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**THE DAIRY SITUATION**

**IN**

**CANADA**

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THE DAIRY SITUATION - CANADA  
DEALING PRINCIPALLY WITH FEED SUPPLIES, BUTTER PRODUCTION AND COLD STORAGE STOCKS.

The report issued today reviews the feed supply situation in the Dominion by provinces and makes a general analysis of dairying conditions with particular reference to milk cows and the indicated production of milk during the fall and winter months. The statement emphasizes the results of an exceptionally dry summer in the Maritime provinces, showing its most violent effects in Nova Scotia. Quebec was more plentifully supplied with moisture and conditions are better; but in southern and western Ontario, and to a lesser extent in the middle and eastern counties, an unusual drouth was experienced. Likewise, in south western Manitoba and south and western sections of Saskatchewan, dry weather conditions prevailed in a most intense form. Stock is being shipped out in some sections in both these provinces and feed is being supplied to other stricken areas. Alberta is possibly in a better position from a dairying standpoint than any of the Prairie Provinces, and in British Columbia the outlook is equally as good as last year.

Pastures appear to be more or less poor in all dairying sections in Canada except British Columbia, middle and eastern Quebec and especially favoured parts of the other provinces. The hay crop is a partial failure in the Maritime Provinces and in Ontario, and in the dry areas of Manitoba and Saskatchewan. In small areas of Manitoba and in more extensive sections of Saskatchewan, native hay is very poor or a complete failure. Quebec had a fair hay crop, eastern and northern sections of Manitoba and north and western Alberta. In these parts there will be surplus supplies. Sheaf oats, a stable dairy feed in western Canada, is depreciated in quantity and quality, owing to the fact that stubble land on which it is usually produced yielded exceptionally poor crops. The coarse grain yield shown in the July Condition Estimate as above last year's average is now estimated at about the same amount as in 1933. Commercial feeds will be required in larger quantities but at the present prices relative to the price of cream, it is not expected that farmers can afford to purchase them. In the main there is a general feed shortage and care will have to be exercised in the distribution of supplies. Pastures are improving with late rains which will help the situation in the east, and stubble forage will serve as a pasture substitute in the West, so that the shortage will not materially affect milk production until winter.

Milk cow numbers are estimated on the basis of returns from six provinces to be 4 per cent higher than in 1933. Reports of crop correspondents forecast a reduction of 10 per cent in the milk supply and indicate that the farm make of butter is 7 per cent less. The output of creameries to July 31, is 6.3 per cent above last year, but this is offset by an estimated reduction of 13 per cent in cheese based on gradings to September 1; thus the combined reduction is downward. Cows on pasture are reported to be five per cent poorer in condition and fall freshening is 4 per cent less in evidence than last year. With hay higher in price and hogs 44 per cent higher than August of last year and an advance of 34 per cent in veal calves, an element of competition is likely to develop providing butter fat prices remain the same. All these facts taken together point to a smaller production of dairy products in the succeeding eight months.

Cold storage stocks as at September 1st stand at 48,345,746 as against 42,019,708 pounds last year. An estimate of about 2,000,000 pounds for creameries added to the list in the last year however, must be considered in making comparisons. Since there is now such a small surplus after consumption requirements are met, and with a prospective reduction in the output of creamery butter between September 1 and May 1, the presence of these stocks may well be regarded as a fortunate and necessary provision.



The purpose of this report is twofold. First, to give a complete picture of the conditions as they are found to exist throughout Canada and second, to determine on the basis of these conditions the extent to which creamery butter production will increase or decrease in the course of the next eight months as compared with 1933. In making such an analysis a great many factors have to be considered. First, and perhaps the most important, is the feed supply. Other elements are involved, however, which often change the result entirely. The number of milch cows and the proportion milking, or likely to be milked, is an important factor. The latter is dependent upon the extent to which fall freshening is practised. The farm make of butter, though more or less constant, frequently registers the general trend in production. The price of butter fat is an essential consideration, particularly in its relation to the prices of other products competing with dairying. Again, the prices of feeds used for dairy cows and their relative values in comparison with the things which farmers have to sell is quite often the mainspring of the supply element.

