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**CANADA**  
**DOMINION BUREAU OF STATISTICS**  
**AGRICULTURAL BRANCH**

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SERIES NO. VI

REPORT NO. 4

**THE DAIRY SITUATION**  
**IN**  
**CANADA**

**AUTUMN QUARTER**  
**SEPTEMBER - NOVEMBER**  
**1939**

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OTTAWA  
1940

Price \$1 a year



# PRODUCTION OF CREAMERY BUTTER, CHEESE AND CONCENTRATED MILK PRODUCTS

MILLION  
LB.

1938

1939

SEPTEMBER TO NOVEMBER

JANUARY TO NOVEMBER

200

100

0

CREAMERY  
BUTTER

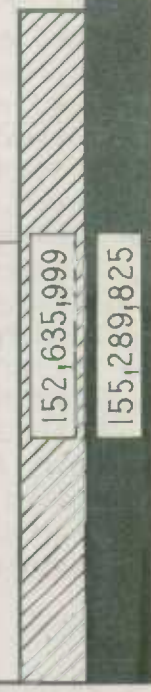
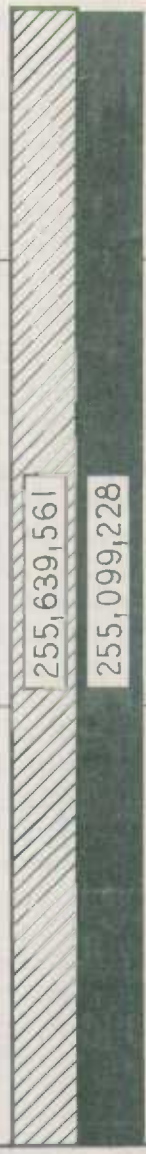
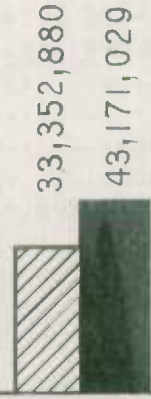
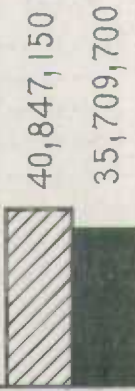
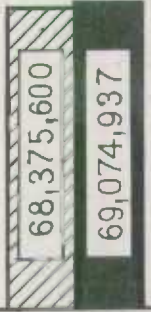
CHEESE

CONCENTRATED  
MILK  
PRODUCTS

CREAMERY  
BUTTER

CHEESE

CONCENTRATED  
MILK  
PRODUCTS





DOMINION BUREAU OF STATISTICS  
AGRICULTURAL BRANCH

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SUMMARY

In this statement the Dominion Bureau of Statistics presents a review of the Dairy Situation in Canada for the September-November period of 1939. This analysis has been made on the basis of information supplied through the co-operation of Provincial Dairy Commissioners, Statisticians, Dairy Correspondents, and Dairy Farm Observers; included in the latter group are the District Representatives, a few of the managers of Dairy Factories, and practically all the Superintendents of Dominion Experimental Farms.

The Economic Position -- The dairy industry appears to be entering a new phase of development which may be credited principally to a general increase in the prices paid for dairy products. Since the commencement of the war farmers have laid plans for increasing the size of their herds, enabling them to take advantage of existing prices, and also to share in the benefits of still higher values envisioned at that time. The fact that dairy products have a higher sales value than in the previous year; that the abundant harvest in 1939 has provided larger quantities of home-grown feeds, and that there is a better distribution of these feeds than in 1938--has placed the dairy farmer in an improved position in the production of milk and milk products. By virtue of the increased feed supplies, farmers are on a more self-sufficient basis, relieving them of the necessity of purchasing large quantities of commercial feeds which would obviously add to production costs. Feed prices in the autumn period were higher than in the previous year, but fell considerably below the five-year average. Taking feed quotations at the end of September, October and November, it will be seen that the price of oats was 10 to 12 per cent below the 1934-1938 average. Barley prices were practically the same at Winnipeg, but registered a decline of 8 per cent at Montreal; while oats, barley and bran combined, registered decreases of 2 per cent at Winnipeg and 6.2 per cent at Montreal. Likewise, in comparing index numbers based on the year 1926, it will be observed that the coarse grains' index is still 4 points below butter and 20 points below fresh milk.

The Butter Position -- The average price of butter during the three autumn months of 1939 was about 21 per cent above the September-November quotation for the same period of 1938. Prices began to move in an upward direction as soon as war was declared, increasing from 21 3/4 cents at the beginning of September to 27 cents at the close of the month. The average price for September was 26 1/4 cents and the average for the three months was 27 3/8 cents as compared with 22 5/8 cents in the same period of the previous year. The ultimate result of the September price advance was an increase in butter-fat deliveries to creameries. In the month of November the output of creamery butter advanced approximately 1 million pounds over that of the previous year, and the total for the three autumn months was approximately two-thirds above that of the 1938 autumn period. On the demand side, a period of feverish buying activity accompanied the price advance of early September, and continued until butter prices were stabilized on a new price level. Hence, the domestic disappearance of creamery butter in September registered an increase of 7.1 per cent over the same month of 1938; approximately 32 per cent of the total butter supply moved into consumptive channels, and stocks at October 1 fell to 58 million pounds compared with 65 million pounds at the same date of 1938. This situation rectified itself when it became apparent that no immediate increase could be expected in the overseas demand. Exports fell to 742 thousand pounds in the September-November period as compared with over 3 million pounds in the autumn period of 1938; and with the stabilization of the British pound in mid-September, and the establishment of a comparatively steady price level on Canadian markets, buying and selling activities.....



returned to normal. It will be observed, however, that the unusual demand for butter in the early part of the period produced a marked reaction, caused in part by heavy retail holdings and the voluntary application of war-time economy. The disappearance for November, 1939, fell 7.2 per cent below that of November, 1938, and stocks at December 1 were only 3 1/2 million pounds below those of the same date of the previous year. The estimated surplus at December 1 (with the production and disappearance calculated on the basis of the previous year) was approximately 12 1/4 million pounds as compared with approximately 11 1/4 million pounds at September 1, 1939.

Cheese Position -- Competition with the butter industry influenced cheese producers to close their factories earlier than usual, with a consequent reduction in the output. The September-November make was 5 million pounds below the autumn production of 1938. Exports also suffered a sharp decline early in the fall, but with the resumption of shipping and the stabilization of British currency, this situation was reversed. Thus, total shipments advanced to 47 million pounds during the three fall months as compared with less than 39 million pounds in the same period of the previous year. Stocks at October 1, 1939, were 4 million pounds over those of the same date in 1938; while at November 1 a decline of 4 million pounds was registered, and at December 1 they fell 5 million pounds below those of December 1 of the previous year. Prices moved up during the latter part of September, and even more significant gains were registered in November. From the low point of 10 5/8 cents early in September, first-grade Ontario coloured cheese at Montreal advanced to 16 1/2 cents on November 20, and the average for the three months was 14 cents compared to 13 cents in the autumn period of 1938.

Milk and Milk Products -- The production of concentrated milk products advanced from 24 million pounds in the September-November period of 1938 to 35 million pounds in the same period of 1939. Concentrated milk by-products, on the other hand fell from approximately 9 1/4 million pounds to 7 3/4 million pounds. Exports of evaporated milk advanced to approximately 8 million pounds during the the three autumn months, milk powder moved up to approximately 2 2/3 million pounds, while exports of condensed milk declined to 278 thousand pounds. Of the imported products, casein registered a significant increase, advancing from about 69 thousand to 186 thousand pounds. Milk powder, on the contrary, fell from 95 thousand pounds in the autumn period of 1938 to approximately 4 thousand pounds in the three-month period of 1939.

Feed Supplies -- A mild open fall permitted dairy stock to range in the open fields until late in November, and while a shortage of water was experienced in some sections of the West, warm, dry weather tended to conserve feed supplies and aided farmers in making deliveries to creameries and milk plants. Compared with last year, the total feed supplies in Canada on a tonnage basis increased approximately 4 per cent over the 1938 tonnage. The hay and oat crop showed about the same percentage advance; barley increased about 1 per cent, fodder corn 2 per cent, and the yield of turnips was approximately 1 per cent above that of the preceding year.

Milch Cow Numbers - Dairy Correspondents reported more milch cows in the 1939 period than in the autumn of 1938, but the percentage milking was slightly lower, averaging 77.9 per cent in the autumn of 1939 and 78.7 per cent in the same period of 1938. Exports of dairy cattle declined from 2,582 in the 1938 period to 2,465 in the fall of 1939.

Milk Production and Distribution -- Milk production registered an increase over the previous September-November period. Creamery butter increased 1 per cent; dairy butter made on the farms of Dairy Correspondents declined about 1.8 per cent, and cheese production fell 12.6 per cent below the total output in the three fall months of the preceding year. Whole milk sales were increased, but less milk was consumed in farm homes and smaller quantities were fed to live stock. Cows actually milking on the farms of Dairy Correspondents produced a daily average of 17.7 pounds per cow, and based on all cows in the herds, the production per cow per day was 13.6 pounds. In the 1938 period the corresponding figures were 14.2 pounds and 13.8 pounds, respectively.

### THE DAIRY SITUATION

A general improvement in the position of the dairy industry developed during the autumn period, which may be credited largely to an increase of about 21 per cent in the wholesale price of butter over the same period of the previous year. In September butter prices increased about 15 per cent over the previous month, which was reflected in a corresponding advance in butter-fat prices and larger deliveries to creameries. Farmers who had planned on reducing their holdings of dairy stock decided upon the opposite policy so that they might take advantage of price increases that seemed to be generally anticipated at the outbreak of the war. A keen demand for fresh cows and breeding stock developed during the fall months and farmers disposed of their surplus holdings at good prices. The establishment of military camps and the employment of more labour to carry out industrial programmes tended to increase the demand for dairy products regardless of the increase in cost. Cheese prices also strengthened considerably toward the end of the fall season, and combined with higher prices at the condenseries, gave farmers a chance to realize better returns from their surplus milk. Feed supplies were distributed more evenly than they were a year ago, and aided by exceptionally mild weather during the latter part of the fall, the production of milk in November showed a small gain over the same month of the previous year. It is now apparent that milk production in the winter months will exceed the winter production of 1938 by a considerable margin, and that cheese factories and concentrated milk plants will obtain a somewhat larger share of the supply.

Feed Costs. - Farmers who are required to purchase their feed products are viewing the situation less hopefully on account of the increase in feed prices compared with those of a year ago. Bran, and concentrates rich in protein have shown the most noticeable advance, and home-grown feeds also registered significant gains in value. Feed oats showed an average increase of 8 per cent at Montreal and 20 per cent at Winnipeg during the fall period of 1939 over the same period of 1938; barley increased approximately 13 per cent and 25 per cent, respectively, at the two markets named, while bran moved up 19 per cent at Montreal and 21 per cent at Winnipeg.

