

April 29, 1946

EVAPORATED, CONDENSED, AND DRY MILK REPORT

(March 1946)

EVAPORATED AND CONDENSED MILK

Production of evaporated milk (case goods) for March remained at about the same level as in the preceding three months, the Bureau of Agricultural Economics reports. Production was estimated at 234,000,000 pounds in March, a decline of 29 percent from the corresponding month last year and a decrease of 8 percent from the 1940-44 March average. For the first 3 months of the year, production was 595,200,000 pounds or 28 percent less than in the corresponding period last year. The seasonal gain in production from February to March was much sharper than the 1940-44 average but was about the same as the seasonal gain of a year earlier.

Canned sweetened condensed milk production was 9,965,000 pounds for March, a decline of 11 percent from a year earlier but a gain of 23 percent from the 1940-44 average for the month. During January through March, output was 26,965,000 pounds, a total 8 percent less than in the same period of 1945.

All condensed bulk goods items showed larger production in March than a year earlier, with the exception of sweetened condensed whole milk which was smaller. Production of plain condensed whole milk (bulk goods) at 8,311,000 pounds was 5 percent higher than a year earlier, but 4 percent lower than the March 5-year average. Production during the first 3 months of the year was 14 percent above the same period in 1945. Plain condensed skimmed milk was estimated at 37,054,000 pounds -- 10 percent up from a year earlier and 53 percent up from the 5-year average for March. Output during January through March was 23 percent higher than in those months of the previous year. The production of sweetened condensed whole milk (bulk goods) during March was 4,430,000 pounds, a decline of 11 percent from a year earlier and 33 percent from the March 5-year average. During the first three months of this year, however, production was 14 percent higher than that of the same period in 1945. The manufacture of sweetened condensed skim milk during March was 50,646,000 pounds -- a gain of 15 percent from a year earlier and 148 percent from the 5-year average for the month.

Manufacturers' stocks of case goods at the end of March continued at much lower levels than on the same date last year or than the average for the date during 1940-44. Stocks of canned evaporated milk totaled 59,045,000 pounds, a decline of 45 percent from the same date last year and 61 percent below the 5-year average for March 31. Stocks of canned condensed milk were 4,415,000 pounds -- 44 percent below a year earlier and 34 percent less than the 1940-44 average for the date. Combining wholesale grocers stocks and manufacturers' stocks, the stocks of evaporated milk on March 31 were 42 percent less than a year earlier and of canned condensed milk were 46 percent smaller.

Markets for both evaporated and condensed milk were very firm during March. Manufacturers' wholesale selling price of evaporated milk was \$4.15 per case of 48 14½-oz. cans -- the same average as in the preceding month and the same month last year. The price of canned evaporated milk has not varied more than 1 cent from the present price during the past 3 years. Sweetened condensed milk netted manufacturers \$6.33 per case of 48 14-oz. cans during March, the same as in the past 23 months. Bulk goods items in March showed the usual minor price variations. Plain condensed whole milk averaged \$10.11 per hundredweight. Plain condensed skimmed milk averaged \$4.24 per hundredweight -- only a slight variation from both the previous month and the same month a year earlier. The wholesale price of sweetened condensed whole milk for March was \$12.44 per hundredweight, compared with \$12.45 in the previous month and \$12.35 per hundredweight a year earlier. Sweetened condensed skim milk averaged \$8.09 per hundredweight compared with \$8.11 for February and \$8.14 per hundredweight in the same month in 1945.

Total purchases of 508,872,000 pounds of milk from 140,000 producers were reported by condenseries during March. Average daily purchases per producer was 117.3 pounds, a decline of 8 percent from a year earlier but a gain of 5 percent from the 5-year average for the month.

Advances in condenseries buying prices from the previous month in the South Atlantic, East North Central, West North Central, and South Central regions offset declines in both the North Western and South Western areas. The March price averaged \$2.74 per hundredweight for the country as a whole, compared with \$2.73 in the preceding month and \$2.66 per hundredweight in the corresponding month last year.

