

January 31, 1947

EVAPORATED, CONDENSED, AND DRY MILK REPORT
(December 1946)

EVAPORATED AND CONDENSED MILK

Production of canned evaporated milk during 1946 is estimated at 3,081,550,000 pounds, a decline of 18 percent from 1945, the Bureau of Agricultural Economics reports. The 1946 production was the fifth highest of record. Output of 183,550,000 pounds for December was 11 percent higher than in December 1945, but 9 percent below the 5-year average for the month.

The 1946 production of condensed milk (case goods) was 112,880,000 pounds, a decrease of 22 percent from 1945. December 1946 output was estimated at 6,780,000 pounds, 23 percent less than that of December 1945 and 10 percent below the 1940-44 average for the month.

Production of all condensed bulk goods items during December was lower than a year earlier. The manufacture of plain condensed whole milk was 4,685,000 pounds for December, compared with 6,257,000 pounds for the same month of 1945, a decrease of 25 percent. Production for the year 1946 totaled 116,565,000 pounds, 8 percent less than for 1945. Output of plain condensed skimmed milk was 27,465,000 pounds in December, 27 percent down from a year earlier but 18 percent above the 5-year average. A record output of plain condensed skimmed milk was shown for 1946 as a whole. At 462,315,000 pounds, the 1946 total was 2 percent more than the 1945 production. The production of 4,120,000 pounds of sweetened condensed whole milk (bulk goods) during December 1946 was 14 percent less than a year earlier and 2 percent below the 5-year December average. Annual production for 1946 was 66,675,000 pounds, 13 percent below 1945. Sweetened condensed skim milk production was 28,065,000 pounds for December, 3 percent less than in December 1945 but 82 percent above the 5-year average. A record production of 654,530,000 pounds was shown for this item during 1946. Production was 28 percent greater than in 1945 and nearly 4 times as large as in pre-war years.

Stocks of canned evaporated milk held by reporting manufacturers on December 31 were 129,464,000 pounds, 80 percent above a year earlier but 30 percent below the 5-year average for the date. Stocks of evaporated milk held by wholesale grocers at the end of 1946 were 24 percent higher than a year earlier. The combined stocks held by manufacturers and wholesale grocers for December 31 were 64 percent larger than a year earlier. Holdings of canned condensed milk held by manufacturers were 5,230,000 pounds on December 31, a decrease of 2 percent from a year earlier and 30 percent from the December 31 average for 1940-44. The combined stocks of manufacturers and wholesale grocers last December 31 were 5,573,000 pounds, compared with 5,526,000 pounds a year earlier -- a 1 percent gain.

Manufacturers' selling prices of condensed and evaporated milk items during December were unchanged or slightly higher than the preceding month, but were sharply higher than a year earlier. Selling prices of evaporated milk, at an all-time record high, averaged \$5.88 per case of 48 14½-oz. cans for December, unchanged from November but \$1.74 per case higher than a year earlier. Prices of condensed milk were \$8.25 per case of 48 14-oz. cans for December, unchanged from the preceding month but \$1.92 higher than the price for December 1945. Prices of plain condensed whole milk (bulk goods) at \$13.96 per hundredweight for December were practically unchanged from November but were \$3.75 per hundredweight higher than a year earlier. The average price of plain condensed skim milk (bulk goods) was \$5.08 per hundredweight for December. This average was only slightly lower than for the preceding month, but was 91 cents higher than a year earlier. Prices of sweetened condensed items continued to show gains. Sweetened condensed whole milk averaged \$20.35 per hundredweight -- 70 cents up from the preceding month but \$7.88 higher than a year earlier. Sweetened condensed skim milk (bulk goods) prices likewise rose sharply from a year earlier. The average of \$15.42 for December 1946 was 11 cents up from the previous month and \$7.33 higher than a year earlier.

While average prices paid to producers by condenseries for December showed a contra-seasonal decline from November, the levels are still far above any December on record extending back through 1922. The average price of \$4.18 per hundredweight paid for milk of 3.5 percent butterfat in December was 12 cents lower than November, but was \$1.50 per hundredweight higher than a year earlier.

Condenseries reported having purchased, during December, 376,953,000 pounds of milk which was produced from 138,000 producers. Daily purchases per producer averaged 88.1 pounds, a decrease of 1 percent from a year earlier and practically unchanged from the 1940-44 average.