It should be remembered, of course, that a comparison of this kind is apt to be misleading. Feed costs were abnormally low last year, particularly grains. Based on the five-year average quite a different situation is revealed. It will be seen from Table II that the average price of oats during the three-month period of 1939 as compared with the average for the same period of the five previous years represents a decline of 12 per cent at Montreal and a decline of 11 per cent at Winnipeg. Barley prices dropped 8 per cent on the eastern market but remained practically the same on the western market. Bran was slightly higher, advancing 3 per cent at Montreal and 4 per cent at Winnipeg. When coarse grains and bran are grouped together an increase of 22 per cent was recorded at Winnipeg in the fall period of 1939 in comparison with the fall period of 1938, but on the basis of the five-year average a decline of 2 per cent was recorded.

Another factor to be considered in evaluating the situation is the relationship between feed costs and the value of milk and butter-fat. Such an analysis is offered in Table VI of the report in which the various prices of feed products are expressed in indexes, with 1926 as the base year. The average coarse grains index (oats and barley) for the three fall months, was 54, or in other words 54 per cent of the 1926 costs; butter was 58.3 per cent and milk 87.5 per cent. In 1939 coarse grains moved up to 65.5 per cent of the 1926 level while butter advanced to 69.8 per cent and milk declined to 85.8 per cent. These price adjustments place butter and cheese more closely in line with feeds but it is important to observe that the coarse grains index still remains 4 points below butter and over 20 points below that of fresh milk.



TABLE I - THE CREAMERY BUTTER POSITION IN CANADA, SEPTEMBER TO NOVEMBER, 1935 to 1939.

		September	October	November	September to November
Stocks in storage at first of the month -	1935	52,646,831	55,613,578	48,396,176	-
	1936	50,488,127	55,375,933	53,162,252	-
	1937	49,078,407	54,187,078	47,763,203	-
	1938	61,113,630	64,625,110	62,465,601	-
	1939	54,808,493	56,966,193	56,363,144	-
Stocks in transit at first of the month -	1935	980,000	1,248,800	448,000	-
	1936	464,800	644,000	476,000	-
	1937	812,000	1,030,400	940,800	-
	1938	890,400	593,600	364,000	-
	1939	408,800	604,800	280,000	-
Production during month -	1935	27,421,990	21,278,747	12,971,104	61,671,841
	1936	28,663,998	22,923,851	13,553,522	65,141,371
	1937	29,179,352	22,214,378	13,303,205	64,696,935
	1938	30,271,771	23,438,264	14,665,565	68,375,600
	1939	29,878,931	23,736,491	15,459,515	69,074,937
Imports -	1935	44,593	7,351	641	52,585
	1936	953	966	841	2,760
	1937	6,736	1,418	1,207	9,361
	1938	1,258	598	1,138	2,994
	1939	619	51	88	758
Exports -	1935	220,300	6,496,700	643,500	7,360,500
	1936	215,000	58,800	57,200	331,000
	1937	52,000	1,724,600	1,918,100	3,694,700
	1938	1,571,200	1,247,200	367,800	3,186,200
	1939	233,800	259,500	248,800	742,100
Prices -	1935	22 3/4	24	25 3/8	24
	1936	24 5/8	23 7/8	25 1/8	24 1/2
	1937	26 3/8	28 1/8	29 7/8	28 1/8
	1938	22 3/4	22 7/8	22 1/8	22 5/8
	1939	26 1/4	27 3/4	28 1/8	27 3/8
x Total Disappearance of Canadian-made Butter (Domestic and Export)	1935	24,186,443	29,296,949	20,695,382	74,178,774
	1936	23,596,992	25,305,532	22,590,816	71,493,340
	1937	23,852,281	28,727,853	23,709,799	76,289,933
	1938	27,057,091	25,827,373	24,055,237	76,939,701
	1939	27,525,231	24,664,340	22,227,757	74,417,328
x Domestic Disappearance of Canadian-made Butter	1935	23,966,143	22,800,249	20,051,882	66,818,274
	1936	23,381,992	25,246,732	22,533,616	71,162,340
	1937	23,800,281	27,003,253	21,791,699	72,595,233
	1938	25,485,891	24,580,173	23,687,437	73,753,501
	1939	27,291,431	24,404,840	21,978,957	73,675,228

x Disappearance figures are calculated on the basis of storage and transit stocks combined

THE CREAMERY BUTTER POSITION

The static price situation which prevailed throughout the summer months reached a sudden climax with the commencement of war early in September. A sharp upward movement in butter prices was preceded by an unusual wave of buying activity, in which speculative tendencies played an important part in price developments. New buyers came into the market, wholesale butter dealers found it necessary to buy in larger quantities, and stores stocked up heavily to meet the increased consumer demand. Out of a total supply of 85 million pounds, approximately 27½ million pounds, or 32.1 per cent, moved into consumptive channels in the month of September, leaving only 58 million pounds in storage and transit on October 1 as compared with approximately 65 million pounds on the same date of the preceding year. December 1 stocks and percentage comparisons in regard to Disappearance, Production and Stocks are shown in the table below:

Year	Stocks at December 1		Transit Stocks at December 1		Total Stocks	
1935	40,615,898		504,000		41,119,898	
1936	44,388,158		212,800		44,600,958	
1937	38,045,409		252,000		38,297,409	
1938	53,047,929		392,000		53,439,929	
1939	49,426,902		448,000		49,874,902	

	Total Domestic Disappearance		Production of Creamery Butter		Total Stocks (Storage and Transit)	
	Last Month	Last Year	Last Month	Last Year	Last Month	Last Year
	%	%	%	%	%	%
September	+ 12.2	+ 7.1	- 11.9	- 1.3	+ 18.4	- 11.0
October	- 10.6	- 0.7	- 20.6	+ 1.3	+ 4.3	- 11.7
November	- 9.9	- 7.2	- 34.9	+ 5.4	- 1.6	- 9.9
Sept. to Nov.	-	- 0.1	-	+ 1.0	-	-

It soon became evident, however, that while the September disappearance of creamery butter was considerably greater than usual, the quantities actually consumed were not abnormally high. Consequently, for the three months as a whole the disappearance was only slightly above that of the same period in 1938. The butter position, of course, is always influenced by factors other than the home demand. For one thing, the value of the pound sterling registered a sudden decline, and combined with a lack of shipping space, contributed to a marked reduction in the movement of butter to overseas markets. During the month of September, less than 234,000 pounds of butter were shipped out of Canada as compared with 1.0 million pounds in the previous month and 1.6 million pounds in the same month of the preceding year. On September 16, the value of the pound sterling was set at \$4.43 - \$4.45, and by September 25 the butter market had reached a new price level. After that date a steadier price movement tended to give more stability to the industry and buyers regulated their purchases with more caution than in the earlier part of the month.

In October the domestic disappearance of butter fell to approximately 24½ million pounds, which was only 30 per cent of the total supply in place of 32.1 per cent reported in the previous month. Thus, regardless of the seasonal.....



TABLE II - FEED PRICES AT MONTREAL AND WINNIPEG AT THE END OF SEPTEMBER, OCTOBER, AND NOVEMBER, 1939, WITH COMPARATIVE FIGURES FOR THE SAME DATE OF 1938, AND THE AVERAGES FOR THE FIVE YEARS 1934 to 1938.

	September 30		October 31		November 30		September-November Average	
	MONTREAL	WINNIPEG	MONTREAL	WINNIPEG	MONTREAL	WINNIPEG	MONTREAL	WINNIPEG
	Price Per Ton	Price Per Ton	Price Per Ton	Price Per Ton	Price Per Ton	Price Per Ton	Price Per Ton	Price Per Ton
Oats No.1 Feed								
1934-1938	27.03	19.79	25.80	19.55	25.92	17.91	26.25	19.08
1939	23.32	17.85	22.56	15.90	23.44	17.43	23.11	17.06
%	-13.7	- 9.8	-12.6	-18.7	- 9.6	- 2.7	-12.0	-10.6
1938	21.76	14.70	20.34	13.82	22.11	13.94	21.40	14.15
1939	23.32	17.85	22.56	15.90	23.44	17.43	23.10	17.06
%	+ 7.2	+21.4	+10.9	+15.0	+ 6.0	+25.0	+ 7.9	+20.5
Barley No.3 C.W.								
1934-1938	25.20	19.02	23.74	18.18	24.45	18.27	24.46	18.49
1939	21.94	18.98	22.66	17.76	23.07	18.56	22.56	18.43
%	-12.9	- 0.2	- 4.5	- 2.3	- 5.6	+ 1.6	- 7.8	- 0.4
1938	19.43	15.43	19.52	14.39	20.68	14.47	19.88	14.76
1939	21.94	18.98	22.66	17.76	23.07	18.56	22.56	18.43
%	+12.9	+23.0	+16.1	+23.4	+11.5	+28.3	+13.5	+24.9
Bran								
1934-1938	22.65	21.80	23.55	21.40	25.10	22.00	23.77	21.73
1939	24.25	23.00	23.25	21.00	25.25	24.00	24.58	22.67
%	+ 7.1	+ 5.5	- 1.3	- 1.9	+ 0.6	+ 9.1	+ 3.4	+ 4.3
1938	19.25	16.00	19.25	16.00	20.25	16.00	19.58	16.00
1939	23.17	19.94	22.82	18.20	23.92	20.00	23.30	19.38
%	+20.4	+24.6	+18.5	+13.7	+18.1	+25.0	+19.0	+21.1
All Feeds								
1934-1938	24.97	20.20	24.36	19.71	25.16	19.39	24.83	19.77
1939	23.17	19.94	22.82	18.20	23.92	20.00	23.30	19.38
%	- 7.2	- 1.3	- 6.6	- 7.7	- 4.9	+ 3.1	- 6.2	- 2.0
1938	20.15	15.34	19.70	14.74	21.01	14.80	20.29	14.96
1939	22.81	18.92	22.68	17.29	23.48	18.66	22.99	18.29
%	+ 7.9	+20.5	+13.5	+24.9	+19.0	+21.1	+13.3	+22.2

decline in production, the stock position at November 1 showed a reduction of less than 1 million pounds from that of the previous month, and 6 million pounds from the same date of the preceding year. The large scale purchases that had disturbed the situation in the month of September were reflected, however, in the unusually small disappearance in the month of November, the domestic disappearance for that month being 22 million pounds compared with 23 3/4 million pounds in November, 1938. The exceptionally favourable weather in the month of November increased milk production and advanced the output of butter nearly 1 million pounds over the production for the same month of the preceding year; whereas in October the production was comparable to that of October, 1938, and in September a slight decline had been shown. Consequently it was to be expected that a strong stock position would appear in the records at December 1. Compared with the same date of the previous year, the 50 million pounds in storage and transit represented a reduction of only 3 1/2 million pounds as against reductions of 6 to 7 1/2 million pounds at the first of the two previous months.

