	+125
March	9,905	9,452	5,296	+ 5	+87
April	12,210	11,021	5,198	+11	+135
May	16,500	11,697	5,668	+41	+191
June	16,400	12,429	5,828	+32	+181
July		10,478	6,479		
August		10,094	6,286		
September		9,440	6,200		
October		9,911	6,047		
November		8,393	5,188		
December		8,589	5,121		
Total		117,944	65,599		

REVISED ESTIMATED PRODUCTION DRIED NONFAT SOLIDS
BY MONTHS, WITH COMPARISONS

Month	Human Food						Animal Feed		
	Spray		Roller		Total		5-yr. ave. 1938-42	1944 1/	1943 1/
	1944 1/	1943 1/	1944 1/	1943 1/	1944 1/	1943 1/			
	Thousand pounds								
January	15,450	15,345	10,775	20,350	26,225	35,695	24,909	1,190	1,984
February	16,150	15,679	12,650	21,402	28,800	37,081	24,482	850	1,602
March	21,400	20,753	26,400	27,773	47,800	48,526	30,394	1,050	2,500
April	25,700	24,576	34,525	31,726	60,225	56,302	33,996	1,425	2,712
May	32,800	28,752	45,735	38,709	78,535	67,461	43,195	3,175	3,301
June	33,235	29,009	46,115	37,145	79,350	66,154	42,635	2,550	3,504
July		25,334		28,239		53,573	34,745		2,758
August		21,568		21,139		42,707	30,479		1,881
September		16,775		15,866		32,641	26,886		1,472
October		13,385		10,616		24,001	25,008		1,063
November		11,179		7,117		18,296	21,133		790
December		14,025		8,932		22,957	24,277		879
Total		236,380		269,014		505,394	362,139		24,446

1/ Estimates for the months of January through May 1944 have been revised. All of the 1943 figures are preliminary and subject to some change when the final enumeration figures for that year become available. At the same time revisions will be made in all of the

REVISED ESTIMATED PRODUCTION DRIED WHOLE MILK AND DRIED BUTTERMILK
BY MONTHS, WITH COMPARISONS

7/31/44

Month	DRIED WHOLE MILK				DRIED BUTTERMILK			
	1944 1/	1943 1/	Change in 1944 from		1944 1/	1943 1/	Change in 1944 from	
	Thousand	pounds	1943	Ave. 1938-42	Thousand	pounds	1943	Ave. 1938-42
			Percent				Percent	
January	13,950	9,633	+45	+500	3,550	5,212	-32	-34
February	14,000	8,726	+60	+618	4,675	5,129	-9	-11
March	12,500	11,510	+9	+337	5,600	5,753	-3	-4
April	15,750	12,752	+24	+473	6,100	5,864	+4	+1
May	18,500	14,974	+24	+447	5,900	6,878	-14	-23
June	18,985	17,056	+11	+407	7,675	7,354	+4	+2
July		12,948				6,068		
August		9,973				4,567		
September		10,578				3,738		
October		9,774				3,022		
November		8,076				2,675		
December		11,229				4,062		
Total		137,229				60,322		

1/ Estimates for the months of January through May 1944 have been revised. All of the 1943 figures are preliminary and subject to some change when the final enumeration figures for that year become available. At the same time revisions will be made in all of the monthly estimates for 1944.

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