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DAIRY PRODUCTION

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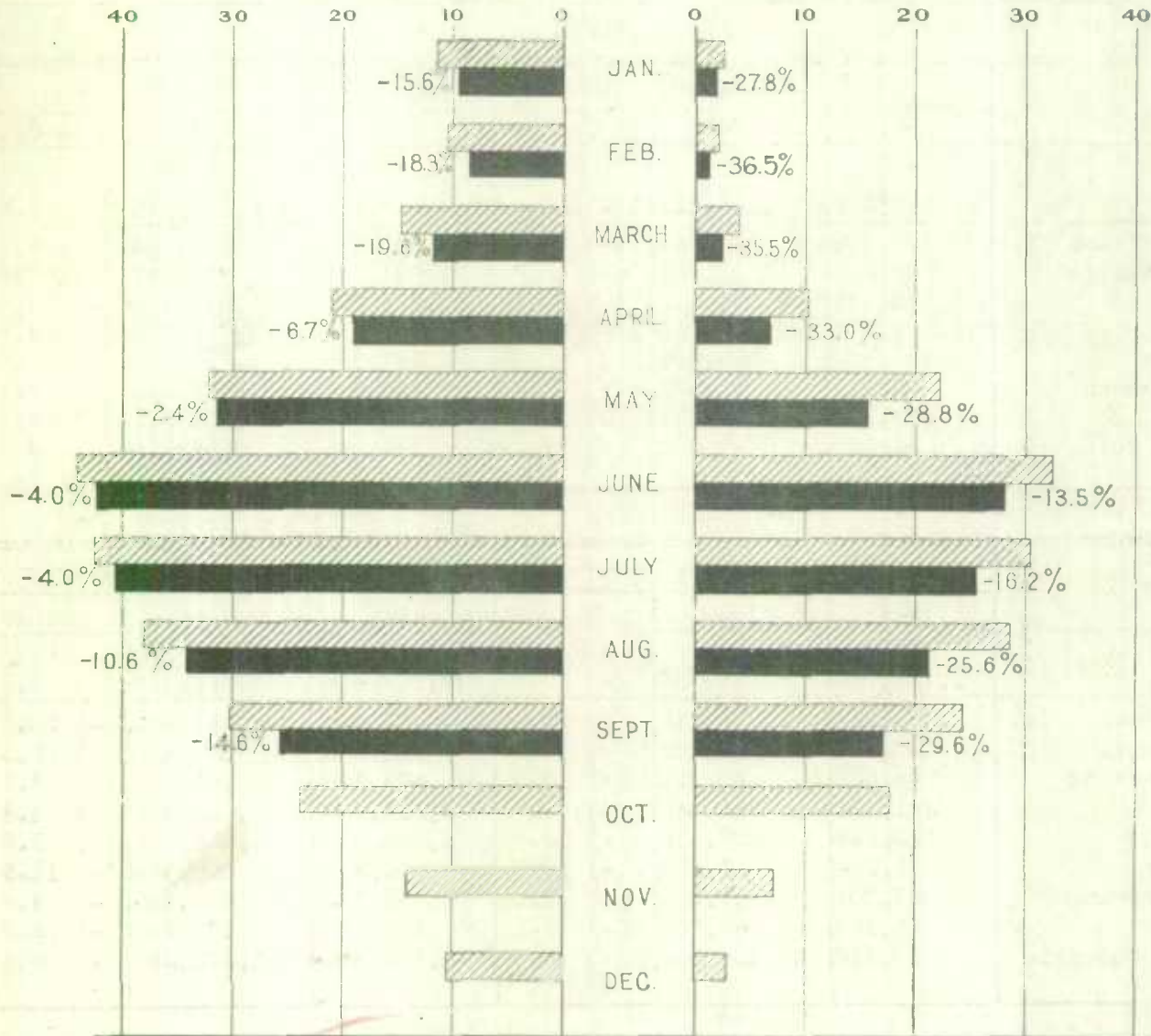
CREAMERY BUTTER

CHEDDAR CHEESE

1945 1946

MILLION POUNDS

MILLION POUNDS



I. CREAMERY BUTTER, CHEDDAR CHEESE AND ICE CREAM PRODUCTION IN CANADA BY PROVINCES
September and January-September, 1945 and 1946

CREAMERY BUTTER

Province	September			January to September		
	1945 lb.	1946 lb.	% Change %	1945 lb.	1946 lb.	% Change %
CANADA	30,174,963	25,782,895	(-) 14.6	244,825,714	224,186,530	(-) 8.4
Prince Edward Is.	435,492	419,411	(-) 3.7	3,456,364	3,195,213	(-) 7.6
Nova Scotia	633,603	577,940	(-) 8.8	5,985,752	5,550,052	(-) 7.3
New Brunswick	771,058	664,449	(-) 13.8	6,275,700	5,919,749	(-) 5.7
Quebec	11,133,615	10,444,270	(-) 6.2	72,080,283	69,628,172	(-) 3.4
Ontario	7,244,440	6,267,727	(-) 13.5	64,778,574	56,140,532	(-) 13.3
Manitoba	2,533,259	2,448,885	(-) 3.3	23,145,041	21,942,377	(-) 5.2
Saskatchewan	3,624,553	3,106,560	(-) 14.3	34,961,963	31,356,652	(-) 10.3
Alberta	3,384,369	1,512,403	(-) 55.3	28,868,399	25,954,508	(-) 10.1
British Columbia	414,574	342,250	(-) 17.4	5,283,636	4,499,275	(-) 14.8