In considering feed supplies, it is necessary to give attention to the natural variations that exist in the different parts of the Dominion. This phase of the problem will therefore be dealt with by provinces. The following descriptive statements are based principally on the reports of Experimental Farm Superintendents, Dairy Commissioners and the Agricultural Statisticians of Quebec, Ontario, Manitoba and Saskatchewan.

#### PRINCE EDWARD ISLAND

The hay crop is estimated at two-thirds of the average, although in some parts of the province it will not exceed one-half of the normal production.

Corn, turnips and mangolds promise a full crop. The dry weather has not adversely affected the yield. Prospects indicate that the supplies of coarse grains will be sufficient for fall and winter feeding and no increase in the use of commercial feeds is expected. Pastures have been very good but as a result of the dry weather in August, the grass is showing signs of deterioration which may affect fall grazing.

A shortage of hay combined with low prices offered for cattle and dairy produce may cause a decrease in the number of livestock. There is no increase in the number of cows this fall, and fall freshening is less in evidence. The stock appear to be in good condition at present but some falling-off in milk production is anticipated.

#### NOVA SCOTIA

Nova Scotia experienced a very dry summer. In some sections there was less rain than for many years. The hay crop is 25 to 42 percent below last year's production and on account of the shortage of clover, the quality is relatively poor. In some areas the yield will not be any more than half of last year's tonnage. Many farmers are cutting the green grain for feed as a substitute for hay. Roots and corn are a good average and the grain crop is fair to possibly 5 to 10 percent below last year. Coarse grains are poor. The area seeded is less than a year ago. About 10 percent more grain will be required for feeding. About one-third of the total feeds used by dairy farmers in this province are commercial stocks. There will be an increase of about 15 percent in the commercial feeds required. The pastures are not promising but they may improve with more rainfall.

The number of cows used for milking purposes will probably be 5 to 10 percent below last year. Owing to the shortage of feed and pasture, the cows are in a rather thin condition. Milk production has been greatly reduced. Creamery butter for July is down 18 percent as compared with the same period last year and the August production will probably show about the same decline. Farmers are likely to retain only their best cows and commercial feeds will have to be purchased to hold the production at normal levels. Owing, however, to the high prices of mill feeds, the quantities purchased for this purpose may be restricted.

#### NEW BRUNSWICK

The hay crop is estimated by some authorities to be 20 to 25 percent below the average yield. Less hay, grain, roots and corn will be available for fall and winter feeding than any year since 1921. Straw supplies in some parts are about 30 percent below last year. The root crop has been retarded by late germination and slow growth in August. Late rains, however, may produce a fair crop but it will not be as good as last year. The corn crop is light; grain yields will be light, and therefore, more feed will have to be purchased. The quantity of commercial feeds to be bought will depend on the price of milk in relation to the purchase price of mill feeds. The supplies of coarse grains are smaller than last year. Pastures are dry but no worse than they were in 1933.

The number of cows is somewhat higher than last year but there is a tendency to decrease the number used for milking purposes. Cows on pasture are in low flesh. Fall freshening is not increasing. In some sections, 20 percent of the cattle will be disposed of. Milk production will be at least 15 percent below last year's figures.

#### QUEBEC

The crops in this province are considerably better than last year although in some districts, hay and pastures have suffered from dry weather. For the province as a whole, pastures are estimated at 1 percent inferior to last year and 11 percent below normal. Nevertheless there will be a good aftermath on hay meadows although the aftermath has been affected by drought to some extent in the Eastern Townships and the Richelieu and Ottawa River Valley. These districts are important as they supply considerable quantities of milk to urban centres.

The hay crop is reported as being good or abundant. There will be ample supplies for stock feeding and perhaps a surplus. The price of hay may induce farmers to sell rather than to feed additional animals. A shortage of clover is reported in some territories, but both the quality and quantity of hay is considered to be well above last year. Coarse grains are about the same as in 1933. If prices are attractive these grains may be sold for cash, but on account of the poor crop last year, it is doubtful if there will be any surplus supplies. Dry weather has reduced the prospects of a full crop, though it is better than in 1933. The root growth was poor in July and, while some improvement has taken place, the quality is inferior. The increased supplies of hay and legumes will reduce commercial feeds to be used, possibly from 15 to 20 percent. The Agricultural Statistician for Quebec estimates the available quantities of feed crops on an animal unit basis to be somewhat lower than last year. This forecast, of course, was made on the basis of the July condition estimates, and the root and fodder corn crop have shown considerable improvement since that time.