DRY MILK

Production of all dry milk products except dry buttermilk exhibited sharp seasonal increases from November to December, the Bureau of Agricultural Economics reports. Production of nonfat dry milk during December rose to a level 9 percent above that of a year earlier and 25 percent above the 1940-44 average. The seasonal increase in production from November was 47 percent, compared with 28 percent in 1945 and the 5-year average of 19 percent.

Combined production of spray and roller processed nonfat dry milk in December totaled 35,100,000 pounds, compared with 32,282,000 pounds a year ago. For the full year 1946, production totaled

| DRY NONFAT MILK SOLIDS (Bulk Goods) Reported Sales Pounds | | | | DRY WHOLE MILK (Bulk Goods) Reported Sales | | DRY BUTTERMILK (Bulk Goods) Reported Sales Pounds | | |
|--|---------------|----------------|-------------|--|------------|--|------------|-----------|
| Price ¢ | Human Food | | Animal Feed | Price ¢ | Pounds | Price ¢ | Human Food | |
| | Spray Process | Roller Process | | | | | Food | Feed |
| 2 -2½ | | | 1,427 | 34½-35½ | 200,054 | 6 -6½ | | 9,500 |
| 5½-6 | | | 2,241 | 35½-36½ | 47,780 | 7 -7½ | | 335,508 |
| 7 -7½ | | | 2,095 | 37½-38½ | 546,478 | 8 -8½ | | 2,619 |
| 8 -8½ | | | 12,749 | 38½-39½ | 282,750 | 8½-9 | | 11,455 |
| 8½-9 | | | 12,988 | 39½-40½ | 2,410,560 | 9 -9½ | 48,515 | 39,775 |
| 9 -9½ | | | 122,874 | 40½-41½ | 663,375 | 9½-10 | - | 50,560 |
| 9½-10 | | | 59,759 | 41½-42½ | 8,100 | 10 -10½ | 22,000 | 368,937 |
| 10 -10½ | | | 111,374 | 43½-44½ | 243,174 | 10½-11 | 7,160 | 101,083 |
| 10½-11 | | | 24,819 | 45½-46½ | 146,484 | 11 -11½ | 10,000 | 57,934 |
| 11 -11½ | | 3,800 | 100,394 | 46½-47½ | 181,342 | 11½-12 | - | 10,734 |
| 11½-12 | | | 7,420 | 48½-49½ | 46,517 | 12 -12½ | - | 2,544 |
| 12 -12½ | | 1,220,217 | 3,930 | 49½-50½ | 125,168 | 12½-13 | 150,628 | - |
| 12½-13 | | 179,456 | 44,037 | 50½-51½ | 655,604 | 13 -13½ | 37,985 | 17,400 |
| 13 -13½ | 68,290 | 922,060 | | 51½-52½ | 6,424,885 | 13½-14 | 72,125 | |
| 13½-14 | 144,320 | 3,344,730 | | 52½-53½ | 15,840 | 14 -14½ | 108,725 | |
| 14 -14½ | 1,968,278 | 4,905,427 | | 56½-57½ | 514,357 | 14½-15 | 104,500 | |
| 14½-15 | 8,937,193 | 3,027,754 | | | | 15 -15½ | 506,654 | |
| 15 -15½ | 3,090,888 | 1,340,343 | | | | 16 -16½ | 63,075 | |
| 15½-16 | 2,165,013 | 69,820 | | | | | | |
| 16 -16½ | 1,928,716 | 138,400 | | | | | | |
| 16½-17 | 98,766 | 4,510 | | | | | | |
| 17 -17½ | 118,725 | | | | | | | |
| 18 -18½ | 4,667 | | | | | | | |
| 19½-20 | 73,006 | | | | | | | |
| TOTAL | 18,597,862 | 15,156,517 | 506,107 | | 12,512,468 | | 1,131,367 | 1,008,049 |
| AV. PRICE | 14.93¢ | 13.99¢ | 10.14¢ | | 47.44¢ | | 14.22¢ | 9.18¢ |
| TOTAL HUMAN | 33,754,379 | | | | | | | |
| AV. PRICE | 14.50¢ | | | | | | | |
| GRAND TOTAL | | 34,260,486 | | | 12,512,468 | | 2,139,416 | |
| GRAND AV. PRICE DEC. 1946 | | 14.44¢ | | | 47.44¢ | | 11.85¢ | |
| GRAND AV. PRICE NOV. 1946 | | 14.64¢ | | | 46.76¢ | | 12.55¢ | |
| GRAND AV. PRICE DEC. 1945 | | 14.22¢ | | | 35.96¢ | | 12.02¢ | |