Since it is important to evaluate the position with regard to subsequent requirements, an attempt has been made to estimate the surplus quantity of butter at the end of each quarterly period. On the first of September the surplus over and above the domestic requirements between that date and May 1, 1940, stood at approximately 11 1/4 million pounds, not taking into consideration, of course, the imports and exports of butter during the intervening period. From an examination of the data shown below, it is apparent that the position has changed somewhat on account of the increase in production, so that the surplus is now estimated at 12 1/4 million pounds. A complete analysis for both 1938-39 and 1939-40 at September 1 and at December 1 is shown below:

<u>1938-39 Analysis</u>	<u>September 1, 1938, to April 30, 1939.</u>	<u>December 1, 1938, to April 30, 1939.</u>
Stocks at beginning of period	62,004,030	53,439,929
Production during period	124,668,074	56,292,474
Imports during period	6,007	3,013
Apparent Supply	186,678,111	109,735,416
Exports during period	9,966,800	6,780,600
Balance	176,711,311	102,954,816
Stocks at May 1, 1939	9,839,807	9,839,807
Total Domestic Disappearance	166,871,504	93,115,009
Population as at June 1, 1938	11,209,000	11,209,000
Disappearance per capita during period	14.3	8.3
Population as at June 1, 1939	11,315,000	11,315,000
Domestic Disappearance, 1939-40 (Estimate)+	168,593,500	93,914,500
<u>1939-40 Analysis</u>	<u>September 1, 1939, to April 30, 1940</u>	<u>December 1, 1939 to April 30, 1940</u>
Stocks at beginning of period	55,217,293	49,874,902
Production during period (using last year's figures)	124,668,074	56,292,474
Apparent supply for 1939-40	179,885,367	106,167,376
Probable disappearance (on basis of last year's disappearance) +	168,593,500	93,914,500
Surplus	11,291,867	12,252,876

+ Based on the per capita disappearance for 1938-39 applied to the population as at June 1, 1939.



TABLE III- WHOLESALE PRICE INDEXES OF THE PRINCIPAL DAIRY PRODUCTS IN COMPARISON WITH OTHER AGRICULTURAL PRODUCTS IN CANADA, x SEPTEMBER TO NOVEMBER, 1938 AND 1939.

Base 1926 = 100

		September	October	November	Average September to November
Fresh Milk	1938	86.8	87.8	87.9	87.5
	1939	82.5	87.0	87.9	85.8
	%	(-) 5.0	(-) 0.9	-	(-) 1.9
Butter	1938	59.3	58.3	57.3	58.3
	1939	66.4	71.3	71.6	69.8
	%	(+) 12.0	(+) 22.3	(+) 24.9	(+) 19.7
Cheese	1938	71.5	71.5	64.9	69.3
	1939	70.4	68.9	76.9	72.1
	%	(-) 1.5	(-) 3.6	(+) 18.5	(+) 4.0
Coarse Grains /	1938	54.4	54.4	53.4	54.1
	1939	69.9	63.7	62.8	65.5
	%	(+) 28.5	(+) 17.1	(+) 17.6	(+) 21.1
Wheat (All Grades)	1938	41.9	40.3	38.5	40.2
	1939	49.4	47.3	48.5	48.4
	%	(+) 17.9	(+) 17.4	(+) 26.0	(+) 20.4
Veal	1938	85.7	83.5	89.2	86.1
	1939	91.9	91.0	95.3	92.7
	%	(+) 7.2	(+) 9.0	(+) 6.8	(+) 7.7
Steers	1938	81.9	78.6	81.5	80.7
	1939	100.7	98.3	98.6	99.2
	%	(+) 22.9	(+) 25.1	(+) 21.0	(+) 22.9
Hogs	1938	71.7	62.2	62.4	65.4
	1939	66.9	65.7	66.8	66.5
	%	(-) 6.7	(+) 5.6	(+) 7.1	(+) 1.7
All Farm Products	1938	63.8	63.8	64.9	64.2
	1939	64.2	64.5	65.1	64.6
	%	(+) 0.6	(+) 1.1	(+) 0.3	(+) 0.6

x Data supplied by the Internal Trade Branch, Dominion Bureau of Statistics.  
/ Includes Oats No. 2 C.W. and Barley No. 3 C.W.

There is no indication at the present time that either the supply of butter or the demand for butter will show any radical change as compared with the previous year. If cheese prices had risen at the same time as those of butter, the latter might easily have suffered a decline from last year. Cheese factories closed earlier than usual because of the unsatisfactory relationship between butter and cheese prices; thus, diverting a considerable quantity of milk to creameries that would otherwise have gone into the manufacture of cheese. Milk production is now on the increase, and while the butter output in the winter period may not share fully in the milk production advance, there is but little doubt that it will exceed that of the same period in 1938-39. In the case of fluid milk, the market has been greatly enlarged by increased military requirements, more employment and larger payrolls in industrial centres. In some districts creameries lost some business to the fluid milk trade for a time, but it is now being made up by a general increase in the farm supply. Thus surplus milk promises to increase rather than to diminish, and until cheese factories open up again, greater quantities will be separated and marketed as butter-fat. The effects of the British Bacon Agreement are somewhat uncertain. A marked increase in hog production would doubtless use up some feeds that were intended for milch cows, but this is a remote possibility rather than an immediate one. Then again, since its effect on dairying will depend largely on price relationships, the inducements offered would not be likely to cause farmers to switch from dairying to hog production. In any case, the importance of skim milk for feeding young pigs would tend to encourage farmers to make fat deliveries to creameries rather than to sell surplus milk, thus placing the hog raising industry in a complementary rather than a competitive position with dairying.

Higher butter prices would ordinarily tend to reduce the distribution of butter, but so far there is no evidence of this development. The September-November disappearance in 1939, as already noted, was practically on a par with the disappearance of the same period of 1938. Likewise, the improvement mentioned in respect to the employment of labour and the opening of new markets for fluid milk applies also to the consumption of butter, particularly in the larger centres where the population is concentrated. It would not be expected, of course, that the increased supply would all be absorbed even if there was a normal export movement; thus the stocks in store at May 1 are likely to show a considerable gain over the holdings at the end of the 1939 storage period.

Butter Prices moved to a new price level in the month of September. A brisk trade developed during the first two weeks of the month; dealers purchased large stocks in expectation of rising prices, and speculation was general. First-grade solids on the Canadian Commodity Exchange at Montreal advanced from 21 3/4 cents on September 1 to 22 1/2 cents on September 2. On the following Tuesday, two days after war was declared, the market commenced to advance and by the end of the week, butter was selling at 25 7/8 cents. The day after the Canadian declaration of war (September 10) the butter market opened at 26 3/8 cents, an advance of 3/4 of a cent over the previous Saturday. In the course of the next two weeks very little change was recorded, but on September 25, butter prices moved up to the 28 cent level. A slight recession was indicated the following day, and by the end of the month the market weakened to 27 cents. The average price for September was 26 1/4 cents as compared with 22 3/4 cents in September, 1938.

A comparatively steady market prevailed through the month of October, only varying within a 1 cent range during the entire thirty-one days. On three different occasions, prices moved up to 28 cents, but in each case the gains were followed by fractional declines. The average price for October was 27 3/4 cents as compared with 22 7/8 cents in the same month of the previous year.



TABLE IV - THE CHEESE POSITION IN CANADA, SEPTEMBER TO NOVEMBER, 1938 AND 1939.

		September	October	November	September to November
Stocks in storage at first of the month -	1938	43,639,257	47,227,752	44,266,662	-
	1939 (Adjusted for new firms)	51,755,152	51,072,186	40,242,289	-
Production during month -	1938	18,421,473	15,210,559	7,215,118	40,847,150
	1939	17,817,582	12,816,531	5,075,587	35,709,700
Imports -	1938	56,681	146,442	189,774	392,897
	1939	69,483	174,271	295,058	538,812
Exports -	1938	13,992,900	12,165,300	12,535,700	38,693,900
	1939	9,660,400	18,541,400	18,822,400	47,024,200
Prices -	1938	14 1/2	14 3/8	12 5/8	13 1/2
	1939	12 1/8	13 7/8	15 3/4	13 5/8
Total Disappearance of Canadian-made Cheese -	1938	14,832,978	18,171,649	19,187,430	52,192,057
	1939	18,500,548	23,646,428	18,096,361	60,243,337

TABLE V - PERCENTAGE CHANGE IN CHEESE DISAPPEARANCE, PRODUCTION AND STOCKS

	Total Disappearance		Production of Cheese		Total Stocks (Adjusted)	
	Last Month	Last Year	Last Month	Last Year	Last Month	Last Year
	%	%	%	%	%	%
September	+ 39.9	+ 24.7	- 12.8	- 3.3	+ 16.2	+ 18.6
October	+ 27.8	+ 30.1	- 28.1	- 15.7	- 1.3	+ 8.1
November	- 23.5	- 5.7	- 60.4	- 29.7	- 21.2	- 9.1
September to November	-	+ 15.4	-	- 12.6	-	-

There was a slight upward movement in butter prices in November. A stronger market developed at the beginning of the second week of the month, but little change was indicated. The highest point was 28 5/8 on November 29. The monthly average for November was 28 1/8 cents as compared with 22 1/8 cents in November of the previous year. The average for the three months, September to November, was 27 3/8 cents as compared with 22 5/8 cents in the corresponding period of 1938.

#### THE CHEESE POSITION

A decline in cheese production of approximately 5 million pounds was recorded in the autumn period of 1939 as compared with the same period of 1938. A temporary tie-up in the export movement in September and a decline in exchange rates had an unfavourable reaction on the Canadian cheese market, and influenced many operators to close their factories much earlier than was expected. The improvement in prices came too late to arrest this tendency and while many of the factories have re-opened, the majority will not enter the field until the early spring.

Exports suffered a reduction of about 4 million pounds in September, 1939, as compared with September, 1938. There was a marked recovery in October and November, and the total cheese exports for the September-November period amounted to 47 million pounds as compared with 38 3/4 million pounds in the autumn period of 1938. It is encouraging to observe, however, that the total disappearance of Canadian cheddar cheese increased from 52 million pounds in the 1938 period to 60 1/4 million pounds in the autumn period of 1939. The demand for cheddar cheese in Canada may continue to show improvement as a result of army rationing requirements and renewed activity in industrial centres. The fact that cheese is a wholesome and convenient food product for soldiers may tend to increase the British demand somewhat beyond normal requirements. During 1938, approximately 328 million pounds of cheese were imported into Britain, and of this amount 23 per cent was produced in Canada. During the last war, the total quantity of cheese imported into Britain reached the high point in 1917 when 330 million pounds were imported. Canada contributed approximately 60 per cent of this amount as compared with 48 per cent in 1914.

Cheese Prices fell to a low level at the beginning of September. The first ten days of the month were marked by a decided lack of buying activity. In some cases, cheese boards cancelled their meetings and others reported that no cheese had been boarded. The Montreal quotations for first grade coloured cheese was 10 5/8 cents on September 1 as compared with 14 3/8 cents on the same date of 1938. From September 8 to 20, 11 3/8 cents was the most frequent quotation. On September 21, the market advanced to 12 cents, and the following day advanced to 13 1/4 cents. At the end of the month the market stood at 14 1/8 cents. The average for September was 12 1/8 as against 14 1/2 cents in September, 1938.

Market prices held at 14 1/8 cents for the first four days in October, but declined to 13 3/4 cents on October 6 and with the exception of October 7 no further price changes were reported until October 19 when the market moved up to 13 7/8 cents. During the latter part of October the market became stabilized at 14 cents, with a fractional gain on the 30th of the month. The average price for October was 13 7/8 cents, compared with an average of 14 3/8 cents in October, 1938.