In spite of the drought affecting the pastures, cows are in good condition. The number of milch cows have not increased but farmers are keeping animals of better quality. There is no appreciable change in the number of cows freshened this fall. An increase in milk production can scarcely be expected. It is a noticeable fact that an increase of 6 percent in the total output of creamery butter for the first seven months of the year is counter-balanced by a decrease of 11 percent in cheese production. It is evident that the gain in butter production was made at the expense of cheese. Opinions seem to favour a reduction in the amount of milk produced, due to butter prices offered for other products.

#### ONTARIO

Extremely dry weather in southern Ontario and the middle counties of eastern Ontario has greatly reduced the growth of farm crops and caused a general drying up of pastures. In central and western Ontario where moisture was more or less limited, the quantity of feed available for fall and winter is considerably reduced. The hay crop of the province is decidedly poor. The yield, all classes included, will be less than one-half of the average annual production and those with surplus supplies are selling it at prices ranging from \$12 to \$18 a ton and even \$20 to \$25 a ton in some cases. The corn acreage this year has been increased to provide fodder for winter use. The crop is much below normal but is improving with more favourable weather conditions. The root crop is fair to poor, the growth being seriously retarded owing to the dry weather of July. This crop is also improving with recent rains. Owing to depleted pastures, farmers in some sections are being forced to stable feed their cows to keep up the flow of milk. Although more commercial feeds are required, it is unlikely that there will be any marked increase in the quantities purchased at present prices. The tendency is rather to restrict the number of animals to save feed costs.

The number of cows to be milked this fall is thought to be decreasing, though in some sections the reverse is the case. Fewer numbers are being freshened in the fall, i.e., showing a tendency toward more economical production on grass. In sections where feeds are scarce, cattle will go into winter in a poor condition. A reduction in milk production appears inevitable.

#### MANITOBA

The feed crop situation is somewhat varied. In the extreme south-western part of the province there is complete failure of all crops. Moving in a north-easterly direction a gradual improvement in yield is shown. The feed crops in the Portage plains area are only fair but somewhat better in the northern part. Swan River Valley and Dauphin has a good crop and supplies of forage will be relatively abundant. There is a plentiful supply of native hay in the northern part of the province and in the eastern sections, along the Assiniboine and in the Red River Valley and lake districts. In these sections there will be a surplus for shipment to dried out parts. In the south and south-west, even supplies of straw will be quite limited, and farmers throughout the province are being asked not to burn straw after threshing. Stock is being shipped out of the south-west to northern areas where forage is obtainable. Pastures are extremely poor, but with the completion of threshing, giving the stock the run of the fields, the situation will be temporarily improved.

There is an increase in the number of cows being milked and a tendency to milk cows that are only giving small quantities of milk, due to the depleted revenues from other sources. There is evidence of a slight decrease in fall freshening as compared with last year. Milk production may be reduced when stabling commences, owing to the shortage of feed in certain areas.

## SASKATCHEWAN

There is a widespread feed shortage in this province. In the southern parts the situation is most acute. It is estimated that about 150 municipalities may be effected. In some cases stock will be transferred to more favoured sections, and where this is not possible plans are being made to have feed shipped in.

The hay crop is quite poor, except in the north where the moisture conditions were better. The general crop situation in the southern and central districts was most unfavourable. Stubble crop were a complete failure, and since oats and barley are seldom grown on fallow, the supplies will be scant. There may not be a sufficient amount of feed to meet requirements of the farmers and considerable quantities will have to be imported. The oat crop in the northern areas will supply abundant forage. Being late and affected to some extent with frost, it is more suitable for feeding in the sheaf than for grass. Nevertheless it is doubtful if there will be enough to meet demands. The yield is estimated at 25 percent below the low standard of last year. Cattle were placed on pastures early, and combined with dry weather in May and July, the prospects for fall pasture are quite remote. The aftermath of the stubble fields is the only dependable feed available for livestock. Farmers may be required to put their cattle on winter feeding earlier than usual. There will be no increase in the use of commercial feeds owing to shortage of funds.

