

UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
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September 28, 1944

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

EVAPORATED AND CONDENSED MILK

Production of canned evaporated milk during August was estimated at 312,000,000 pounds by the Bureau of Agricultural Economics. While this represents a seasonal decline of 13 percent compared with the July output, it is the largest production for August in 27 years of record. Production was 13 percent larger than in August 1943, and 32 percent larger than the 5-year (1938-42) August average. The cumulative production during the first eight months of 1944 totals 2,476,015,000 pounds, an increase of 7 percent compared with the cumulative production during the first eight months of last year. Output of canned condensed milk also continues at a high level, the estimated production of 11,650,000 pounds for August being an increase of 15 percent compared with that month last year and 85 percent compared with the 5-year August average. Production of canned condensed milk during August was the largest for that month since 1928. The cumulative production during the first eight months is 18 percent larger than during the comparable period last year.

Production trends of plain and sweetened condensed milk, bulk goods, are mixed the same as they were last month. Output of plain condensed whole milk and sweetened condensed skimmed milk continues to be larger than last year but production of plain condensed skimmed milk and sweetened condensed whole milk continues under that of a year earlier. The August production of plain condensed whole milk, bulk goods, was estimated at 12,528,000 pounds, an increase of 5 percent compared with August 1943, but about the same as the 5-year August average. Production of plain condensed skimmed milk, bulk goods, estimated at 26,195,000 pounds represents a decline of 15 percent compared with a year earlier, and 10 percent compared with the 5-year August average. Output of sweetened condensed whole milk was estimated at 3,500,000 pounds, a decline of 34 percent from a year earlier, while production of sweetened condensed skimmed milk, estimated at 30,037,000 pounds, was 2 percent larger than in August 1943 and more than double the 5-year August average production.

Stocks of evaporated milk held by manufacturers on August 31 totaled 291,495,000 pounds, 23 percent less than on that date last year and 10 percent less than the 5-year average for that date. Manufacturers' stocks of canned condensed milk totaled 10,825,000 pounds, about 1 percent larger than on August 31, 1943, and 24 percent larger than the 5-year August 31 average.

The wholesale selling prices of canned evaporated and canned condensed milk remain unchanged from last month. During August, manufacturers received an average of \$4.15 per case of 48-14 $\frac{1}{2}$ oz. cans of evaporated milk, which is the same average price that has prevailed since February 1943. Canned condensed milk brought an average of \$6.33 per case of 48-14 oz. cans to the manufacturers during August, the same as in July, but higher than the average of \$5.84 in August last year.

Condenseries paid producers an average of \$2.63 per hundredweight during August for milk testing 3.5 percent butterfat. This is an increase of one cent compared with the July average and also is one cent higher than in August last year. The August prices were well above the minimum established by the evaporated milk marketing agreement. Deliveries of milk to condenseries totaled about 602 million pounds compared with 558 million pounds during August last year, and the 5-year August average of 464 million pounds.

DRIED MILK

Production of non-fat dry milk solids (formerly dried skim milk) for human consumption was estimated at 51,300,000 pounds for August. Of this, 22,800,000 pounds were produced by the spray process and 28,500,000 by the roller process. Compared with a year earlier, output of spray process was up 6 percent and roller process 35 percent, while the combined production of the two was 20 percent larger. However, compared with July, August production declined seasonally about 23 percent, but the combined output of spray and roller processed non-fat dry milk solids during August was larger than during that month in any previous year except 1942.

Output of dried whole milk, estimated at 11,600,000 pounds, continues at the highest level in more than 20 years of record. The August production was 16 percent larger than in that month last year and about 2 $\frac{1}{2}$ times larger than the 5-year August average. Compared with the July output of 15,450,000 pounds (revised), production during August declined about 25 percent.