CHEDDAR CHEESE

Province	September			January to September		
	1945 lb.	1946 lb.	% Change %	1945 lb.	1946 lb.	% Change %
CANADA	24,349,351	17,144,322	(-) 29.6	156,717,859	120,270,571	(-) 23.3
Prince Edward Is.	150,126	103,249	(-) 31.2	930,740	652,283	(-) 29.9
New Brunswick	139,547	79,983	(-) 42.7	1,091,103	679,447	(-) 37.7
Quebec	8,475,791	5,044,620	(-) 40.5	49,878,992	34,813,409	(-) 30.2
Ontario	14,727,575	11,269,730	(-) 23.5	97,063,278	77,722,294	(-) 19.9
Manitoba	381,563	359,598	(-) 5.8	3,351,859	2,737,255	(-) 18.3
Saskatchewan	50,111	51,921	(+) 3.6	350,017	327,813	(-) 6.3
Alberta	373,281	186,571	(-) 50.0	3,439,585	2,784,341	(-) 19.1
British Columbia	51,357	46,650	(-) 5.3	612,285	553,729	(-) 9.6

ICE CREAM

Province	September			January to September		
	1945 gal.	1946 gal.	% Change %	1945 gal.	1946 gal.	% Change %
CANADA	1,153,938	1,214,912	(+) 5.3	14,101,446	13,566,100	(-) 3.8
Prince Edward Is.	6,936	5,312	(-) 23.4	72,074	51,656	(-) 28.3
Nova Scotia	90,000	78,202	(-) 13.1	880,644	696,410	(-) 20.9
New Brunswick	44,556	48,952	(+) 9.9	475,146	441,266	(-) 7.1
Quebec	241,126	239,448	(-) 0.7	2,811,650	2,688,992	(-) 4.4
Ontario	455,698	527,414	(+) 15.7	5,955,698	6,024,754	(+) 1.2
Manitoba	72,254	63,820	(-) 11.7	910,978	806,488	(-) 11.5
Saskatchewan	47,706	53,000	(+) 11.1	692,112	661,964	(-) 4.4
Alberta	66,156	62,764	(-) 5.1	892,242	872,280	(-) 2.2
British Columbia	129,526	136,000	(+) 5.0	1,410,902	1,322,350	(-) 6.3

SUMMARY STATEMENT OF DAIRY PRODUCTION IN CANADA
(September, 1946)

CREAMERY BUTTER PRODUCTION in September decreased approximately 14.6 per cent as compared with the output for the preceding year. The monthly make was approximately 25.8 million pounds and the total for the nine months, January to September, amounted to 224.2 million pounds. Decreases were recorded in all provinces.

DAIRY BUTTER PRODUCTION in August based on returns from representative groups of Dairy Correspondents, was 88 thousand pounds less than that produced in the same month of the preceding year and decreased approximately 8 per cent in comparison with the July output. The total make in the month of August amounted to 3,966,000 pounds.

WHEY BUTTER PRODUCTION in September amounted to 270,215 pounds, a decrease of 8 per cent as compared with September, 1945. Of this amount 236 thousand pounds were produced in Ontario, the remainder in Quebec, Manitoba, Alberta and British Columbia.

CHEDDAR CHEESE PRODUCTION decreased approximately 29.6 per cent in September as compared with September, 1945. The monthly make was 17.1 million pounds and the total for the nine months, January to September, amounted to 120.3 million pounds. Decreases occurred in all provinces except Saskatchewan.

ICE CREAM PRODUCTION in September amounted to approximately 1.2 million gallons, an increase of approximately 5.3 per cent as compared with the September output of 1945. For the nine months, January to September, 13.6 million gallons were produced.

CONCENTRATED MILK PRODUCTION manufactured during September registered a decrease of approximately 1.4 per cent as compared with the same month last year. The total production of 27.0 million pounds included 21.4 million pounds of Concentrated Whole Milk Products and 5.5 million pounds of Concentrated Milk By-Products. EVAPORATED MILK, included in the former group, decreased approximately 9 per cent as compared with the same month last year. SKIM MILK POWDER, the most important milk by-product, increased 21 per cent.

CREAMERY BUTTER PRICES at Montreal, based on daily quotations of the Canadian Commodity Exchange for the first grade product, averaged 40 cents a pound in September, 1946, as compared with 34½ cents a year ago. Cheese was quoted at 23½ cents a pound as compared with 21 cents last year. Export cheese prices set by the government as from May 1, 1943 at 20 cents a pound for the first grade product, f.o.b. factory or grading station shipping point are still in effect.

The combined output of factory products in terms of milk amounted to approximately 871 million pounds, a decrease of 184 million pounds as compared with the milk used in factory products in September, 1945. Of the total used, creamery butter represented 69.3 per cent, cheddar cheese, 22.1 per cent, concentrated whole milk products 6.4 per cent and ice cream 2.2 per cent.

The domestic disappearance of creamery butter amounted to about 22.8 million pounds in August, representing an increase of approximately 4.1 per cent from July and a decrease of 73.6 per cent in comparison with August, 1945. The domestic disappearance of total butter (creamery, dairy and whey) was approximately 27.1 million pounds representing on a per capita basis 2.23 pounds as compared with 2.57 pounds in August, 1945.