The cow population has increased by 15 percent and the number of cows for milking purposes will probably be somewhat greater. It is doubtful whether production will be as high as last year. In the central and southern districts there has been an increase in cream deliveries, but recent reports indicate that receipts are falling fast though it is difficult to measure the extent of the ~~reduction~~ and to determine whether it is just a part of the general seasonal decline. Cow numbers have moved upwards and more cows are being milked. Many are poor producers that may only be milked for a short time, therefore the milk flow may be maintained for the early fall months, but a falling-off in production is expected when winter commences.

## ALBERTA

Alberta had a fair crop year, despite the dry weather which dried up pastures and reduced in some degree both the quantity and quality of wild hay. The supplies of hay are believed to be quite adequate. Any decrease in quantity has been supplemented by oats grown on the farms for home use, which were cut green because they were too short to harvest for grain. There was a fair crop of hay in the north and in the foothill country. The province as a whole should have a surplus which will probably be shipped out to dried-out areas in other parts of the west. The supplies of hay in the semi-arid regions are quite limited. The situation is somewhat worse than last year in some areas, and Russian thistles are being used as a substitute for other forage. Supplies of coarse grains are quite sufficient for winter feeding but with somewhat better prices being paid for cereals, farmers will be inclined to sell these grains for cash rather than to feed them. Recent frosts have materially lessened the yield of oats in northern areas to be threshed for grain. Pastures are extremely bare in all parts, but since the stock will soon be turned into the stubble fields this ~~situation~~ does not present a serious problem.

Milch cow numbers are increasing, with perhaps a small increase in fall freshening as compared with a year ago. At present, cattle are in a rather thin condition but will improve when they are released to the fields. Milk production has been maintained at a high level because of the low prices of all other farm products except hogs. It is scarcely likely that there will be a decrease in



milk and cream. The reverse condition is more possible. Some decrease is expected in the south, but in the north where conditions are better, production is likely to show some gain until extremely cold weather commences.

BRITISH COLUMBIA

The crop conditions in the province are quite favourable. The yield of hay is a little above last year and all home grown feed seems to be sufficient for livestock feeding. Commercial feeds will not be used in any great quantities unless there is a rise in the prices of dairy products.

With a fairly plentiful supply of feed, dairy production on the Coast will probably continue to increase over the same period last year. In the Kootenay's there is some tendency to increase the holdings of sheep and beef cattle. To some extent this may reduce the quantity of milk produced. Taking the province as a whole, however, dairy production is being fairly steadily maintained.

The above statements express a composite view of the situation as reported by men able to speak for large areas of the provinces concerned. What has been said is supported in the main by estimates of crop correspondents as given in Tables I and II, there being slight variations in actual figures. These estimates are expressed in percentage terms as compared with 1933 as the base year. The percentages represent provincial averages based upon estimated yields, condition of crops or answers to special inquiries in "more" or "less" terms weighted in proportion to the number of replies. The coarse grain figure which includes oats, barley and mixed grains is a condition estimate reported by the Bureau on July 31. This is likewise the case with fodder corn, not included in the table but shown in the chart. The hay and clover item is a yield estimate reported in July, while the figures reported in the questionnaires may be taken as representing the situation from August 15 to the 25th. Better weather conditions in August would tend to increase the yield of corn above the estimate of 99 percent for Canada. On the other hand, coarse grain in northern Saskatchewan and Alberta suffered from the effects of a recent frost which will reduce the yield. Another factor should be borne in mind, ~~is~~ that 1933 was a somewhat abnormal year and a better condition in comparison with 1933 may not mean that there was any improvement as compared with the normal or long-term average. In fact it could easily be the reverse. There is an advantage in making 1933 a base year in that it serves as a guide in determining the possible increase or decrease in the production of dairy products in comparison with the same period 12 months previous.

Table 1. Feed Supplies.

Showing by provinces, the estimated quantities available, expressed in percent of 1933 at 100.

August, 1934.

