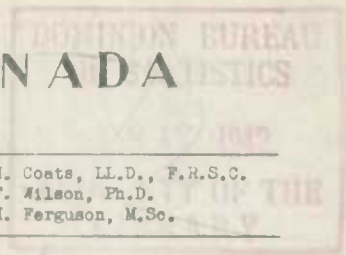


23-001

# MONTHLY DAIRY REVIEW OF CANADA

## 1941



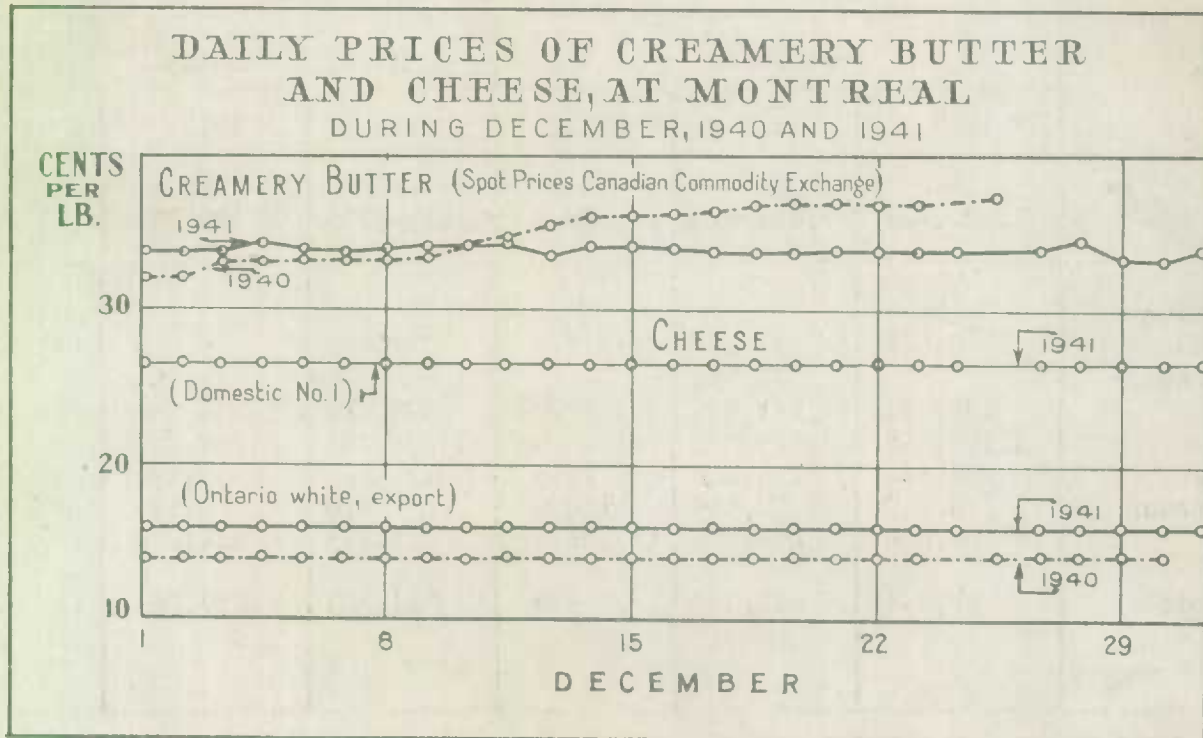
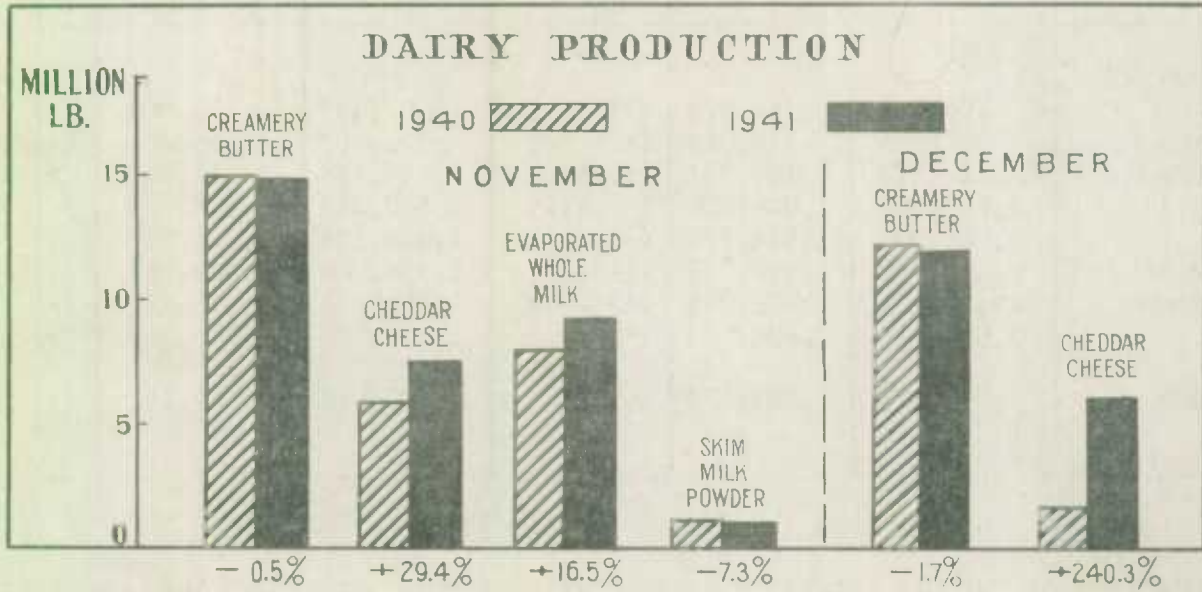
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DECEMBER