Table II - PRODUCTION OF CONCENTRATED MILK PRODUCTS IN CANADA
September, and January-September 1945 and 1946

Product	September			January-September		
	1945 lb.	1946 lb.	% Change %	1945 lb.	1946 lb.	% Change %
TOTAL ALL PRODUCTS	27,423,298	27,036,456	(-) 1.4	250,285,870	246,586,343	(-) 1.5
WHOLE MILK PRODUCTS	22,502,288	21,408,985	(-) 4.9	204,362,317	197,946,827	(-) 3.1
Condensed Milk	3,089,083	3,546,946	(+) 14.8	23,345,990	23,508,002	(+) 0.7
Case	2,445,969	2,806,477	(+) 14.7	17,290,064	18,024,930	(+) 4.3
Bulk	643,114	740,469	(+) 15.1	6,055,926	5,483,072	(-) 9.5
Evaporated Milk	17,984,611	16,334,208	(-) 9.2	168,754,176	162,849,692	(-) 3.5
Case	17,558,741	15,863,538	(-) 9.7	165,873,527	158,334,999	(-) 4.5
Bulk	425,870	470,670	(+) 10.5	2,880,649	4,514,693	(+) 56.7
Whole Milk Powder (1)	1,428,594	1,527,831	(+) 6.9	12,262,151	11,539,133	(-) 5.5
Spray	1,133,029	1,083,318	(-) 4.4	10,050,688	8,883,726	(-) 11.6
Roller	295,565	444,513	(+) 50.4	2,211,463	2,705,407	(+) 22.3
MILK BY-PRODUCTS +	4,886,259	5,543,511	(+) 13.5	45,389,536	48,038,040	(+) 5.8
Condensed Skim Milk	442,719	377,772	(-) 14.7	3,582,120	2,445,275	(-) 31.7
Evaporated Skim Milk	180,500	286,647	(+) 58.8	1,896,733	2,415,460	(+) 27.3
Skim Milk Powder +	3,045,357	3,694,569	(+) 21.3	30,503,612	33,895,131	(+) 11.1
Spray	1,013,546	1,259,490	(+) 24.3	11,087,827	12,693,214	(+) 14.5
Roller +	1,887,399	2,266,447	(+) 20.1	17,275,060	20,244,689	(+) 17.2
Feed +	144,412	168,632	(+) 16.8	2,140,725	957,228	(-) 55.3
Condensed Buttermilk	152,002	271,854	(+) 78.8	1,832,926	1,898,100	(+) 3.6
Powdered Buttermilk +	509,931	304,393	(-) 40.2	3,531,853	2,721,392	(-) 22.9
Milk Preparations (Baby Foods, etc.)	190,027	171,428	(-) 9.8	849,700	1,416,369	(+) 66.7
Casein	365,723	436,348	(+) 19.3	3,192,542	3,246,313	(+) 1.7

NOTE: Since less than three firms report malted milk, cream powder and sugar of milk, these products are not listed separately on this statement.

(1) 1945 figures for whole milk powder have been revised since the report of December, 1945 was issued to give effect to corrections made by manufacturers.

+ New firms added since January 1, 1946 - 1 factory producing Skim Milk Powder (roller) 4 (feed) and 2 Buttermilk Powder.

TABLE III - BUTTER-FAT AND MILK EQUIVALENT OF FACTORY DAIRY PRODUCTION
September and January-September, 1946

Product	September, 1946			January-September, 1946		
	Butter Fat	Milk	Per Cent of Total	Butter Fat	Milk	Per Cent of Total
	'000 lb.	'000 lb.	%	'000 lb.	'000 lb.	%
Creamery Butter	21,125	603,578	69.3	183,687	5,248,207	71.8
Cheddar Cheese	6,721	192,016	22.1	47,146	1,347,030	18.4
Concentrated Milk Products	1,969	56,250	6.4	17,661	504,581	6.9
Condensed Whole Milk	283	8,092	0.9	1,876	53,598	0.7
Evaporated Whole Milk	1,258	35,935	4.1	12,540	358,270	4.9
Whole Milk Powder	428	12,223	1.4	3,245	92,713	1.3
Ice Cream	668	19,076	2.2	7,459	213,124	2.9
TOTAL 1946	30,483	870,920	100.0	255,953	7,312,942	100.0
1945	36,935	1,055,275		288,075	8,230,729	

TABLE IV - QUANTITIES AND VALUES OF MILK POWDERS SOLD IN CANADA AUGUST, AND JANUARY TO AUGUST, 1945 AND 1946

Product	Quantity		Value		Average Price (1)	
	1945	1946	1945	1946	1945	1946
	August					
	lb.	lb.	\$	\$	¢	¢
TOTAL POWDER (All Classes)	6,609,165	5,520,673	981,692	1,062,238	14.85	19.24
Whole Milk Powder	1,114,728	1,424,171	389,389	544,208	34.93	38.21
Spray	1,017,094	1,190,368	364,321	484,601	35.82	40.71
Roller	97,634	233,803	25,068	59,607	25.68	25.49
Buttermilk Powder	407,689	459,686	34,745	39,035	8.52	8.49
Skim milk Powder	4,770,980	3,159,013	487,861	361,329	10.23	11.44
Spray	1,710,937	1,700,955	207,564	205,293	12.13	12.07
Roller	2,725,859	1,393,773	258,104	150,316	9.47	10.78
Feed	334,184	64,285	22,193	5,720	6.64	8.90
Casein (x)	315,768	477,803	69,697	117,666	22.07	24.63
	January-August					
TOTAL POWDER (All Classes)	35,011,716	37,914,397	5,813,285	6,090,268	17.09	16.06
Whole Milk Powder	7,184,711	6,252,832	2,550,435	2,283,405	35.50	36.64
Spray	5,949,049	5,100,422	2,224,524	1,996,432	37.39	39.14
Roller	1,235,662	1,132,410	325,911	286,973	26.38	25.34
Buttermilk Powder	2,560,186	3,077,413	214,885	250,869	8.39	8.15
Skim milk Powder	23,154,297	25,663,035	2,558,958	2,870,441	11.55	11.19
Spray	9,684,605	10,492,977	1,169,128	1,252,963	12.07	11.94
Roller	12,108,126	14,326,731	1,282,082	1,545,819	10.59	10.79
Feed	1,361,566	843,327	107,748	71,659	7.91	8.50
Casein (x)	2,112,522	2,941,117	489,007	685,553	23.15	23.31