Province	Hay		Sheaf Oats	Roughage	Coarse Grains	Commercial Feed Required
	Native	Hay & Clover				
	%	%	%	%	%	%
Prince Edward Island	63	78	101	82	85	109
Nova Scotia	64	66	83	74	80	122
New Brunswick	77	104	92	82	91	110
Quebec	103	133	100	102	102	109
Ontario	64	57	101	87	113	103
Manitoba	67	72	73	75	93	131
Saskatchewan	73	73	75	85	99	133
Alberta	83	97	85	95	108	102
British Columbia	108	108	97	111	102	98
<b>CANADA</b>	<b>79</b>	<b>86</b>	<b>86</b>	<b>88</b>	<b>104</b>	<b>110</b>

Based on a condition estimate as reported by the Bureau on July 31.

Table II. - Milch Cows and Dairy Production

Showing by provinces the number and condition of cows and the production of milk and homemade products, based on special reports from farmers and crop correspondents, expressed in percent of 1933 at 100.

August, 1934.

Province	Milch Cows			Production		
	Number	Condition	Fall Freshening	Milk	Farm Butter	Farm Cheese
	%	%	%	%	%	%
Prince Edward Island	100	89	93	90	91	90
Nova Scotia	-	80	94	80	83	78
New Brunswick	103	97	100	94	84	-
Quebec	99	99	99	96	100	92
Ontario	-	90	93	86	91	87
Manitoba	111	101	95	86	88	88
Saskatchewan	115	88	95	87	91	96
Alberta	113	102	100	95	92	104
British Columbia	-	105	100	102	99	108
CANADA	104	95	96	90	93	92

- (1) The figure for all Canada is estimated on the partial returns from the June Survey.
- (2) Expected milk production in fall and winter.

PRODUCTION OF BUTTER

Any consideration given to the production of dairy products in the next seven or eight months must give due regard to the season of the year and the climate of the country. Eight of the nine provinces have cold or severe weather for at least five months, making it necessary to stable and feed cows for that period and even longer in some seasons. Even in the more moderate climate of British Columbia creamery butter production is by no means evenly distributed throughout the year. The facilities required to engage in winter dairying are not always justified by the prices offered for the product, and for this reason, efforts to encourage farmers to engage in winter dairying have only partially succeeded. The data just examined shows that fall freshening is less in evidence than a year ago, which supports the belief that farmers are returning to the method of freshening on the grass as a more economical method of production. The figures below showing the total output of Canadian creameries by months for 1933 and the first seven months of 1934, illustrates the seasonal nature of the dairy industry in Canada. For five months, May to September inclusive, the combined amount represents 64.8 percent of the total 1933 production of creamery butter. Analyzing the figures still further we find that in three months, or one quarter of the year, 43.3 percent of the year's make was produced.

	<u>1 9 3 3</u> (Lb.)		<u>1 9 3 3</u> (Lb.)		<u>1 9 3 4</u> (Lb.)
January.....	8,356,496	July.....	31,838,658	January.....	8,540,621
February.....	7,414,204	August.....	27,670,954	February.....	7,494,344
March.....	9,389,542	September.....	23,449,074	March.....	9,879,093
April.....	13,025,084	October.....	18,024,176	April.....	13,823,473
May.....	23,152,671	November.....	11,341,502	May.....	24,372,291
June.....	34,343,272	December.....	8,673,643	June.....	36,118,938
				July.....	35,140,278



For the seven months ending July 31st, creamery butter increased 6.3 percent over the same period last year. Present indications would suggest that with the August production taken into consideration that the output for the eight months ending September 1st would not be more than 5.5 percent above that of the previous year. Although monthly cheese production figures are not available, according to the record of gradings, there will be a decline of 9,281,970 pounds as compared with the first eight months of 1933. This represents a decrease of 13.8 percent. The gain in creamery butter, therefore, is offset by a much more significant reduction in cheese. It shows that butter and cheese are following about the same direction as a year ago which resulted in a decrease for 1933 of 2 percent in butter and 8 percent in cheese. The two products combined approximate 40 percent of the total dairy production. Thus it is of some importance that while the amount of milk is greater in quantity, the combined production of cheese and butter is definitely downward.

The production of homemade butter relative to creamery butter is usually fairly constant, always about one-third of the total make. It does not enter into the channels of trade extensively but it usually follows the same upward or downward path as creamery butter. The suggestions coming from crop correspondents in all parts of the country that homemade butter has declined 7 percent is important information. Along with this is an estimate from the same source, and from a larger number of reporters, that milk production in the fall and winter is expected to decline 10 percent. The two items taken together may be depended upon to register the trend in the next eight months as compared with the same period of the previous year.