638,250,000 pounds, 1 percent less than in 1945 but 36 percent greater than the 1940-44 average. December production of spray processed nonfat dry milk was 22,400,000 pounds, 18 percent greater than in December 1945. Production of roller processed nonfat dry milk was 12,700,000 pounds, 4 percent less than in December 1945. Total production of spray processed nonfat dry milk in 1946 was 351,800,000 pounds, 18 percent greater than a year earlier. Total production of roller processed nonfat dry milk in 1946 was 286,460,000 pounds, down 17 percent from the previous year.

Production of dry whole milk during December showed a much greater than usual seasonal increase (46 percent) from November, but remained at a level 6 percent below December 1945. However, the December 1946 output (11,045,000 pounds) exceeded the 1940-44 December average output by 47 percent. At 10,500,000 pounds, the production of spray dried whole milk was 1 percent less than in December 1945. The output of roller dried whole milk was 545,000 pounds, 54 percent less than a year earlier. Total production of spray and roller dried whole milk during 1946 was 178,465,000 pounds, 18 percent less than in 1945 but 97 percent greater than the 1940-44 average production. The bulk of this decline was in the production of spray dried whole milk, which fell 20 percent from 1945. Production of roller dried whole milk in 1946 was 20 percent larger than in 1945.

Production of dry skim milk for animal feed in December rose sharply from the level of a month earlier and, for the first time since June 1946, exceeded the production of the same month a year earlier. Production in December totaled 595,000 pounds, 70 percent greater than in November and 26 percent above the output in December 1945. In 1945 the seasonal increase in production from November to December was 12 percent. In recent months, production of this item has been running well below the 1940-44 average and in December was 83 percent below the 5-year December average. Total production in 1946 was 15,525,000 pounds, 12 percent less than in 1945 and 79 percent less than the 1940-44 average. Dry buttermilk production in December was 2,710,000 pounds, 11 percent greater than in December 1945 but 42 percent less than the December 1940-44 average. Total production of dry buttermilk in 1946 was 40,325,000 pounds, 17 percent less than in 1945 and 39 percent below the 1940-44 average.

Reported dry milk prices for December showed some irregularity in direction but the general tendency was downward. Increases were reported for dry whole milk and for dry skim milk for animal feed. Decreases were reported for nonfat dry milk, both spray and roller, and also for dry buttermilk. None of the price changes was substantial. A further increase of .7 cent per pound was reported for dry whole milk following last month's substantial advance. The reported average price

| | Unit | December | | December average |
|--|---------|-------------|-------------|------------------|
| | | 1946 | 1945 | 1940-44 |
| Purchases, reported total | Pounds | 376,953,000 | 398,774,000 | 381,602,000 |
| Producers | Numbers | 138,000 | 145,000 | 140,000 |
| Average daily purchases per producer | Pounds | 88.1 | 88.7 | 87.9 |
| Changes in purchases per producer 1946 from 1945 | Percent | -0.7 | XXXXX | XXXXX |
| 1946 from 5-yr. average | " | +0.2 | XXXXX | 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 MANUFACTURERS' CARLOT SELLING PRICES OF EVAPORATED AND CONDENSED MILK BY GEOGRAPHIC SECTIONS DECEMBER 1946 *

| Geographic Section | Case Goods | | Bulk Goods | | | |
|---------------------|--------------------------------------|-------------------------------------|-------------------------------|---------|-----------------|---------|
| | Evaporated (48 14-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 | 5.94 | 8.25 | 11.30 | 5.21 | 19.30 | 15.72 |
| Mid. Atlantic | 5.89 | 8.25 | 14.42 | 5.42 | 19.29 | 15.30 |
| South Atlantic | 5.87 | 8.25 | - | 4.93 | 19.26 | 14.97 |
| East North Central | 5.84 | - | 14.15 | 4.88 | 20.54 | 15.87 |
| West North Central | 5.85 | - | 14.33 | 4.93 | 19.11 | 14.80 |
| South Central | 5.85 | 8.25 | - | 5.45 | - | 14.96 |
| North Western | 5.93 | - | - | - | - | - |
| South Western | 5.92 | - | - | 4.77 | 24.00 | 15.83 |
| U. S. DECEMBER 1946 | 5.88 | 8.25 | 13.96 | 5.08 | 20.35 | 15.42 |
| U. S. NOVEMBER 1946 | 5.88 | 8.25 | 13.98 | 5.16 | 19.65 | 15.31 |
| U. S. DECEMBER 1945 | 4.14 | 6.33 | 10.21 | 4.17 | 12.47 | 8.09 |