DRY MILK

Production of spray-dried nonfat milk solids continues to exceed that of a year earlier, while that of roller-dried is still smaller, reports the Bureau of Agricultural Economics. Estimated at 30,850,000 pounds, March production was not only 18 percent larger than in March last year, but

(Bulk Goods)				(Bulk Goods)		(Bulk Goods)	
Reported Sales				Reported Sales		Reported Sales	
Pounds				Pounds		Pounds	
Human Food		Animal Feed				Human Food	Animal Feed
Price ¢	Spray Process	Roller Process		Price ¢	Pounds		
3	-3½		4,070	25½-26½	461,200	5	-5½
6	-6½		16,575	26½-27½	469,550	7	-7½
7	-7½		1,022	27½-28½	360,000	7½	-8
7½	-8		18,361	29½-30½	511,832	8	-8½
8	-8½		15,766	30½-31½	1,609,885	8½	-9
8½	-9		56,514	31½-32½	456,101	9	-9½
9	-9½		80,739	32½-33½	1,082,432	9½	-10
9½	-10		171,079	33½-34½	377,264	10	-10½
10	-10½		137,304	34½-35½	1,252,514	10½	-11
10½	-11	1,000	7,200	35½-36½	1,250,198	11½	-12
11½	-12	125,780		38½-39½	429,000	12	-12½
12	-12½	2,203,417		39½-40½	4,148,594	12½	-13
12½	-13	139,600		43½-44½	2,347,435	13	-13½
13	-13½	2,651,540		44½-45½	3,864	13½	-14
13½	-14	115,985	6,091,786			14	-14½
14	-14½	1,706,499	5,974,080			14½	-15
14½	-15	16,175,709	2,905,815			15	-15½
15	-15½	4,060,404	3,469,886			15½	-16
15½	-16	4,669,322	154,610				
16	-16½	851,490	70,201				
16½	-17	6,025					
TOTAL	27,585,434	23,787,715	508,630		14,759,869		1,345,867
AV. PRICE	14.86¢	13.97¢	9.24¢		36.39¢		13.97¢
TOTAL HUMAN	51,373,149						
AV. PRICE	11.45¢						
GRAND TOTAL	51,881,779				14,759,869		2,847,393
GRAND AV. PRICE MAR. 1946	14.40¢				36.39¢		11.35¢
GRAND AV. PRICE FEB. 1946	14.35¢				35.89¢		11.14¢
GRAND AV. PRICE MAR. 1945	13.83¢				37.53¢		10.10¢

was the largest for the month during the 4 years for which separate data on the production of spray and roller-dried nonfat milk solids are available. March production of roller-dried nonfat milk solids totaled 24,400,000 pounds, a decrease of 19 percent from the March production of last year and the smallest production for the month in the 4 years of record. Combined production of spray and roller-dried totaled 55,250,000 pounds, 2 percent smaller than last year but 36 percent larger than the 1940-44 March average. The cumulative production at the end of March was 11 percent above that of a year earlier for spray-dried, but was 24 percent less for roller-dried, and 7 percent less than the combined spray and roller-dried.

Dry whole milk production in March totaled 14,500,000 pounds, a decrease of 24 percent from the record March production of last year but slightly more than double the 5-year March average. Output of spray-dried whole milk in March was 29 percent less than a year earlier, but production of roller-dried whole milk, which normally constitutes only about 10 percent of dry whole milk production, showed a 39 percent increase. The cumulative production of spray-dried whole milk at the end of March was 22 percent less than a year earlier, while that of roller-dried was 47 percent larger. Production of the two combined was 18 percent smaller than in March last year.

Production of dry skim milk for animal feed totaled 890,000 pounds in March, a decrease of 29 percent from the production of March last year, 88 percent below the 5-year March average, and the smallest production for the month in the 12 years of record. Output in March was very little larger than in February, although normally it is considerably larger. Dry buttermilk production totaled 3,500,000 pounds, also very little changed from February, but 21 percent smaller than in March last year, 41 percent smaller than the 5-year March average, and the smallest production for the month since 1927. At the end of the month, the cumulative 1946 production of dry skim milk for animal feed was 23 percent less than a year earlier, and of dry buttermilk it was 21 percent less.

