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CANADA
DOMINION BUREAU OF STATISTICS
AGRICULTURAL BRANCH

SERIES NO. V

REPORT NO. 1

THE DAIRY SITUATION
IN
CANADA

WINTER QUARTER
DECEMBER - FEBRUARY
1937 - 1938



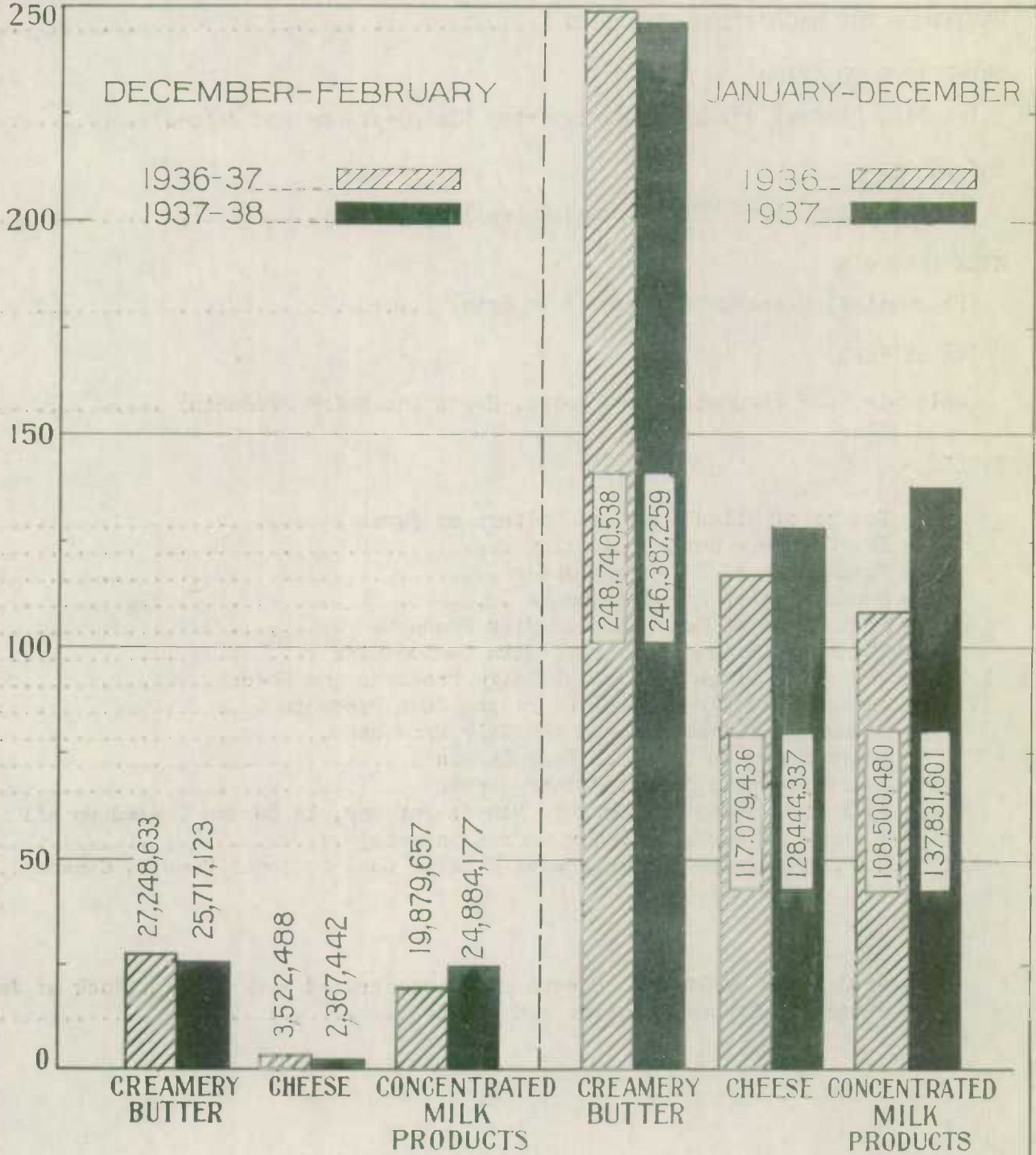
OTTAWA
1938

INDEX

	<u>Page Number</u>
SUMMARY	1
REVIEW OF THE PRODUCTION SITUATION	3
THE BUTTER POSITION	
(Stocks, Production, Exports, Imports, Disappearance and Prices)	8
THE CHEESE POSITION	
(Stocks, Production, Exports and Prices)	13
MILK PRODUCTS	
(Production, Stocks, Exports and Imports)	14
PRICE INDEXES	
(Saleable Farm Products, Feed Costs, Meats and Dairy Products)	15
TABLES -	
I - Number of Milch Cows and Heifers on Farms	4
II - The Creamery Butter Position	6
III - Production of Creamery Butter	10
IV - Production of Factory Cheese	10
V - Production of Concentrated Milk Products	12
VI - Wholesale Price Indexes of Farm Commodities	16
VII - Wholesale Price Indexes of Dairy Products and Feeds	18
VIII - Retail Price Indexes of Dairy and Meat Products	19
IX - Stocks of Butter, Cheese and Milk Products	20
X - Dairy Products Exported from Canada	21
XI - Dairy Products Imported into Canada	21
XII - Milk Production Per Cow, in Pounds Per Day, in Canada (based on all cows in herds of Dairy Correspondents)	22
XIII - Monthly Average Percentage of Milking Cows to Total Cows in Canada ..	23
CHARTS -	
1 - Production of Butter, Cheese and Concentrated Milk	(Back of Index)
2 - Prices of Creamery Butter and Cheese	24

PRODUCTION OF CREAMERY BUTTER, CHEESE AND CONCENTRATED MILK PRODUCTS

MILLION LB.



DOMINION BUREAU OF STATISTICS
AGRICULTURAL BRANCH

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SUMMARY

THE BUTTER POSITION during the winter period was featured by a 6 per cent decrease in production and a 2.6 per cent increase in the Domestic Disappearance over the same period a year ago. The total production was reduced to 25.7 million pounds. The Domestic Disappearance recorded increases of 5.1 per cent in December and 3.7 per cent in January, but a reverse situation developed in February when the Disappearance fell 5.9 per cent below the figure given for the same month a year ago. The importation of nearly 1 million pounds of butter, principally from Australia and New Zealand, accounted in part for the sharp decline in February; and when these imports are included in the calculation, the Total Domestic Disappearance for February would be only one-half of one per cent below that of February, 1937, and for the entire three months it would be 4.6 per cent above that of the same period of 1936-37. Prices also played a part in the February decline, increasing from an average of 30 1/8 cents and 31 3/4 cents in December and January, with an average spread from last year of approximately 5 cents, to 34 3/8 cents in February, representing an advance of 9 3/8 cents over that of February, 1937. A fall in industrial employment as shown in the seasonally corrected index of 114.7 for February as compared with 117.8 for the previous month and 113.8 for December, would indicate that some reduction took place in the buying power of this important section of the consuming public; but coupled with this development was the February price advance which placed the cost of butter at a point where it became an unusually large item of family expenditure.

THE CHEESE POSITION reveals a substantial reduction in the quantities of cheese which moved out of storage during the winter months as compared with the same period of the preceding year. Stocks of cheese at December 1 were 27.6 million pounds, and at the first of each month from December 1, 1937 to March 1, 1938, stock increases over the same dates of the preceding year ranged from one-half million pounds to 3.1 million pounds. On the other hand, production during the winter months fell 1.1 million pounds or 32.8 per cent, from last year. The total cheese factory output for the three months was 2.4 million pounds, compared with 3.5 million pounds a year ago. Exports also declined nearly 4 million pounds or 52.7 per cent below those of the previous winter. Prices remained steady changing only one-half of one cent during the entire period, and the average for the three months was 14 5/8 cents as compared with 13 1/8 cents in the same period of 1936-37.

CONCENTRATED MILK PRODUCTS increased 31 per cent and 7.2 per cent for the whole milk and milk by-products, respectively, over the production of last year. The total output amounted to 24.9 million pounds, 19.7 million pounds of the former and 5.2 million pounds of the latter. Exports of evaporated milk, condensed milk, milk powder and casein during the same three months amounted to 7.3 million pounds, 3.7 million pounds more than that recorded in the December - February period of 1936-37.

