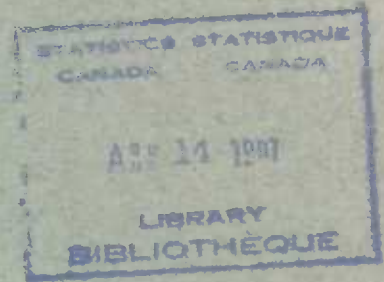


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DEPARTMENT OF TRADE AND COMMERCE
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AGRICULTURAL BRANCH



THE DAIRY SITUATION

IN

CANADA

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THE DAIRY SITUATION IN CANADA
SUMMARY

The report issued to-day reviews the dairy situation by provinces, showing the relative quantities of feed available for winter use, the condition of pastures, the numbers of milch cows and dairy heifers on farms and trends in the production of creamery butter since the beginning of the year. It also contains statements dealing with the holdings of the principal dairy products and with butter and cheese prices.

Hay and forage crops as well as all other rough feeds are quite plentiful in all provinces of Canada. In only a few districts of eastern Nova Scotia, south-western Saskatchewan and south-eastern Alberta are shortages indicated. Coarse grains and roots are insufficient in some sections of the Maritimes. Quebec also has a smaller crop than last year, but there is enough to meet requirements. In common with other years there will be a shortage of coarse grains in northern Ontario. In the prairie provinces abundant supplies of coarse grains and low-grade wheat are available. Pastures in most parts of Canada have been better than usual at this season, and cows will go into winter quarters in good condition.

The survey taken at June 1, 1935 showed larger numbers of milch cows on farms in Prince Edward Island, Ontario and Alberta than were recorded in the previous year. In Prince Edward Island and Saskatchewan, there were larger numbers of dairy heifers. All other provinces (for which returns are available) registered reductions in both milch cows and dairy heifers.

Comparing the monthly production of creamery butter with the output of corresponding months in 1934, it is found that many of the provinces showed declines, or very small gains until late in the summer. The September make was higher in all provinces, and for the nine months ending September 30, 194,704,168 pounds were produced in Canada compared with 191,356,694 pounds in the corresponding period of 1934. Indications are that production in the Maritimes for the next six months will be about the same as it was last year. Some gains in production may be looked for in Quebec, with more substantial increases in Ontario and Manitoba. It is possible that Saskatchewan's butter output may be somewhat larger, but competitive factors in Alberta will hold the winter make at a point more in line with the October-March production of 1934-35. In British Columbia a slight decline is expected. Export policies, however, and the subsequent effect of these policies upon prices will be an important factor in the situation. Larger exports and higher prices will undoubtedly encourage greater production, mainly by diversion. From May 1 to October 26, 1935, 7,127,000 pounds of butter were shipped overseas from the port of Montreal compared with 83,000 pounds in the same period of last year.

Stocks of butter in cold storage at October 1, 1935 amounted to 55,043,140 pounds, an increase of 3.3 per cent over those of the same date in 1934. Cheese stocks stood at 29,457,265 pounds, a decrease of 13.8 per cent, and concentrated milk products amounted to 19,230,052 pounds, an increase of 35.9 per cent over the holdings of October 1 of the previous year. Differing from the situation that has prevailed during the last two years, there would appear to be somewhat larger quantities of creamery butter in cold storage than are required to meet normal domestic needs during the period of low production. The extent of this surplus, of course, will depend upon production, weather conditions, prices of both butter and cheese, the domestic demand and many other factors that cannot at this time be definitely determined.

Prince Edward Island -

Recent surveys show that about the same quantities of rough feeds will be available for dairy cows as in 1934. The hay and clover crop has not quite measured up to earlier expectations and, although the latest estimate places the total tonnage at 255,000 as compared with 237,000 a year ago, the quality is not as good as it was last year. Coarse grain production, despite a slight increase in acreage, was materially reduced and this decline lessening the quantity of roughage as well as grain will offset the slight advantage produced by a heavier hay crop. The supplies of coarse grains, oats and barley combined, will be approximately 8 per cent less than in 1934. Bearing in mind that the usual practice is to feed practically all the grain produced, some shortage in supplies would seem to be indicated. The 1935 root crop is also smaller than that produced last year. The most recent estimate shows a reduction in turnips of 786,000 hundredweights, or 24 per cent in comparison with last year. Pastures, however, are in very good condition, somewhat above the average for the season of the year. If good weather continues less feed will be needed and in any case, milch cows will go into barns in better shape than they did last season. Nevertheless, the outlook is not particularly encouraging. Farmers may be forced to curtail more than is customary in the use of succulent feeds upon which milch production on the Island is so dependent.

The numbers of milch cows on farms at June 1, 1935 is estimated at 47,000 as compared with 46,300 a year ago. Similarly yearling heifers raised for milking purposes advanced from 10,900 to 11,400 head. This increase in milch cow numbers was not accompanied by an increase in milk production. During the first six months of the year, the creamery butter output ranged from 31 to 37 per cent below the production for the corresponding months of last year. Production rose from 200,500 pounds in June, 1935 to 377,330 pounds in July, and registered an increase of 1.9 per cent over the previous July. This unusual increase may be attributed to a larger number of cows freshening late in June and in July. Dry pastures in mid-summer produced another decline, the August make falling 1.2 per cent behind the output of the same month of the preceding year. The September butter production exceeded the September, 1934 make by 1.6 per cent. For the first nine months of 1935 the quantity produced was nearly 226 thousand pounds less than that made in the same period last year. If feed supplies were in line with the increased cow numbers an increase in butter production might be anticipated. But with the summer production paralleling the output of 1934, and feed supplies scarcely enough to take care of the increased dairy cattle population, this cannot be regarded as a likely development. Moreover, late reports indicate that the number of cows being exported out of the province is increasing, which together with the lack of suitable feeds will probably create a decline in the production of dairy products.

Nova Scotia -

The hay crop in this province was considerably better than it was last year, but did not equal the long-time average. The estimate places the yield about 68,000 tons higher than that of 1934. The heaviest yields were in the central counties. Somewhat more feed will be available in Antigonish county than was the case last year. In the eastern sections about the same amount or slightly more hay was produced than in 1934. Cape Breton farmers will have less hay than they did a year ago, and there may also be a slight shortage in the adjoining counties of Inverness and Victoria. Some hay will probably have to be shipped into Cape Breton county. Elsewhere there appears to be sufficient to feed dairy cattle through the winter months, but

little, if any surplus will be available. The quality of the hay crop varies considerably; in some places there is a good proportion of clover, but in other parts and even on different farms in the same district, a wide variation exists. Pastures have made excellent growth since early August and are now a little above the long-time average. Cows will go into winter quarters in good condition and should not require as heavy feeding as they did last year to keep milk production at normal levels.