A slight advance in cheese prices was recorded on November 4, and by the 10th of the month the market had strengthened to 15 3/4. Prices remained steady from that time until November 17 when another 1/2 cent increase was recorded. Three days later, 16 1/2 cents was quoted and the top price for the month of 16 3/8 cents...



TABLE VI - PRODUCTION OF CONCENTRATED MILK PRODUCTS IN CANADA,  
SEPTEMBER TO NOVEMBER, 1938 AND 1939.

(In Thousands of Pounds)

Commodity	September		October		November		September to November		Percentage Increase (+) Decrease (-)
	1938	1939	1938	1939	1938	1939	1938	1939	
<u>WHOLE MILK PRODUCTS</u>									
Condensed	815	1,302	858	875	712	504	2,385	2,681	(+) 12.4
Evaporated	8,023	10,376	6,991	11,363	5,344	9,055	20,358	30,794	(+) 51.3
Milk Powder	603	610	384	804	376	493	1,363	1,907	(+) 39.9
Cream Powder	7	18	4	2	-	-	11	20	(+) 81.8
<b>TOTAL</b>	<b>9,448</b>	<b>12,306</b>	<b>8,237</b>	<b>13,044</b>	<b>6,432</b>	<b>10,052</b>	<b>24,117</b>	<b>35,402</b>	<b>(+) 46.8</b>
<u>MILK BY-PRODUCTS</u>									
Skim Milk:									
Condensed	454	306	212	379	164	280	830	965	(+) 16.3
Evaporated	69	60	52	55	53	54	174	169	(-) 2.9
Powder	2,691	2,169	2,362	1,703	1,464	1,317	6,517	5,189	(-) 20.4
Buttermilk:									
Powder	427	364	319	304	241	183	987	851	(-) 13.8
Condensed	193	112	129	44	41	114	363	270	(-) 25.6
Casein	121	117	93	76	63	56	277	249	(-) 10.1
Sugar of Milk	32	31	32	24	24	21	88	76	(-) 13.6
<b>TOTAL</b>	<b>3,987</b>	<b>3,159</b>	<b>3,199</b>	<b>2,585</b>	<b>2,050</b>	<b>2,025</b>	<b>9,236</b>	<b>7,769</b>	<b>(-) 15.9</b>
<u>WHOLE MILK AND MILK BY-PRODUCTS, COMBINED</u>									
<b>TOTAL</b>	<b>13,435</b>	<b>15,465</b>	<b>11,436</b>	<b>15,629</b>	<b>8,482</b>	<b>12,077</b>	<b>33,353</b>	<b>43,171</b>	<b>(+) 29.4</b>

was reached on November 24. Cheese prices averaged 15 3/4 for November as against the average of 12 5/8 in November of the preceding year. For the three months, September to November, prices averaged 14 cents as against an average of 13 7/8 cents in the same period of 1938.

It is interesting to observe the changes in the relationship between butter and cheese prices as a result of the market advances discussed above. The average market prices at Montreal for both these products when converted to a butter-fat basis are shown in the table below:

Monthly Average Prices of Butter and Cheese at Montreal.

(Converted to cents per pounds butter-fat)

	Butter	Cheese	Disappearance in favour of Cheese
	<u>¢</u>	<u>¢</u>	<u>¢</u>
September 1938	27 3/4	37	9 1/4
1939	32	30 7/8	-1 1/8
October 1938	27 7/8	36 5/8	8 3/4
1939	33 7/8	35 3/8	1 1/2
November 1938	27	32 1/4	5 1/4
1939	34 1/4	40 1/8	5 7/8
September to 1938	27 1/2	35 1/4	7 3/4
November 1939	33 3/8	35 1/2	2 1/8

MILK AND MILK PRODUCTION

The production of whole milk products during the September-November period amounted to nearly 35 1/2 million pounds compared with 24 million pounds in the autumn period of 1938. This advance of nearly 47 per cent was shared by all products in the whole milk group, the most important one being evaporated milk with a production of nearly 31 million pounds or 87 per cent of the total. Of the milk by-products, condensed skim milk registered the only advance in production over the previous year. All others in this group registered production declines of 3 to 26 per cent in the autumn period of 1939 as compared with the same period of the previous year. The total production of milk by-products amounted to approximately 7 3/4 million pounds, a decline of 16 per cent in comparison with the autumn production of the preceding year; and of this amount, 5 1/4 million pounds or 67 per cent consisted of skim milk powder.

Exports of milk products showed a substantial increase over the same period of the previous year. Shipments of evaporated milk reached a total of 8 million pounds as compared with about 7 1/4 million pounds in the September-November period of 1938. Exports of milk powder also advanced from nearly 1 1/2 million pounds to about 2 3/4 million pounds. Condensed milk, on the other hand, registered a slight decline, falling from 595 thousand pounds in the 1938 period to 278 thousand pounds in the fall period of 1939. Imports of milk products consisted....



TABLE VII - RETAIL PRICE INDEXES OF DAIRY AND MEAT PRODUCTS IN CANADA, x  
SEPTEMBER TO NOVEMBER, 1938 AND 1939.

Base 1926 = 100.

	September	October	November	Average September to November
Creamery Butter				
1938	63.3	60.9	61.1	61.8
1939	58.6	71.4	72.9	67.6
%	(-) 7.4	(+) 17.2	(+) 19.3	(+) 9.4
Cheese				
1938	74.2	73.3	73.3	73.6
1939	67.6	70.1	71.7	69.8
%	(-) 8.9	(-) 4.4	(-) 2.2	(-) 5.2
Milk (Fresh)				
1938	92.5	94.2	94.2	93.6
1939	91.7	92.5	94.2	92.8
%	(-) 0.9	(-) 1.8	-	(-) 0.9
Veal Roast				
1938	82.3	83.9	81.8	82.7
1939	81.3	89.6	87.5	86.1
%	(-) 1.2	(+) 6.8	(+) 7.0	(+) 4.1
Beef Sirloin				
1938	93.5	91.2	87.4	90.7
1939	93.9	101.0	97.6	97.5
%	(+) 0.4	(+) 10.7	(+) 11.7	(+) 7.5
Beef Chuck				
1938	95.0	92.5	89.3	92.3
1939	96.2	106.3	104.4	102.3
%	(+) 1.3	(+) 14.9	(+) 16.9	(+) 10.8
Pork (Fresh)				
1938	85.4	82.1	76.5	81.3
1939	77.8	80.8	78.8	79.1
%	(-) 8.9	(-) 1.6	(+) 3.0	(-) 2.7
Lard				
1938	61.2	60.8	60.4	60.8
1939	45.7	54.3	55.9	52.0
%	(-) 25.3	(-) 10.7	(-) 7.5	(-) 14.5
Eggs				
1938	76.9	84.8	93.8	85.2
1939	70.1	81.2	89.5	80.3
%	(-) 8.8	(-) 4.3	(-) 4.6	(-) 5.8

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

principally of casein and milk powder. The former increased from 69 thousand pounds in the fall period of 1938 to 186 thousand pounds in the fall period of 1939, while the latter declined from 95 thousand pounds to less than 4 thousand pounds.

### REVIEW OF THE SITUATION BY PROVINCES

#### Prince Edward Island

The dry weather which prevailed throughout the latter part of the summer continued during the greater part of September, although the precipitation was a little above normal. In October and November the province received a fair amount of rain. At Charlottetown the precipitation averaged about 8 3/4 inches in October as compared with 2 1/3 inches in the same month of the previous year. November was inclined to be cool and dry so that the average precipitation for the fall period was only slightly above that of a year ago. Fall temperatures were about normal, with bright sunny weather during the latter part of the period.

Pastures in Prince Edward Island showed the effects of the summer drought and the aftermath was unusually poor. The farmers did not harvest a large hay crop but the quality was better than that of the previous year. There was a good barley crop, yielding nearly 23 per cent more than that of 1938, although the oat crop was down over 5 per cent from last year and roots fell considerably below the 1938 production. The total tonnage of the principal field crops amounted to 502 thousand tons, compared with 530 thousand tons in the preceding year.

	Unit of Measure	1938	1939	Percentage Change
Hay and Clover	Tons	297	294	- 1.0
Barley	Bush.	195	239	+ 22.6
Oats	Bush.	4,844	4,577	- 5.5
Turnips	Cwt.	2,850	2,430	- 14.7
Fodder Corn	Tons	3.8	3.0	- 21.1
Total Amount of Feed	Tons	530.3	502.0	- 5.3

On account of the poor pasture growth live stock went into winter quarters in rather poor condition. Stabling commenced very early and farmers were compelled to draw on their winter feed supplies to supplement the depleted pastures long before freeze-up. Milch cow numbers were reported by Dairy Correspondents to be less than those reported in the fall period of the previous year. At June 1 there was a slight advance over 1938. This may be attributed to heavy slaughterings during the late summer and early fall months when pasture growth was unsatisfactory and prices were low. The water supply was short and many of the wells dried up early in the fall. Observers are of the opinion that freshenings will advance during the early winter as compared with the same period of the previous year, and another hopeful sign is the increase of 3 per cent in the percentage of cows being milked during during the fall period of 1939 as compared with the fall months of 1938.

The conditions just described were reflected in the farm output of dairy products. Milk production per farm declined 22.4 per cent, and the yield of milk per cow fell 17.5 per cent from last year. Likewise, the production of creamery butter fell 37.6 per cent and the cheese output fell 45.8 per cent in the fall period of 1939 as compared with that of the previous fall period. The dairy butter make registered a considerable gain, however, but the sale of fresh milk as reported...



TABLE VIII - NUMBERS OF MILCH COWS ON FARMS IN CANADA, BY PROVINCES,  
AS AT JUNE 1 AND DECEMBER 1, 1938 AND JUNE 1, 1939.

Province	Numbers on Farms			Percentage Change	
	June 1, 1939	June 1, 1938	Dec.1, 1938	Dec. 1,1938 to June 1,1939	June 1,1938 to June 1,1939
Prince Edward Island	46,400	45,800	44,500	+ 4.3	+ 1.3
Nova Scotia	118,300	115,500	122,000	- 3.0	+ 2.4
New Brunswick	114,300	112,600	123,300	- 7.3	+ 1.5
Quebec	1,001,700	982,000	1,026,700	- 2.4	+ 2.0
Ontario	1,182,900	1,174,400	1,218,000	- 2.9	+ 0.7
Manitoba	365,800	383,700	367,100	- 0.4	- 4.7
Saskatchewan	490,400	496,600	520,700	- 5.8	- 1.2
Alberta	429,200	440,900	408,300	+ 5.1	- 2.7
British Columbia	124,500	122,300	130,700	- 4.8	+ 1.8
CANADA	3,873,500	3,873,800	3,961,300	- 2.2	-

TABLE IX - NUMBERS OF DAIRY HEIFERS ON FARMS IN CANADA, BY PROVINCES,  
AS AT JUNE 1 AND DECEMBER 1, 1938 AND JUNE 1, 1939.