(x) Not sufficient reports to publish Rennet and Acid Casein separately.

(1) Prices on a delivered basis.

TABLE V - THE CREAMERY BUTTER POSITION IN CANADA,
June to August, 1942 to 1946

	Year	June	July	August	June to August
		lb.	lb.	lb.	lb.
Stocks in storage at first of the month (including Imported Stocks)	1942	10,071,714	26,691,325	41,415,709	-
	1943	18,827,316	41,138,660	61,729,804	-
	1944	16,620,031	36,545,069	52,962,100	-
	1945	19,127,802	38,651,280	55,636,164	-
	1946	17,453,045	38,536,985	57,957,733	-
Stocks in transit at first of the month	1942	1,260,000	1,416,800	1,568,000	-
	1943	952,000	1,008,000	1,204,000	-
	1944	910,000	1,330,000	1,059,800	-
	1945	429,800	1,199,800	884,800	-
	1946	779,800	1,374,800	560,000	-
Production	1942	41,485,415	40,343,046	36,268,669	118,097,130
	1943	46,464,825	44,445,338	38,862,831	129,772,994
	1944	45,684,619	41,525,583	37,003,732	124,213,934
	1945	44,142,090	42,527,680	38,044,336	124,714,106
	1946	42,378,615	40,836,852	34,015,258	117,230,725
Imports	1942	100	475	225	800
	1943	130	19	-	149
	1944	78	58	30	166
	1945	60	27	48	135
	1946	-	96	-	96
Exports	1942	85,800	210,300	220,900	517,000
	1943	216,500	91,200	68,100	375,800
	1944	450,800	551,000	450,300	1,452,100
	1945	516,100	265,700	422,700	1,204,500
	1946	205,200	333,100	931,100	1,469,400
Prices (Montreal)	1942	34 1/2	34 1/4	34 7/8	34 1/4
	1943	33	33	33 1/4	33
	1944	33	33 1/2	34 3/4	33 3/8
	1945	34	34 1/2	34 1/2	34 3/8
	1946	38 3/8	39 3/8	40	39 1/4
Total Disappearance of Creamery Butter (Domestic and Exports) (x)	1942	24,709,104	25,467,937	28,412,481	78,589,522
	1943	24,097,611	23,658,213	26,474,076	74,229,900
	1944	25,339,659	25,378,810	26,676,338	77,394,807
	1945	23,848,672	25,857,823	26,811,335	76,517,830
	1946	20,699,675	22,231,000	23,721,757	66,652,432
Domestic Disappearance of Creamery Butter (x)	1942	24,623,304	25,257,637	28,191,581	78,072,522
	1943	23,881,111	23,567,013	26,405,976	73,854,100
	1944	24,888,859	24,827,810	26,226,038	75,942,707
	1945	23,332,572	25,592,123	26,388,635	75,313,330
	1946	20,494,475	21,897,900	22,790,657	65,183,032

(x) Disappearance figures are calculated on the basis of storage, imported and transit stocks combined.

THE DAIRY SITUATION IN CANADA

Butter Supply Position: The production of creamery butter in the month of September suffered a severe decline, falling nearly $4\frac{1}{2}$ million pounds as compared with that produced in the same month of the preceding year. While the movement has continued in a downward direction throughout the production season it became much more pronounced during the past two months. The total output to date is now reduced from last year by nearly 21 million pounds. Since creamery butter represents nearly 90 per cent of the total make, it offers a good indication of the supply position. Stocks of creamery butter on October 1 reflected this decline in production, the holdings being 835 thousand pounds less than those in store and transit at the same date a year ago. While trade figures are not yet available it is apparent that the domestic disappearance of total butter in September will be approximately $28\frac{1}{2}$ million pounds, which is slightly more than that of the previous month. It will be seen from Table V that the domestic disappearance of creamery butter for the three summer months (June, July and August) amounted to 65 million pounds. For the same period last year the comparative figure was over 75 million pounds. As pointed out in a previous issue of this Review, this improved position was due to a reduction in the weekly butter ration from 7 oz. to 6 oz. per person. Had it not been for this saving, the supplies of butter would have been reduced to a much greater extent. Adequate consideration must now be given to the production situation now indicated, and the increased population that will require to be rationed. In order to visualize the future position, attention is directed to the analysis given for the October to April period, 1941-42 to 1945-46 which appears in the table below:

CREAMERY BUTTER DISAPPEARANCE
October to April, 1941-42 to 1945-46

	Production	Exports	Imports	Change in Inventory	Domestic Disappearance
October to December					
1941	51,959,932	416,700	1,193	(-) 24,334,725	75,879,150
1942	56,767,100	445,000	68,999	(-) 30,132,964	86,524,063
1943	53,158,727	8,320,500	44	(-) 32,632,827	77,471,098
1944	53,317,881	984,600	193	(-) 26,906,703	79,240,177
1945	48,715,627	1,855,800	394	(-) 35,271,269	82,131,490
5 year average	52,783,853	2,404,520	14,164	(-) 29,855,697	80,249,195
January to April					
1942	48,708,750	288,700	75,243	(-) 37,639,132	86,134,425
1943	63,497,426	223,600	441	(-) 11,760,566	75,034,833
1944	56,099,826	1,280,300	130	(-) 36,962,474	91,782,130
1945	57,671,228	1,737,700	2,642	(-) 28,298,367	84,234,537
1946	49,674,087	1,111,000	272	(-) 29,432,815	77,996,174
5 year average	55,130,263	928,260	15,746	(-) 28,818,671	83,036,420
October to April					
1941-42	100,668,682	705,400	76,436	(-) 61,973,857	162,013,575
1942-43	120,264,526	668,600	69,440	(-) 41,893,530	161,558,896
1943-44	109,258,553	9,600,800	174	(-) 69,595,301	169,253,228
1944-45	110,989,109	2,722,300	2,835	(-) 55,205,070	163,474,714
1945-46	98,389,714	2,966,800	666	(-) 64,704,084	160,127,664
5 year average	107,914,116	3,332,780	29,910	(-) 58,674,368	163,285,615

Table VI- PRODUCTION OF MILK PER COW AND PERCENTAGES OF COWS MILKING
Reported by Dairy Correspondents, for August, 1942 to 1946

Province	Milk production per cow in pounds per day						Percentages of Cows Milking					
	1942	1943	1944	1945	1946	Av.	1942	1943	1944	1945	1946	Av.
CANADA	18.6	20.5	18.9	23.0	22.9	20.8	84.3	85.9	84.4	86.5	85.5	85.3
Prince Edward Island	21.5	22.5	20.4	22.1	20.2	21.3	87.1	91.1	92.2	90.6	94.4	91.1
Nova Scotia	17.9	18.2	17.6	21.7	22.4	19.6	87.9	87.7	84.2	85.4	85.8	86.2
New Brunswick	20.5	19.6	17.8	21.8	21.6	20.3	86.5	91.4	82.6	91.0	87.3	87.8
Quebec	19.0	21.7	20.5	22.5	21.1	21.0	93.3	93.3	91.2	90.8	89.9	91.7
Ontario	20.5	21.7	19.8	25.3	24.1	22.3	85.7	87.0	86.5	89.1	87.9	87.2
Manitoba	15.2	16.9	15.5	21.3	22.5	18.3	73.8	80.4	74.3	77.9	79.6	77.2
Saskatchewan	17.1	18.7	18.0	22.4	21.6	19.6	78.3	78.3	79.9	79.6	79.8	79.2
Alberta	16.1	20.0	17.0	22.8	25.2	20.2	72.7	76.0	75.9	83.7	79.7	77.6
British Columbia ...	16.6	19.0	18.3	23.1	25.5	20.5	76.7	83.0	80.8	82.7	80.5	80.7

Table VII- PRODUCTION OF DAIRY BUTTER AND WHEY BUTTER IN CANADA
By Provinces, August, 1944, 1945 and 1946.

Province	DAIRY BUTTER			WHEY BUTTER		
	1944	1945	1946	1944	1945	1946
	000 lb.	000 lb.	000 lb.	lb.	lb.	lb.
CANADA	4,098	4,054	3,966	368,540	443,888	329,257
Prince Edward Island.	47	49	48	-	-	-
Nova Scotia	264	256	262	-	-	-
New Brunswick	423	402	408	-	-	-
Quebec	665	678	600	45,386	56,757	37,131
Ontario	361	358	347	315,870	381,808	284,601
Manitoba	351	341	375	4,847	3,871	4,259
Saskatchewan	1,158	1,123	1,101	-	-	-
Alberta	666	679	652	823	-	1,792
British Columbia	163	168	173	1,614	1,452	1,424

Estimating the production of creamery butter during the next seven months on the basis of the cumulative figures to date, the total output for the next seven months would fall to approximately 90 million pounds. When this amount is added to stocks now in storage and transit the apparent supply would be reduced from 170 million pounds in 1945-46 to 161 million pounds in 1946-47. Calculating exports and imports on the reduced basis shown in trade reports for the January to August period, and allowing for a storage carry over of 6 million pounds (the same as last year) the remainder available for domestic use would be approximately 152 million pounds, representing 12.4 pounds per capita on the basis of revised population figures as compared with 13.21 pounds in the same period of 1945-46.

Fluid Milk Supplies; The consumption of fluid milk during the war period was exceptionally high, an increase of 33 per cent being recorded between 1939 and 1945. Milk sales moved up in the early part of 1945, but increased in the latter part of the year as service men and their families returned from Europe. This increase over the previous year was quite pronounced during the winter and early spring of 1945, the high point being reached about the end of May when the cancellation of the consumer subsidy and other factors tended to affect milk sales to a slight extent. On September 30 producer subsidies of 55 and 35 cent per hundred (which had been advanced to the higher rate on May 1) were also discontinued; and since the provincial authorities have complete jurisdiction over these matters, it was found necessary for milk boards to hold public hearings and make price adjustments in their own domains. With the exception of Prince Edward Island all provinces have made decisions, advancing prices to producers to cover the subsidy previously paid by the Dominion Government, plus an additional amount to compensate farmers for increasing production costs. In Quebec increases amounted to 35 to 40 cents per hundred over and above any subsidies in effect prior to October 1. In Ontario producers will receive an increase of \$1.00 per hundred in all markets regardless of whether the subsidy was 55 cents or 35 cents. Selling prices in Ontario were advanced 3 cents per quart, and this also applies to Quebec markets which benefited from the maximum subsidy. Increases of 2 cents per quart were ordered by the Milk Boards in Saskatchewan, Alberta, British Columbia, New Brunswick and Nova Scotia, while an advance of $1\frac{1}{2}$ cents per quart became effective in the controlled markets of Manitoba. In the latter province, an increase was ordered early in the year before the Wartime Price and Trade Board relinquished control to the provinces (May 31st). Since all details are not yet available, a complete analysis of the new price set-up will be reserved for the next issue of the Dairy Review.