The grain crop was quite promising until about August 20. Crops that were not harvested at that date suffered from rust, lodged considerably and the grain became discoloured. In western sections the yield was equal to that of last year. Along the north shore grain crops were scarcely as good as they were last year, and in eastern parts of the province farmers realized rather smaller yields. In some parts of the eastern counties, particularly Inverness and Cape Breton, the production of grain was considerably reduced from that of 1934. Although root crops suffered from insect damage, improved moisture conditions late in the season produced a good growth. Thus, there was a higher production of turnips and mangels than in 1934; any losses due to the work of insects was offset by the increased acreage. The latest estimate places the production at 58,000 hundredweights higher than the 1934 crop.

A large number of cows have been shipped out of Nova Scotia to the north-eastern United States, Ontario and Quebec. This movement has depleted the herds in Yarmouth, Annapolis valley and in the area adjacent to Truro. It is believed, however, that the number sold will not materially affect production. This reduction in the size of dairy herds was made necessary by the shortage of feed last year. The greatest decline took place in the eastern and central areas. The June survey shows 116,500 milch cows on farms in 1935 as compared with 124,100 in the previous year, or a decrease of 6.1 per cent. Heifers raised for milking purposes decreased from 27,400 as at June 1, 1934, to 24,900, or a reduction of 9.1 per cent. It will be seen, therefore, that no immediate advance in the cow population is in prospect.

The production of creamery butter in January was 34.8 per cent less than in the same month last year. By April the decline had been reduced to 18.5 per cent. It fell again to 27.4 per cent in May, but by July the decrease had narrowed to 6.7 per cent. The September production reversed this situation, showing an increase of 7.3 per cent over the same month in 1934. The high point in production was reached in July with 699,437 pounds. The cumulative figures for the nine months ending in September show a reduction of approximately 876 thousand pounds from that recorded in the same period the year before. Considering that there are fewer milch cows on farms and with feed scarcely sufficient in eastern sections, there is little hope of any increase in production during the winter season.

New Brunswick -

Feed conditions in New Brunswick are somewhat better than they were in 1934, but the situation is by no means satisfactory. The hay crop in the southern counties and along the St. John river valley was considerably heavier than last year. In Gloucester and in some of the central areas of the province the yield was scarcely as good, and in some districts there may be a local shortage. The estimate for the province shows an increase of about 50 thousand tons over the production of 1934. This should give a sufficient quantity of rough feeds to meet requirements, but the surplus stocks will be comparatively small.

The production of oats and barley was slightly higher than in 1934, and unless farmers sell unusually large quantities as a cash crop, which seems to be the tendency,

there should be enough grain to maintain dairy cows at the normal winter production. The root crop on the contrary is far below that of 1934 in both yield and production. The estimate of October 10 records a decline of 30 per cent in the production of turnips. Since farmers rely on roots almost entirely to provide the succulent part of the ration for dairy cows, this deficiency is likely to have some effect on the milk production when stall feeding commences. Pastures were poor in many parts of the province during the early midsummer. Late August rains changed the situation within a few weeks, however, so that pastures are now much better than last year and possibly a little above the average condition at this season.

The June survey shows a reduction of approximately 1,000 head in the numbers of milch cows on farms as compared with the survey made a year ago. Heifers being raised for milking purposes were reduced by almost twice this number. Dairy correspondents report much higher percentages of cows being milked in the months of July and August than were shown for the same months in 1934. This means, of course, that there may be fewer freshening in the winter. With some reduction in total cow numbers, and so many cows nearing the end of the normal lactation period, there is not likely to be any increase in the numbers actually milked during the winter months.

In the month of March, creamery butter production registered a 32.8 per cent reduction from the output of the same month in the previous year. By June, the production was still 24.0 per cent below that of June, 1934. The difference was somewhat smaller in July, and by August the decline had fallen to 1.3 per cent. A heavy output in September produced a 6 per cent increase and reduced the cumulative production from a decline of 14.3 per cent as shown at the end of August to 11.9 per cent for the first nine months ending September 30. The improvement in pastures was apparently the sole factor in producing this result. The peak point in monthly production was reached in July, the output being 600,349 pounds. Compared with the same period of the previous year, the creamery butter make for the first nine months ending September 30 was reduced by approximately 333 thousand pounds. Production in the next six months should equal that of 1934, but an increase is not anticipated.

Quebec -

When all classes of rough feeds are taken into consideration, somewhat larger quantities of roughage are available for dairy stock than was the case last year. The quality is also a little better. The hay crop yielded a slightly smaller tonnage than that recorded a year ago, and some of it was spoiled by unfavourable weather conditions at haying time. Farmers have an abundance of straw, however, and together with additional supplies of late grown cereal crops available for feeding purposes, there should be enough to make up the decline of 76 thousand tons in hay production. The turnip crop as estimated on August 10 will be 3,250,000 hundredweights less than in 1934. This reduction is due to a smaller acreage and also to smaller yield per acre. The corn crop yielded considerably more than last year, although the total quantity is still comparatively small. The supply of cereals is below normal requirements and a good deal of it is off-quality grain. Farmers in the south-eastern part of the province were delayed in their seeding operations on account of rain, and consequently the crops were late in maturing. Oats and barley combined, as estimated on September 11, will produce approximately fifty million bushels in 1935, which is about $1\frac{1}{2}$ million bushels less than last year's production. It will be seen, therefore, that smaller quantities of both roots and coarse grains were harvested in 1935 than was the case in 1934. Observers are of the opinion, however, that farmers will have sufficient to meet their needs. They also advise that there will be little increase in the demand for commercial feeds except by those specializing in the distribution of fluid milk. The fact that winter prices started in September rather than in October will induce milk

distributors adjacent to consuming centres to invest more heavily in concentrated feed materials. Pastures have stood up exceedingly well. The aftermath of hay meadows provided good grazing this season and gave the permanent grass lands a chance to recover. Pasture conditions are still quite favourable; livestock is doing well and will go into winter in good condition.

The milch cow population declined from 947,000 head at June 1, 1934 to 936,300 head June 1, 1935. This reduction is partially due to livestock improvement policies. The plan of slaughtering cattle infected with tuberculosis and replacing them with animals of better breeding is temporarily reducing the numbers but is beginning to show results in the producing qualities of the dairy herds.