Province	Numbers on Farms			Percentage Change	
	June 1, 1939	June 1, 1938	Dec.1, 1938	Dec. 1,1938 to June 1,1939	June 1,1938 to June 1,1939
Prince Edward Island	12,200	11,700	9,600	+ 27.1	+ 4.3
Nova Scotia	30,200	30,300	31,600	- 4.6	- 0.7
New Brunswick	29,600	28,900	25,000	+ 18.4	+ 2.4
Quebec	253,700	242,600	200,300	+ 26.7	+ 4.6
Ontario	248,200	247,000	238,000	+ 4.3	+ 0.5
Manitoba	86,600	89,700	80,700	+ 7.3	- 3.5
Saskatchewan	132,700	116,900	96,600	+ 37.4	+13.5
Alberta	103,800	104,300	82,000	+ 26.6	- 0.5
British Columbia	29,100	25,700	29,700	- 2.0	+13.2
CANADA	926,100	897,100	793,500	+ 16.7	+ 3.2

Nova Scotia

Dry weather prevailed throughout the province in the month of September. Heavy rains fell in October while November was cool and bright, with below normal precipitation. At Nappan 6 1/2 inches of rain fell in seventeen days in October, but the wet spell was followed by low temperatures, and by November 12 the ground was quite frozen.

Pasture conditions in September revealed the effects of the dry summer weather, particularly along the south shore. The pasture rating for September, 1939, was 75 as compared with 107 for the same month of 1938. More roots, straw and grain were produced than in the previous year. The hay crop yielded a slightly smaller tonnage than in 1938 but the quality was considerably better. For this reason the reduction of 13 per cent in the hay crop may be offset by increased feeding value.

	Unit of Measure	1938	1939	Percentage Change
Hay and Clover	Tons	694	605	- 12.8
Barley	Bush.	243	286	+ 17.7
Oats	Bush.	2,667	3,161	+ 18.5
Turnips	Cwt.	3,237	3,000	- 7.3
Fodder Corn	Tons	5.6	6.0	+ 7.1
	Tons	912.5	821.6	- 10.0

Dairy cattle reported to have left fall pastures for winter quarters in rather poor condition, depending on the extent to which pastures were depleted by the dry weather in the summer and early autumn. Winter feeding commenced about October 15, so that farmers had to draw on their winter feed supplies comparatively early. Home-grown feeds will be used more extensively than in previous years, due in part to higher butter-fat prices and in part to the increased price of concentrates. Observers advise that milch cow numbers are down about 5 per cent from last year. The numbers of mature heifers introduced into the herds in the early fall were about the same as last year, but sales of milch cows to outside buyers were greater than usual. It is believed that freshenings in December and January will fall below those of the same months in the preceding year, nevertheless, the tendency to extend the lactation period by better feeding will probably make up for this deficiency. About 86.7 per cent of the milch cows were reported to be milking in September, 82.2 per cent in October and 79 per cent in November. Compared with last year this was a decline of 4.5 per cent. Milk production on the basis of butter and cheese production showed a substantial decline from that of the September-November period of the preceding year.

The creamery butter output in the fall months was down 26.6 per cent as compared with the fall production in 1938. There has been a brisk demand for fresh milk, largely on account of increased employment in the industrial districts, but there was no apparent shortage. The total production of milk was only slightly less than that of the preceding year, and there is some hope that with increased efforts to advance production to take advantage of increased butter-fat prices, production during the winter period will equal that of the preceding year. Butter production will probably share in the increased supply but the output is not expected to measure up to that of the 1938-39 season.



TABLE X - MONTHLY AVERAGE PERCENTAGE OF MILKING COWS TO TOTAL COWS IN CANADA,  
BY PROVINCES, (BASED ON REPORTS OF DAIRY CORRESPONDENTS)  
SEPTEMBER, OCTOBER AND NOVEMBER, 1938 - 1939.

Province and Year	September	October	November	Average September, October and November
Prince Edward Island				
1938	72.6	84.0	77.5	78.0
1939	82.1	86.5	73.2	80.6
Nova Scotia				
1938	89.5	85.0	85.0	86.5
1939	86.7	82.2	79.0	82.6
New Brunswick				
1938	86.0	85.4	77.7	83.0
1939	88.4	76.0	74.2	79.5
Quebec				
1938	91.8	91.0	81.3	88.0
1939	91.8	90.6	82.6	88.3
Ontario				
1938	84.4	81.0	74.9	80.4
1939	82.7	81.5	79.4	81.2
Manitoba				
1938	76.4	73.9	68.8	73.0
1939	75.6	71.2	71.1	72.6
Saskatchewan				
1938	79.6	71.1	66.7	72.5
1939	73.5	71.8	67.8	71.7
Alberta				
1938	70.9	71.1	63.9	68.6
1939	68.6	67.6	64.8	67.0
British Columbia				
1938	80.8	76.8	76.1	77.9
1939	77.0	80.0	76.2	77.4
CANADA				
1938	81.3	79.9	74.7	78.7
1939	80.7	78.6	74.3	77.9

New Brunswick

Differing from other parts of the Maritimes, New Brunswick seems to have received plenty of moisture during the fall months. The September precipitation was within close range of that recorded in the same month of the preceding year, and the October rainfall was considerably greater than that of October, 1938. A dry, crisp November with ample sunshine extended the pasture period, although early fall frosts reduced the feeding value. Less than an inch of rain fell both at Chatham and Fredericton during November as compared with 3 inches and 4.7 inches, respectively, in November, 1938.

Pastures were good in the northern counties during the fall, but were inclined to be rather short in the south. The rating for the province as a whole was 81 in September, 1939, as compared with 104 in September, 1938. The final estimates for the season, based on the reports of Crop Correspondents, revealed a decline of nearly 7 per cent in the hay and clover crop. The increased quality, of course, made it much more valuable from a feeding standpoint. There was a heavy yield of both oats and barley, and coupled with a fair supply of straw and roots, the farmers will probably have enough feed to meet requirements in the winter months. The total tonnage of harvested feed crops, however, was slightly below that of 1938.

	Unit of Measure	1938	1939	Percentage Change
Hay and Clover	Tons	904	844	- 6.6
Barley	Bush.	382	476	+ 24.6
Oats	Bush.	6,236	7,209	+ 15.6
Turnips	Cwt.	2,562	2,772	+ 8.2
Fodder Corn	Tons	8.4	9.0	+ 7.1
Total Amount of Feed	Tons	1,155.7	1,125.6	- 2.6

Live stock were reported to be in fair condition when taken off grass, and favourable weather conditions helped to conserve the feed supply in the late fall. The milch cow population continues to show a lead over that of the previous year. This may be accounted for by the large number of heifers introduced into the herds. There has been an active demand for milch cows, but sales to actual buyers were not as great as they were last year. Prospective freshenings in the winter months are below those of the 1938-39 winter period, and the percentage of cows actually milking has also suffered a reduction. The figures for September were 88.4 per cent, October 76 per cent, and November 74.2 per cent. Compared with the same period of the preceding year, these figures show a decline of 4 per cent.

A decline in the production of milk per farm was reported by Dairy Correspondents in the September-November period of 1939 as compared with the same period of 1938. Likewise, the production per cow, based on all cows in the herds of Dairy Correspondents, registered a reduction from the 1938 period. Creamery butter production fell approximately 26 per cent in the three fall months of 1939 as compared with the same months of 1938, and the cheese output declined nearly 30 per cent. There was also a sharp reduction in the quantity of dairy butter made on farms, corresponding closely with the decline in the creamery make. There was no apparent change in whole milk sales although less milk was consumed in farm homes and there was a considerable decline in the quantities fed to live stock. It is the opinion that more care and better attention to dairy cows, as well as the higher prices paid for butter-fat, will tend to bring the winter milk production nearer the level of the previous year than the conditions existing during the period covered by this report would indicate.



TABLE XI - MILK PRODUCTION PER COW IN POUNDS PER DAY IN CANADA, BY PROVINCES,  
SEPTEMBER, OCTOBER AND NOVEMBER, 1938 - 1939.

Province and Year	Based on all cows in herds of Dairy Correspondents			Based on cows actually milking in herds of Dairy Correspondents		
	September	October	November	September	October	November
Prince Edward Island						
1938	14.7	13.8	12.2	20.2	16.5	15.7
1939	13.7	10.5	9.4	16.7	12.2	12.9
Nova Scotia						
1938	15.3	14.5	13.5	17.1	17.1	15.8
1939	15.9	15.3	15.4	18.4	18.6	19.7
New Brunswick						
1938	17.1	16.9	12.0	19.9	19.8	15.4
1939	13.3	10.1	11.3	15.1	13.3	15.2
Quebec						
1938	16.8	14.4	10.7	18.3	15.8	13.1
1939	16.9	14.6	10.7	18.4	15.6	13.0
Ontario						
1938	18.5	15.0	14.2	21.9	18.5	18.9
1939	19.2	15.5	14.6	23.3	19.1	18.4
Manitoba						
1938	13.5	12.3	10.3	17.7	16.6	14.6
1939	14.7	12.2	12.2	19.4	17.1	17.1
Saskatchewan						
1938	13.9	10.7	9.3	17.5	15.0	14.0
1939	14.5	11.5	11.1	19.8	16.0	16.4
Alberta						
1938	12.9	12.1	11.5	18.1	17.1	18.0
1939	13.4	12.3	12.7	19.6	18.1	19.7
British Columbia						
1938	14.1	15.5	15.9	21.6	20.3	21.2
1939	14.2	16.2	16.0	22.8	20.2	21.0
CANADA	15.2	13.9	12.2	19.1	17.3	16.3
	15.1	13.1	12.6	19.3	16.7	17.0

## Quebec

A long open weather period, with normal temperatures and light rainfall, prevailed in this province during the autumn of 1939. There was a heavy September rainfall in most districts of Quebec. At Montreal a light snowfall late in the month was the earliest on record. Normal precipitation in October provided a good growth in pastures, and followed by mild, dry weather in November, farmers were able to leave their stock in the open for an unusually long period. Ample moisture reserves were reported from all sections while the gulf and lower St. Lawrence counties reported too much rain. There was only about 3/4 of an inch of rain at Sherbrooke in November compared with approximately 2 1/2 inches in the previous year, while at Cap Rouge the rainfall was about normal, being 2 inches as compared with 3 inches in November, 1938.

The condition of pastures as reported by Coop Correspondents in September was on a par with those in the same month of 1938, being rated at 98 as compared with 99. Pastures were good until October 20. After that date it became necessary to do some supplementary feeding. Winter feed supplies are quite plentiful. There is more hay, straw and coarse grains for winter use, and roots also yielded larger quantities than in 1938, yet feeding for an increased milk flow may leave farmers short of their supplies before spring. The amount of ensilage on farms is possibly about the same as in the previous year. It is the general opinion that higher prices will encourage farmers to feed dairy cows more heavily, particularly in the areas adjacent to the larger milk markets, and where concentrates are used farmers will purchase larger supplies regardless of the advance in prices. Crop production estimates with percentage changes from the previous year are shown below.