While the effect of this new price arrangement on fluid sales is difficult to forecast, an immediate reaction is anticipated. In many cases, however, the volume may still exceed the quantity sold a year ago. During the period January to May sales of fluid milk and cream advanced approximately 9 per cent over those of 1945. In the period June to August the increase amounted to approximately 8 per cent. However, the advance in August was not as great, being only $5\frac{1}{2}$ per cent as compared with 10 per cent in June and 9 per cent in July.

REVIEW OF DAIRY PRODUCTION CONDITIONS

Summary: In order to appreciate the significance of the butter position, it is well to remember that a downward trend in milk production has prevailed since the beginning of the year. The most pronounced reduction occurred in the month of August, the total production of 1,765,000,000 pounds being 8 per cent less than that produced in the same month of 1945. The cumulative total for the eight-month period shows a total of ~~1,821,000,000~~ 1,821,000,000 pounds, representing a decline of nearly 4 per cent in comparison with the January-August period of 1945. Naturally enough, this reduction has seriously restricted the deliveries of milk and cream for manufacturing purposes. In the month of July factory receipts declined $6\frac{1}{2}$ per cent, while the August reduction was $13\frac{1}{2}$ per cent. In relation to the total milk production of Canada, August deliveries showed a difference of 4 per cent between last year and this year.

While the above has reference to August production, a word of explanation seems necessary to explain the unusual reduction in the deliveries of milk and cream in Alberta during September. This, of course, was due to the farm strike which covered the northern

TABLE VIII - PASTURE CONDITIONS IN CANADA,
By Provinces, June to September, 1942 to 1946.

Province	June						July					
	1942	1943	1944	1945	1946	Av.	1942	1943	1944	1945	1946	Av.
CANADA	104	104	94	99	93	99	99	104	90	99	82	95
Prince Edward Island.	93	86	107	104	99	98	84	102	104	106	76	94
Nova Scotia	103	95	92	107	92	98	92	101	79	101	78	90
New Brunswick	101	96	95	101	86	96	97	95	88	102	77	92
Quebec	104	108	88	103	93	99	100	111	90	103	80	97
Ontario	107	106	97	97	94	100	95	106	91	102	83	95
Manitoba	104	102	104	94	69	95	106	105	102	99	87	100
Saskatchewan	102	98	107	82	84	95	115	85	93	75	82	90
Alberta	101	95	89	84	108	95	114	85	83	65	101	90
British Columbia	107	96	97	98	106	101	105	90	83	92	101	94

Province	August						September					
	1942	1943	1944	1945	1946	Av.	1942	1943	1944	1945	1946	Av.
CANADA	97	103	81	92	75	90	97	96	85	90	75	89
Prince Edward Island.	93	108	72	70	53	79	96	93	77	57	63	77
Nova Scotia	88	104	68	89	69	84	80	91	80	84	76	82
New Brunswick	89	103	76	76	64	82	80	80	82	67	61	74
Quebec	98	107	88	99	79	94	96	103	90	95	81	93
Ontario	96	103	75	95	72	88	103	98	80	98	67	89
Manitoba	104	93	98	91	84	94	101	92	99	92	86	94
Saskatchewan	110	85	87	69	81	86	106	75	88	71	83	85
Alberta	110	87	87	74	93	90	109	79	92	83	103	93
British Columbia	96	93	80	73	90	86	95	85	88	79	91	88

part of the province, closing factories in most sections with the exception of Edmonton city. The strike continued for a month (September 6 to October 6) and during this time a very considerable quantity of milk and cream was withheld from the market. The effect of the strike was indicated in the creamery butter figures, shown in Table I, and also contributed to a sharp reduction in the cheddar cheese make. Correspondents in northern Saskatchewan have also reported a reduction in deliveries as the result of strike conditions in that area. The effect was less evident in the Saskatchewan production figures, although it probably contributed to the decline in the creamery butter output.

With the exception of districts subjected to conditions just described, the fall-off in milk production during the month of August was due largely to poor pastures and dry weather. In order to evaluate the pasture situation in the different provinces during the summer months, details are offered in table VIII. September was a comparatively mild month in the Eastern Provinces, but it was inclined to be rather dry and pasture forage was insufficient to maintain the milk flow on a par with that of the same month a year ago. Consequently, dairy farmers were forced to do considerable supplementary feeding. In western Canada rains delayed threshing operations so that harvest fields are just beginning to come into use for pasture purposes. Taking the Dominion as a whole, farmers are well supplied with feed for winter use. The hay crop did not measure up to expectations, but there was a good crop of grain, roots and corn. Observers point out, however, that the shortage of pasture in the early fall period will cause many cows to dry up prematurely. Thus, while there is an abundance of feed, there may not be as many cows on a milk production ration.