The production of creamery butter for several months past has shown gains over the output of the same months last season. Starting with an advance of 11.6 per cent in February, the increase advanced to 14.6 per cent in March. In April the increase was reduced to 6.8 per cent, and in May it fell to 2.4 per cent. This was due largely to poor pastures. In June the production was 3.7 per cent above that of June, 1934 and it held about the same position until September, when there was an exceptionally heavy output of butter, registering an advance of 15.1 per cent over the production of the same month of last year. The July production was 12,200,000 pounds, 100,000 pounds more than that produced in June. The cumulative output for the first nine months shows an increase of approximately $3\frac{1}{2}$ million pounds, compared with the amount produced in the same period of 1934. The indications are that production will equal or may even exceed the record established in the 1934-35 season.

Ontario --

The hay and clover crop was exceptionally heavy in practically all parts of this province, yielding an estimated total of 5,383,000 tons as compared with 3,352,000 tons last year. The corn crop also turned out well, producing 3,173,000 tons or 183,000 tons more than last year. With the possible exception of Carleton county supplies of rough feeds are relatively abundant. Coarse grains are also plentiful in old Ontario but in some northern districts feed grain will have to be shipped in as usual. Pastures are good in all parts of the province except in a few of the central counties. There should be sufficient forage to carry milch cows through the remainder of the fall season without a reduction in the milk flow.

The dairy cow population, according to the live stock survey of June 1 showed an increase of 5,000 head as compared with the survey made on the same date a year ago. In eastern Ontario milch cows are fewer in number, but in central and western Ontario substantial gains were registered.

The decline in the production of creamery butter which was a feature of the situation during the first few months of 1935 disappeared in May when the output exceeded that of May, 1934 by 2.1 per cent. In July the increase had reached 13.1 per cent. In August the increase had narrowed to 7.6 per cent and in September the output again surpassed that of the same month in 1934 by 12 per cent. The largest monthly production of butter was in June when the amount was 11,647,049 pounds as compared with 11,250,842 pounds in July. For the first nine months the creamery butter make was nearly 3 million pounds more than that produced in the same period the year before. With the price of hay and coarse grains comparatively low, and cream demanding higher prices at factories and condenseries, an increase in production during the next few months may well be expected.

Manitoba -

An abundant supply of hay and rough feed together with large stocks of low quality grain will tend to encourage farmers to utilize these feeds in the production of dairy products. The hay crop was exceptionally heavy, yielding approximately half a million tons more than in 1934, although the quality was not quite so good, some of it being rather coarse and poorly cured. The upland hay was better than that grown on lowland areas. The grain crop was heavy in the straw, and while practically all of it was rusted, it will provide farmers with plenty of rough feed. A large percentage of the wheat will have very little milling value, so what cannot be sold will be fed along with other grains. While rusted wheat may not be highly regarded as a feed for dairy cattle, it will give farmers an outlet for a product that they might otherwise be unable to dispose of. The production of oats and barley as estimated on September 11 was approximately 59 million bushels compared with about 44 million bushels last year. The loss of a cash revenue from the wheat crop might have induced farmers to offer larger quantities of coarse grains on the open market, but since oats and barley are selling at low prices those who are able to do so will doubtless survey the possibilities of feeding these grains together with low grade wheat in order to take advantage of the increased prices being offered for milk and butter fat. Pastures have been exceptionally good throughout the summer and autumn months. Grass is still quite plentiful, particularly on the low land, and judging from the appearance of live stock on pastures, the milk flow promises to be well maintained until winter sets in.

The June livestock survey records a decline of 9,300 head in the milch cow population. Heifers for milking purposes were reduced only 700 head from the numbers shown on June 1 of the previous year. The decreases were principally in the south-west part of the province where large numbers of cattle were slaughtered on account of a shortage of feed in the fall of 1934. The figures just quoted would indicate that the enforced sales last year did not materially affect dairy calves now listed as yearlings raised for milking purposes.

Beginning the year with a 14.5 per cent reduction in creamery butter production as compared with the previous January, the decrease widened to a 19.6 per cent decline in March, and in April the output was still 17.1 per cent below the make of the same month last year. Throughout May, June and July there was slightly less butter manufactured than was the case the year before. In August production suddenly increased to 13.8 per cent above the make of the same month of 1934. In September it exceeded the production of the previous September by 28.5 per cent, the largest increase recorded in any province during that month. The June production amounted to 3,498,975 pounds. For the first nine months ending September 30, 17,832,159 pounds were produced. During the coming winter cream will provide farmers with practically the only source of revenue; abundant feed supplies coupled with an increase in the percentage of cows being milked will tend to keep production during the winter months somewhat above the level of 1934.

Saskatchewan -

The situation in this province is extremely varied. In general, the quantities of all feeds are adequate or abundant and farmers will have much larger supplies for feeding dairy cows than were available last year. All of the north and north-western sections, the east and east central, as well as a large portion of the southern territories have plenty of rough forage, and probably a considerable surplus. There are spots, however, within these areas, particularly in the extreme south-east and north of the Qu'Appelle valley where practically all available supplies will be

needed. In the south-western part of the province the usual feed shortage is in evidence. Some feeds will probably have to be shipped into the Maple Creek, Govenlock and Cadillac areas, although this will depend a good deal on the severity of the weather. In the west central areas extending north to Rosetown, Scott and Wilkie, frost, hail and drought have combined to reduce the yield from stands that showed much promise early in the season. The supplies in these sections are only slightly better than they were last year. The hay crop yielded 65,000 tons more than was produced last year. Rust has ruined or rendered unfit for the market much of the grain in the east and central areas as far west as Moose Jaw, and as far north as Quill Lake and Humboldt. Just how much of this grain can be used locally for feeding purposes is a little questionable, water being a limiting factor in some areas. On account of heavy rains during the summer, however, the dug-outs in the prairie sections are well filled, and this may carry stock through for at least a couple of months after freeze-up. In other parts where water is plentiful, considerable quantities of wheat as well as coarse grains will be used to keep cows milking as long as possible during the winter. In sections of the province not affected by rust or frost, farmers will probably take advantage of improved prices to sell as much grain as possible for cash. In these districts a shortage of feed grain may be voluntarily imposed. The solution of the problem will depend on the cost of moving feed from one area to another. Pastures have been very good throughout the summer and fall, and with the exception of the south-western district and parts of the west central area are still providing cattle with good forage. In the areas mentioned, pastures have dried up considerably but stubble fields are providing cows with reasonably good feed. In some parts an acute situation is likely to develop as soon as the cold weather commences, followed by a heavy reduction in the milk flow.

A decline of approximately 2,000 milch cows was shown in the survey made at June 1, 1935, the actual numbers being 556,000 head in 1934 in comparison with 553,900 head in 1935. Yearlings raised for milking purposes increased from 140,200 on June 1, 1934 to 148,500 on June 1 of this year. The reduction in the number of milch cows was the result of enforced marketings in 1934 when feeds were scarce. The increase in young females carried over from last year will provide the necessary replacements to keep herds up to average strength.