#### COMPETITIVE FACTORS

Hogs, and calves for vealing purposes, are more or less competitive with cheese factories. When the prices of these products are favourable, some milk will be diverted from the cheese factories to be used on the farms. An increase of 44 percent in the price of hogs in August as compared with August 1933, and an increase of 34 percent in veal, will tend to encourage farmers to use a part of the milk supply for young pigs and growing calves. To a lesser extent the competition exists with creameries. It applies to veal calves being fed whole milk and hogs consuming coarse grains that would otherwise be used for feeding cows. Farmers do not react suddenly to changes in the market. Perhaps this explains why there is no indication of their taking advantage of the new price levels for hogs. There are sound reasons to conclude, however, that if hog prices hold for another six months, it will affect milk and cream deliveries. Then again, the higher prices being paid for many cash crops and the outlet afforded through crop failures in certain sections will introduce an element of competition with the dairy industry. An increase in the price of butter fat would, of course, change the situation entirely.

#### MILK COWS

The upward movement in the number of milk cows as shown by the June Survey is the most positive indication of a possible increase in the milk supply. All of the six provinces for which figures are compiled show increases with the exception of Quebec province. This indication, however, is offset by a decrease in yearling calves being raised for milking. This suggests that farmers are holding mature milkers for immediate use but that the future cow population is inclined in a downward direction. The figures for the province are given on the following page.

		Cows (2 years and over)	Yearly Calves (for milking purposes)
Prince Edward Island	1933 .....	46,000	11,800
	1934 .....	46,700	10,900
New Brunswick	1933 .....	110,500	28,400
	1934 .....	114,500	28,300
Ontario	1933 .....	952,500	225,200
	1934 .....	947,000	224,700
Manitoba	1933 .....	304,500	81,800
	1934 .....	339,050	76,700
Saskatchewan	1933 .....	480,400	141,100
	1934 .....	556,000	140,200
Alberta	1933 .....	406,500	118,200
	1934 .....	461,000	116,700

The facts presented in the foregoing review and the accompanying data offer little hope for a higher production of butter in the September to April period. Indeed, unless there is a change in the relative prices of dairy products relative to the prices of commercial and home grown feeds and relative to the other crops being produced for revenue purposes, it appears unlikely that the production level of a year ago can be maintained.

#### COLD STORAGE STOCKS

The establishment of facilities for storing butter and other products under refrigeration until such time as they are required for consumption, is the outcome of variations in seasonal production, due to the severity of the Canadian climate.

On September 1st or October 1st, depending on the season, stocks reach the highest point in the whole year. On May 1st before creameries are operated at full capacity, stocks reach their lowest levels. The existence of heavy stocks in September is a most desirable and provident arrangement. A low supply of butter at this time might well be regarded with alarm, because the production from September to May is not nearly sufficient to meet the needs of the population. In this connection the table below analyzing the production, consumption and stocks of creamery butter by seasonal periods should be of special interest.

#### CREAMERY BUTTER

Showing stocks on hand, production and surplus by four month, eight month and yearly periods, 1932-33 and 1933-34.

	1932-33	Percent of yearly Consumption	1933-34	Percent of yearly Consumption
<u>First four months</u>				
Stocks as at May 1 (carry-over)	2,816,005	1.3	1,965,805	0.9
Production, May 1 to August 31	110,212,267	51.7	117,039,552	53.6
Total Supplies	113,028,272	53.1	119,005,357	54.6
Consumption (four months)	80,555,856	37.8	76,869,112	35.2
Surplus	32,472,416	15.3	42,136,245	19.3
<u>Next eight months</u>				
Stocks as at September 1	29,883,411	14.0	42,019,708	19.3
Production, September 1 to April 30	103,577,284	48.6	103,074,176	47.2
Total Supplies	133,460,695	62.7	145,093,884	66.6
Consumption (8 months)	132,278,230	62.1	141,141,657	64.7
Surplus	1,182,465	0.5	3,952,227	1.8
<u>Whole Year</u>				
Stocks, May 1	2,816,005	1.3	1,965,805	0.9
Production	213,789,551	100.4	220,113,728	100.9
Total Supplies	216,605,556	101.8	222,079,533	101.9
Consumption	212,834,086	100.0	218,010,769	100.0
Surplus	3,771,470	1.7	4,068,764	1.8