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I - PRODUCTION OF CREAMERY BUTTER IN CANADA, BY PROVINCES, DECEMBER, 1940 and 1941.

Province	NOVEMBER			DECEMBER		
	1940	1941	% Change	1940	1941	% Change
CANADA	Lb. 15,048,984	Lb. 14,968,566	% (-) 0.5	Lb. 12,308,237	Lb. 12,103,602	% (-) 1.7
Prince Edward Island	106,560	154,573	(+) 45.1	97,433	120,009	(+) 23.2
Nova Scotia	317,905	348,014	(+) 9.5	323,402	365,085	(+) 12.9
New Brunswick	126,212	148,361	(+) 17.5	95,155	114,763	(+) 20.6
Quebec	4,576,807	4,006,486	(-) 12.5	2,648,217	1,938,239	(-) 26.8
Ontario	5,085,900	4,918,877	(-) 3.3	4,646,678	4,474,719	(-) 3.7
Manitoba	1,445,979	1,490,735	(+) 3.1	1,339,088	1,387,887	(+) 3.6
Saskatchewan	1,417,824	1,775,095	(+) 25.2	1,286,813	1,576,085	(+) 22.5
Alberta	1,580,318	1,838,747	(+) 16.4	1,480,473	1,659,661	(+) 12.1
British Columbia	391,479	287,678	(-) 26.5	390,978	467,154	(+) 19.5

II - PRODUCTION OF CHEDDAR CHEESE IN CANADA, BY PROVINCES, DECEMBER, 1940 and 1941.

Province	NOVEMBER			DECEMBER		
	1940	1941	% Change	1940	1941	% Change
CANADA	Lb. 5,907,729	Lb. 7,643,870	% (+) 29.4	Lb. 1,799,325	Lb. 6,123,317	% (+) 240.3
Prince Edward Island	9,699	43,433	(+) 347.8	2,865	9,620	(+) 235.8
New Brunswick	-	70,759	-	-	47,766	-
Quebec	935,379	1,381,825	(+) 47.7	323,413	1,759,780	(+) 444.1
Ontario	4,565,548	5,609,376	(+) 22.9	1,155,383	3,759,077	(+) 225.4
Manitoba	188,894	218,146	(+) 15.5	131,229	238,196	(+) 81.5
Saskatchewan	8,249	17,559	(+) 112.9	719	7,517	(+) 945.5
Alberta	152,602	250,715	(+) 64.3	141,513	244,276	(+) 72.6
British Columbia	47,358	52,057	(+) 9.9	44,203	57,085	(+) 29.1

SUMMARY STATEMENT OF DAIRY PRODUCTION IN CANADA

(December, 1941)

CREAMERY BUTTER PRODUCTION in December decreased approximately 2 per cent as compared with the December make of 1940 and decreased 19 per cent as compared with the output for the preceding month. During the month of December 12.1 million pounds of butter were produced and during the twelve months ending December, the output reached a total of 286.1 million pounds. The decrease in the December make occurred only in Quebec and Ontario.