Manufacturers' stocks of dry nonfat milk solids at the end of March totaled 20,778,000 pounds, less than half as large as the stocks held on the same date last year, about two-thirds as large as the corresponding 5-year average, and the smallest for the end of March since 1936. Stocks of roller-dried nonfat milk solids were especially low, totaling only 9,461,000 pounds, compared to 26,514,000 pounds a year earlier, a decrease of 64 percent. Stocks of spray-dried totaled 11,317,000 pounds, a decrease of 38 percent.

	1945	1940-44
Purchases, reported total	508,872,000	453,567,000
Producers	140,000	131,000
Average daily purchases per producer	117.3	111.7
Changes in purchases per producer 1946 from 1945	-8.4	XXXXX
1946 from 5-yr. average	+5.0	XXXXX

These figures represent milk purchases primarily for the manufacture of evaporated and condensed milk (case goods) by a large group of selected condenseries.

AVERAGE WHOLESALE SELLING PRICES IN CARLOTS OF EVAPORATED AND CONDENSED MILK BY GEOGRAPHIC SECTIONS MARCH 1946*

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.	
	Dollars	Dollars	Whole	Skimmed	Whole	Skimmed
New England	4.19	6.34	8.53	4.24	12.56	8.20
Mid. Atlantic	4.14	6.34	11.27	4.55	12.46	8.14
South Atlantic	4.13	6.34	11.00	4.25	-	7.99
East North Central	4.10	6.25	8.25	3.85	12.32	8.08
West North Central	4.11	-	9.76	4.18	12.88	7.98
South Central	4.10	6.34	-	4.47	-	8.11
North Western	4.22	-	-	-	-	-
South Western	4.21	-	-	4.60	12.42	8.23
U. S. MARCH 1946	4.15	6.33	10.11	4.24	12.44	8.09
U. S. FEB. 1946	4.15	6.33	10.12	4.21	12.45	8.11
U. S. MARCH 1945	4.15	6.33	9.96	4.19	12.35	8.14

* 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.

AVERAGE PRICES PAID PRODUCERS BY CONDENSERIES FOR 3.5% MILK F.O.B. PLANT FOR MARCH 1946 8 GEOGRAPHIC SECTIONS

Geographic Section	Number of factories reporting	Price per cwt.	
		Range Dollars	Average Dollars
New England	1/	-	-
Mid. Atlantic	7 1/	2.80-3.00	2.90
So. Atlantic	7	2.58-2.82	2.64
E. No. Central	91	2.52-3.19	2.74
W. No. Central	12	2.51-2.90	2.67
South Central	14	2.36-2.67	2.57
North Western	10	2.20-3.04	2.70
South Western	21	2.61-3.18	2.94
U. S. MARCH 1946	162	2.20-3.19	2.74
U. S. FEB. 1946	165	2.36-3.20	2.73
U. S. MARCH 1945	169	2.34-3.13	2.68

AVERAGE PRICES PAID PRODUCERS BY CONDENSERIES FOR 3.5% MILK F.O.B. PLANT IN 6 EVAPORATED MILK MARKETING AGREEMENT SECTIONS

Section	MARCH 1946	FEBRUARY 1946	MARCH 1945
1	2.74	2.72	2.64
2	2.90	2.90	2.80
3	2.60	2.58	2.51
4	2.72	2.75	2.66
5	2.68	2.74	2.64
6	3.05	3.08	3.06
U. S. AVERAGE	2.74	2.73	2.66

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 March \$2.286. Prices paid at Midwest condenseries used in determining class prices under the New York and Chicago Milk Marketing Order for March, New York City \$2.732. Chicago \$2.724.