In common with other provinces, the production of creamery butter lagged behind the production of last year for several months. The March production was 14.9 per cent below the output of March, 1934, and in April and May declines of 12.8 per cent and 14.1 per cent respectively were recorded. The situation was reversed in June with an increase of 1.8 per cent and July production showed an advance of 12.0 per cent over the same month of the previous year. The August make was 19.3 per cent greater and the September make 27.2 per cent greater than in 1934. The July production of 4,135,800 pounds was the highest for the season. The quantity of butter manufactured in the nine months ending September 30 was nearly 892 thousand pounds more than the amount made in the corresponding period last year. Considering the large quantities of feed available, production in succeeding months is likely to be maintained somewhat above the level of 1934.

Alberta -

Farmers in this province will have more feed than they had last year. The hay crop alone as estimated in September, showed an increase of 66,000 tons over the 1934 production and with much frosted or light weight sheaf grain available, the supplies of rough feed should be quite adequate. Northern sections are, of course, the most favoured areas from a feed standpoint. There will be quite a surplus in this area due to the large quantities of frost-damaged grain, much of which is unfit

for any other purposes. Owing to this fact a somewhat smaller proportion of the oat crop was threshed and more will be fed in the sheaf. Some frost injury also occurred in the central sections of the province, reducing the yield and quality. The supplies of roughage and feed are quite plentiful in this territory as well as in the north. In the south-eastern part of the province dry weather and grasshopper damage reduced the yields of both forage and grain crops. In the same district there is scarcely enough feed to provide forage for dairy cattle, and indications are that some shortage will develop before the winter is over. This applies to both roughage and coarse grains. Briefly, the chief problem that exists is that of distributing feed from sections where it is plentiful to areas less favourably supplied.

Pastures are good in the northern sections of the province; they are also fair in the central areas for this time of year. In southern parts, and particularly on the ranches where the grass land has been heavily pastured, there is quite a scarcity of suitable forage for dairy cows. In the general farming districts this condition is overcome by turning cattle into stubble fields, so that in these parts the milk flow should be fairly well maintained until winter.

On June 1, 1934 there were 461,700 milch cows on farms; on June 1 of this year there were 464,200, an increase of 2,500 head. Yearling heifers, on the contrary, decreased from 116,700 to 112,600, a reduction of 4,100 head. It is apparent, therefore, that while numbers of milch cows advanced, smaller numbers of young females are being raised to provide replacements for the seasonal decrease in the milch cow population. A fact that should be borne in mind is that a relatively small percentage of the cows are being milked; in fact the percentage relationship is lower than in any of the other provinces (see Table 2) which is accounted for by the more general use of nurse cows for the raising of beef calves on ranches and farms.

Throughout the first five months of 1935, the production of creamery butter registered heavy decreases from the corresponding months of the preceding year. At the end of May the decline had reached 37 per cent. This decrease was reduced to 15 per cent in June and to 7.1 per cent in July. The August production was 9.3 per cent more than that recorded in August of the previous year. In September the output further increased, showing an advance of 18.9 per cent over that of September, 1934. The July production of 3,870,000 pounds was the highest for the season. During the nine months ending September 30, the quantity of creamery butter produced was approximately 2½ million pounds less than that produced in the same period last year. With plenty of feed in the province and prices of butter fat a little higher than last year, there should be some increase in the quantity of butter manufactured. On the other hand, both wheat and beef prices are better than they were last year and in the districts where farmers are able to benefit by this condition less attention will be given to winter dairying; all of which will tend to keep production down to the level of 1934.

British Columbia --

The supply of rough forage in this province appears to be quite sufficient for winter use. The production of hay is about the same as last year, but the quality, according to dairy farm observers, is better in all parts with the possible exception of the Kamloops area. In the Okanagan valley, early sown crops did not do very well and coarse grains are scarcely sufficient to meet requirements. Elsewhere the supplies are equal to last year. There may not be quite as much grain fed as there was in 1934, particularly in the Grand Forks area, where some shortage is indicated. Commercial feeds are not expected to be in as much demand in the Okanagan

valley and central interior as in former years, but in other places about the same quantity will be used. This will depend to some extent on the price of butter fat and whether or not it will pay to purchase feed grains produced outside the province. Pastures on Vancouver Island have been rather poor all fall. Due to lack of moisture at the end of the winter season, the grass did not get away to a good start, and consequently dried up earlier than usual. Elsewhere pastures are fair to good, and will carry stock through in a satisfactory condition.

The 1935 winter production of creamery butter was somewhat above the output for the winter months of 1934. Starting with an increase of 5.2 per cent in January, it increased to 6.9 per cent in February and then dropped to an advance of only 5.7 per cent in March. The April production fell behind the production of April 1934 by 10.4 per cent. Production remained below that of last year during the months of May, June and July, but in August the output was 11.1 per cent higher than that of August a year ago. The quantity manufactured in September was 3.2 per cent above the amount produced in 1934. The June production of 692,500 pounds was the highest for the season. The cumulative figures for the nine months ending in September were practically on a par with the production indicated in the same period last year, 4,715,154 pounds being produced in the first nine months of 1934 compared with 4,703,014 pounds in the first nine months of 1935. Unless the price of butter fat advances, making it worth while to purchase larger quantities of grains and mill feeds, it is expected that the seasonal decline will be somewhat greater than was recorded in 1934-1935.

Data showing the numbers of milch cows and dairy heifers on farms at June 1, 1935 referred to in the foregoing statement are given in table 1. It will be seen that the 1935 figures do not include British Columbia but that the comparative data for 1933 and 1934 are complete for all provinces. The Canada totals are also given for these two years. The percentages of cows being milked in July and August as compared with the percentages milked in the same months of 1934 will be found in table II. These data are based on reports received from dairy correspondents in eight provinces of the Dominion. The percentages established represent the relationship between total cows and those actually milking on a limited number of farms and are not calculated on the basis of provincial estimates as given in the June survey.