FEED SUPPLIES were sufficient in quantity during the winter months, with the exception of a section of Prince Edward Island, and in the drought areas of the western provinces. Hay was scarce in northern Ontario, and the grain supplies in the Maritime Provinces were lower than last year. The use of supplementary feeds, however, made it possible to maintain the milk flow at a reasonably high level. The quality of the hay and grain crops in Ontario and part of Quebec had an adverse effect on production. Low quality roughage and inadequate grain supplies in Saskatchewan were also responsible for a marked decline in the farm milk supply in that province during the winter as compared with the same period of the preceding year. A large percentage of light feeds, due to frost and drought in Alberta, reduced the quality but increased the quantities available for feeding purposes. In British Columbia ample grain and hay supplies were available, some of which were imported from other provinces.

WEATHER CONDITIONS. Moderate weather prevailed throughout the winter in most parts of Canada. The Prairie Provinces and British Columbia were particularly fortunate in the absence of severe storms and low temperatures. These conditions reduced the burden of feed relief in the drought sections and shortened the winter feeding period for dairy cattle on the western coast. Moisture conditions on the Prairies are much better than they were last year. Heavy falls of snow and rain in the winter months advanced the precipitation in Manitoba and Saskatchewan from 16 to 22 per cent above that of the preceding winter. In Alberta the precipitation was 16 per cent below the 1936-37 season. The situation as reported from the different parts of Canada would indicate that pastures have come through the winter in good condition, and with satisfactory weather will provide good forage during the spring months.

THE MILCH COW POPULATION as shown in the survey of December 1, 1937, fell 2 per cent from the same date of the preceding year and 0.3 per cent from June 1, 1937. Heifers raised mainly for milking purposes fell 6 per cent from the previous December and 15.4 per cent from June 1, 1937, a situation which may be attributed to the live stock liquidation on the Prairies. Milch cows sold at slightly higher prices than last year but fewer sales were made.

THE PERCENTAGE OF MILKING COWS TO TOTAL COWS was higher in the December - February period of 1937-38 by 1.3 per cent than in the winter of 1936-37. A larger percentage of cows came into lactation in the late winter than was recorded at the same time a year ago which tended to augment milk production. The reports of Dairy Correspondents would indicate, however, that there is no immediate prospect of an increase in the freshenings during the early spring.

MILK PRODUCTION per cow, based on cows actually milking was practically the same as last year, but based on all cows in the herds of Dairy Correspondents, an increase of 5 per cent was recorded, due, of course, to an advance in the proportion of cows being milked. The total farm milk supply was reduced from last year, as reflected in the output of dairy factories. The production in the spring period is expected to be greater than a year ago. The improved condition of milch cows, better pasture prospects and a greater percentage of milking cows to total cows would support this conclusion.

THE PRODUCTION OF DAIRY BUTTER ON FARMS declined slightly in the winter of 1937-38 as compared with the same period of 1936-37. The higher price of butter-fat is believed to have diverted more cream to dairy factories. The consumption of milk on farms in the winter quarter also declined from last year, the largest reduction being recorded in Saskatchewan. On the other hand, the consumption of concentrated milk products increased 13.7 per cent.

A COMPARISON OF PRICE INDEXES reveals the favourable position of the dairy industry from a revenue producing standpoint. A more satisfactory relationship between feed costs and the revenues obtained from dairying was also a factor of importance. Homegrown feeds declined 4.5 per cent, mill feeds 7.7 per cent, and concentrated feeds fell from 0.7 to 14.5 per cent below the quotations for the winter period of the preceding year. Milk on the other hand increased 5.6 per cent. An examination of retail price indexes shows that milk and cheese advanced less than meat products, but more than lard and eggs, during the three months under review as compared with those reported in the previous winter period; butter, on the contrary, showed greater advances than any of the competitive food products.

In collecting the basic information for this report, the Bureau is indebted to Dominion Experimental Farm officials, Dairy Commissioners and Dairy Correspondents in the provinces for their helpful advice and co-operation.

Review of the Production Situation

In many respects the winter period of 1937-38 was a most favourable one for dairy farmers. The weather was moderately mild throughout Canada and the absence of extreme temperatures and heavy blizzards offset the feed shortage, thus reducing stock losses to normal proportions. Most sections benefitted from a generous covering of snow, and in those parts of the west where precipitation had been particularly scanty during the past few years, the increased snow fall promises to provide satisfactory conditions for pastures. Due to the liquidation of live stock from Prince Edward Island and parts of the Prairies, fewer cows were held on farms for winter production. Nevertheless, higher prices paid for butter-fat encouraged farmers to give more attention to their dairy herds, so that despite the short crop and low quality feeds in some parts, the milk supply was reasonably well maintained. Cheese production suffered a reduction of 33 per cent from last year while butter production registered a decline of 6 per cent as compared with the winter output of 1936-37.

Feed Supplies. A comparatively heavy hay crop in 1937 provided farmers with more than the usual quantity of forage for the three winter months. There was a shortage of hay in northern Ontario and in certain sections of western Canada; otherwise farmers were well stocked with supplies and in spite of the large quantities used on eastern farms for feeder cattle imported from the West, no apparent shortage was indicated. In some provinces there was an unequal distribution of supplies, but with the exception of the areas mentioned prices did not reach high levels, the average being in the neighbourhood of \$7 to \$9 a ton. A considerable amount of hay was moved to Saskatchewan from the Ottawa Valley and other hay producing areas of eastern Canada. Manitoba also supplied considerable quantities for relief requirements on the western prairies. The heavy crop of grain in Manitoba permitted Saskatchewan farmers to obtain straw and low class forage to meet emergency needs in that province. Relatively heavy stocks of hay and straw placed Alberta on a more or less self-sufficient basis. The only place where a serious shortage occurred was in the south-western section, south of the Red Deer River and east of the Calgary-Lethbridge railway line. British Columbia seems to have been better supplied than usual with hay and forage, due principally to the mild winter which permitted dairy cattle to forage for themselves in the open.

Grain supplies were relatively scarce in the Maritime Provinces, and particularly in Prince Edward Island. Quebec and Ontario had ample supplies, and in Manitoba the abundant grain crop harvested last year gave farmers more than the usual quantity for winter feeding. There was a marked shortage, of course, in Saskatchewan and south-eastern Alberta. The quantities available in British Columbia were sufficient for winter use although about the usual quantities were imported. On account of higher butter-fat prices, concentrates and mill feeds were fed more liberally in the eastern provinces, but there seemed to be very little difference in the quantities employed by western farmers. Dairy farmers close to fluid milk markets used concentrates and mill feeds more extensively than they did a year ago, thus taking advantage of the favourable prices for surplus milk.

The lack of quality in the hay and grains available for dairy cows in the eastern provinces had a more profound effect on production than the shortage in supplies. This was particularly true of eastern Ontario and parts of Quebec where much of the clover crop was killed out in the early part of 1937, thus reducing the quality of the hay and making it less valuable from the standpoint of milk production. In other parts of Ontario where this condition did not exist there seems to be evidence of deterioration in the hay after it had been placed in the mow. Some Observers stated that unfavourable weather at the time the crop was gathered may have produced this result. Regardless of the cause, the effects of low quality feeds were shown in fluctuations in the milk flow and the premature termination of the lactation

TABLE I - NUMBERS OF MILCH COWS AND HEIFERS ON FARMS IN CANADA, BY PROVINCES,
AS AT JUNE 1 AND DECEMBER 1, 1936 AND 1937.

Province	Year	Milch Cows Two years and over			Heifers raised mainly for milking purposes		
		June Survey	December Survey	Percentage Increase (+) Decrease (-)	June Survey	December Survey	Percentage Increase (+) Decrease (-)
Prince Edward Island	1936	45,600	42,400	(-) 7.0	11,500	8,600	(-) 25.2
	1937	46,100 (+) 1.0	43,300 (+) 2.1	(-) 6.2	12,000 (+) 4.3	9,100 (+) 5.8	(-) 24.2
Nova Scotia	1936	114,300	117,700	(+) 3.0	24,600	23,100	(-) 6.1
	1937	115,700 (+) 1.2	118,700 (+) 0.9	(+) 2.6	27,300 (+) 11.0	27,000 (+) 12.5	(-) 1.1
New Brunswick	1936	110,000	122,100	(+) 11.0	25,100	23,600	(+) 2.2
	1937	111,400 (+) 1.3	121,900 (-) 0.2	(+) 9.4	27,600 (+) 19.5	24,600 (+) 4.2	(-) 10.9
Quebec	1936	953,900	986,300	(+) 5.0	192,800	186,500	(-) 3.3
	1937	962,400 (+) 2.5	1,001,300 (+) 1.5	(+) 4.0	235,400 (+) 22.1	202,400 (+) 8.5	(-) 14.0
Ontario	1936	1,181,500	1,215,000	(+) 2.8	236,000	243,500	(+) 3.2
	1937	1,175,900 (-) 0.5	1,223,500 (+) 0.7	(+) 4.0	241,700 (+) 2.4	240,000 (-) 1.4	(-) 0.7
Manitoba	1936	327,900	346,600	(+) 5.7	75,900	74,400	(-) 2.0
	1937	390,400 (+) 19.0	363,100 (+) 4.8	(-) 7.0	89,200 (+) 17.5	78,700 (+) 5.8	(-) 11.8
Saskatchewan	1936	591,100	612,600	(+) 3.6	144,100	140,400	(-) 2.6
	1937	563,700 (-) 4.6	517,300 (-) 15.6	(-) 8.3	146,500 (+) 1.7	83,000 (-) 40.9	(-) 43.4
Alberta	1936	458,200	437,100	(-) 4.6	105,600	94,300	(-) 10.7
	1937	453,600 (-) 1.0	411,700 (-) 5.8	(-) 9.5	107,500 (+) 1.8	81,900 (-) 13.2	(-) 23.8
British Columbia	1936	117,800	130,600	(+) 10.9	28,200	29,500	(+) 4.6
	1937	121,200 (+) 2.9	129,000 (-) 1.2	(+) 6.4	27,800 (-) 1.4	27,700 (-) 6.1	(-) 0.4
Canada	1936	3,885,300	4,010,400	(+) 3.2	841,800	823,900	(-) 2.1
	1937	3,940,400 (+) 1.4	3,929,800 (-) 2.0	(-) 0.3	915,000 (+) 8.7	774,400 (-) 6.0	(-) 15.4