EVAPORATED MILK MARKETING AGREEMENT MINIMUM PRICES FOR MARCH

Section 1 - \$2.216	Section 2 - \$2.286	Section 3 - \$2.002
Section 4 - \$1.790	Section 5 - \$1.819	Section 6 - \$1.995

COMMODITY	March 1946	March 1945	1945	1940-44 average	Jan.-Mar. 1946	Change from Jan.-Mar. 1945
	1/	1/				
<u>Evaporated and Condensed Milk</u>	Thousand pounds		Percent		Thous. lb.	Percent
Evaporated (case goods)	234,000	327,435	-29	-8	595,200	-28
Condensed (case goods)	9,965	11,232	-11	+23	26,965	-8
Plain Condensed Whole (bulk)	8,311	7,915	+5	-4	27,984	+14
Plain Condensed Skimmed (bulk)	37,054	33,685	+10	+53	109,715	+23
Sweetened Cond. Whole (bulk)	4,430	4,977	-11	-33	12,275	+14
Sweetened Cond. Skimmed (bulk)	50,646	44,040	+15	+148	112,139	+16
<u>Dry Milk</u>						
Dry Whole						
Spray process	12,800	17,950	-29	2/	33,870	-22
Roller process	1,700	1,225	+39	2/	4,180	+47
Total	14,500	19,175	-24	+103	38,050	-18
<u>Dry Nonfat Solids</u>						
Human Food - Spray process	30,850	26,500	+16	3/	75,900	+11
Human Food - Roller process	24,400	30,000	-19	3/	56,350	-24
Total (Human Food)	55,250	56,500	-2	+36	132,250	-7
Dry Skim Milk (Animal Feed)	890	1,250	-29	-88	2,340	-23
Dry Buttermilk	3,500	4,450	-21	-41	10,430	-21

1/ Estimated. Subject to revision when the preliminary report is available for 1945. 2/ Spray and roller dry whole milk not reported separately prior to 1945. 3/ Spray and roller nonfat dry milk solids not reported separately prior to 1942.

MANUFACTURERS' STOCKS OF EVAPORATED, CONDENSED AND DRY MILK MARCH 31

COMMODITY	1946	1945	Average 1940-44	Change in 1946 from	
		1/		1945	1940-44 Av.
<u>Evaporated and Condensed Milk</u>	Thousand pounds		Thous. lb.	Percent	
Evaporated (case goods)	59,045	107,702	150,228	-45	-61
Condensed (case goods)	4,415	7,951	6,719	-44	-34
<u>Dry Milk</u>					
Dry Whole					
Spray process	10,334	14,258	2/	-28	2/
Roller process	115	591	2/	-81	2/
Total	10,449	14,849	8,084	-30	+29
<u>Dry Nonfat Solids</u>					
Human Food - Spray process	11,317	18,115	3/	-38	3/
Human Food - Roller process	9,461	26,514	3/	-64	3/
Total (Human Food)	20,778	44,629	31,984	-53	-35
Dry Skim Milk (Animal Feed)	336	1,309	3,290	-74	-90
Dry Buttermilk	1,507	7,533	4,981	-80	-70

1/ Revised to include late reports. 2/ Not reported separately prior to January 1945. 3/ Not reported separately prior to January 1943.

Markets for nonfat dry milk solids continued strong through March and prices held close to ceiling levels. Manufacturers' reported sales showed an increase in the average prices received over February on all dry milk products sold. The March average price for spray-dried nonfat milk solids was 14.86 cents per pound, compared to 14.81 cents in February and 14.80 cents a year earlier. The March average for roller-dried was 13.97 cents per pound, compared to 13.94 cents for February, and 13.23 cents for March last year. The average price received for dry buttermilk sold in March was 11.35 cents per pound, in February 11.14 cents, and in March last year 10.10 cents. While the market for dry whole milk in March was stronger than in February, it was somewhat weaker than in March last year. This year's March average price of 36.39 cents per pound for dry whole milk sold was 1/2 cent higher than in February, but slightly more than 1 cent below the average for March last year.

Manufacturers of dry nonfat milk solids reported an almost insistent demand during all of March. Reported sales for the month totaled 51,373,149 pounds, compared to 41,353,911 pounds a month earlier. Because of the reduction in supplies compared with a year earlier, however, March sales were somewhat below the 57,648,078 pounds reported in March last year. Sales of dry whole milk and dry buttermilk were also larger than in February. However, March sales of 14,759,869 pounds of dry whole milk were only about two-thirds as large as those of a year earlier, and the dry buttermilk sales of 2,847,373 pounds were about 60 percent as large.

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