Referring to the table on the preceding page and following the items for the two years 1932-33 and 1933-34 in the order in which they are shown, it will be noticed that comparatively small supplies of creamery butter are on hand at May 1st. Production in the first four months was 110,212,216 pounds and 117,039,552 pounds respectively. In 1932 it represented 51.7 per cent of the total consumption for the year. In 1933 it was 53.6 per cent. But while production was higher the second year stocks were lower at May 1st, so that there is not quite so much difference in total supplies. The slightly higher production combined with a lower consumption produced a surplus of 42,136,245 pounds in the May-September period of 1933, as compared with 32,472,416 pounds the year previous. Most of this went into storage on September 1st. The stocks on that date appeared to be abnormally high, but they only represented 19.3 per cent of the amount consumed in the twelve months. In the second period of 1932-33 the production was 48.6 per cent of the year's consumption as compared with 51.7 per cent in the preceding four months. In September to May, 1933-34, it fell slightly being 47.2 per cent in September to May, and 53.6 per cent in the former period. Moreover, consumption increased due probably to the lower butter prices and more people, and as the figures show there was only 3,952,227 pounds of creamery butter in excess of consumption requirements.

In examining the data for the two twelve-months periods, it may be noticed that production relative to consumption was very little higher in 1933-34 than in the preceding year. The figures 100.44 and 100.97 indicate the comparative percentages. There was an increase of 5,176,683 pounds in the quantity of butter consumed, which, together with smaller quantities in storage on May 1st, accounts for the small increase in surplus stocks. Thus, with an increase of 12,136,297 pounds of butter in storage as at September 1st, 1933, as compared with September 1st, 1932, it is most important to observe that the actual surplus over and above the amount consumed was only 297,294 pounds greater in 1933-34 than it was in 1932-33.

The preliminary statement of Cold Storage Stocks issued simultaneously with this report places the holdings of creamery butter as at September 1st 48,345,746 pounds. This quantity will probably be increased to approximately 50,000,000 pounds when the holdings from outstanding firms are included in the final statement. It should be remembered however, that 295 creameries were added to the list since September 1st, 1933, which partially accounts for this increase in cold storage stocks. It means that the stocks a year ago were in reality much greater than the figures indicated when the holdings of the creameries now reporting are taken into consideration.

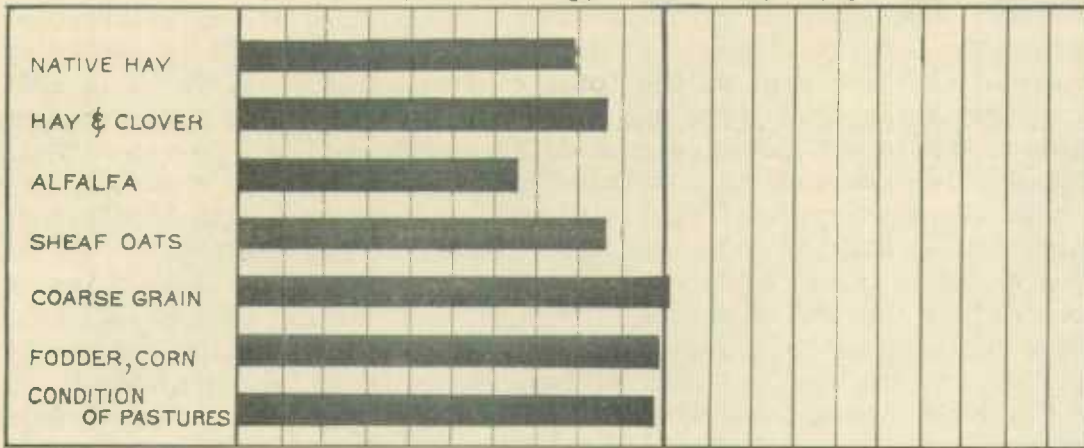
This 48,345,746 pounds is 6,326,038 pounds in excess of last year. On the supply side due consideration must be given to the conditions described in this report, which are much less favorable than last year; and on the demand side to an increasing population, and to butter prices. Another consideration is that the holdings of the 295 creameries added to the list which may be estimated at 2,000,000 pounds should be added to last year's total. This being done the difference here indicated would be only 4,326,036 pounds. Since we are now producing such a small surplus, a 2 per cent or 3 per cent reduction in the quantity produced in the next eight months would leave the country with a very small margin above domestic requirements. Such an estimate would not be unjustified on the basis of the dairy situation as it now exists without anticipating the corrective influences that are likely to develop. Consequently, the presence of these butter stocks should be regarded not with apprehension but with confidence and assurance.