period which contributed to a lower production per farm than was recorded last year. There was also a lack of quality in the feeds used in western Canada. This, of course, arose from the crop failure last fall making it necessary to utilize low class forage and grains which could only be regarded as maintenance rations. Frosted and light weight grains used in parts of Alberta increased the total supply of feed in that province; whereas if the quality had been better they would have been sold for cash.

The numbers of milch cows on farms as shown in the survey of December 1, 1937, recorded a decrease of 2 per cent as compared with those reported at December 1, 1936 (see Table I). The population was 3,929,800 on the former date and 4,010,400 on the latter. As might be expected the largest reduction took place in Saskatchewan where there was considerable liquidation of live stock from farms. The 15.6 per cent reduction in Saskatchewan and the 5.8 per cent decrease in Alberta were the most outstanding differences, and in both cases the shortage in feeds was responsible. The most significant advance took place in Manitoba where the increase of nearly 5 per cent followed a 19 per cent increase in the numbers of milch cows shown at June 1 as compared with the June 1 survey in the previous year. Between June 1 and December 1, the milch cow population of Canada fell just slightly; yet declines took place in all the prairie provinces and also in Prince Edward Island. On the other hand fairly substantial increases were registered in New Brunswick and British Columbia, with lesser advances in Nova Scotia, Quebec and Ontario.

Heifers raised mainly for milking purposes declined 6 per cent between December 1, 1936 and December 1, 1937, thus reducing the dairy heifer population from approximately 824,000 to 774,400. The decreases in Saskatchewan and Alberta were the most prominent, representing percentage declines of 40.9 and 13.2, respectively. All other provinces except British Columbia and Ontario showed substantial gains.

While these figures would show that the milch cow population has materially declined it is well to remember that if the abnormal feed conditions of 1937 had not occurred in the prairie west, thus permitting farmers to carry their young stock and the usual quota of milkers, the population figures would probably have moved in the opposite direction. Under the circumstances that now exist it will take some time to rehabilitate the herds in the prairie section of western Canada. If the crop conditions are good farmers will be slow to make any investments in dairy cattle, a factor that may tend to retard the development of dairying. Elsewhere in the Dominion, the abundant feed supplies made it possible for farmers to hold their producing stock. The inducements offered as a result of higher prices for dairy products were also an important factor, and while these values cannot possibly be maintained it must be considered that farmers have based their plans on higher price levels and the policy of holding cows that might have been exported or slaughtered will tend toward a larger milch cow population in the coming summer. Milch cows are selling at good prices in practically all parts of eastern Canada, but the market has not been active. The sales made would indicate that grade cows sold at \$65 to \$75 in the eastern provinces and at about \$40 to \$60 in the western provinces. Pure bred cows sold at various prices, ranging from \$100 to \$250. On the whole the prices are higher than those paid last year. Owing to a smaller movement of milch cows there was an absence of buyers in many districts and consequently those anxious to dispose of their milkers may have done so at prices somewhat below the prevailing levels.

The numbers of cows on farms actually milking, as reported by Dairy Correspondents, would appear to be about the same as last year. The percentage of milking cows to total cows was appreciably higher during the three winter months of 1937-38 than in the same months of 1936-37. This tendency was especially noticeable in New Brunswick, Alberta and British Columbia, and may reflect in some manner a movement toward winter dairying. There is no evidence that freshenings are on the

TABLE II - THE CREAMERY BUTTER POSITION IN CANADA, DECEMBER TO FEBRUARY, 1933-34 to 1937-38

		December	January	February	December to February
Stocks in storage at first of the month -	1933-34	29,088,920	21,776,892	14,654,137	-
(Not adjusted for new firms)	1934-35	41,514,556	31,980,087	22,655,810	-
	1935-36	40,615,898	32,081,722	24,964,113	-
	1936-37	44,388,158	35,707,463	28,874,509	-
	1937-38	38,045,409	27,626,842	18,301,549	-
Stocks in transit at first of the month -	1935-36	504,000	308,000	520,800	-
	1936-37	212,800	672,000	196,000	-
	1937-38	252,000	588,000	532,000	-
Production during month -	1933-34	9,140,332	8,620,536	7,754,013	25,514,881
	1934-35	9,094,045	8,091,716	7,259,466	24,445,227
	1935-36	10,398,899	9,354,039	7,989,252	27,742,190
	1936-37	10,700,031	8,932,907	7,615,695	27,248,633
	1937-38	9,823,479	8,344,456	7,549,188	25,717,123
Imports -	1933-34	5,576	13,452	420,681	439,709
	1934-35	12,267	5,969	6,144	24,380
	1935-36	1,058	8,965	16,607	26,630
	1936-37	6,725	7,302	12,724	26,751
	1937-38	5,835	150,408	942,472	1,098,715
Exports -	1933-34	78,300	30,800	18,800	127,900
	1934-35	32,800	35,800	30,000	98,600
	1935-36	54,800	25,700	30,700	111,200
	1936-37	66,400	30,500	27,100	124,000
	1937-38	82,200	84,000	27,100	193,300
Prices -	1933-34	23 3/8	25 1/8	27 3/4	25 3/8
	1934-35	20 3/4	22 7/8	24 7/8	22 7/8
	1935-36	20 3/4	25 1/2	23 1/4	23 1/8
	1936-37	25 7/8	26 1/8	25	25 5/8
	1937-38	30 1/8	31 3/4	34 3/8	32 1/8
Total Disappearance of					
Canadian-made butter	1933-34	16,452,360	15,763,291	14,977,926	47,193,577
(Domestic and Export)	1934-35	18,628,514	17,415,993	14,871,705	50,916,212
	1935-36	18,933,075	16,471,648	16,524,291	51,929,014
	1936-37	19,380,726	15,765,861	17,715,011	52,861,598
	1937-38	20,242,046	17,669,749	15,654,304	53,566,099
Disappearance of Canadian-made butter (In Canada only)	1933-34	16,374,060	15,732,491	14,959,126	47,066,677
	1934-35	18,595,714	17,380,193	14,841,705	50,817,612
	1935-36	18,878,275	16,445,948	16,493,591	51,817,814
	1936-37	19,314,326	15,735,361	17,687,911	52,737,598
	1937-38	20,159,846	17,585,749	15,629,275	53,374,870

increase this spring but larger numbers of cows came into lactation during the late winter period, which helped to bring about a more rapid change in milk production than would otherwise have occurred.

The milk production of the Dominion during the months December to February fell below the quantities reported in the same months a year ago. Concentrated milk products increased 31 per cent in the three-month period, the creamery butter make declined 5.6 per cent; while cheese production in the winter period was 32.8 below the output for the corresponding period of 1936-37. Converting these three products to a milk basis the quantities used for manufacturing showed a total of 679 million pounds in the 1937-38 period as compared with 714 million pounds in the 1936-37 period. All facts considered, milk production was higher than would have been expected under last year's price level. Relative to the total, creamery butter production took first place with 88.7 per cent, concentrated whole milk products 7.4 per cent and cheese 3.9 per cent. In the localities where concentrated milk factories are in operation increased prices offered for fresh milk diverted a considerable quantity of milk to these establishments that would otherwise have gone to creameries. Cheese factories operating during the winter lost patronage on account of the attractive prices paid for butter-fat, a condition which was quite definitely reflected in the cheese factory output during this period.