The livestock survey of June 1 would seem to confirm the downward trend in cow numbers reported by Dairy Correspondents throughout the year. Reports for July and August indicate that the position is practically unchanged. Equally important is the further reduction in the percentage of cows being milked. On the other hand, freshenings in the month of August showed a slight increase, and cows coming into lactation registered a lesser reduction than that indicated during the two previous months. Owing to inadequate forage, cows are reported to be in poor flesh and may not go into winter quarters in as good condition as they did a year ago.

Owing to the reduction in cow numbers and the lack of forage in many parts of the Dominion it is believed that the production of milk will continue to decline throughout the fall season. The labour situation is improving, and in some districts labour shortages have ceased to exist. Observers point out, however, that increasing costs of production (including wages, machinery and all other articles used on farms) will have an adverse effect on production; and furthermore, that deliveries of milk and cream for manufacturing will suffer a further reduction under the price structure that now operates in areas adjacent to fluid milk markets. More milk may be diverted to manufacturing if there is a fall-off in fluid sales; but the volume of milk diverted may not amount to a great deal when the price incentive is removed. Hence, the benefits to dairy manufacturing are liable to be of a temporary nature.

Prince Edward Island; September was a dry month and pastures suffered from a lack of moisture during August and most of September. The grain harvest was slightly less than last year, but the supplies of roots and grain will help the feed situation. Dairy Correspondents reported a sharp reduction in cow holdings in August, while a 4 per cent advance was revealed in the percentage being milked. Prospective freshenings also appear to be on the increase. Milk production declined 16 per cent in August and observers believe that little improvement can be expected during the remainder of the autumn period.

Nova Scotia; Drought in August, followed by a lack of rain during the forepart of September, dried up the pastures in this province. Feed prospects are favourable, although the total tonnage of hay and other roughage will be somewhat reduced. On the other hand, there was an advance in the estimated output of cereals for feeding purposes. The milch-cow population declined approximately 5 per cent in August and observers report that cows are thin owing to the lack of pasture forage. More cows are being freshened, however, so that some improvement may be expected in future months.

DAIRY CATTLE NUMBERS

It will be observed from the June 1 survey figures shown in the table below, that milch-cow numbers declined approximately 2 per cent as compared with those reported at the same date a year ago. This decrease in numbers was reflected in the figures for all provinces. It was stated in this report a year ago that the upward trend in the milch-cow population appeared to be slowing up. Actually it reached the peak in 1945 and is now beginning to move in a downward direction. Evidence of this is revealed in the numbers of dairy heifers which declined 5 1/2 per cent from last year, all provinces except Nova Scotia sharing in the decline. Calves of all classes (raised for both beef and dairy purposes) were reduced by 3 1/2 per cent as against a 2 per cent increase between 1944 and 1945. When this situation is coupled with the sharp decline in dairy heifers and the equally significant reverse in milch-cow numbers, it seems to point to the conclusion that the milch-cow population is now moving into a low-tide cycle that may continue for some time.

Table IX - NUMBERS OF DAIRY CATTLE ON FARMS, IN CANADA,
By Provinces, June 1, 1945 and 1946

Province	DAIRY COWS		DAIRY HEIFERS		CALVES (X)	
	No.	% Change	No.	% Change	No.	% Change
CANADA	1945	3,998,200	1,033,300		2,685,800	
	1946	3,913,900	- 2.1	976,100	- 5.5	2,591,800
Prince Edward Island	1945	47,000	11,800		29,000	
	1946	45,800	- 2.6	12,100	+ 2.5	28,400
Nova Scotia	1945	109,400	30,800		42,600	
	1946	103,400	- 5.5	29,100	- 5.5	44,200
New Brunswick	1945	118,800	27,600		54,700	
	1946	115,800	- 2.5	26,500	- 4.0	53,200
Quebec	1945	1,103,700	236,800		454,700	
	1946	1,098,200	- 0.5	222,800	- 5.9	452,300
Ontario	1945	1,253,100	309,700		703,100	
	1946	1,250,600	- 0.2	303,500	- 2.0	694,700
Manitoba	1945	366,000	101,000		246,000	
	1946	349,400	- 4.5	96,200	- 4.8	233,800
Saskatchewan	1945	525,100	176,400		543,300	
	1946	501,500	- 4.5	165,000	- 6.5	517,000
Alberta	1945	376,400	113,100		521,300	
	1946	353,700	- 6.0	96,400	-14.8	490,100
British Columbia	1945	98,700	26,100		91,100	
	1946	95,500	- 3.2	24,500	- 6.1	78,100

(X) All classes of calves are represented in these figures.

Milk production declined 4 per cent in August and further reductions are expected during the late fall months.

New Brunswick: The weather in September was warm and dry; pastures are below par and there is very little after grass on meadows. Farmers are now resorting to the use of harvest fields as a substitute for grass. The hay crop was variable, but surplus stocks from last year are sufficient to meet shortages by transferring same from one district to another. There is a good average root crop in the offing to supply succulent feed during the winter months. August returns showed a 3 per cent reduction in cow numbers from last year, although freshenings registered a substantial increase. This would indicate that the percentage of cows milking might be expected to advance in future months. The total supply of milk in the same month fell 8 per cent below that of August, 1945, and owing to a lack of good pasture the situation is not likely to show immediate improvement.