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		Human Food	Animal Feed
5 -5½		9,790	20½ - 21½		200	5 -5½		1,020
6 -6½		24,628	24½ - 25½		7,600	6 -6½		7,463
6½ -7		2,300	25½ - 26½		267,450	7 -7½		78,575
7 -7½		96,754	28½ - 29½		404,130	7½ -8		315,364
7½ -8		40,198	30½ - 31½		10,000	8 -8½		533,889
8 -8½		266,781	31½ - 32½		625,080	8½ -9		384,956
8½ -9		886,263	32½ - 33½		66,610	9 -9½	40,930	115,962
9 -9½		76,289	33½ - 34½		412,733	9½ -10		71,766
9½ -10		236,700	34½ - 35½		350	10 -10½	26,200	181,691
10 -10½		60,484	35½ - 36½		2,181,118	11 -11½	2,100	
10½ -11	18,950	36,860	36½ - 37½		174,860	11½ -12	40,800	
11½ -12		3,720	37½ - 38½		235,400	12 -12½	6,000	
12 -12½	1,400	19,875	38½ - 39½		6,518,420	12½ -13	64,900	
12½ -13	7,378,137	167	39½ - 40½		4,178,559	13 -13½	11,400	
13 -13½	632,308	-	40½ - 41½		340,015	13½ -14	22,283	
13½ -14	6,152,054	4,202				14 -14½	76,681	
14 -14½	18,317,017					14½ -15	43,714	
14½ -15	23,132,837					15 -15½	838,122	
15 -15½	7,240,951					15½ -16	34,500	
15½ -16	218,843					16 -16½	101,300	
16 -16½	491,511							
TOTAL	63,584,038	1,765,011			15,422,525		1,308,930	1,690,786
GRAND TOTAL	65,349,049						2,999,716	
AVERAGE PRICE	14.21¢	8.71¢					14.55¢	8.43¢
AUGUST 1944		14.06¢			38.11¢			11.10¢
JULY 1944		14.29¢			38.06¢			11.63¢
AUGUST 1943		13.60¢			33.54¢			10.76¢

Production of non-fat dry milk solids for animal feed continues at a low level, the same as in previous months this year. The August output, placed at 1,800,000 pounds, represents a decline of 25 percent compared with July, and is 4 percent lower than in August last year, and 80 percent less than the 5-year August average. The cumulative production during the first 8 months totals 14,440,000 pounds, or 29 percent less than during the first 8 months of 1943. Output of dried buttermilk also shows a seasonal decline, and was estimated at 4,950,000 pounds for August. While this is 8 percent more than production in August 1943, it is 12 percent less than the 5-year average for that month, and the cumulative production thus far this year is 6 percent less than during the comparable period last year.

The manufacturers' wholesale selling price for non-fat dry milk solids for human consumption averaged 14.21 cents during August compared with 14.39 cents during July, while animal feed price averaging 8.71 cents per pound, remained the same as a month earlier. The combined average price of non-fat dry milk solids was 14.06 cents, compared with 14.29 cents in July and 13.60 cents during August 1943. During the first half of September, the market remained steady to firm on spray process powder but it was weak on roller process until September 21, when The Commodity Credit Corporation accepted all offerings at ½ cent under the ceiling levels in all zones, regardless of set-aside or date of delivery.

Manufacturers received an average of 38.11 cents per pound during August for dried whole milk, compared with 38.06 cents during July and 33.54 cents in August last year. Reported sales totaled about 15.4 million pounds during August, compared with 16.9 million pounds in July. August sales of dried buttermilk for human food averaged 14.55 cents per pound, while sales for animal feed averaged 8.43 cents per pound and the combination of the two was 11.10 cents, which compares with 11.63 during July and 10.76 during August 1943.

Manufacturers' stocks of dried milk on hand August 31, 1944 were considerably larger than a year earlier. Stocks of dried whole milk totaled 18,478,000 pounds, 68 percent larger than a year earlier and 177 percent larger than the 5-year average for that date. Stocks of non-fat dry milk solids for human consumption total 63,594,000 pounds of which about 42 percent was spray process and 58 percent roller process. The combined stocks were 34 percent larger than a year earlier, and 94 percent above the 5-year average for that date. Stocks of non-fat dry milk solids for animal feed totaled 2,933,000 pounds, more than twice as large as on August 31, 1943, but 53 percent less than the average stocks for that date. Stocks of dried buttermilk, totaling 9,671,000 pounds on August 31, were 140 percent larger than a year earlier, and 84 percent above the average for that date.

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MILK PURCHASES BY CONDENSERIES AUGUST 1944, WITH COMPARISONS*

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	Unit	AUGUST		AUGUST AVERAGE
		1944	1943	1938-42
Purchases, reported total	Pounds	602,052,000	557,965,000	463,743,000
Producers	Number	159,000	152,000	134,000
Average daily purchases per producer	Pounds	122.1	188.4	111.6
Changes in purchases per producer 1944 and '43	Percent	+3.1	xxxxx	xxxxx
1944 from 5-yr. average	"	+9.4	xxxxx	xxxxx