* Manufacturers' 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 DEC. 1946 8 GEOGRAPHIC SECTIONS

| Geographic Section | Number of factories reporting | Price per cwt. | |
|---------------------|-------------------------------|----------------|-----------------|
| | | Range Dollars | Average Dollars |
| New England | - 1/ | - | - |
| Mid. Atlantic | 6 1/ | 4.40-5.30 | 4.95 |
| South Atlantic | 7 | 3.81-4.65 | 4.03 |
| East North Central | 89 | 3.95-4.77 | 4.27 |
| West North Central | 13 | 3.79-4.33 | 4.11 |
| South Central | 14 | 3.68-4.20 | 3.79 |
| North Western | 10 | 3.43-4.16 | 3.89 |
| South Western | 20 | 3.82-4.46 | 4.10 |
| U. S. DECEMBER 1946 | 159 | 3.43-5.30 | 4.18 |
| U. S. NOVEMBER 1946 | 159 | 3.43-5.33 | 4.30 |
| U. S. DECEMBER 1945 | 167 | 2.38-3.50 | 2.68 |

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

| Section | December 1946 | November 1946 | December 1945 |
|---------------|---------------|---------------|---------------|
| 1 | 4.26 | 4.44 | 2.64 |
| 2 | 4.95 | 4.95 | 2.87 |
| 3 | 3.95 | 3.93 | 2.53 |
| 4 | 4.01 | 3.96 | 2.74 |
| 5 | 3.26 | 3.82 | 2.82 |
| 6 | 4.12 | 4.14 | 3.06 |
| U. S. AVERAGE | 4.18 | 4.30 | 2.68 |

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 December \$3.812. Prices paid at Midwest condenseries used in determining class prices under the New York and Chicago Milk Marketing Order for December, New York City \$4.224, Chicago \$4.303.

EVAPORATED MILK MARKETING AGREEMENT MINIMUM PRICES FOR DECEMBER

Section 1 - \$3.742 Section 2 - \$3.312 Section 3 - \$3.536
 Section 4 - \$3.020 Section 5 - \$3.038 Section 6 - \$3.337

| COMMODITY | December 1946 1/ | December 1945 2/ | Change in Dec. 1946 from | | Jan.-Dec. 1946 | Change from Jan.-Dec. 1945 |
|--------------------------------|------------------|------------------|--------------------------|-----------------|----------------|----------------------------|
| | | | 1945 | 1940-44 average | | |
| | Thousand pounds | Thousand pounds | Percent | | Thous.lb. | Percent |
| Evaporated and Condensed Milk | | | | | | |
| Evaporated (case goods) | 183,550 | 165,062 | +11 | - 9 | 3,081,550 | -18 |
| Condensed (case goods) | 6,780 | 8,857 | -23 | -10 | 112,880 | -22 |
| Plain Condensed Whole (bulk) | 4,685 | 6,257 | -25 | -39 | 116,565 | - 8 |
| Plain Condensed Skimmed (bulk) | 27,465 | 37,534 | -27 | +18 | 462,315 | + 2 |
| Sweetened Cond. Whole (bulk) | 4,120 | 4,773 | -14 | - 2 | 66,675 | -13 |
| Sweetened Cond. Skimmed (bulk) | 28,065 | 28,962 | - 3 | +82 | 654,530 | +28 |
| <u>Dry Milk</u> | | | | | | |
| Dry Whole | | | | | | |
| Spray process | 10,500 | 10,571 | - 1 | 3/ | 163,120 | -20 |
| Roller process | 545 | 1,175 | -54 | 3/ | 15,345 | +20 |
| Total | 11,045 | 11,746 | - 6 | +47 | 178,465 | -18 |
| Dry Nonfat Solids | | | | | | |
| Human Food - Spray process | 22,400 | 19,053 | +18 | 4/ | 351,800 | +18 |
| Human Food - Roller process | 12,700 | 13,229 | - 4 | 4/ | 286,460 | -17 |
| Total (Human Food) | 35,100 | 32,282 | + 9 | +25 | 638,260 | - 1 |
| Dry Skim Milk (Animal Feed) | 595 | 473 | +26 | -83 | 15,525 | -12 |
| Dry Buttermilk | 2,710 | 2,437 | +11 | -42 | 40,325 | -17 |