CHEDDAR CHEESE PRODUCTION increased 240 per cent in December as compared with December, 1940, and decreased 20 per cent as compared with the output for the preceding month. The December make was approximately 6.1 million pounds and the total for the twelve months, January to December, amounted to 148.9 million pounds. The increase in the December make occurred in all provinces.

EVAPORATED WHOLE MILK increased approximately 16 per cent as compared with the same month last year and decreased approximately 24 per cent as compared with the preceding month. During the month of November 9.3 million pounds of evaporated whole milk were produced, and during the eleven months ending November the output reached a total of 159.3 million pounds. SKIM MILK POWDER. During the month of November 1.1 million pounds of skim milk powder were produced, while during the eleven months ending November the output reached a total of 25.1 million pounds. There was a decrease of approximately 7 per cent as compared with the same month last year, and also a decrease of 33 per cent as compared with the preceding month.

CREAMERY BUTTER PRICES at Montreal, as quoted daily by the Canadian Commodity Exchange for the first grade product, averaged 34 3-8 cents a pound, compared with 35 cents in December 1940. Ontario white cheese at Montreal based on daily quotations averaged 16 cents in December compared with 14 cents in December, 1940.

The combined output of creamery butter and cheddar cheese during the month of December represented the equivalent of 351.9 million pounds of milk, registering an increase of approximately 43.6 million pounds as compared with the combined make in terms of milk for the same month a year ago. Creamery butter represented 80.5 per cent and cheese represented 19.5 per cent of the total.

The domestic disappearance of butter in the month of November amounted to 25.6 million pounds, representing an increase of 2.7 per cent as compared with the same month last year and a decrease of 9.7 per cent in comparison with the preceding month. This estimate is based on storage and transit stocks amounting to 54.3 million pounds at December 1, 1941, and exports and imports amounting to 189,100 pounds and 301 pounds, respectively.

PRODUCTION OF CREAMERY BUTTER IN CANADA BY PROVINCES

(January to December, 1941)

Month	CANADA	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
	Lb.	Lb.	Lb.	Lb.	Lb.
January	11,741,564	79,136	379,689	90,485	1,480,112
February	9,971,620	71,976	339,607	83,892	721,666
March	12,432,727	79,627	359,135	111,868	1,063,711
April	19,143,150	85,178	417,594	187,200	4,342,851
May	33,190,284	140,103	603,417	402,947	9,471,632
June	40,591,200	375,631	868,132	806,599	12,386,000
July	39,130,569	488,670	936,492	926,155	11,556,118
August	35,528,807	423,258	748,881	733,856	11,041,910
September	32,370,447	357,047	646,160	567,573	10,439,282
October	24,936,954	275,790	513,194	362,541	8,006,761
November	14,968,566	154,573	348,014	148,361	4,006,486
December	12,103,602	120,009	365,085	114,763	1,938,239
TOTAL, 1941	286,109,490	2,650,998	6,525,400	4,536,040	76,460,768
TOTAL, 1940	264,723,669	1,984,487	5,870,210	3,923,752	74,084,973
% Change	(+) 8.1%	(+) 33.6%	(+) 11.2%	(+) 15.6%	(+) 3.2%