The production of milk per cow based on cows actually milking (see Table XII) showed practically no change in the three winter months. Quebec and Manitoba registered different results from that indicated for the Dominion, advances being recorded for all three months as compared with the December-February period of 1936-37. British Columbia also showed an increase although the improvement was not so pronounced. Based on all cows in the herds of Dairy Correspondents, the results do not reveal a parallel situation; while those actually milking showed practically the same results as they did last year, all cows recorded an increase of 3 per cent in the production per cow during the winter of 1937-38 as compared with the same three months in 1936-37. This, of course, might be accounted for by the large percentage of milking cows on farms to the total numbers in December and January (see Table XIII).

The production of dairy butter for the Dominion as a whole changed very little from the preceding year. The effect of higher butter prices tended towards a slight reduction in the farm make, the surplus cream being delivered to creameries. Open roads and moderate weather during the winter gave farmers better marketing opportunities in many localities and this is thought to have played a part in the reduction of the farm make. It is a fact worth observing, however, that New Brunswick, Manitoba and British Columbia farmers increased their dairy butter production in all three months as compared with the quantity produced in the same period a year ago. It is possible that farmers some distances from creameries took advantage of higher butter prices during the winter in making deliveries to creameries over roads that might be almost impassable in the summer. The sharp decline in the lumber industry was another factor which gave the dairy business new life in some of the frontier sections of these provinces. It is natural that such a development would first manifest itself in the making of dairy butter for sale or trade.

One of the effects of higher butter prices has been the reduced quantities of milk consumed in farm homes. This was referred to in previous issues of "The Dairy Situation" and has appeared more definitely in the path of higher prices. The general degree of prosperity in the community is quite a potent influence and probably played some part in this reduction, although the increase of 13.7 per cent in the consumption of concentrated milk products in Canada would give colour to the theory that it was largely a matter of substitution. The consumption of milk on farms as reported by Dairy Correspondents during the three-month period of 1937-38 declined 8.6 per cent. The most noticeable decline was recorded in the province of Saskatchewan. Present indications point to a general improvement in dairy production in the spring period.

Despite the reduction in milch cow numbers the extra care being given to dairy cows during the winter period has placed the cow population in a more healthy condition so that by reason of this improvement milch cows are expected to show better results than usual when they reach the spring pastures. Moreover, weather conditions have been very favourable and it is believed that grass will come through the winter in particularly good condition. A reduction in milk production appears inevitable in Saskatchewan on account of the heavy reduction in herds last fall, and little change is anticipated during the coming summer. However, in Quebec signs of improvement are appearing, due to the rehabilitation of dairy herds in that province. In Ontario a slight increase in cow numbers through the importation of cows from the West also offers a hope that milk production will increase when the dairy herds are again able to graze on the green fields. Taking the Dominion as a whole, production of milk in the coming three months promises to surpass the production for the same period of 1937.

THE BUTTER POSITION

The principal facts relating to the butter position during the period covered by this report are shown in Table II. Comparisons for each month and for the three-month period January to February cover the five years, 1933 to 1937, inclusive. Since the stock figures are set up for a series of years, adjustments for new firms to place the figures on a comparative basis with the same date of the previous year have not been taken into consideration in making up this table. Adjusted data for December 1 and January 1, and including transit stocks as well as stocks in storage, appear in Table IX.

The stock position at December 1, 1937, revealed a decline of 6.3 million pounds in comparison with the position indicated at the same date in 1936. When adjustments are made for the stocks held by new firms the result is approximately the same. The stock figures at January 1, 1938, reflect the heavy stock withdrawals of 10.4 million pounds during the previous month, thus placing the holdings at 27.6 million pounds, or 8.1 million pounds below those of the same date in 1937. When the holdings of new firms and transit stocks are considered, the stocks at January 1 are found to be 8.2 million pounds below those of January 1, 1937.

During the month of January less butter was used than in the previous month. While storage stocks at February 1 fell to 18.3 million pounds, the position changed to the extent of only 9.3 million pounds from the first of the previous month. As compared with February 1 of the previous year the stocks were reduced 10.6 million pounds, but making allowance for the holdings of new firms and transit stocks (see Table IX) this difference is slightly less, being 10.2 million pounds.

On March 1 the holdings of butter were 10.2 million pounds and showed that stock withdrawals during the month had been reduced to 8.1 million pounds. The stocks reported at that date were 8.6 million pounds less than those reported at that date in the preceding year. With the inclusion of transit holdings the stocks at March 1, 1938, registered a decline of 9.3 million pounds from March 1, 1937. In order to make convenient comparisons, the changes recorded in the stock position for the three months in relation to the same dates of the preceding year are given below.

	Reduction in Butter Stocks		
	From Previous	From Previous Year	
	Month	Unadjusted	Adjusted
	(Millions of Pounds)		
December 1	- 9.7	- 6.3	- 6.3
January 1	- 10.4	- 8.1	- 8.2
February 1	- 9.3	- 10.6	- 10.2
March 1	- 8.1	- 8.6	- 9.3

Stock figures alone often reveal an unbalanced picture of the situation without consideration being given to the underlying conditions. First of all, it must be recalled that over $3\frac{1}{2}$ million pounds of butter were shipped overseas in October and November of 1937. This development combined with the declining production which commenced early in October, explains the weak stock position shown at December 1, 1937. In this connection it may be observed that the stocks at that date were the lowest since December 1, 1933, when a situation had arisen under almost identical circumstances, namely a heavy export movement followed by a low winter production. The disappearance of Canadian made butter from December to February is worthy of attention in its relation to the stock position. Differing from the month to month change in stock holdings (the stock withdrawals) it combines all the assets, viz, the stocks in store, stocks in transit and production. After deducting the quantities left in store at the end of the month, or at the end of the period as the case may be, the balance shows what was actually consumed, converted into other products or otherwise disposed of, to which the term "Total Disappearance" has been given. When the exports are deducted the remainder, of course, represents the Domestic Disappearance of Canadian butter, which appears as the final set of figures at the bottom of the table. During the December to February period, the exports were comparatively small; consequently, there is a close similarity between the two sets of data. All figures used in making these compilations appear in the table except the stock figures of March 1. These are given below.

Butter Stocks on March 1

1934	7,410,224
1935	15,043,571
1936	16,429,074
1937	18,775,193
1938	10,194,362

The Domestic Disappearance of creamery butter produced in Canada and the Total Disappearance of Canadian butter (including the exports as well as the quantities used in Canada) with the differences in each case for the months of December to February, 1936-37 and 1937-38, are shown in the following table.

	Domestic Disappearance of Canadian Butter		Difference		Total Disappearance of Canadian Butter		Difference	
	lb.	lb.	lb.	%	lb.	lb.	lb.	%
December, 1936	18,855,126				18,921,526			
1937	19,810,846	+ 955,720	+ 5.1		19,893,046	+ 971,520	+ 5.1	
January, 1937	16,211,361				16,241,861			
1938	17,614,749	+ 1,403,388	+ 8.7		17,698,749	+ 1,456,888	+ 9.0	
February, 1937	17,083,111				17,110,211			
1938	16,071,675	- 1,011,436	- 5.9		16,098,775	- 1,011,436	- 5.9	
Total, 1936-37	52,149,598				52,273,598			
1937-38	53,497,270	+ 1,347,672	+ 2.6		53,690,570	+ 1,416,972	+ 2.7	

It will be noted that the increase in the Total Disappearance of Canadian produced creamery butter for December and February, 1937-38 as compared with the same months of 1936-37, amounted to 1 million pounds and $1\frac{1}{2}$ million pounds, respectively. In February, however, the situation was practically reversed from that shown for the preceding month. In other words the Disappearance fell approximately

TABLE III - PRODUCTION OF CREAMERY BUTTER IN CANADA, BY PROVINCES,
DECEMBER TO FEBRUARY, 1936-1937 AND 1937-1938.
(In Thousands of Pounds)

Province	December		January		February		December to February		Percentage Increase (+) Decrease (-)
	1936	1937	1937	1938	1937	1938	1936-1937	1937-1938	
Prince Edward Island	70	74	76	75	61	69	207	218	(+) 5.3
Nova Scotia	324	357	327	367	294	344	345	1,068	(+) 13.0
New Brunswick	71	83	72	81	69	79	212	243	(+) 14.6
Quebec	2,258	2,137	1,066	998	516	520	3,840	3,655	(-) 4.8
Ontario	4,960	4,251	4,386	3,939	3,833	3,671	13,179	11,861	(-) 10.0
Manitoba	893	873	878	917	843	936	2,614	2,726	(+) 4.3
Saskatchewan	750	493	824	537	791	566	2,365	1,596	(-) 32.5
Alberta	1,021	1,193	960	1,111	892	1,061	2,873	3,370	(+) 17.3
British Columbia	353	358	344	319	317	303	1,014	980	(-) 3.4
CANADA	10,700	9,824	8,933	8,344	7,616	7,549	27,249	25,717	(-) 5.6

TABLE IV - PRODUCTION OF FACTORY CHEESE IN CANADA, BY PROVINCES,
DECEMBER TO FEBRUARY, 1936-1937 AND 1937-1938.
(In Thousands of Pounds)

Province	December		January		February		December to February		Percentage Increase (+) Decrease (-)
	1936	1937	1937	1938	1937	1938	1936-1937	1937-1938	
Quebec	265	162	127	114	74	68	466	344	(-) 26.2
Ontario	1,297	731	672	354	523	249	2,492	1,334	(-) 46.5
Manitoba	81	105	88	101	97	110	266	316	(+) 18.8
Saskatchewan	1	1	1	1	1	1	3	3	-
Alberta	84	101	71	97	65	88	220	286	(+) 30.0
British Columbia	25	21	28	27	22	37	75	85	(+) 13.3
CANADA	1,753	1,121	987	694	782	553	3,522	2,368	(-) 32.8

NOTE - There was no cheese made in the Maritime Provinces during the December - February period.