	Unit of Measure	1938	1939	Percentage Change
Hay and Clover	Tons	5,238	5,870	+ 12.1
Barley	Bush.	4,164	4,145	- 0.5
Oats	Bush.	38,492	46,874	+ 21.8
Turnips	Cwt.	6,582	6,991	+ 6.2
Fodder Corn	Tons	526	550	+ 4.6
Alfalfa	Tons	43	43	
Total Amount of Feed	Tons	6,890.4	7,708.8	+ 11.9

Due to good pastures in September and October and the long dry fall, dairy cattle went into winter quarters in better condition than in the previous year. Dairy Correspondents reported an increase of 2.6 per cent in milch cow numbers, which would represent a slight gain over the final June survey. This conclusion is also supported by Dairy Farm Observers. The advance has been due to the introduction of a large number of young females into the herds and the tendency to withhold from the market milch cows that would otherwise have gone to slaughter. In many areas farmers have adopted the policy of adding at least one more cow to the herds, and while there may be no immediate effect on production it will doubtless show up in the summer production period of 1940. There is no apparent change in freshenings although Observers believe that the tendency is possibly in an upward direction.

Milk production per farm as reported by the Correspondents advanced about 3.2 per cent in the September-November period of 1939 as compared with the same period of 1938, and the production per cow also advanced slightly over that of the previous autumn season. Based on all cows in herds, the average yield was 16.9 pounds per day in September, 14.6 pounds in October and 10.7 pounds in November. The creamery butter make advanced nearly 4 per cent but the cheese make fell . . . . .



TABLE XII - PRODUCTION OF CREAMERY BUTTER IN CANADA, BY PROVINCES,  
SEPTEMBER TO NOVEMBER, 1938 AND 1939.  
(In Thousands of Pounds)

Province	September		October		November		September to November		
	1938	1939	1938	1939	1938	1939	1938	1939	Percentage Increase (+) Decrease (-)
Prince Edward Island	296	200	243	152	174	93	713	445	(-) 37.6
Nova Scotia	684	507	595	403	426	341	1,705	1,251	(-) 26.6
New Brunswick	556	448	401	269	192	134	1,149	851	(-) 25.9
Quebec	10,828	11,233	8,508	9,043	4,770	4,746	24,106	25,022	(+) 3.8
Ontario	9,108	8,731	7,094	7,207	5,137	5,692	21,339	21,630	(+) 1.4
Manitoba	2,782	2,929	1,723	2,156	1,073	1,288	5,578	6,373	(+) 14.3
Saskatchewan	2,493	2,604	1,911	1,985	871	1,268	5,275	5,857	(+) 11.0
Alberta	3,078	2,729	2,508	2,089	1,633	1,561	7,219	6,379	(-) 11.6
British Columbia	447	498	455	432	390	337	1,292	1,267	(-) 1.9
CANADA	30,272	29,879	23,438	23,736	14,666	15,460	68,376	69,075	(+) 1.0

TABLE XIII - PRODUCTION OF FACTORY CHEESE IN CANADA, BY PROVINCES,  
SEPTEMBER TO NOVEMBER, 1938 AND 1939.  
(In Thousands of Pounds)

Province	September		October		November		September to November		
	1938	1939	1938	1939	1938	1939	1938	1939	Percentage Increase (+) Decrease (-)
Prince Edward Island	90	78	82	25	18	-	190	103	(-) 45.8
New Brunswick	83	70	64	42	12	-	159	112	(-) 29.6
Quebec	4,817	3,976	3,766	2,508	1,229	509	9,812	6,993	(-) 28.7
Ontario	12,706	13,115	10,655	9,800	5,500	4,259	28,861	27,174	(-) 5.9
Manitoba	364	337	286	259	198	156	848	752	(-) 11.3
Saskatchewan	65	34	56	18	9	7	130	59	(-) 54.6
Alberta	253	160	250	121	194	103	697	384	(-) 44.9
British Columbia	43	48	52	43	55	42	150	133	(-) 11.3
CANADA	18,421	17,818	15,211	12,816	7,215	5,076	40,847	35,710	(-) 12.6

approximately 29 per cent as compared with the autumn period of 1938. The total milk used for the production of the two products declined 1.5 per cent. Dairy butter production was about the same as that recorded in the same period of last year. There has been some increase in the distribution of milk which probably encouraged farmers to increase the total farm output. The increased demand resulting from the expansion of military operations and more employment in the civil occupations has been an important factor in improving the situation. Less milk was used in farm homes, but the quantities used for stock feeding increased in the three fall months compared with the September-November period of 1938. Prospects are bright for future months. The feed supplies are adequate and more cows are being employed for milking purposes in the winter of 1939-40 than were shown in the previous winter period.

Ontario

The weather conditions in Ontario during the fall months were unusually favourable and while the precipitation was not as heavy as in some of the Eastern Provinces the rains had a beneficial effect on pastures that had suffered from the summer drought. The rainfall in October was considerably heavier than that shown in the records for the same month of the preceding year. At Ottawa there was 3 inches of rain as compared with approximately 1/2 inch in the same month of 1938. November was exceptionally dry, the most outstanding records being established in the southern and western sections of the province. Only 1/4 inch of rain was recorded at Harrow, which was an all time low precipitation for that station. The water level in wells was reported to be quite low in western and central counties, and farmers in some sections experienced difficulty in maintaining an adequate water supply for live stock.

The northern counties reported good pasture conditions in the autumn months with surplus supplies of hay, but quite the opposite situation existed in the southern and western parts of the province. For Ontario as a whole the pasture rating was 90 in September as compared with 98 in September of the preceding year. Permanent pastures deteriorated quite badly, but late rains produced a good aftermath on meadows. It was necessary to do a good deal of supplementary feeding during the entire fall period, and after October 20 housing and winter feeding were general throughout the province. Reports from Observers and Crop Correspondents would seem to show that while a smaller hay crop was harvested, the distribution was probably a little better than in 1938. Farmers have more straw, roots and coarse grains than in the previous year. Despite some increase in the supply it is doubtful if there will be sufficient roots to carry dairy cows through the winter if the present rate of consumption is continued. The total tonnage of feed available from the 1939 crop is summarized in the table below.

	Unit of Measure	1938	1939	Percentage Change
Hay and Clover	Tons	4,796	4,682	- 2.4
Barley	Bush.	16,646	16,600	- 0.3
Oats	Bush.	82,147	87,094	+ 6.0
Turnips	Cwt.	20,790	21,036	+ 1.2
Fodder Corn	Tons	3,472	3,545	+ 2.1
Alfalfa	Tons	1,526	1,568	+ 2.7
Total amount of feed	Tons	12,629.5	12,725.8	+ 0.8

With the exception of the northern counties where pastures were more abundant, dairy stock went into winter quarters in poorer condition than in 1938.



Short pastures during the summer and early fall effected some reduction in the numbers of milch cows. According to the reports of Correspondents there was a reduction of about 3 per cent in the cow population in the autumn period as compared with the same period of the preceding year. This situation is being rectified, however, by heifers coming into maturity; and with higher prices in the offing the pendulum may swing in the other direction. The percentage of cows actually milking is about 1.4 per cent higher than in the autumn period of 1938, the figures being 82.7, 81.5 and 79.4, respectively. Freshenings for the early part of the winter period promise to show a slight reduction, but this will be offset by an extension of the lactation period, and the tendency to feed cows more liberally to take advantage of improved marketing conditions. The new arrangement with the British Government for weekly shipment of 5 3/4 million pounds of bacon has stimulated interest in the hog industry, and it would appear that this may benefit dairying indirectly by increasing the demand for skim milk when spring litters are being raised. Such a development would tend to give the butter industry some advantage which advancing cheese prices will most certainly remove.

The production of milk in Ontario during the fall months of 1939 was about the same as that reported in the same period of last year. There were fewer cows, but the production per cow based on all cows in the herds of Dairy Correspondents registered an increase of 3.4 per cent, the actual figures being 19.2 pounds per day for September, 15.5 pounds for October and 14.6 pounds for November. The creamery make advanced 1.4 per cent, cheese production fell approximately 6 per cent while the quantity of milk used for both butter and cheese revealed a decline of about 1.5 per cent in the three autumn months of 1939 as compared with the same period of 1938. There was a considerable reduction in the dairy butter make. Milk sold off farms showed a reduction from last year, but the situation seemed to improve as the season advanced. Less milk was used in farm homes and considerably less was fed to live stock than that reported in the autumn period of the preceding year. The advance in cheese prices came too late to prevent the early closing of factories. Some of the cheese factories have since re-opened, and if prices continue at the present level the cheese industry promises to receive a larger share of the farmers' patronage during the latter part of the winter. Feed supplies are quite ample, and although the prices of mill feeds and concentrates are high compared with those prevailing in the winter of 1938-39, it is believed that farmers will feed for an increased milk flow. The increased demand for milk for feeding purposes, and the improvement in milk and butter fat prices would tend to keep the net income from dairying on a comparable basis with the previous year.

### Manitoba

The September-November period of 1939 was one of the driest ever recorded in Manitoba. At Morden the total precipitation amounted to only 1 1/2 inches and in the month of November neither rain nor snow was recorded. Approximately the same situation was shown at Brandon, while at Dauphin in northern Manitoba the total precipitation for the three-month period was only 2 1/2 inches. The temperature range was above normal throughout the autumn months. In September the hours of sunshine were abnormally high while in November the temperature rose to unusual heights. Grass pastures dried up very early although the average condition for September was 89 compared with 72 in September, 1938. Plenty of dry feed was available after harvest fields were cleared for the use of live stock, and aided by warm sunny weather the autumn season was a favourable one for dairy production.

The final estimate of feed crops showed a 7.9 per cent reduction of hay and clover, which, of course, does not include native hay. There was a 9.7 per cent reduction in barley and a decline of 17.1 per cent in the production of oats. An exceptionally heavy crop of turnips and almost as much fodder corn as in 1938 promises to help the dairy industry in the winter months. The alfalfa crop was nearly one-third better than in 1938. The total tonnage, however, (all feeds combined) revealed a reduction of 8.5 per cent from that of the preceding year. A detailed statement of the feed position is given below.

	Unit of <u>Measure</u>	<u>1938</u>	<u>1939</u>	Percentage <u>Change</u>
Hay and Clover	Tons	767	706	- 7.9
Barley	Bush.	31,000	28,000	- 9.7
Oats	Bush.	41,000	34,000	- 17.1
Turnips	Cwt.	471	637	+ 35.2
Fodder Corn	Tons	280	270	- 3.6
Alfalfa	Tons	101	132	+ 30.7
<hr/>				
Total amount of feed	Tons	2,612.5	2,389.8	- 8.5

Farmers reported live stock to be in fair condition at the commencement of the feeding period in mid-October. It was apparent, however, that dairy herds in southern areas had suffered from the scanty supplies of forage in the early fall. It will be seen from the June 1 survey figures in Table VIII that the cow population was 5 per cent below that of June 1 of the previous year. According to Dairy Correspondents the total number of cows on farms in the autumn period showed practically the same decline as compared with the same period of 1938. The percentage of cows actually milking was the same as in the previous year, and while Observers express the hope that increased prices will tend to increase the numbers of cows being milked there is no indication of this in prospective freshenings. It is probable, however, that more intensive feeding and a longer lactation period will keep the milk production above that of the preceding year.