## SUPPLIES OF HOME GROWN FEEDS

SHOWING THE ESTIMATED PRODUCTION IN PERCENTAGE TERMS IN COMPARISON WITH 1933

1933 = 100% (1)

0      20      40      60      80      100      120      140      160      180      200

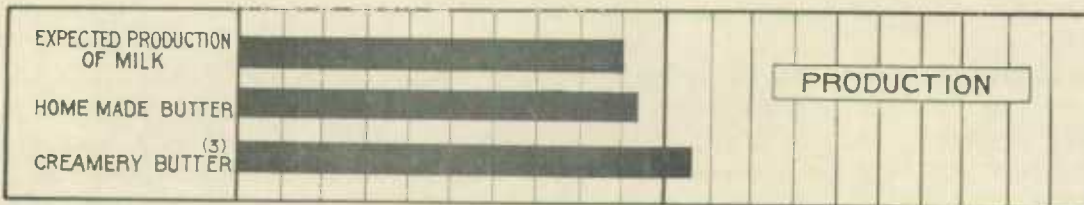
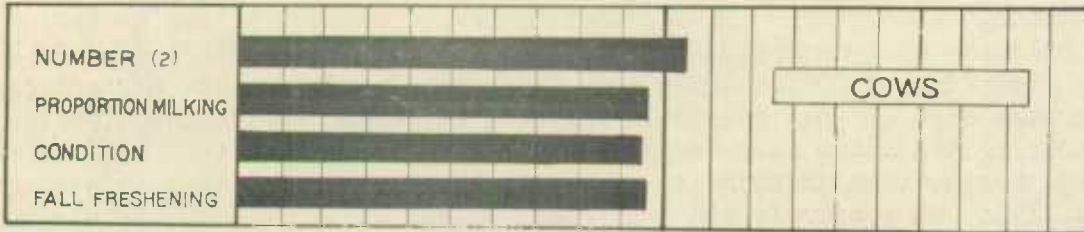


AUGUST 1934

## MILCH COWS AND DAIRY PRODUCTION

SHOWING THE ITEMS IN PERCENTAGE TERMS IN COMPARISON WITH 1933

1933 = 100%

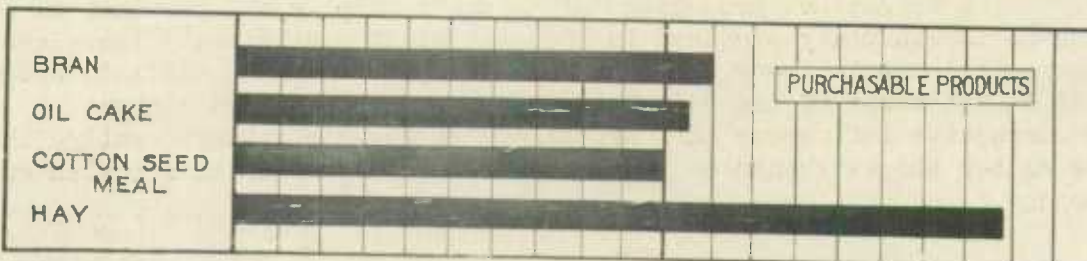


AUGUST 1934

## PRICES

SHOWING QUOTATIONS IN PERCENTAGE TERMS IN COMPARISON WITH 1933

1933 = 100%



AUGUST 1934

- (1) Based on reports of crop correspondents.  
 (2) Estimated on basis of returns from 6 provinces.  
 (3) First 7 months production.



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