PRODUCTION AND STOCKS OF DAIRY PRODUCTS

During the nine months ending in September 1935, there were produced in Canada 194,704,168 pounds of creamery butter compared with 191,356,694 pounds in the corresponding period of 1934. The quantity manufactured, therefore, is just 1.7 per cent above that made in the first nine months of the previous year, (see table III). In estimating butter stocks, however, it is well to remember that dairy butter represents about one third of the total butter production of Canada. Cheese production figures for the January-September period of 1935 are available for five of the eight provinces that produce this product. The addition of the provincial figures gives a total of 79,101,444 pounds produced in the nine months ending September 30, 1935. The three provinces not included are Prince Edward Island, Manitoba and Saskatchewan, all of which produce comparatively small quantities. Increases are shown in the Ontario cheese gradings for August and September as compared with the gradings for 1934, while in Quebec production figures already published show declines of 8.5 per cent and 0.5 per cent respectively for these two months. A decrease of 8.4 per cent in Quebec's production during the first nine months of the year in comparison with the same period of 1934 would indicate that the

Ontario output was also lower; likewise if the Canada totals were recorded that a considerable reduction would be shown in the January-September period in comparison with the same months of 1934. Concentrated milk products produced in the nine months ending September 30 amounted to 85,551,944 pounds compared with 74,542,622 pounds in the same period a year ago.

Creamery butter held in cold storage plants and dairy factories at October 1, 1935 amounted to 55,043,140 pounds compared with 53,264,375 pounds on the same date last year. It may be noted, (see table IV), that the increase between September 1 and October 1, 1935 was approximately $\frac{1}{2}$ million pounds greater than that shown in holdings for these two months last year, a fact that may be attributed to the heavier production of butter in the month of September. Cheese stocks at October 1, 1935 were 29,457,285 pounds, compared with 34,166,037 pounds recorded at October 1, 1934, a decrease of 13.8 per cent. It may be observed in reference to table IV, that whereas cheese stocks increased by approximately 2 million pounds between September 1 and October 1 last year, a decline of about 5 million pounds took place this season. Exports of 15,950,300 pounds in September 1935 as against 7,658,000 pounds in September of last year was largely responsible for this situation. Concentrated milk products held in cold storage plants on October 1 amounted to 19,230,052 pounds, compared with 14,145,677 pounds on the same date a year ago, which represents an increase of 35.9 per cent. Evaporated milk is the most important item, amounting to 13,250,763 pounds on October 1, 1935 and 10,152,155 pounds on the same date in 1934. It will be seen that the increase in the holdings of concentrated milk products is in line with the increased production recorded in the preceding paragraph.

DOMESTIC REQUIREMENTS AND PRICES

With butter stocks at October 1 about $1\frac{3}{4}$ million pounds more than that recorded at the same date last year, and with a somewhat larger production in prospect during the coming winter, it is expected that the quantities of butter held in cold storage will be somewhat in excess of domestic requirements. The actual amount of this surplus is, of course, difficult to determine. An exceptionally severe winter would materially reduce butter fat deliveries to creameries, whereas if the winter should be particularly mild, production would probably exceed present expectations. Obviously, the demand for creamery butter increases with the advancing population. On June 1, 1935 the population of Canada was estimated at 10,949,000 persons compared with 10,835,000 on the same date in 1934. It will be seen, therefore, that there are 114,000 additional consumers this season. Another factor that has to be considered is that demand is never constant, changes in market prices often have an immediate effect on the quantity consumed. Likewise, changes in the employment situation, resulting in an expansion or a contraction in the earning power of the people, as well as the alternative opportunities offered the buying public when prices are moving upward, are factors that may have an important bearing on the domestic demand. It is apparent, therefore, that the situation is such that future requirements cannot be definitely foretold.

The cheese market as shown in the prices quoted at Montreal, (see chart 1), has shown considerable strength in the past few months. With the exception of minor fluctuations, cheese prices during the first part of the year followed closely in line with the 1934 trend. After the end of June, however, prices began to advance. There was an abrupt drop towards the end of the month but by the middle of August the market again began to strengthen and it steadily increased from a high point of about 11 cents in June to about 13 cents in October. Recently a slight decline has taken place but on the whole a somewhat higher price structure is being maintained

TABLE I.- NUMBERS OF MILCH COWS AND HEIFERS ON FARMS IN CANADA, BY PROVINCES
AT JUNE 1, 1933, 1934 AND 1935.

Province	Year	Milch Cows 2 years and over		Dairy Heifers 1 year old	
		Numbers on farms at June 1	Percentage Increase (+) or Decrease (-)	Numbers on farms at June 1	Percentage Increase (+) or Decrease (-)
Prince Edward Island	1933	46,000	-	11,800	-
	1934	46,300	(+) 0.7	10,900	(-) 7.6
	1935	47,000	(+) 1.5	11,400	(+) 4.6
Nova Scotia	1933	119,600	-	28,200	-
	1934	124,100	(+) 3.8	27,400	(-) 2.8
	1935	116,500	(-) 6.1	24,900	(-) 9.1
New Brunswick	1933	110,500	-	28,400	-
	1934	114,500	(+) 3.6	28,300	(-) 0.4
	1935	113,600	(-) 0.8	26,500	(-) 6.4
Quebec	1933	953,500	-	225,200	-
	1934	947,000	(-) 0.6	224,700	(-) 0.2
	1935	936,300	(-) 1.1	200,600	(-) 10.7
Ontario	1933	1,133,200	-	251,800	-
	1934	1,176,300	(-) 0.5	249,000	(-) 1.1
	1935	1,181,300	(+) 0.4	232,200	(-) 6.7
Manitoba	1933	304,500	-	81,800	-
	1934	339,100	(+) 11.4	77,700	(-) 5.0
	1935	329,300	(-) 2.7	77,000	(-) 0.9
Saskatchewan	1933	480,400	-	141,100	-
	1934	556,000	(+) 15.7	140,200	(-) 0.6
	1935	553,900	(-) 0.4	148,500	(+) 5.9
Alberta	1933	406,500	-	118,200	-
	1934	461,700	(+) 13.6	116,700	(-) 1.2
	1935	464,200	(+) 0.5	112,600	(-) 3.5
xBritish Columbia	1933	90,800	-	22,600	-
	1934	98,700	(+) 8.7	24,100	(+) 6.6
	1935	-	-	-	-
Canada	1933	3,694,000	-	909,100	-
	1934	3,864,200	(+) 4.6	899,000	(-) 1.1
	1935	-	-	-	-

x Data not yet available.

TABLE II.- PROPORTION OF MILKING COWS TO TOTAL NUMBERS
 REPORTED BY DAIRY CORRESPONDENTS IN EIGHT PROVINCES OF CANADA
 JULY AND AUGUST 1934 AND 1935.