Month	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
	Lb.	Lb.	Lb.	Lb.	Lb.
January	4,776,096	1,416,700	1,483,038	1,608,699	427,609
February	4,184,552	1,365,860	1,368,019	1,470,844	365,204
March	5,100,561	1,733,620	1,673,851	1,777,796	526,558
April	7,043,779	2,033,731	2,105,120	2,290,975	636,722
May	10,067,643	3,658,780	4,158,094	3,909,730	777,938
June	10,761,838	4,341,543	5,400,808	4,931,045	719,804
July	9,775,358	4,201,666	5,547,196	5,141,392	557,522
August	9,277,012	3,676,057	4,764,111	4,418,356	445,366
September	8,753,113	3,252,779	4,257,614	3,633,042	463,837
October	7,211,515	2,527,706	3,017,663	2,635,850	385,928
November	4,918,877	1,490,735	1,775,095	1,838,747	287,678
December	4,474,719	1,387,887	1,576,085	1,659,661	467,154
TOTAL, 1941	86,345,063	31,087,064	37,126,694	35,316,143	6,061,320
TOTAL, 1940	87,278,149	27,289,731	28,306,811	29,796,520	6,189,036
% Change	(-) 1.1%	(+) 13.9%	(+) 31.2%	(+) 18.5%	(-) 2.1%

PRODUCTION OF CHEDDAR CHEESE IN CANADA BY PROVINCES

(January to December, 1941)

Month	CANADA	Prince Edward Island	New Brunswick	Quebec
	Lb.	Lb.	Lb.	Lb.
January	1,107,053	3,200	-	156,877
February	959,568	1,995	-	65,972
March	1,388,108	-	-	69,436
April	3,922,695	-	-	264,230
May	16,853,938	2,027	29,934	2,985,131
June	25,989,480	67,126	119,621	7,507,765
July	25,473,185	182,248	138,727	7,934,737
August	23,949,120	152,119	128,541	6,395,879
September	20,259,838	132,581	123,249	4,883,068
October	15,243,111	96,897	104,440	3,364,353
November	7,643,870	43,433	70,759	1,381,825
December	6,123,317	9,620	47,766	1,759,780
Total, 1941	148,913,283	691,246	763,037	36,769,053
Total, 1940	144,685,356	671,333	627,843	34,988,760
% Change	(+) 2.9 %	(+) 3.0 %	(+) 21.5 %	(+) 5.1 %

Month	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
	Lb.	Lb.	Lb.	Lb.	Lb.
January	631,913	124,251	-	141,287	49,525
February	567,411	143,090	-	134,895	46,205
March	871,814	226,776	-	162,254	57,828
April	3,128,689	274,522	1,185	185,743	68,326
May	12,930,788	479,876	34,768	314,516	76,898
June	17,278,243	501,460	73,524	366,757	74,984
July	16,244,800	437,456	81,114	387,620	66,483
August	16,413,732	378,924	70,419	352,027	57,479
September	14,364,322	334,407	57,378	308,816	56,017
October	10,964,369	315,183	47,467	292,072	58,330
November	5,609,376	218,146	17,559	250,715	52,057
December	3,759,077	238,196	7,517	244,276	57,085
Total, 1941	102,764,534	3,672,287	390,931	3,140,978	721,217
Total, 1940	100,004,359	4,546,258	390,448	2,705,853	750,502
% Change	(+) 2.8 %	(-) 19.2%	(+) 0.1 %	(+) 16.1 %	(-) 3.9 %

Calendar of Important Events in Dairying during 1941.

The expansion of the export market for cheese was one of the important features of the dairy situation in 1941. By an agreement made with the United Kingdom in the latter part of the preceding year it was arranged that Canada would ship 112 million pounds of cheese to the United Kingdom during the year ended March 1942, said cheese to be paid for by the Government of the United Kingdom at 14.4 cents per pound f.o.b. Montreal. In order to stimulate the production of sufficient cheese to meet this quota, and also to provide supplies for home use and for export to other parts of the Empire, it became necessary to effect certain changes in production policies designed to meet the situation. Farmers were requested to produce more milk, prices were increased by government bonuses, and the domestic sale of cheese was restricted during the producing season. Important developments which took place during 1941, affecting the production and sale of dairy products is given in chronological order below.

