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CANADA

DOMINION BUREAU OF STATISTICS

AGRICULTURAL BRANCH

SERIES NO. VII **REPORT NO. 1**

THE DAIRY SITUATION IN CANADA

WINTER QUARTER

DECEMBER - FEBRUARY

1939 - 1940

OTTAWA
1940

Price $1 a year

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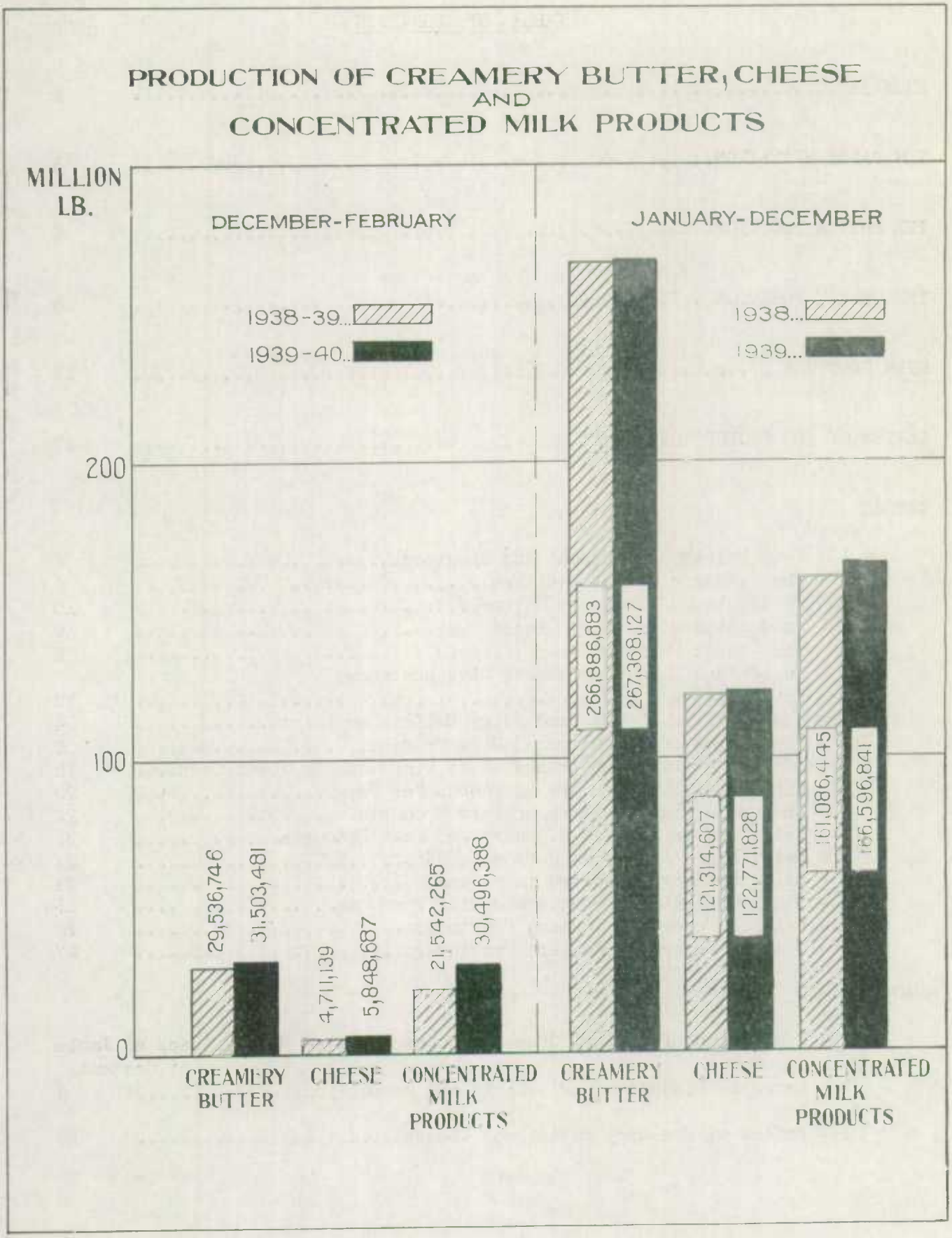
Chart 1


PRODUCTION OF CREAMERY BUTTER, CHEESE AND CONCENTRATED MILK PRODUCTS
MILLION LB.
DECEMBER-FEBRUARY
JANUARY-DECEMBER
1938-39...
1939-40...
1938...
1939...
200
100
0
29,536,746
31,503,481
4,711,139
5,848,687
21,542,265
30,496,388
266,886,883
267,368,127
121,314,607
122,771,828
161,086,445
166,596,841
CREAMERY BUTTER
CHEESE
CONCENTRATED MILK PRODUCTS
CREAMERY BUTTER
CHEESE
CONCENTRATED MILK PRODUCTS

DOMINION BUREAU OF STATISTICS
AGRICULTURAL BRANCH

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SUMMARY

A review of the Dairy Situation in Canada during the December-February period of 1939-40 is covered in this statement issued by the Dominion Bureau of Statistics. In presenting this report, the Bureau is indebted to the co-operation of the Provincial Dairy Commissioners, Statisticians, Dairy Correspondents, and Dairy Farm Observers, who supplied the basic information contained herein.