1 million pounds from February a year ago in place of the increase recorded for January compared with January of the previous year. The deduction of the exports, amounting to 82,200 in December, 84,000 in January and 27,100 in February (193,300 pounds) from the Total Disappearance for the three months (53,690,570 pounds) gives the Domestic Disappearance (53,497,270 pounds) for the same period. While the former increased 2.7 per cent from last year the latter increased 2.6 per cent.

Due to the favourable market for butter in this country during the early part of the winter, the first shipments arrived from Australia before the middle of January. In February the import movement was accentuated by the announcement on January 30, that there would be a remission of the dumping duty on New Zealand shipments. This dumping duty represents the difference between the selling price in New Zealand and the selling price in Canada on the basis of Canadian currency converted at \$4.86. The arrangement was made retroactive to January 1, to terminate at the end of March, 1938, and applied to a maximum of 25,000 boxes. By placing New Zealand on a par with Australia through the temporary removal of the dumping duty, it became more profitable for New Zealand exporters to ship butter to Canada. Consequently, in the month of February 767,200 pounds were imported from New Zealand as against 168,000 pounds from Australia and 6,720 pounds from the United Kingdom. The total imports during February were 942,472 pounds and slightly over 1 million pounds for the three months as compared with approximately 27 thousand pounds for the period December to February, 1936-37.

Imported stocks were reported for the first time on March 1, 1938, and assuming that there were no stocks in storage on February 1 the Domestic Disappearance of butter (both Canadian and foreign) amounted to 15,962,747 pounds for the month of February. By calculating the disappearance without regard to the current holdings, the Domestic Disappearance of Canadian and foreign butter combined for the three winter months would amount to 54,473,583 pounds. An increase of 1.7 million pounds over the same period of 1936-37.

BUTTER PRICES

Butter prices as reported by the Canadian Commodity Exchange for first grade solids remained steady throughout the month of December, 1937. Only fractional fluctuations took place, the lowest quotation being 29 $\frac{3}{4}$ cents and the highest 30 $\frac{3}{8}$ cents. The average for the month was 30 $\frac{1}{8}$ cents as compared with 25 $\frac{7}{8}$ cents in December, 1936.

At the beginning of the year the butter market gained further strength rising to 30 $\frac{3}{4}$ cents on January 4 and to 31 cents on January 5. This was followed by fractional advances finally reaching 32 cents on January 13. For the remainder of the month slight fluctuations developed but for the most part prices held steady between 31 $\frac{7}{8}$ cents and 32 $\frac{3}{8}$ cents. At the end of January butter was quoted at 32 $\frac{1}{4}$ cents and the average for the entire month was 31 $\frac{3}{4}$ cents, as compared with 26 $\frac{1}{8}$ cents for the same month in the previous year.

During the opening week of February the demand for creamery butter advanced from 32 $\frac{1}{2}$ cents at the beginning to 33 $\frac{1}{8}$ cents at the end of the week. During the second week prices increased from 33 $\frac{1}{4}$ cents to 35 $\frac{1}{4}$ cents, the latter proved to be the peak price of the season. From February 14 to the end of the month the market was comparatively steady. Buyers were cautious and purchased in small lots. The quotations varied but slightly declining from 35 $\frac{1}{4}$ cents to 34 $\frac{5}{8}$ cents. For the month as a whole 34 $\frac{3}{8}$ cents was the average as compared with 25 cents in February, 1937. The average price of creamery butter for the three month period was 32 cents, 61/3 cents higher than that recorded in the December to February period of the previous year.

TABLE V PRODUCTION OF CONCENTRATED MILK PRODUCTS IN CANADA,
DECEMBER TO FEBRUARY, 1936-1937 AND 1937-1938.

(In Thousands of Pounds)

Commodity	December		January		February		December to February		Percentage Increase (+) Decrease (-)
	1936	1937	1937	1938	1937	1938	1936- 1937	1937- 1938	

Whole Milk Products

Condensed	545	802	568	637	672	596	1,745	2,037	(+) 16.7
Evaporated	4,448	5,191	4,169	5,819	4,584	5,352	12,701	16,362	(+) 28.8
Milk Powder	110	421	218	389	218	442	546	1,255	(+) 129.5
Cream Powder	5	5	6	-	2	-	13	5	(-) 61.5
Total	5,108	6,419	4,961	6,845	4,926	6,392	15,005	19,657	(+) 31.0

Milk By-Products

Skim Milk:									
Condensed	274	304	296	300	292	314	362	918	(+) 6.5
Evaporated	13	87	12	49	11	14	36	150	(+) 316.7
Powder	1,178	1,069	1,036	1,080	797	965	3,041	3,114	(+) 2.4
Buttermilk:									
Powder	185	209	217	302	121	223	523	734	(+) 40.3
Condensed	26	80	116	88	107	29	249	197	(-) 20.9
Casein	40	29	63	34	42	29	145	92	(-) 36.6
Sugar of Milk	11	9	6	7	1	6	18	22	(+) 22.2
Total	1,727	1,787	1,776	1,860	1,371	1,580	4,874	5,227	(+) 7.2

Whole Milk and Milk By-Products, Combined

Total	6,835	8,206	6,737	8,705	6,307	7,972	19,879	24,884	(+) 25.2
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There were approximately 10.3 million pounds of Canadian butter in storage and transit on March 1, plus 609,000 pounds of imported butter not included in the general stock report. When the March importations and the March and April production are added in it is apparent that there will be a fairly heavy carry over of butter at the commencement of the summer season. Unless other influences arise to offset this condition, prices are likely to follow a downward trend, possibly falling somewhat below the 1937 level.

THE CHEESE POSITION

Cheese holdings at December 1, 1937, amounted to approximately 27.6 million pounds. This figure represents a decline from the first of the previous month of 8.9 million pounds, which was due to a heavy export movement. Compared with December 1, 1936, the stock position had strengthened to the extent of 4.9 million pounds but when adjustments are made for new firms the difference is reduced to 2.5 million pounds. On January 1, 1938, an increase of approximately 3/4 of a million pounds had been recorded from the first of the previous month, but part of this increase was due to new firms added on that date, so that when the holdings of these firms were deducted a decline of approximately 800 thousand pounds is shown. In comparison with January 1 of the previous year the holdings of 28.4 million pounds represent an increase of 4.3 million pounds, but when allowance is made for new firms (2,376,000 pounds for firms added at February 1, 1937 and 1,500,000 pounds for firms added at January 1, 1938) the holdings for the latter date are shown to have registered an increase of only 1/2 million pounds. The stock position at February 1 was substantially weakened, being down 2 million pounds from the previous month, thus reducing the holdings to 26.4 million pounds. Compared with the same date of the previous year, however, there was an increase of 4 1/2 million pounds. New firms added on January 1 changed the relative position somewhat, so that the actual difference was only 3.1 million pounds. On March 1 there were approximately 24 million pounds in storage, showing that the stocks had fallen to the extent of 2.3 million pounds since February 1, but as compared with March 1 a year ago an increase of 3.9 million pounds was recorded or 2.7 million pounds on an adjusted basis.

The changes in the stock position from last month and last year appear in tabular form below:

	<u>Changes in Cheese Stocks</u>		
	<u>From last month</u>	<u>From last year</u>	
		<u>Unadjusted</u>	<u>Adjusted</u>
	(millions of pounds)		
December 1	- 8.9	+ 4.9	+ 2.5
January 1	- .8 ^x	+ 4.3	+ .5
February 1	- 2.0	+ 4.5	+ 3.1
<u>March 1</u>	- 2.3	+ 3.9	+ 2.7

^x Adjusted for new firms added on January 1, 1938.