January 10, 1941 - An Order-in-Council was passed authorizing the Dairy Products Board to pay exporters a sum not exceeding six-tenths of a cent per pound for any cheese exported from April 1, said amount to be paid out of funds appropriated by Parliament. Since an agreement made with the United Kingdom in October of the preceding year had placed the price of No. 1 cheese at 14.4 cents, this bonus advanced the price to 15 cents per pound. Returns to producers were further enhanced by the Dominion Government bonus of 2 cents per pound for 94 score cheese and 1 cent for 93 score.

May 1, 1941 - The Ontario Government announced the payment of a bonus of 2 cents a pound on all cheese regardless of grade produced in that province since February 1, 1941.

The above announcement was followed later by a similar provision by the Quebec Government which gave the producers 2 cents a pound on all first grade cheese produced in that province after May 1, 1941.

May 13, 1941 - Minimum butter prices were set up under order No. 21 of the Dairy Products Board. The Dominion was zoned into three areas viz., Eastern Canada and British Columbia, Alberta and Manitoba, and Saskatchewan, with a different price schedule for each area. The plan provided for price increases in all sections as the season advanced. Since market prices always exceeded the minimum it was unnecessary to invoke this price regulation.

May 20, 1941 - Under order No. 23 of the Dairy Products Board, all cheese made on and after May 26, 1941, to be white and unwaxed, not less than 14½ inches in diameter, and with a minimum weight of 75 pounds. The order provided that all cheese would be exported from the Dominion under export licence issued by the Dairy Products Board.

May 30, 1941 - A payment of an additional export bonus of 1 cent per pound by the Dairy Products Board was authorized under Order-in-Council No. 3696. This placed the export product at 16 cents a pound f.o.b. Montreal without counting the bonus of 2 cents paid by the Ontario and Quebec Governments.

September 25, 1941 - One-third of the regular freight rate charges on carloads or ship cargoes of all feed grains and mill-feeds used exclusively for feeding purposes to be paid by the Dominion Government (Order-in-Council P.C. 7523).

October 18, 1941 - A maximum price ceiling on all goods and services was announced by the Prime Minister of Canada.

October 20, 1941 - The full payment of all freight costs on feed grains moved eastward from Fort William to be paid for by the Dominion Government (Order-in-

Council P.C. 8067 replacing P.C. 7523 above).

October 28, 1941 - The free freight rate plan was made retroactive to May 1, covering western grains (barley, oats, rye and screenings No. 1 and 2) which had been shipped east since that date and still available for distribution on October 20. (Order-in-Council P.C. 8396).

A later amendment to the above order extended free freight rates to shipments of western grains to British Columbia.

November 1, 1941 - Maximum price regulations were instituted by Order-in-Council P.C. 8527. This order gave supplementary powers and regulative authority to the Wartime Prices and Trade Board.

The minimum price arrangement for butter terminated on this date and the Dairy Products Board was given authority to regulate prices by purchasing butter if it should consider expedient to do so. At the same time restrictions were lifted on the sale of domestic cheese.

November 12, 1941 - Maximum cheese prices for Ontario and Quebec were set by the Wartime Prices and Trade Board at 25 cents for No. 1 Grade, 24½ cents for No. 2 Grade and 24 cents for No. 3 Grade f.c.b. factory.

November 21, 1941 - In the preliminary statement of policy issued by the Wartime Prices and Trade Board, it was stated that maximum prices for specific commodities such as milk, butter and cheese would be fixed by the Board; the producers maximum prices to be governed by the highest prices paid in recognized markets during the basic period. In other cases a ruling was established relieving farmers from direct price control by placing a ceiling on prices charged by processors for processed articles.

December 1, 1941 - Maximum price regulations became effective covering all goods and services; prices other than those specifically set by the Board to be the maximum prevailing between September 15 and October 11, 1941.

December 19, 1941 - A subsidy of 30 cents a hundred was ordered by the Wartime Prices and Trade Board to be paid to producers of fluid milk over and above the present lawful price, providing no increase has taken place since August 1, 1941; and that a subsidy of 40 cents per hundred over and above the maximum price of \$1.70 per hundred, or the present price, whichever is the highest, be paid to the producers of milk sold to manufacturers of concentrated milk products. This order became effective on and after December 22. A special committee was created late in December to carry out investigations in regard to dairy production as required by the Wartime Prices and Trade Board and to act in an advisory capacity on any or all matters pertaining to the dairy industry.