*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 AUGUST 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)		Sweetened Cond.	
	Dollars		Whole	Skimmed	Whole	Skimmed
Dollars per hundredweight						
New England	4.20	6.34	-	4.15	12.56	8.20
Mid. Atlantic	4.14	6.34	11.19	4.44	12.48	8.08
South Atlantic	4.13	6.34	9.38	4.45	-	7.95
East North Central	4.10	6.25	8.25	3.80	12.32	7.90
West North Central	4.13	-	8.36	3.95	12.69	8.00
South Central	4.10	6.34	-	4.58	-	8.02
North Western	4.21	-	-	-	-	-
South Western	4.22	-	-	4.50	12.28	8.18
U.S. AUGUST 1944	4.15	6.33	9.70	4.21	12.41	8.01
U.S. JULY 1944	4.15	6.33	9.62	4.16	12.41	8.00
U.S. AUGUST 1943	4.15	5.84	9.72	4.16	12.12	8.83

*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 1944
8 GEOGRAPHIC SECTIONS

Geographic Section	Number of factories reporting	Price per cwt.	
		Range Dollars	Average Dollars
New England	- 1/	-	-
Mid. Atlantic	8 1/	2.66-2.80	2.72
South Atlantic	7	2.49-3.00	2.59
East North Central	94	2.40-3.07	2.59
West North Central	12	2.45-2.67	2.54
South Central	14	2.38-2.54	2.45
North Western	11	2.56-2.81	2.64
South Western	22	2.49-3.14	2.92
U.S. AUGUST 1944	168	2.38-3.14	2.63
U.S. JULY 1944	170	2.38-3.14	2.62
U.S. AUGUST 1943	169	2.29-3.30	2.62

6 EVAPORATED MILK MARKETING AGREEMENT SECTIONS

Section	August 1944	July 1944	August 1943
1	2.59	2.58	2.61
2	2.72	2.69	2.73
3	2.49	2.48	2.50
4	2.66	2.57	2.60
5	2.62	2.62	2.56
6	3.07	3.07	2.92
U.S. AVERAGE	2.63	2.62	2.62

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 August \$2.03. Prices paid at Midwest condenseries promulgated officially under the New York and Chicago Marketing Milk Order for August, New York City \$2.590625. Chicago \$2.596.

EVAPORATED MILK MARKETING AGREEMENT MINIMUM PRICES FOR AUGUST

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

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

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

PRODUCTION OF EVAPORATED, CONDENSED AND DRIED MILK

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COMMODITY	August 1944 1/	August 1943 2/	Change in August 1944 from		Cumulative total	
			1943	1938-42 average	Jan. Aug. 1944	Change from Jan. Aug. 1943
	Thousand	Pounds	Percent		Thous. lbs.	Percent
Evaporated and Condensed Milk						
Evaporated (case goods)	312,000	275,285	+13	+33	2,476,016	+ 7
Condensed (case goods)	11,650	10,094	+15	+85	96,228	+18
Plain Condensed Whole (bulk)	12,528	11,931	+ 5	0	83,248	+ 7
" " Skimmed (bulk)	26,196	30,819	-15	-10	205,044	-10
Sweetened Cond. Whole (bulk)	3,500	5,303	-34	-36	57,767	+10
" " Skimmed (bulk)	30,037	29,448	+ 2	+105	278,954	+18
Dried Milk						
Dried Whole	11,600	9,973	+16	+259	120,235	+23
Dry Nonfat Solids 4/						
Human Food-Spray Process	22,800	21,568	+ 6	3/	196,435	+ 9
" " Roller Process	28,500	21,139	+35	3/	242,800	+ 7
Total (Human Food)	51,300	42,707	+20	+68	439,235	+ 8
Dried Skim Milk (Animal Feed)	1,800	1,831	- 4	-80	14,440	-29
Dried Buttermilk	4,950	4,567	+ 8	-12	44,200	- 6

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 AUGUST 31

COMMODITY	1944	1943 1/	Average 1938-42	Change in 1944 from	
				1943	Ave. 1938-42
	Thousand	Pounds	Thous. lbs.	Percent	
Evaporated and Condensed Milk					
Evaporated (case goods)	291,496	376,779	321,738	-23	-10
Condensed (case goods)	10,825	10,736	8,713	+ 1	+21
Dried Milk					
Dried Whole	16,478	11,028	6,670	+68	+177
Dry Nonfat Solids 4/					
Human Food-Spray Process	26,839	22,493	2/	+19	2/
" " Roller Process	36,755	25,058	2/	+47	2/
Total (Human Food)	63,594	47,551	32,703	+34	+94
Dried Skim Milk (Animal Feed)	2,953	913	6,194	+221	-53
Dried Buttermilk	9,671	4,034	5,267	+140	+84

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

4/ Formerly dried skim milk