Province	Year	JULY		AUGUST	
		Percentage of Total Cows being Milked	Percentage increase or decrease in comparison with previous year	Percentage of Total Cows being Milked	Percentage increase or decrease in comparison with previous year
Prince Edward Island	1934	79.4		78.9	
	1935	96.1	(+) 21.0	77.6	(-) 1.6
Nova Scotia	1934	75.1		85.6	
	1935	81.4	(+) 8.4	87.0	(+) 1.6
New Brunswick	1934	73.2		74.9	
	1935	91.9	(+) 25.5	89.7	(+) 19.8
Ontario	1934	91.4		89.8	
	1935	88.7	(-) 3.0	89.3	(-) 0.6
Manitoba	1934	74.8		67.7	
	1935	79.6	(+) 6.4	76.3	(+) 12.7
Saskatchewan	1934	69.4		67.6	
	1935	69.5	(+) 0.1	69.1	(+) 2.2
Alperta	1934	64.4		66.3	
	1935	65.0	(+) 0.9	69.3	(+) 4.5
British Columbia	1934	75.7		68.8	
	1935	80.4	(+) 6.2	78.0	(+) 13.4

A stronger demand for cheese on the British market gave rise to the situation described. From January 1 to September 30, 1935 31,944,100 pounds of cheese were exported from Canada compared with 29,013,800 pounds during the same period last year, an increase of 2,930,300 pounds. As already observed there were particularly large exports during September 1935, the increase over the previous September being much greater than the combined increases shown for the nine months' period.

Butter prices at Montreal (see chart II) were lower during the first three and half months of 1935 than in the same period of 1934. The difference ranged from 2 to 4 cents during the first part of the winter to as much as 8 cents during the first week of April. With significant declines in the 1934 prices toward the last of the month, the 1935 prices led those of the previous year by a small margin, and during May butter prices for the two years were practically equal. Throughout the month of June the 1935 quotations were somewhat below those of 1934, but by the end of the first week of July the market began to gain more strength, recording advances of 1 to 2 cents above the July prices in 1934. By the end of September the market had advanced another cent and by October 10 car lots of first grade creamery butter were being sold in Montreal at 24 cents a pound compared with 20 cents on the same date of the previous year.

The butter export plan recently instituted by the Dominion Government makes provision for any losses sustained by exporters in selling butter on the British market. Under this plan extensive shipments were made overseas during the month of October. Trade figures show that up to the end of September 502,000 pounds of butter were exported from Canada between January 1 and September 30, 1935 compared with 294,500 pounds in the same period of the previous year. According to more recent figures supplied to the Dairy and Cold Storage Branch of the Dominion Department of Agriculture water shipments from Montreal for the period May 1 to October 26, 1935 amounted to approximately 7,127,000 pounds compared with 82,000 pounds in the same period last year. The removal of these large quantities of butter from the domestic market at this time was undoubtedly an important influence in directing butter prices to higher levels during October. Farmers who are able to do so will probably be encouraged to stay with dairying at a time when equally attractive opportunities are being offered, and if this higher price structure can be maintained it will help to place the industry on a more permanent foundation.

TABLE III.- CREAMERY BUTTER PRODUCTION IN CANADA BY PROVINCES, JUNE TO SEPTEMBER, AND FOR THE NINE MONTHS ENDING SEPTEMBER 1934, AND 1935.

Province	Year	June	July	August	September	Nine Months ending September 30
Prince Edward Island	1934	292,859	<u>370,359</u>	284,359	226,359	1,552,422
	1935	200,500	<u>377,330</u>	281,000	230,000	1,326,530
	Percent. change	(-)31.5	(+) 1.9	(-) 1.2	(+) 1.6	(-)14.6
Nova Scotia	1934	<u>854,273</u>	750,064	586,268	395,307	4,338,530
	1935	647,160	<u>699,437</u>	541,944	424,341	3,962,290
	Percent. change	(-)24.2	(-) 6.7	(-) 7.6	(+) 7.3	(-)18.1
New Brunswick	1934	<u>635,978</u>	625,916	478,490	316,684	2,791,652
	1935	483,112	<u>600,349</u>	472,333	335,742	2,458,124
	Percent. change	(-)24.0	(-) 4.1	(-) 1.3	(+) 6.0	(-)11.9
Quebec	1934	<u>11,673,761</u>	<u>11,501,595</u>	10,504,831	8,915,581	55,210,401
	1935	12,100,000	<u>12,200,000</u>	11,200,000	10,266,000	58,769,000
	Percent. change	(+) 3.7	(+) 6.1	(+) 6.6	(+)15.1	(+) 6.4
Ontario	1934	<u>11,110,551</u>	9,956,609	9,306,907	7,666,306	63,729,395
	1935	<u>11,647,049</u>	11,250,842	10,009,698	8,586,972	66,635,528
	Percent. change	(+) 4.8	(+)13.1	(+) 7.6	(+)12.0	(+) 4.6
Manitoba	1934	<u>3,632,379</u>	3,451,259	2,660,820	1,979,676	17,972,413
	1935	<u>3,498,975</u>	3,407,496	3,028,586	2,544,189	17,332,159
	Percent. change	(-) 3.7	(-) 1.3	(+)13.8	(+)23.5	(-) 0.8
Saskatchewan	1934	<u>3,724,319</u>	3,692,742	2,923,709	1,837,926	13,305,727
	1935	<u>3,792,637</u>	<u>4,135,800</u>	3,493,100	2,338,400	19,197,523
	Percent. change	(+) 1.8	(+)12.0	(+)19.3	(+)27.2	(+) 4.9
Alberta	1934	<u>4,165,000</u>	<u>4,165,000</u>	3,203,000	1,985,000	22,241,000
	1935	3,540,000	<u>3,870,000</u>	3,500,000	2,360,000	19,820,000
	Percent. change	(-)15.0	(-) 7.1	(+) 9.3	(+)18.9	(-)10.9
British Columbia	1934	<u>709,733</u>	635,154	576,660	496,514	4,715,154
	1935	<u>692,500</u>	575,214	630,500	512,600	4,703,014
	Percent. change	(-) 2.4	(-) 9.4	(+)11.1	(+) 3.2	(-) 0.3
Canada	1934	<u>36,798,853</u>	35,143,698	30,521,050	23,319,353	191,356,694
	1935	<u>36,601,933</u>	<u>37,116,463</u>	33,157,161	27,593,244	194,704,168
	Percent. change	(-) 0.5	(+) 5.6	(+) 8.6	(+)15.9	(+) 1.7

Note - The underlined figures represent the highest monthly production for the season.

TABLE IV. - COLD STORAGE STOCKS OF CREAMERY BUTTER AND CHEESE IN CANADA

Shown by provinces August 1, September 1 and October 1, 1934 and 1935.