The production of cheese in the month of December amounted to 1,120,759 pounds, a decrease of 632 thousand pounds as compared with the same date a year ago. In January the production fell to 694,089 pounds, a decline of 300 thousand pounds, and in February the production of 552,594 pounds was nearly 229 thousand pounds below that of the same month a year ago. For the entire three-month period 2,367,442 pounds of cheese were produced in Canadian factories. In comparison with the winter period of 1936-37 it represents a decline of 1.1 million pounds or 32.8 per cent. The advance in butter prices from 5 - 6 cents a pound over the prices of a year ago as compared with only a slight increase in cheese prices gave the creamery industry the

advantage in patronage during the winter months. The result was that farmers who had an alternative opportunity diverted their milk to the more profitable channel.

The exports of cheese during the winter months showed continuous reductions during the three months December to January, as compared with the same months in 1936-37. During this period exports amounted to 3,553,000 pounds, while in the same months a year ago 7,503,300 pounds were shipped from Canadian ports. Whether or not these additional stocks will be cleared with the commencement of the spring trade, will depend, of course, on the consumption position in the Old Country which usually varies with the degree of unemployment and the business situation generally.

CHEESE PRICES

The static position which obtained throughout the entire period December to February was a feature of the price situation during the winter months. The opening quotation of 14 1/2 cents at the beginning of December, as quoted for Ontario coloured cheese at Montreal, was maintained throughout December and January and did not change until February 4, 1938, when cheese prices rose 1/4 cent per pound. The market became stabilized at this point and continued at 14 3/4 cents without any change until the 23rd, when it advanced to 15 cents. On March 3 it was quoted at 15 1/4 cents. A subsequent advance placed the price at 15 1/2 cents and finally reached the high point of 15 3/4 cents on March 22 where it remained until the end of the month. The average price of Ontario coloured cheese at Montreal for the three months was 14 5/8 cents as compared with 13 1/8 cents in the December to February period of 1937.

MILK PRODUCTS

Whole Milk Products manufactured in Canada during the period December, January and February, 1937-38, amounted to 19.7 million pounds as compared with 15 million pounds for the same period of 1936-37, an increase of 31.0 per cent. The most important item in this group, - evaporated milk, included in the figure given, amounted to 16.4 million pounds in the December to February period of 1937-38 and 12.7 million pounds in the same period of 1936-37.

The production of Concentrated Milk By-Products amounted to 5.2 million pounds in the three months December to February of 1937-38, as compared with 4.9 million pounds for the corresponding months of 1936-37, an advance of 7.2 per cent. Skim Milk Powder which is the most important of the by-products included above, was slightly higher in the December - February period of 1937-38 than in the same period of 1936-37, registering an increase of 2.4 per cent. In comparing the production of these two classes of concentrated milk products for the December - February period, it may be noticed that concentrated milk by-products represented approximately one-fifth of the total (whole milk and milk by-products combined), 59.6 per cent of which was skim milk powder. Whole milk products constituted four-fifths of the total of which 80 per cent was evaporated milk, a slightly lower percentage than that recorded in the three preceding months.

An analysis of the stock situation as applied to concentrated whole milk products, reveals increases of approximately 912 thousand pounds at December 1, 1.6 million pounds at January 1, 40 thousand pounds at February 1, and 371 thousand pounds at March 1, over the same dates in 1936-37. The stocks of concentrated milk by-products registered declines of approximately 378 thousand pounds at December 1, 56 thousand pounds at January 1, and 26 thousand pounds at February 1, as compared with the same months of 1936-37. A reverse situation prevailed at March 1, when the holdings advanced from 1.2 million pounds in 1937 to 1.6 million pounds in 1938, an increase of 335 thousand pounds or 31.6 per cent.

The export situation merits attention when it is revealed that 29.4 per cent of all the concentrated milk products manufactured in Canada were shipped abroad during the December - February period of 1937-38. Four products are shown in the export returns namely, evaporated milk, condensed milk, milk powder and casein. During the three months December to February, the exports of these four products in the order named, amounted to 5.1 million pounds, 932 thousand pounds and 1.3 million pounds. No exports of casein were shown during this period. As compared with the same period of the previous year, evaporated milk advanced 2.7 million pounds, condensed milk increased 571 thousand pounds and milk powder 401 thousand pounds.

The shipments of fresh milk to points outside Canada amounted to very little, being only 590 gallons in the three months, somewhat less than the quantity shipped in the winter of 1936-37. In the December - February period cream shipments amounted to approximately 11 thousand gallons, which represents a decrease of 5 thousand gallons as compared with the same period of 1936-37.

PRICE INDEXES

The relative position of the dairy industry from a farm revenue standpoint may be judged from a study of the figures given in Table VI and VII, and from a consumer's standpoint in Table VIII. All indexes are on the 1926 base so that, in making comparisons from year to year or month to month, it is well to bear in mind that the changes in the indexes do not coincide with actual price changes.

Fresh milk as shown in Table VI, represents the only saleable dairy product. It is recognized, however, that the bulk of the revenue may be derived from the sale of butter-fat, and in this case the butter price indexes (Table VII) would reflect the changes in butter-fat values more accurately than milk. It will be necessary, therefore, to study the two tables together.

Among other facts revealed in Table VI, it is shown that milk prices are reasonably comparable to the prices of coarse grains and wheat, being slightly higher than wheat but somewhat lower than coarse grains. Milk is also higher than the average of all farm products. The average milk price index for the December - February period is also comparable to the index for veal calves and is higher than that given for steers marketed off farms. Likewise, it is considerably better than hogs. Butter, on the other hand (taken in this case to represent butter-fat) falls below all the saleable farm products in Table VI except hogs. It reflects, however, the upward movement which took place during the three winter months. The stabilized character of the whole milk market and higher general level of prices may be contributed in part to the organized efforts of producers, and in part to the milk control legislation which has been put into operation in several of the provinces. It is a significant fact that while the butter price index for February was 20 points above that of February a year ago, in relation to milk it fell more than 5 points below; it was also 6 points below wheat, and 16.5 points under the coarse grain index for the same month.

Comparing these indexes with the corresponding months of the previous year the improvement in the position of dairy farmers looms up as a bright spot on the horizon. It is true, of course, that milk advanced only 5.6 per cent in the December - February period while wheat advanced 8.8 per cent and hogs 6.2 per cent. Coarse grains declined 13.4 per cent, however, while butter (butter-fat), which is probably the most important product to the average farmer, increased 16.2 per cent in December, 15.3 per cent in January and 29.8 per cent in February, an average of 20.4 per cent for the whole period. The advantage therefore, of using coarse grains for feeding dairy cows instead of marketing them for cash is definitely indicated. It is

TABLE - WHOLESALE PRICE INDEX OF MILK AND COMPETITIVE FARM PRODUCTS IN CANADA,

NOVEMBER TO FEBRUARY, 1936-1937 AND 1937-1938.

(Base, 1926=100)

	November	December	January	February	Average December to February
All Farm Products					
1936-1937	77.1	82.4	86.0	87.0	85.1
1937-1938	84.0	84.2	86.3	85.1	85.2
%	(+) 8.9	(+) 2.2	(+) 0.3	(-) 2.2	(+) 0.1
Fresh Milk					
1936-1937	85.1	86.1	86.4	88.6	87.0
1937-1938	92.4	91.6	92.0	92.1	91.9
%	(+) 8.6	(+) 6.4	(+) 6.5	(+) 4.0	(+) 5.6
Coarse Grains [†]					
1936-1937	91.2	107.1	117.2	117.2	113.8
1937-1938	90.4	91.2	101.3	103.1	98.5
%	(-) 0.9	(-) 14.9	(-) 13.6	(-) 12.0	(-) 13.4
Wheat (All Grades)					
1936-1937	73.9	81.6	85.0	86.2	84.3
1937-1938	85.8	88.7	94.0	92.5	91.7
%	(+) 16.1	(+) 8.7	(+) 10.6	(+) 7.3	(+) 8.8
Veal					
1936-1937	73.0	84.8	95.7	84.5	88.3
1937-1938	84.4	89.2	94.4	90.8	91.5
%	(+) 15.6	(+) 5.2	(-) 1.4	(+) 7.5	(+) 3.6
Steers					
1936-1937	72.2	76.2	85.0	88.5	83.2
1937-1938	98.6	93.8	81.0	76.5	83.8
%	(+) 36.6	(+) 23.1	(-) 4.7	(-) 13.6	(+) 0.7
Hogs					
1936-1937	57.5	61.2	63.8	62.9	62.6
1937-1938	62.4	64.1	66.3	69.2	66.5
%	(+) 8.5	(+) 4.7	(+) 3.9	(+) 10.0	(+) 6.2

x Data supplied by the Internal Trade Branch, Dominion Bureau of Statistics.