Quebec: Rains during the latter part of August helped the pasture situation in this province, although it is felt that there is still general lack of moisture. At l'Assomption the rainfall was approximately $1\frac{3}{4}$ inches as compared with $3\frac{1}{2}$ inches in September 1945. Feed supplies are favourable, although a shortage of clover was indicated in some districts. While there was a good grain crop the straw was short and the tonnage will be below average. A decline of about 2 per cent in the milch-cow population as compared with the previous year was reported by correspondents, and differing from many of the provinces, freshenings showed a sharp reduction. This may be due to heavy sales, and attractive prices. The average for grades was approximately \$90. as compared with \$70. a year ago. A reduction of 10 per cent in milk production was indicated in the estimate for August, and observations made by district representatives would lead to the conclusion that this decline may be expected to continue.

Ontario: Timely rains on or about the 24th of August produced a considerable improvement in pastures which had begun to show the effects of the August and September drought. Barns are well stocked with rough feed and silos are being filled to capacity. The hay crop did not measure up to expectations, but this will be offset by a considerable increase in grain supplies. Cows are not in as heavy a flesh as usual on account of the shortage of pasture. The holdings of cows used for milking purposes in the month of August showed a decline of approximately $1\frac{1}{2}$ per cent, and the numbers actually being milked reflected this reduction. Freshenings were reported to be on the increase, so that on the whole there may be little change in the numbers available for production during the winter months. A decline of 10 per cent in the farm milk supply had quite an effect on factory deliveries, although fluid sales still retain a 6 per cent lead over those of the same month last year. Very little change is expected during the autumn, and the quantity of milk produced during the winter months will be dependent upon price relationships. The labour situation has improved, and in some districts there are more men than jobs at the high wages being demanded of farmers.

Manitoba: Dairying in Manitoba appears to be gaining ground as the flow of labour and prices become readjusted to the post-war economy. Pastures are quite poor, but not much worse than usual at this season. However, cows are now taking to the open harvest fields, so that some improvement in the milk supply would seem to be indicated. During the month of August milk production declined almost 4 per cent. Nevertheless, it is believed that the output will show a lesser reduction during the next two or three months.

Saskatchewan: The rainfall was variable during September. Yet, in most districts there was ample moisture to promote growth on pastures and harvest fields. On account of rains delaying threshing activities, the latter will not be available until October. The farm strike stopped deliveries in some areas and is believed to have been responsible in some measure for the reduced butter make in September. The production of milk in August was 5 per cent below that of the same month last year, and a much greater reduction is expected in September when all data are complete. However, as harvest fields come into use there should be a marked seasonal improvement. Cow holdings were reduced

by approximately 9 per cent in August, while freshenings showed some advance over the same month last year. Feed supplies are quite satisfactory. Yet, the general attitude towards dairying as the result of a good wheat crop and high prices paid for coarse grains may have an unfavourable reaction on dairying during the winter months.

Alberta: Frequent rains during September have greatly improved the pasture situation, and in most districts the growth of grass is better than usual at this season. Farmers are well supplied with feed and there is no expectation of any shortages. The strike for higher prices has had an unfavourable result on milk deliveries in September. Declines of 20 to 25 per cent were reported by observers, and factory reports would suggest that a much greater reduction was indicated in many sections of northern Alberta. This was indicated in the creamery butter make which fell 55 per cent below that of September 1945. The total milk production in August showed a decline of 3 per cent from last year, and for the reason just given a much greater reduction is expected when the September returns are all complete.

British Columbia: The pasture situation is quite favourable in this province and feed supplies would appear to exceed those of the previous year. The numbers of cows on farms registered a slight increase in August as compared with the same month last year. There was also a substantial advance recorded in the numbers of cows being freshened on dairy farms. On the whole the outlook for the future is relatively satisfactory, although much will depend upon the number of labourers released from other industries, the prices offered for secondary milk and the demand for milch cows on the part of American buyers.

ORDERS AFFECTING THE PRICES AND SALES OF DAIRY PRODUCTS

September 25:

*The Prime Minister, Mr. Mackenzie King, announced this evening that the government, after carefully examining and reconsidering the situation as a whole, has decided that the producers' milk subsidy of 55¢ per hundred pounds on milk sold for fluid consumption (which is equal to slightly less than 1 $\frac{1}{2}$ ¢ per quart) should not be continued after September 30th.

On May 16th last the government announced the continuation of the producer subsidy on fluid milk sales at the former winter rate of 55¢ until September 30th only. On August 27th the House of Commons adopted a resolution urging the government to reconsider this decision in order to ensure an adequate return to milk producers without any further increase in the price to consumers.

The government, in reconsidering this decision, felt that if there were any real assurance that the continuation of the present subsidy would achieve the objectives endorsed by the House it might be justified in continuing the subsidy for a further limited period of time. In fact, however, there have been strong indications that even if the subsidy were continued, milk producers would demand, and at least several of the provincial milk boards would be prepared to authorize significant increases in the price of milk over and above the subsidy.

Under these circumstances the government has felt that the wise and proper course is to adhere to the program already announced and on October 1st to return control over the price of fluid milk wholly to the provincial authorities. Conditions surrounding the production of milk for the fluid market vary widely from province to province and even within provinces, and while under wartime conditions it was desirable to establish an overall policy on fluid milk prices, it was felt that the time has now come when the established and experienced milk boards should resume full jurisdiction.

The Prime Minister announced at the same time that the subsidy of 23¢ per hundred pounds on milk used in the manufacture of concentrated milk products would also be discontinued on September 30th. Simultaneously the Wartime Prices and Trade Board will authorize equivalent price increases in evaporated milk, condensed milk and milk powder."

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