1/ Estimated. Subject to revision when the final report is available for 1945. 2/ Preliminary figures. 3/ Spray and roller dry whole milk not reported separately prior to 1945. 4/ Spray and roller nonfat dry milk solids not reported separately prior to 1942.

MANUFACTURERS' STOCKS OF EVAPORATED, CONDENSED AND DRY MILK DECEMBER 31.

| COMMODITY | 1946 | 1945 1/ | Average 1940-44 | Change in 1946 from | |
|-------------------------------|---------|-----------------|-----------------|---------------------|-------------|
| | | | | 1945 | 1940-44 av. |
| | | Thousand pounds | | Percent | |
| Evaporated and Condensed Milk | | | | | |
| Evaporated (case goods) | 129,464 | 71,762 | 185,150 | +80 | -30 |
| Condensed (case goods) | 5,230 | 5,357 | 7,490 | - 2 | -30 |
| <u>Dry Milk</u> | | | | | |
| Dry Whole | | | | | |
| Spray process | 17,581 | 11,679 | 2/ | +51 | 2/ |
| Roller process | 36 | 575 | 2/ | -94 | 2/ |
| Total | 17,617 | 12,254 | 8,501 | +44 | +107 |
| Dry Nonfat Solids | | | | | |
| Human Food - Spray process | 23,938 | 8,753 | 3/ | +173 | 3/ |
| Human Food - Roller process | 14,361 | 5,678 | 3/ | +153 | 3/ |
| Total (Human Food) | 38,299 | 14,431 | 26,353 | +165 | +45 |
| Dry Skim Milk (Animal Feed) | 592 | 328 | 2,605 | +80 | -77 |
| Dry Buttermilk | 4,718 | 1,781 | 5,839 | +165 | -19 |

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

of dry whole milk is now 11.5 cents per pound above the average of reported prices in December 1945.

More closely related to seasonal increases in production were reported declines of .26 cent per pound for roller dried nonfat milk solids and .07 cent per pound for spray dried nonfat milk solids. The average price reported for all nonfat dry milk solids was 14.5 cents per pound, down .2 cent per pound from the reported average price of 14.71 cents in November and up .2 cent per pound from the average price reported in December 1945. An increase of .2 cent per pound was reported for dry skim milk for animal feed bringing the average price to 10.14 cents per pound, almost 1 cent per pound above the December 1945 price. Price declines were reported for dry buttermilk for human use and for animal feed, bringing the average price close to .2 cent per pound below the December 1945 level.

With but one minor exception, the stocks of all dry milk products held by reporting manufacturers on December 31, 1946 were sharply higher than a year earlier. The exception was roller dried whole milk, stocks of which were 94 percent below the level of December 31, 1945. Both dry whole milk and nonfat dry milk stocks were also up substantially on December 31 from their 5-year averages. Total stocks of nonfat dry milk on December 31 were 38,299,000 pounds, 17 percent higher than a month earlier, 165 percent higher than a year earlier and 45 percent higher than the 1940-44 December average. Stocks of spray processed nonfat dry milk at the end of the month were 173 percent greater than a year ago, compared with an increase of 153 percent for stocks of roller processed nonfat dry milk. The increase in stocks of spray processed nonfat dry milk during December was 32 percent, while stocks of roller processed nonfat dry milk decreased 2 percent. The seasonal increase of 17 percent in total stocks of nonfat dry milk was slightly more than double the 5-year average seasonal increase of 8 percent. Total stocks of dry whole milk were 17,617,000 pounds, 44 percent above a year earlier and 107 percent above the 1940-44 December average. The decline of 5 percent in total stocks of dry whole milk during December compares with an increase of 10 percent for the 5-year average and an increase of 2 percent from November 30 to December 31 in 1945.