† Includes Oats, No. 2, C.W. and Barley, No. 3, C.W.

unfortunate that these increases took place at a time when farm herds were not in flush production; nevertheless, it proved to be a real assistance to dairy farmers engaged in the business at a time when production costs are always high. Cheese prices, as shown by these indexes, do not share in the improvement to any extent, the differences for the three months averaging only 1.5 per cent greater than those shown for the same period of the preceding year.

On examining the results from the point of view of net values, consideration must be given to feed prices as shown in Table VII. The first point to observe is that the combined indexes for home-grown feeds, which include oats, barley, straw, flax, corn and peas, were substantially higher than other products listed. In other words, feed prices have risen higher above the 1926 level than dairy products. Compared with the same months a year ago the opposite situation prevails. While dairy prices advanced in the December - February period, home-grown feeds declined 4.5 per cent from last year. Mill feeds also declined 7.7 per cent and commercial feeds fell from .7 per cent to 14.5 per cent below the prices quoted a year ago.

In addition to the favourable change between feed costs and dairy revenues, another way in which the dairy industry may have benefitted during the past winter is shown in the relative prices of milk, butter and cheese, compared with other competitive commodities which consumers have to purchase. The main facts may be gleaned from the retail price indexes in Table VIII. First of all it will be noticed that the fresh milk index is at the top of the list with an average of 95.3; beef is second with 87 and 85.6, while veal is third with an index of 80. Butter stands in fourth position and cheese is fifth, with 78.4 and 73.1, respectively. Thus, in relation to the base year the prices of butter and cheese stand in a favourable relationship to meat products.

In comparing the changes that have taken place in the December - February period of 1937-38, with the same months of 1936-37, a somewhat different picture is revealed. Butter advanced 16.0 per cent while veal rose only 9 per cent and beef increased 10 and 12.5 per cent. Fresh milk indexes were only 5.5 per cent greater than in the previous year and cheese was 3.5 per cent above the 1936-37 index. Consequently the price relationship between these products would seem to favour the larger consumption of milk and cheese but less beef or veal. The high butter prices obviously reduced consumption during the period of peak prices last winter. Lard and eggs on the other hand are low in relation to all dairy products, the former moved up only 1 per cent from last year while the latter was 1.4 per cent below the average index for the three months of 1936-37.

It is a matter of speculation, of course, to determine whether or not the consuming public reacted to these price changes. The favourable disappearance of creamery butter in December and January, to which reference has already been made, would seem to show that there was very little restriction in demand. But as prices rose to higher levels later in the winter, there was some indication that consumers were making changes in their domestic economy in which other foods were probably more advantageously employed.

TABLE VII - WHOLESALE PRICE INDEXES OF DAIRY PRODUCTS AND PRINCIPAL FEEDS USED BY DAIRY FARMERS IN CANADA^x, NOVEMBER TO FEBRUARY, 1936-1937 AND 1937-1938.

(Base, 1926=100)

	November	December	January	February	Average December to February
All Dairy Products					
1936-1937	75.1	76.1	77.9	77.1	77.0
1937-1938	82.5	82.6	83.9	86.7	84.4
%	(+) 9.9	(+) 8.5	(+) 7.7	(+) 12.5	(+) 9.6
Butter					
1936-1937	64.2	66.1	69.1	66.7	67.3
1937-1938	75.8	76.8	79.7	86.6	81.0
%	(+) 18.1	(+) 16.2	(+) 15.3	(+) 29.8	(+) 20.4
Cheese					
1936-1937	68.0	67.2	69.4	66.7	67.8
1937-1938	68.8	68.8	68.8	68.8	68.8
%	(+) 1.2	(+) 2.4	(-) 0.9	(+) 3.1	(+) 1.5
Feeds (Home Grown) [✓]					
1936-1937	101.9	107.7	111.9	111.0	110.2
1937-1938	103.1	101.3	106.9	107.4	105.2
%	(+) 1.2	(-) 5.9	(-) 4.5	(-) 3.2	(-) 4.5
Milled Feeds (Bran)					
1936-1937	103.7	106.6	114.7	110.1	110.5
1937-1938	92.1	95.5	100.1	110.3	102.0
%	(-) 11.2	(-) 10.4	(-) 12.7	(+) 0.2	(-) 7.7
Commercial Feed Products (Molasses)					
1936-1937	88.4	88.4	88.4	88.4	88.4
1937-1938	91.2	92.2	92.2	92.2	92.2
%	(+) 3.2	(+) 4.3	(+) 4.3	(+) 4.3	(+) 4.3

AVERAGE WHOLESALE PRICES PER TON OF CONCENTRATED FEEDS IN CANADA,
NOVEMBER TO FEBRUARY, 1936-1937 AND 1937-1938.

	1936-1937	1937-1938	%	1936-1937	1937-1938	%
Linseed Meal	\$ 43.44	\$ 41.30	(-) 4.9	\$ 43.16	\$ 43.59	(+) 1.0
1936-1937	43.44	41.30	(-) 4.9	43.16	43.59	(+) 1.0
1937-1938	41.30	43.59	(+) 1.0	43.16	43.59	(+) 1.0
%	(-) 4.9	(+) 1.0	(-) 1.2	(-) 1.9	(-) 0.7	(-) 0.7
Cottonseed Meal	\$ 43.40	\$ 38.56	(-) 11.2	\$ 44.40	\$ 38.80	(-) 12.6
1936-1937	43.40	38.56	(-) 11.2	44.40	38.80	(-) 12.6
1937-1938	38.56	38.80	(-) 12.6	44.40	38.80	(-) 12.6
%	(-) 11.2	(-) 12.6	(-) 15.4	(-) 15.4	(-) 14.5	(-) 14.5

^x Data supplied by the Internal Trade Branch, Dominion Bureau of Statistics.

[✓] The combined feed index includes Straw, Oats (No. 1 Feed), Barley (No. 6), Flax (No. 3), Corn and Peas.

TABLE VIII - RETAIL PRICE INDEXES OF DAIRY AND MEAT PRODUCTS IN CANADA^x,
 NOVEMBER TO FEBRUARY, 1936-1937 AND 1937-1938.
 (Base, 1926=100)

	November	December	January	February	Average December to February
Creamery Butter					
1936-1937	63.5	65.8	67.8	69.1	67.6
1937-1938	72.9	77.2	77.6	80.5	78.4
%	(+) 14.8	(+) 17.3	(+) 14.5	(+) 16.5	(+) 16.0
Cheese					
1936-1937	70.8	70.4	70.4	71.1	70.6
1937-1938	73.0	72.6	73.3	73.3	73.1
%	(+) 3.1	(+) 3.1	(+) 4.1	(+) 3.1	(+) 3.5
Milk (Fresh)					
1936-1937	90.0	90.8	90.0	90.0	90.3
1937-1938	92.5	94.2	95.8	95.8	95.3
%	(+) 2.8	(+) 3.7	(+) 6.4	(+) 6.4	(+) 5.5
Veal Roast					
1936-1937	69.8	69.2	73.4	77.6	73.4
1937-1938	76.6	77.6	78.6	83.9	80.0
%	(+) 9.7	(+) 12.1	(+) 7.1	(+) 8.1	(+) 9.0
Beef Sirloin					
1936-1937	73.9	74.8	77.2	81.3	77.8
1937-1938	87.1	84.7	85.4	86.7	85.6
%	(+) 13.3	(+) 13.2	(+) 10.6	(+) 6.6	(+) 10.0
Beef Chuck					
1936-1937	75.5	74.2	76.7	81.1	77.3
1937-1938	86.8	86.2	86.8	88.1	87.0
%	(+) 15.0	(+) 16.2	(+) 13.2	(+) 8.6	(+) 12.5
Pork (Fresh)					
1936-1937	69.9	67.5	67.9	70.2	68.5
1937-1938	75.5	72.5	73.2	73.2	73.0
%	(+) 8.0	(+) 7.4	(+) 7.8	(+) 4.3	(+) 6.6
Lard					
1936-1937	64.5	64.9	64.9	67.8	65.9
1937-1938	69.8	69.0	66.9	63.7	66.5
%	(+) 8.2	(+) 6.3	(+) 3.1	(-) 6.1	(+) 0.9
Eggs					
1936-1937	93.8	97.4	84.6	67.5	83.2
1937-1938	94.0	95.9	81.8	68.4	82.0
%	(+) 0.2	(-) 1.5	(-) 3.3	(+) 1.3	(-) 1.4

^x Data supplied by the Internal Trade Branch, Dominion Bureau of Statistics.