	<u>CREAMERY BUTTER</u>			<u>CHEESE</u>		
	<u>August</u>	<u>September</u>	<u>October</u>	<u>August</u>	<u>September</u>	<u>October</u>
<u>MARITIME PROVINCES</u>						
1934	1,960,409	2,151,463	2,220,625	145,495	175,161	186,235
1935	1,418,550	1,904,373	2,010,583	115,336	131,550	143,319
Percent. change	(-) 27.6	(-) 11.5	(-) 9.5	(-) 20.7	(-) 24.9	(-) 23.0
<u>QUEBEC</u>						
1934	14,132,672	18,117,769	18,940,422	16,113,026	22,314,133	24,240,177
1935	14,104,511	18,026,722	21,054,719	18,164,812	21,371,163	16,418,098
Percent. change	(-) 0.2	(-) 0.5	(+) 11.2	(+) 12.7	(-) 4.2	(-) 32.3
<u>ONTARIO</u>						
1934	12,241,936	13,567,340	14,209,004	7,172,537	7,540,040	7,894,427
1935	11,666,828	14,127,743	14,946,084	9,697,125	11,120,242	10,967,973
Percent. change	(-) 4.7	(+) 4.1	(+) 5.2	(+) 35.2	(+) 47.5	(+) 38.9
<u>MANITOBA</u>						
1934	4,628,934	5,815,005	6,752,059	290,925	403,271	401,840
1935	6,160,607	8,117,057	8,455,076	354,333	410,795	470,619
Percent. change	(+) 33.1	(+) 39.6	(+) 25.2	(+) 21.8	(+) 1.9	(+) 17.1
<u>SASKATCHEWAN</u>						
1934	2,745,700	3,291,024	3,420,840	220,591	211,498	364,514
1935	2,329,548	2,897,625	2,666,088	204,414	270,616	284,308
Percent. change	(-) 15.2	(-) 12.0	(-) 22.1	(-) 7.3	(+) 28.0	(-) 22.0
<u>ALBERTA</u>						
1934	4,370,348	5,253,530	4,947,282	608,201	1,215,312	704,340
1935	2,840,252	4,365,652	3,719,845	518,257	660,349	716,630
Percent. change	(-) 35.0	(-) 16.9	(-) 24.8	(-) 14.8	(-) 45.7	(+) 1.7
<u>BRITISH COLUMBIA</u>						
1934	2,246,110	2,651,244	2,774,143	301,024	294,917	374,504
1935	1,837,260	2,697,835	2,190,745	379,845	424,061	456,338
Percent. change	(-) 18.2	(+) 1.8	(-) 21.0	(+) 26.2	(+) 43.8	(+) 21.9
<u>CANADA</u>						
1934	42,326,109	50,847,375	53,264,375	24,851,799	32,154,332	34,166,037
1935	40,357,556	52,137,007	55,043,140	29,434,122	34,388,776	29,457,285
Percent. change	(-) 4.7	(+) 2.5	(+) 3.3	(+) 18.4	(+) 6.9	(-) 13.8

TABLE V.- FEED PRICES IN THE PRINCIPAL CITIES OF CANADA AT
OCTOBER 10, 1934 AND OCTOBER 10, 1935.

(A)

City	Year	Bran in bag (cwt.)	Oil Cake in bag (cwt.)	Oats No.3 C.W. in bulk (cwt.)	Barley No. 3 C. W. in bulk (cwt.)
Halifax	1934	1.32	-	-	-
	1935	1.22	-	-	-
St. John	1934	1.30	2.25	-	-
	1935	1.20	1.70	-	-
Quebec	1934	1.17	1.90	(1.65)(a)	1.50
	1935	1.02	1.60	1.37	1.33
Montreal	1934	1.15	1.85	1.35	1.21
	1935	1.00	1.40	1.23	0.92
Toronto	1934	1.15	1.80	1.23	1.15
	1935	1.25	1.80	1.21	0.88
Ft. William	1934	1.15	1.65	1.12	1.08
	1935	0.80	1.50	0.83	0.73
Winnipeg	1934	1.15	1.50	1.12	1.08
	1935	0.95	1.50	0.83	0.73
Regina	1934	1.05	-	-	-
	1935	0.75-0.80	-	-	-
Edmonton	1934	0.90	2.10	-	-
	1935	0.90	2.10	-	-
Vancouver	1934	1.35	2.15	1.41	1.55
	1935	1.20	2.45	1.21	1.15

Note - Figures in brackets are not comparable grades. (a) No. 1 Feed.

(B)

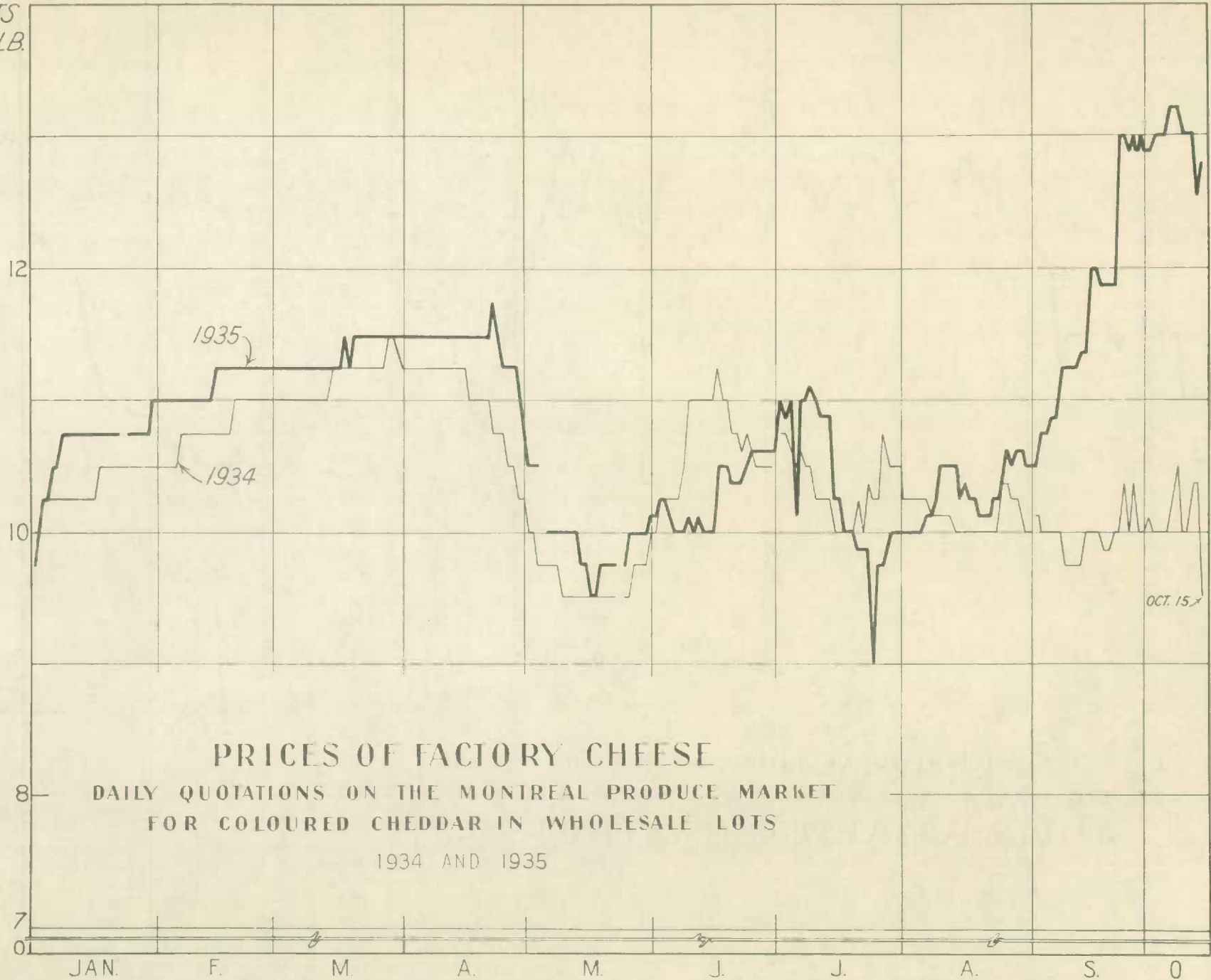
FEED PRICES AT FORT WILLIAM, OCTOBER 1, 1934 AND 1935.