Milk production per farm as reported by Dairy Correspondents during the autumn period of 1939, registered an advance of about 3 per cent as compared with the same period of 1938. Milk production per cow, based on all cows in the herds of Dairy Correspondents, amounted to 14.7 pounds per day in September, and 12.2 pounds in October and November, an increase for the three months of 8.3 per cent over the September-November period of the preceding year. The production of creamery butter amounted to approximately 6.4 million pounds, an increase of 14.3 per cent and the production of dairy butter also advanced about 3 per cent. The quantity of milk used in butter and cheese showed an increase of 12.5 per cent. More milk was sold for domestic purposes and there was slightly more fed to live stock than in the autumn months of 1938; while the quantity used in farm homes was approximately the same.

#### Saskatchewan

The autumn of 1939 may well be regarded as one of the driest on record in this province. Soil moisture reserves are below the normal levels and farmers in some areas are faced with a short water supply for live stock. At Indian Head the September precipitation was less than 1/2 inch; it was only slightly higher in October while in November it fell to 0.11 inches. Even at Melfort in the northern part of the province the total rainfall for the three months was only 1.78 inches. According to the Weather Bureau deficiencies of about 45 per cent were...



recorded along the Saskatchewan River Valley in September; in the north-eastern part of the province the rainfall was 35 per cent below normal, and elsewhere the shortage ranged from 50 to 80 per cent. Temperatures were high in November, averaging 55 per cent above last year while the hours of sunshine averaged 140 in November, 1939, compared with 77 in November, 1938. Pastures were brown and parched early in the fall and farmers had to depend entirely on after-harvest forage. In September the pasture rating was 81 as compared with 92 in the same month of 1938. The gleanings from harvest fields, however, were considerably better than in 1938 on account of the heavier stands of grain. On the whole more feed was produced than in the previous year; the hay and clover crop was considerably better, while barley and oats registered advances of 28 to 30 per cent. Fodder corn yielded a slightly higher tonnage, and alfalfa production was about 1/3 greater than in the previous year.

	Unit of Measure	1938	1939	Percentage Change
Hay and Clover	Tons	386	445	+ 55.6
Barley	Bush.	20,000	26,000	+ 30.0
Oats	Bush.	90,000	115,000	+ 27.8
Turnips	Cwt.	203	174	- 14.3
Fodder Corn	Tons	36	38	+ 5.5
Alfalfa	Tons	42	57	+ 35.7
Total amount of feed	Tons	2,384.1	3,127.7	+ 31.2

The condition of live stock as reported at the end of the fall period was somewhat poorer than last year. Winter feeding commenced about October 15 but on account of the mild open fall dairy cattle were given the range of the fields until late in November. The slight decline in cow numbers reported in the June survey was apparently offset by the introduction of young stock into the herds, and according to Dairy Correspondents there was a slight increase in numbers during the fall period of 1939 as compared with the same period of 1938. The percentage of cows actually milking suffered a reduction of about 2 per cent, however, being 73.5 per cent for September, 71.8 per cent for October and 67.8 per cent for November. The indications are that freshenings for the early winter period will be lower than last year, but with increased feed supplies farmers may milk more cows than they did in the fall months.

The production of milk per farm as recorded by Dairy Correspondents during the three autumn months registered an increase of 15.5 per cent over the same months of the previous year, and the production of milk per cow (all cows included) advanced 9.4 per cent. During the fall period about 5.9 million pounds of butter were made in creameries, representing an increase of 11 per cent over the same period of 1938, whereas cheese production amounting to 59 thousand pounds, represented a decline of 55 per cent. The total quantity of milk used for butter and cheese showed an increase of 10.3 per cent compared with the amount used for this purpose in the autumn period of the preceding year. The quantity of butter made on farms registered an advance, corresponding with the increase in the creamery make, and milk sales also moved to a higher level than that reported in the September-November period of 1938. Likewise, larger quantities were consumed in farm homes than was the case in the preceding autumn period, and more milk was fed to live stock. The future prospects are unusually bright, and if prices hold at the same relative position as compared with wheat and coarse grains it is possible that new production records may be established later in the year when dairy herds come into full production.

Alberta

Exceptionally backward weather during the harvest season was responsible for delaying farm operations in this province with a consequent reduction in the available pasture facilities during the autumn period. The month of September was quite dry, with only 2 inches of rain at Beaver Lodge and Edmonton and 1 1/2 inches at Calgary. Commencing about the middle of October precipitation increased, and a heavy snowfall occurred about October 20, averaging from 12 to 20 inches. In many cases the snowfall blocked the roads and made it difficult for the farmers to make regular deliveries to the factories and milk plants. The moisture came too late to help the growth of grass, and followed by heavy frosts it ruined pastures and spoiled the aftergrowth on harvest fields. In common with other points in the west, temperatures were well above normal in the fall period. November was very warm with an unusual amount of sunshine. Moisture reserves are quite variable. There seems to be plenty of moisture in the north but a deficiency has been reported from the east-central and southern areas.

Owing to the conditions indicated above, pastures declined very rapidly in the middle of the autumn period. In September they stood at 80 as compared with 97 in the same month of 1938. In September and October pasture grass was comparatively scarce and due to the late harvest and bad weather conditions there was very little green forage in the harvest fields. The supplies of winter feed also promise to be slightly lower than those of the previous year but there is no indication of a shortage. There was a good crop of clover hay and alfalfa. Less grain was harvested, and a light oat crop reduced the stocks of oat sheaves for feeding purposes. Although the turnip crop was below that of the previous year, the increased yield of sugar beets will give farmers greater quantities of beet pulp for supplying the succulent part of the rations.

	Unit of Measure	1938	1939	Percentage Change
Hay and Clover	Tons	545	569	+ 4.4
Barley	Bush.	29,200	27,000	- 7.5
Oats	Bush.	101,000	82,000	- 18.8
Turnips	Cwt.	289	270	- 6.6
Sugar Beets	Cwt.	251	271	+ 8.0
Fodder Corn	Tons	16	14	- 12.5
Alfalfa	Tons	197	207	+ 5.1
Total amount of feed	Tons	3,202.7	2,859	- 10.7

Farmers commenced feeding dairy cows early in the fall in order to maintain the milk flow. The scarcity of feed in the open fields made it necessary for cows to range more than usual; hence many herds went into winter quarters in poor flesh. Supplementary feeding was quite general after October 20. According to Dairy Correspondents the numbers of milch cows showed a reduction of about 1 1/2 per cent during the autumn period as compared with the September-November period of the previous year. This reduction is slightly less than that shown at June 1 when compared with the previous year. It is apparent that dairy herds have been enlarged by the introduction of young females coming into maturity. Prospective freshenings are exceptionally low but there is a tendency to milk longer than usual, and Observers report that the increased prices of butter-fat will doubtless encourage farmers to maintain the milk flow by the adoption of more liberal feeding practices. The percentage of cows milking was reported at 68.6 in September, 67.6 in October and 64.8 in November. These figures represent an average reduction of



about 2 1/2 per cent. Observers offer the opinion, however, that this situation may be reversed in the succeeding months.

Butter production declined nearly 12 per cent in the three autumn months of 1939 as compared with the same months of 1938 and cheese production suffered a reduction of approximately 45 per cent. The two products on a milk basis showed a decrease of 13 per cent as compared with the same period of the preceding year. It is apparent that the total production of milk suffered a decline in the fall months of 1939 as compared with the same period of the preceding year. This decline was reflected in the output of both butter and cheese, while fluid milk distribution, on the other hand, registered an increase. The production of milk per cow, all cows included, increased 5.2 per cent, and those actually milking showed an increase of nearly 8 per cent. Butter made on farms showed a much smaller reduction from the autumn period of 1938 than that revealed in the creamery make, the decline being only 2.2 per cent. The consumption of milk in farm homes was considerably less than it was last year but a marked increase has taken place in the quantities of milk fed to live stock. It is believed that this increase was due in part to the increase in fall pig litters. On account of the advancing prices, favourable feed supplies and comparatively low prices being paid for feed grains, it is the belief that the downward trend in milk production which characterized the fall production will show a reverse movement in the latter part of the winter when more cows come into production.

British Columbia

Weather conditions were exceptionally favourable in this province during the fall months. The temperature was about normal for the three-month period but above normal in November; and there seemed to be about the right amount of rain with no killing frosts. September was comparatively dry while October was inclined to be wet. About 1 1/2 inches of rain were recorded at Agassiz in September, 4/5 inches at Kamloops and 2.2 inches at Prince George. In November, Kamloops reported only 1/2 inch of rain as compared with 8.4 inches at Agassiz and 3.2 inches at Prince George. At Comox heavy floods were reported in November, although the weather for the most part was quite favourable.

The pastures in this province were quite satisfactory throughout the entire autumn period. The pasture rating averaged 89 in September, 1939, compared with 83 for the same month of the previous year. Farmers are better supplied with feeds than they were in either of the two preceding years. Some supplementary feeding was necessary in the early part of the season, but it was not general until after October 15. The production of feed crops with percentage comparisons as compared with the preceding year appear below.

	Unit of Measure	1938	1939	Percentage Change
Hay and Clover	Tons	271	315	+ 16.2
Barley	Bush.	412	480	+ 16.5
Oats	Bush.	4,996	6,015	+ 20.4
Turnips	Cwt.	1,176	1,120	- 4.8
Fodder Corn	Tons	65	70	+ 7.7
Alfalfa	Tons	152	160	+ 5.3
Total amount of feed	Tons	641.6	714.8	+ 11.4

Live stock went into winter quarters in good condition and it is believed that the lactation period may be prolonged as the result of better feed supplies and more favourable prices. The numbers of dairy cows on farms are reported to be somewhat less than those reported in the same period of one year ago, a situation that may be due to some increase in the sales to outside buyers. The percentages of cows milking were practically on a par with the corresponding months of the preceding year, being 77 per cent in September, 80 per cent in October and 76.2 in November. Observers, however, forecast an increase in the percentage milking in the winter period as compared with the winter period of the preceding year.

There was practically no change in the milk production per farm between the autumn period of 1939 and the autumn period of 1938. All cows in the herds of Dairy Correspondents showed an increase of about 2 per cent in the production per cow but those actually milking showed a somewhat smaller advance. The creamery butter output was reduced by approximately 2 per cent and cheese production declined about 11 per cent. On a milk basis the two products combined were reduced 2.4 per cent in the September-November period of 1939 as compared with the same period of 1938. The dairy butter make on the other hand increased about 7 per cent, and according to Dairy Correspondents milk sold for fluid purposes also showed a slight increase. In some areas in northern British Columbia a shortage of milk for domestic consumption was reported in the fall months, but for the province as a whole more milk is being produced and the surplus problem is more serious than ever. A sharp reduction in the quantities of milk used in farm homes and also in the quantities fed to live stock was recorded in the autumn period of 1939 as compared with the same period of 1938. Everything considered, the favourable feed situation and the effects of war-time prices are likely to place the winter production of milk above that of the previous winter period. An increase in hog production is indicated, but instead of having a competitive effect it promises to encourage farmers to produce larger quantities of milk. Dairymen situated close to condenseries are finding a ready sale for their surplus milk, and in the general farming areas creameries may receive more patronage on account of the higher prices offered for butter-fat and more adequate supplies of home-grown feed.



TABLE XIV - DAIRY PRODUCTS EXPORTED FROM CANADA, SEPTEMBER TO NOVEMBER, 1938 AND 1939.