TABLE IX - STOCKS OF BUTTER^x, CHEESE AND CONCENTRATED MILK PRODUCTS IN CANADA,
BY MONTHS, DECEMBER TO MARCH, 1936-1937 AND 1937-1938.

Product	December 1	January 1	February 1	March 1
	lb.	lb.	lb.	lb.
Creamery Butter				
1936-1937	44,600,958	36,379,463	29,070,509	19,575,993
1937-1938	38,257,409	28,187,842	18,833,549	10,283,962
Dairy Butter				
1936-1937	230,134	292,080	238,489	165,319
1937-1938	185,320	137,693	71,591	41,110
Cheese				
1936-1937	22,771,387	24,025,899	21,866,628	20,112,309
1937-1938	25,308,125	24,493,629	24,965,195	22,849,492
Concentrated Whole Milk Products				
Condensed Milk				
1936-1937	524,036	508,384	483,411	391,973
1937-1938	555,123	520,447	469,351	344,981
Evaporated Milk				
1936-1937	9,196,287	10,454,698	8,810,298	6,958,785
1937-1938	10,245,232	12,089,376	8,790,643	7,453,967
Milk Powder				
1936-1937	648,226	512,501	410,882	370,655
1937-1938	485,997	455,554	491,363	301,189
Total Whole Milk Products				
1936-1937	10,375,692	11,483,132	9,715,109	7,730,900
1937-1938	11,287,873	13,070,021	9,755,537	8,102,250
Concentrated Milk By-Products				
Condensed Skim Milk				
1936-1937	178,814	148,701	159,769	119,778
1937-1938	117,898	133,743	86,822	84,082
Evaporated Skim Milk				
1936-1937	(1)	20,431	29,671	32,810
1937-1938	12,784	2,936	7,876	(/)
Skim Milk Powder				
1936-1937	1,634,955	1,320,345	1,294,758	931,385
1937-1938	1,248,893	1,103,585	1,105,928	1,075,751
Total By-Products				
1936-1937	1,973,603	1,660,019	1,639,210	1,217,442
1937-1938	1,600,776	1,604,063	1,612,841	1,602,060

x Butter stocks are adjusted for new firms added to the list, and include transit stocks as well as stocks in storage.

(1) Figures not available. (/) Less than three reports received.

TABLE X - DAIRY PRODUCTS EXPORTED FROM CANADA, DECEMBER TO FEBRUARY,
1936-1937 AND 1937-1938.

	Butter	Cheese	Condensed Milk	Milk Powder	Evapo-rated Milk	Casein	Fresh Milk	Cream
	lb.	lb.	lb.	lb.	lb.	lb.	Gal.	Gal.
December								
1936	66,400	6,169,800	72,200	372,400	908,100	-	364	7,694
1937	82,200	2,773,300	387,700	416,100	2,239,600	-	206	5,221
January								
1937	30,500	629,700	172,300	258,400	634,000	-	219	4,526
1938	84,000	354,700	306,600	473,300	1,381,500	-	102	4,389
February								
1937	27,100	703,800	115,500	268,500	798,200	3,100	130	3,456
1938	27,100	420,000	237,200	405,700	1,456,900	-	282	1,022
December to February								
1936-1937	124,000	7,503,300	360,500	839,300	2,370,300	3,100	713	15,676
1937-1938	193,300	3,553,000	931,500	1,300,100	5,078,000	-	590	10,632

TABLE XI - DAIRY PRODUCTS IMPORTED INTO CANADA, DECEMBER TO FEBRUARY,
1936-1937 AND 1937-1938.

	Butter	Cheese	Condensed Milk	Milk Powder	Casein	Fresh Milk and Cream
	lb.	lb.	lb.	lb.	lb.	Gal.
December						
1936	6,725	101,358	300	31,447	977	276
1937	5,835	123,683	1,164	85,711	810	1,503
January						
1937	7,302	65,705	1,639	7,547	2,699	177
1938	150,408	66,301	1,109	44,739	16,877	196
February						
1937	12,724	106,757	2,704	90,387	13,652	219
1938	942,472	93,140	-	174,316	4,401	364
December to February						
1936-1937	26,751	273,820	5,143	179,381	17,328	672
1937-1938	1,098,715	283,124	2,273	304,816	22,088	2,063

TABLE XII - MILK PRODUCTION PER COW IN POUNDS PER DAY IN CANADA, BY PROVINCES,
NOVEMBER TO FEBRUARY, 1936-1937 AND 1937-1938.

Province and Year	Based on all cows in herds of Dairy Correspondents				Based on cows actually milking in herds of Dairy Correspondents			
	Nov.	Dec.	Jan.	Feb.	Nov.	Dec.	Jan.	Feb.
Prince Edward Island								
1936-1937	8.7	11.3	6.6	14.3	14.8	16.3	14.1	21.3
1937-1938	9.0	10.4	8.7	11.7	14.8	15.4	13.8	22.5
Nova Scotia								
1936-1937	11.4	13.9	12.5	13.6	15.3	17.7	17.1	18.0
1937-1938	11.8	12.7	11.2	13.0	15.6	16.0	15.1	17.0
New Brunswick								
1936-1937	9.9	7.0	9.9	10.8	14.4	10.6	15.6	15.9
1937-1938	8.8	8.0	10.9	12.8	11.4	12.4	14.5	17.9
Quebec								
1936-1937	9.5	7.3	5.4	5.5	12.8	11.3	12.0	15.0
1937-1938	10.7	8.0	5.5	5.5	13.3	11.7	13.0	16.2
Ontario								
1936-1937	14.7	14.0	14.3	15.2	19.5	18.8	21.4	22.7
1937-1938	14.3	13.8	13.9	14.8	18.3	18.3	21.2	22.7
Manitoba								
1936-1937	8.6	7.9	8.3	7.9	13.8	12.9	13.9	14.1
1937-1938	9.8	7.7	8.0	9.7	14.4	13.1	14.1	17.3
Saskatchewan								
1936-1937	7.7	7.6	7.2	8.3	13.4	13.3	13.8	14.8
1937-1938	8.9	9.2	7.3	8.1	14.1	12.6	10.5	14.6
Alberta								
1936-1937	8.5	8.0	7.8	7.6	15.6	14.5	14.3	15.9
1937-1938	9.1	8.7	8.6	9.4	14.2	14.5	14.3	17.2
British Columbia								
1936-1937	13.6	11.8	14.3	14.0	19.0	17.3	19.8	18.6
1937-1938	13.4	13.0	14.5	14.9	19.3	18.5	19.2	19.1
CANADA								
1936-1937	10.2	9.9	9.6	10.8	15.4	14.7	15.7	17.4
1937-1938	10.6	10.2	9.8	11.1	15.0	14.7	15.1	18.3

TABLE XIII - MONTHLY AVERAGE PERCENTAGE OF MILKING COWS TO TOTAL COWS IN CANADA,

(Based on Reports of Dairy Correspondents, by Provinces, November to February, 1936-1937 and 1937-1938).

Province and Year	Nov.	Dec.	Jan.	Feb.	Average Dec. to Feb.
Prince Edward Island					
1936-1937	59.3	70.1	66.7	67.0	67.9
1937-1938	60.2	66.2	62.1	57.6	62.0
Nova Scotia					
1936-1937	71.4	78.6	73.7	75.5	75.9
1937-1938	72.4	79.8	68.7	72.2	73.6
New Brunswick					
1936-1937	67.6	65.8	64.0	67.6	65.8
1937-1938	76.0	65.0	74.7	71.4	70.4
Quebec					
1936-1937	75.9	64.7	45.0	35.4	48.4
1937-1938	80.7	68.1	42.6	34.2	48.3
Ontario					
1936-1937	77.0	71.3	66.7	67.0	68.3
1937-1938	77.5	75.4	66.0	65.1	68.8
Manitoba					
1936-1937	61.9	61.8	59.4	56.7	59.3
1937-1938	67.3	58.3	56.0	55.5	56.8
Saskatchewan					
1936-1937	57.3	56.8	51.7	56.1	54.9
1937-1938	63.8	74.0	57.1	55.6	62.2
Alberta					
1936-1937	53.8	53.7	54.7	48.1	52.2
1937-1938	82.2	56.5	58.9	54.4	56.6
British Columbia					
1936-1937	71.6	68.3	71.3	75.1	71.6
1937-1938	69.6	70.1	76.0	77.4	74.5
CANADA					
1936-1937	66.7	65.6	61.5	60.9	62.7
1937-1938	72.0	67.7	62.5	60.4	63.5

DAILY PRICES OF BUTTER AND CHEESE AT MONTREAL, SEPTEMBER-FEBRUARY 1936-37 AND 1937-38