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The Dairy Review will be issued on the dates shown below:

January .....	February 9, 1942
February .....	March 9, 1942
March .....	April 9, 1942
April .....	May 8, 1942
May .....	June 9, 1942
June .....	July 8, 1942
July .....	August 10, 1942
August .....	September 9, 1942
September .....	October 8, 1942
October .....	November 9, 1942
November .....	December 9, 1942
December .....	January 14, 1943

DAIRY PRODUCTION CONDITIONS

The month of December was characterized by abnormally high temperatures with slightly more than the usual amount of precipitation, except in the Prairie sections where it was slightly below normal. Heavy falls of snow occurred in parts of Eastern Canada. At Charlottetown there was 36.3 inches during the month and at Nappan, Nova Scotia, 20.75 inches were recorded. At Ottawa there was a snowfall of 19.3 inches which was about the normal quantity for that period. The high temperatures which prevailed during the month were accompanied by fair amounts of sunshine. In the Maritimes and in the Prairie Provinces, the hours of sunshine were less than usual, being 34.6 at Charlottetown and 67.9 at Swift Current, representing 56.5 and 84.4 per cent of the normal. Ontario and British Columbia recorded somewhat higher ratings than those shown for other parts of Canada. Conditions on the whole were relatively favourable for dairying. The roads were kept open except in a few areas where exceptionally heavy snowfall occurred and farmers were able to make deliveries to factories and local markets with reasonable regularity.

Encouraged by high prices for dairy produce, farmers fed dairy herds quite liberally and purchased somewhat more than the usual quantities of millfeeds and concentrates. The price of Bran as quoted at Montreal averaged about \$29.25 per ton as compared with \$27.25 in the same month a year ago. At Winnipeg oats stood at 46 1-8 cents as compared with 31 3-8 cents, and barley at 55 1-2 cents as compared with 40 1-8 cents in December 1940. Linseed Oil Cake was quoted at \$49.50 a ton or approximately \$10.00 above the December quotation of a year ago, while Gluten feed showed no change as compared with the previous year.

The reports of dairy correspondents would indicate that the cow population has declined very slightly since December 1940 and any decline that may have occurred was possibly offset by the increase in the percentage of cows milking, which averaged 74 per cent in December 1941 as compared with 73 per cent in the same month of 1940. Milk production per farm was nearly equal to that of a year ago and based on cows actually milking the average production per cow was 17.1 as compared with 17.3 pounds per day. Reports indicate that farmers experienced the advantages of a fairly brisk market for dairy cows, the prices obtained being substantially higher than those reported at the same time in the preceding year. There is a tendency, however, to hold the best producers on farms and the number of young females available for use this year will provide sufficient replacements to cover any reductions made by farm sales.

The production of dairy products during the month of December was influenced very extensively by high cheese prices. The domestic price of cheese continued at the maximum of 25 cents a pound for the first grade product f.o.b. factory in Ontario and Quebec which had been set by the Wartime Prices and Trade Board during the previous month. This placed the Montreal price at 26 1-2 cents for the month, while the export product would be worth about 19 cents at Montreal when all bonuses are added to the price. The higher prices gave distinct advantages to cheese factory patrons and diverted milk otherwise used for the manufacture of butter and concentrated milk products. Thus, the output of cheese in December was approximately 3 1-2 times greater than that produced in the same month of 1940. A shortage of whole milk for domestic use has been reported in some areas, but this condition was by no means general. The stabilization of prices as the result of the ceiling placed on commercial products has established a closer relationship with agricultural income, and if this relationship continues milk production during January and the succeeding months, would be expected to move up to somewhat higher levels as compared with the previous winter season. There is already some evidence of this in the number of cheese factories still operating which were scheduled to close last month. A total of 560 factories made cheese in Canada in December as compared with 217 in the same month a year ago; and 1,034 factories were engaged in butter-making in comparison with 1,177 in December of the preceding year.