	Butter	Cheese	Con- densed Milk	Milk Powder	Evaporated Milk	Fresh Milk	Cream
	Lb.	Lb.	Lb.	Lb.	Lb.	Gal.	Gal.
September							
1938	1,571,200	13,992,900	151,900	345,200	2,004,400	318	160
1939	233,800	9,660,400	97,700	861,500	2,448,100	352	130
October							
1938	1,247,200	12,165,300	132,800	661,600	2,383,400	240	125
1939	259,500	18,541,400	73,700	1,171,200	1,774,800	288	-
November							
1938	367,800	12,535,700	310,300	372,300	2,818,100	264	130
1939	248,800	18,822,400	107,100	642,800	3,707,800	256	-
September to November							
1938	3,186,200	38,693,900	595,000	1,379,100	7,205,900	822	415
1939	742,100	47,024,200	278,500	2,675,500	7,930,700	896	130

TABLE XV - DAIRY PRODUCTS IMPORTED INTO CANADA, SEPTEMBER TO NOVEMBER, 1938 AND 1939.

	Butter	Cheese	Con- densed Milk	Milk Powder	Casein	Fresh Milk and Cream
	Lb.	Lb.	Lb.	Lb.	Lb.	Gal.
September						
1938	1,258	56,681	3,449	94,179	29,573	1,984
1939	619	69,483	104	194	51,677	220
October						
1938	598	146,442	125	358	303	2,929
1939	51	174,271	314	305	49,631	31
November						
1938	1,138	189,774	580	145	38,973	1,011
1939	88	295,058	-	3,346	85,108	15
September to November						
1938	2,994	392,897	4,154	94,682	68,849	5,924
1939	758	538,812	418	3,845	186,416	266

TABLE XVI - STOCKS OF BUTTER<sup>+</sup>, CHEESE AND CONCENTRATED MILK PRODUCTS IN CANADA,  
BY MONTHS, SEPTEMBER TO DECEMBER, 1938 AND 1939.

Product	September 1	October 1	November 1	December 1
	Lb.	Lb.	Lb.	Lb.
Creamery Butter				
1938	62,004,030	65,218,710	62,829,601	53,439,929
1939	55,217,293	57,570,993	56,643,144	49,874,902
Dairy Butter				
1938	429,827	465,785	503,591	475,789
1939	292,567	234,882	228,044	165,932
Cheese				
1938	43,639,257	47,227,752	44,266,662	32,294,350
1939	52,810,152	52,175,402	41,150,157	28,201,588
Concentrated Whole Milk Products --				
Condensed Milk				
1938	860,295	1,035,032	745,019	1,130,250
1939	653,849	671,885	865,687	537,283
Evaporated Milk				
1938	22,846,216	21,974,360	17,575,854	15,375,267
1939	8,332,737	7,578,424	7,516,900	8,796,658
Milk Powder				
1938	2,649,746	1,815,331	1,613,525	1,478,777
1939	1,593,975	785,958	674,788	438,112
Total Whole Milk Products -				
1938	26,359,405	24,828,903	19,941,449	17,990,516
1939	10,584,621	9,040,354	9,062,375	9,775,929
Concentrated Milk By- Products:				
Condensed Skim Milk				
1938	632,570	672,210	517,128	352,610
1939	228,430	172,421	153,047	125,796
Evaporated Skim Milk				
1938	7,068	5,746	11,777	8,314
1939	4,139	/	/	/
Skim Milk Powder				
1938	6,068,353	6,824,933	6,901,898	6,740,077
1939	5,408,823	4,513,695	3,813,000	3,373,239
Total By-Products				
1938	8,339,291	9,567,748	9,405,547	8,889,601
1939	7,191,618	5,906,587	4,918,973	4,353,362

+ Butter stocks include transit stocks as well as stocks in storage.

/ Included in Condensed Skim Milk.



TABLE XVII - WEATHER RECORDS REPORTED FROM REPRESENTATIVE STATIONS IN EASTERN CANADA, SEPTEMBER TO NOVEMBER, 1938 AND 1939.

Station and Year	INCHES OF PRECIPITATION				MEAN TEMPERATURE				HOURS OF SUNSHINE				
	Sept.	Oct.	Nov.	Average	Sept.	Oct.	Nov.	Average	Sept.	Oct.	Nov.	Average	
Charlottetown	1938	4.2	2.3	3.7	3.4	58	50	39	49	186	160	93	146
	1939	4.0	8.8	1.4	4.7	58	48	35	47	188	93	117	133
Kentville	1938	4.2	2.3	4.7	3.7	58	49	40	49	171	142	108	140
	1939	2.5	5.0	1.1	2.9	58	49	34	47	159	95	121	125
Nappan	1938	4.0	3.1	3.0	3.4	57	49	37	48	179	156	112	149
	1939	2.6	6.7	1.2	3.5	57	46	33	45	148	92	130	123
Sydney	1938	5.8	4.8	6.3	5.6	59	51	42	51	-	-	-	-
	1939	2.8	5.6	2.1	3.5	57	49	37	48	-	-	-	-
Chatham, N.B.	1938	3.0	2.6	3.0	2.9	55	47	33	45	-	-	-	-
	1939	4.7	5.5	0.9	3.7	55	44	31	43	-	-	-	-
Fredericton	1938	5.0	2.9	4.7	4.2	57	48	34	46	161	161	127	150
	1939	4.2	6.0	0.9	3.7	56	45	31	44	129	116	138	128
Cap Rouge	1938	3.8	2.2	3.1	5.0	53	46	33	44	153	159	98	137
	1939	5.2	3.6	2.0	3.6	55	44	30	43	132	74	74	93
Lennoxville	1938	4.9	1.6	2.5	2.9	55	48	34	46	121	173	97	130
	1939	5.6	4.0	0.9	3.5	55	45	30	43	150	104	84	113
Quebec	1938	5.1	2.0	3.8	3.6	55	48	35	46	158	149	89	132
	1939	5.3	4.8	1.0	3.7	56	45	30	44	131	102	80	104
Sherbrooke	1938	4.9	1.7	2.4	3.0	54	49	35	46	136	176	111	141
	1939	5.2	4.0	0.8	3.3	56	46	30	44	175	119	102	132
North Bay	1938	3.8	1.3	1.7	2.3	54	48	34	45	-	-	-	-
	1939	1.8	3.9	1.2	2.3	55	43	28	42	-	-	-	-
Ottawa	1938	3.9	0.5	1.7	2.0	54	48	34	45	162	173	101	145
	1939	2.9	3.0	+0.7	2.2	56	44	30	43	176	113	137	142
Peterboro	1938	5.1	0.5	1.2	2.3	57	51	38	49	-	-	-	-
	1939	2.7	2.0	1.0	1.9	61	48	34	48	-	-	-	-
Kapusksasing	1938	1.5	0.8	2.4	1.6	51	44	21	39	164	112	48	108
	1939	3.3	1.5	0.2	1.7	50	36	26	37	109	44	75	76
Chatham, Ont.	1938	1.8	1.0	1.5	1.4	61	54	41	52	151	183	111	148
	1939	1.8	1.7	0.6	1.4	65	53	38	52	175	149	91	138
Woodstock	1938	2.0	0.8	2.7	1.8	57	50	38	48	170	184	117	157
	1939	2.0	3.8	1.0	2.3	61	48	35	48	179	158	108	148

+ Record low.  
/ Record high.

TABLE XVIII - WEATHER RECORDS REPORTED FROM REPRESENTATIVE STATIONS IN WESTERN CANADA, SEPTEMBER TO NOVEMBER, 1938 AND 1939.

Station and Year	INCHES OF PRECIPITATION				MEAN TEMPERATURE				HOURS OF SUNSHINE				
	Sept.	Oct.	Nov.	Average	Sept.	Oct.	Nov.	Average	Sept.	Oct.	Nov.	Average	
Brandon	1938	0.1	0.9	0.9	0.6	58	45	17	40	217	170	88	158
	1939	1.5	0.4	0.0	0.6	55	36	30	40	195	103	139	146
Morden	1938	0.0	0.4	0.8	0.4	61	50	21	44	216	179	85	160
	1939	1.1	0.4	0.0	0.5	58	38	34	43	196	91	144	144
Dauphin	1938	0.7	0.7	1.5	1.0	61	49	20	43	-	-	-	-
	1939	1.9	0.5	0.2	0.9	55	36	34	42	-	-	-	-
Battleford	1938	4.0	1.1	1.4	2.2	62	45	18	42	-	-	-	-
	1939	0.2	0.4	0.5	0.4	53	37	28	39	-	-	-	-
Prince Albert	1938	1.3	2.0	1.8	1.7	60	45	18	41	-	-	-	-
	1939	0.9	0.7	0.9	0.8	52	34	26	37	-	-	-	-
Saskatoon	1938	2.4	1.6	1.6	1.9	62	46	18	42	259	196	82	179
	1939	0.7	0.6	0.5	0.6	53	37	32	41	187	148	142	159
Indian Head	1938	0.9	0.7	1.4	1.0	61	48	19	43	183	164	72	140
	1939	0.5	0.6	0.1	0.4	53	35	32	40	180	111	103	131
Swift Current	1938	1.7	0.8	0.4	1.0	63	48	25	45	268	196	78	181
	1939	0.3	0.9	0.0	0.4	54	37	38	43	215	138	176	176
Beaverlodge	1938	2.2	0.7	1.5	1.5	59	44	25	43	244	129	66	146
	1939	2.0	3.2	1.2	2.1	49	34	34	39	166	133	84	128
Edmonton	1938	0.2	0.9	1.2	0.8	60	44	22	42	242	177	78	166
	1939	2.1	2.2	0.5	1.6	50	34	35	40	161	101	116	126
Calgary	1938	0.8	1.0	1.0	0.9	60	46	27	44	274	192	86	184
	1939	1.5	3.0	0.2	1.6	52	36	40	43	147	140	135	141
Cardston	1938	0.7	1.0	0.9	0.9	61	47	29	46	-	-	-	-
	1939	3.3	1.1	0.2	1.5	55	41	44	47	-	-	-	-
Victoria	1938	1.6	2.6	3.0	2.4	59	52	44	52	184	142	100	142
	1939	0.3	3.3	4.2	2.6	58	51	48	52	227	130	63	140
Prince George	1938	2.7	2.0	2.0	2.2	57	44	27	43	159	93	44	99
	1939	2.2	2.5	3.2	2.6	51	41	39	44	134	96	48	93
Agassiz	1938	1.3	6.1	7.1	4.8	63	54	42	53	-	112	60	-
	1939	1.5	8.4	8.4	6.1	60	51	48	53	147	81	42	-
Kamloops	1938	1.4	0.5	0.6	0.8	63	50	34	49	295	211	119	208
	1939	0.8	2.7	0.5	1.3	60	43	43	49	240	138	76	151



# DAILY PRICES OF BUTTER AND CHEESE AT MONTREAL

JUNE - NOVEMBER 1938 AND 1939

CENTS  
per LB.

35

30

25

20

0

**CREAMERY BUTTER**  
(Spot Prices Canadian Commodity Exchange)

1938

1939

20

15

10

0

**CHEESE**  
No 1 Ontario coloured

1938

1939

JUNE

JULY

AUG.

SEPT.

OCT.

NOV.

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