The Economic Position -- Dairying benefited during the winter of 1939-40 by a general improvement in the employment of labour which averaged about 7½ per cent above that recorded in the winter of 1938-39. Prices were also higher than those of the preceding year. Butter prices declined slightly in comparison with the prices quoted in the autumn period; yet, compared with the same period of the preceding year, an advance of 24 per cent was recorded, and cheese registered a gain of 52 per cent. The quotations given for the three basic feeds - oats, barley and bran - showed an increase of 30 per cent above the 1938-39 price level but fell slightly below the December-February average for the past five years. Taken collectively, dairy products contributed in some measure to higher living costs. Butter revealed the most significant increase; and although the retail price of cheese was higher than that of a year ago the advance was less than beef products, while milk remained almost on a par with the price index of the previous winter.

The Butter Position -- The domestic disappearance of creamery butter in the December-February period of 1939-40 was 4.2 per cent higher than that revealed in the winter of 1938-39. Based on comparative figures for the same months of the previous year the differentials shown in the domestic disappearance revealed less pronounced variations as the season advanced, varying from ½ million pounds in December to 1½ million pounds in February. In this respect the disappearance was inversely related to the price variations, which moved from a differential of 7½ cents in the former month to less than 4 cents in the latter. In comparison with the previous year, the production of creamery butter also advanced, showing gains of approximately 3/4 million pounds during each of the three months. The cumulative increase in production was registered in the stock position. Compared with the same dates of the preceding year, the decline of 3½ million pounds registered at the beginning of the period was reduced to approximately 200 thousand pounds at the end of the period. Owing to the war, practically no butter was shipped to Britain, the exports of 275 thousand pounds (compared with 4 million pounds in the winter season of 1938-39) being sent principally to Empire countries in the west Atlantic area. Based on the daily quotations of the Canadian Commodity Exchange at Montreal, first-grade butter averaged 27½ cents during the three winter months as compared with 22¼ cents for the same period of the previous year.

The Cheese Position -- Owing to the advance in cheese prices over those recorded in the winter of 1938-39, cheese factories received a somewhat larger share of the farmers' patronage, partly due to larger milk deliveries to individual factories and partly to the increase in the number of factories in operation. In the month of February, 1940, 174 cheese factories were engaged in manufacturing as compared with 137 in the same month of 1939. Hence, the production of 4 3/4 million pounds recorded in the December-February period of 1938-39 increased to 5 3/4 million pounds in the same period of 1939-40. Despite the decline in exports in December, the total shipments during the three-month period amounted to nearly 9 million pounds

which was within 3/4 of a million pounds of the exports of the previous year, and the total disappearance was well over twice that shown in the winter period a year ago.

Milk and Milk Products -- The production of concentrated whole milk products amounted to 24 million pounds during the December-February period of 1939, showing an increase of 57 per cent over that of the same period of the previous year. This included 21½ million pounds of evaporated milk which registered an advance of 71 per cent. The output of milk by-products, totalling nearly 6½ million pounds, was 3.4 per cent above that recorded in the same three-month period of 1938-39. Exports increased to nearly 6 million pounds, or approximately 2 million pounds above those of the preceding winter. The production of whole milk products was reflected in the stock position. Whole milk stocks which showed a considerable decline at December 1 were increased on March 1 to a comparative position with those of the previous year. In the case of milk by-products, however, a somewhat weaker stock position was revealed at the end of the winter season.

Weather and Feed Supplies -- The winter of 1939-40 was comparatively mild with light snowfall. The cumulative precipitation and hours of sunshine for the three winter months showed the following averages for the sixteen stations reporting for the Eastern Provinces and Western Provinces, respectively, the comparative data for the previous winter being shown in brackets: Eastern Provinces: 6.6 (10.1) inches of precipitation and 252 (239) hours of sunshine. Western Provinces: 4.4 (5.5) inches of precipitation and 225 (251) hours of sunshine The average mean temperatures were 17 degrees in the Eastern Provinces and 18 degrees in the Western Provinces during the December-February period compared with 18 degrees and 14 degrees, respectively, in the winter period of the previous year. Feed supplies were quite adequate with the exception of some sections of the Maritimes and a few districts in Manitoba where a light crop of coarse grains had been harvested in 1939. Although the hay crop was of good quality, a shortage of clover was indicated in some sections and it did not feed out as well as farmers had expected.