Year	Oats, 1 feed (cents per bush.)	Barley, 4 C.W. (cents per bush.)	Rye, reg. 2 C. W. (cents per bush.)	Bran \$ (per cwt.)	Oat Chop \$ (per cwt.)	Barley Meal \$ (per cwt.)	Alfalfa Meal \$ (per cwt.)
1934	.38 1/2	.51 3/4	.55 1/4	1.15	1.60	1.55	2.00
1935	.27 1/2	.33 3/4	.35 1/4	0.80	1.25	0.90	2.25

x Data supplied by the Seed Branch, Department of Agriculture.

Chart 1

CENTS
PER LB.



PRICES OF FACTORY CHEESE

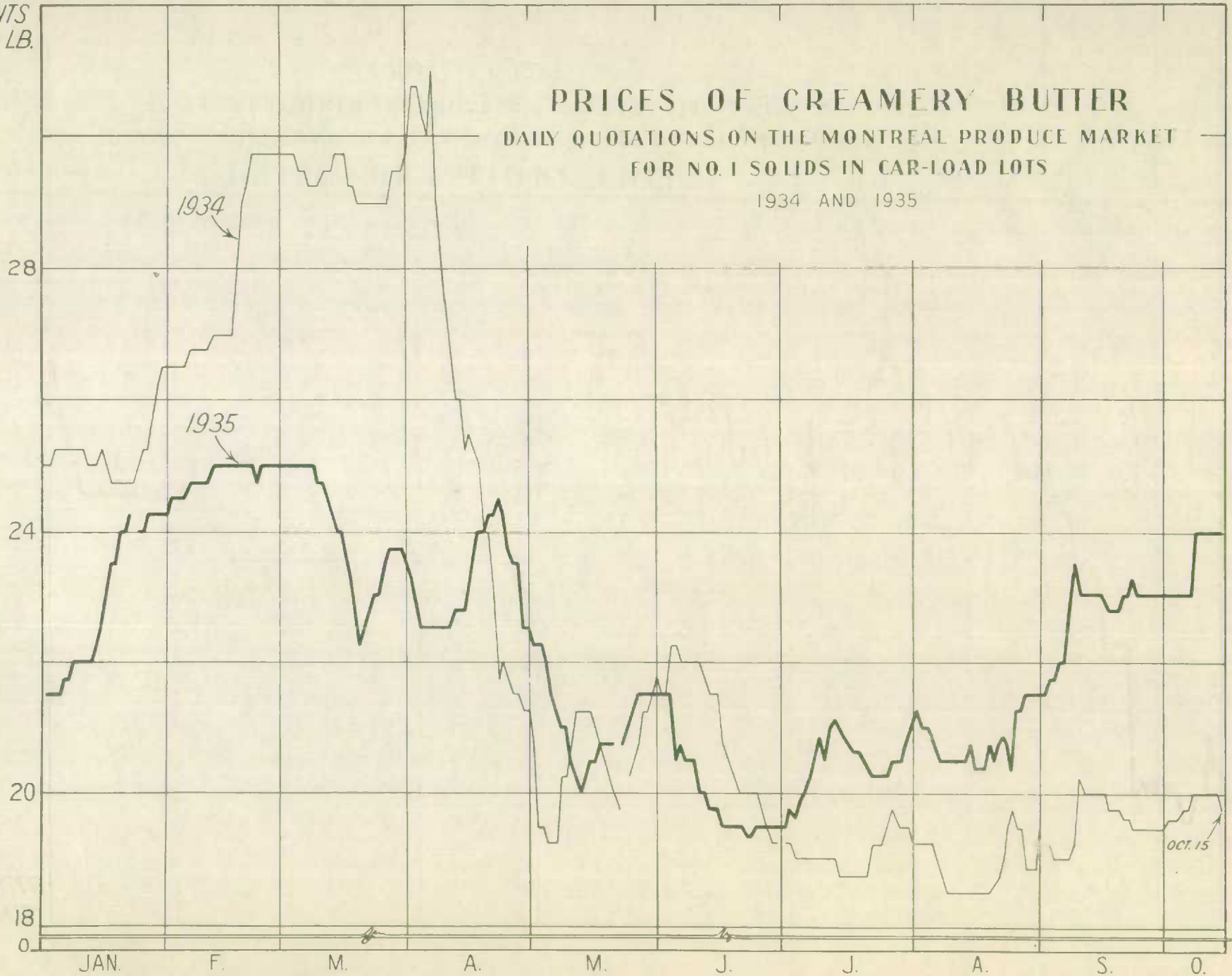
DAILY QUOTATIONS ON THE MONTREAL PRODUCE MARKET
FOR COLOURED CHEDDAR IN WHOLESALE LOTS

1934 AND 1935

Chart 2

CENTS
PER LB.

PRICES OF CREAMERY BUTTER
DAILY QUOTATIONS ON THE MONTREAL PRODUCE MARKET
FOR NO. 1 SOLIDS IN CAR-LOAD LOTS
1934 AND 1935



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