Milch Cow Numbers -- There was very little change reported in the milch cow population during the winter months and the percentage of cows milking averaged about the same as that reported in the winter of 1938-39. The percentages of milking cows fell slightly, however, as the season advanced. Reports of Dairy Correspondents offered no indication of any increase in freshings during the spring months.

Milk Production and Distribution -- A slight increase was recorded in milk production during the December-February period as compared with the winter period of the preceding year. Based on cows actually milking, the daily production per cow rose from 16.8 pounds in the 1938-39 period to 18 pounds in the winter period of 1939-40. More milk was sold off farms, less was used for the production of dairy butter on farms, and smaller quantities were consumed in farm homes. These additional quantities together with the diversion from creameries already mentioned, directed greater quantities of milk into the cheese factory channel, and contributed to a total increase of 24 per cent in the production of cheddar cheese. The creamery butter made during the winter months of 1939-40 maintained a lead of 6.7 per cent over the winter output of 1933-39. While the difficulties in visualizing the future position are apparent under the contingencies of a war-time economy, the trend in milk production would appear to be moving in an upward direction, and if weather and pasture conditions are favourable, the farm milk supply would be expected to show some increase during the coming season.

THE DAIRY SITUATION

The Dairy Industry reaped the benefits of exceptionally favourable weather and fairly abundant feed supplies during the winter months. Dairy stock sold at relatively high prices; sales were fewer in number, however, indicating a disposition on the part of farmers to maintain their herds. The livestock survey taken on December 1 showed a total cow population of 3,933,300 and a heifer population of 807,700. The former represented a decline of approximately three quarters of one per cent from the same date of the preceding year, and the latter an increase of approximately one and three-quarter per cent. The fact that butter and cheese prices continued to move in an upward direction also aided the Dairy Industry. Based on the Montreal quotations, cheese prices during the December-February period of 1939-40 increased 30 per cent over the autumn period of 1939, and 52 per cent over the winter of 1938-39. Butter prices averaged a little higher than those of the earlier period, and were approximately 24 per cent above those of the winter period a year ago.

One of the important economic factors that must be considered was the increase in the employment of labour compared with the preceding year. Statistics show that the all industries employment index rose approximately 7½ per cent in the winter period of 1939-40 as compared with the 1938-39 period. This advance in the employment of labour was reflected in the employment of factory labour which recorded an increase of 11 to 14 per cent, while in the logging industry the labour employment index increased 58 to 59 per cent during the three month period of 1939-40 as compared with the 1938-39 period. This turn of events, coupled with larger payrolls, contributed to some extent to the increase in domestic disappearance of dairy products, and almost made up for the reduction of 2.3 million pounds in exports as compared with the preceding winter. Cheese exports were well maintained, however, and the domestic market offered a better outlet in the winter period of 1939-40 than in the same period of 1938-39. The increased demand for dairy products tended to keep milk production somewhat above the level of the preceding winter, and if this situation continues, the tendency will be in the direction of increased production during the early summer.

FEED COSTS continued at a higher level than those of a year ago on all markets. The price of oats registered an average gain of 35.6 per cent on the Winnipeg market as compared with the prices recorded in the previous winter season; barley advanced 41.3 per cent and bran 36.6 per cent. Compared with the five year average, however, the opposite situation prevailed. Oats fell 4.6 per cent, barley declined 5.4 per cent and bran was just slightly less than the average for the five preceding years. Feed prices at Montreal showed a less significant advance over the same period of the preceding year than those at Winnipeg, but in comparison with the five year average the reduction in the price of oats and barley was not as great as that indicated on the Western market. Bran, on the other hand, registered a greater decline than at Winnipeg.

Concentrated feedstuffs in the winter months of 1939-40 sold at substantially higher prices than in the winter period of 1938-39. It is significant, however, that the advance in the prices of these materials caused a sharp reduction in the demand; consequently, the higher prices did not materially affect dairy production. Those most seriously affected were the whole milk producers adjacent to large cities who normally purchase a considerable proportion of their feed supplies. It seems obvious that the advance in butter-fat did not compensate

TABLE I - FEED PRICES AT MONTREAL AND WINNIPEG AT THE END OF DECEMBER, JANUARY, AND FEBRUARY, 1939-40, WITH COMPARATIVE FIGURES FOR THE SAME DATE OF 1938-39, AND THE AVERAGES FOR THE FIVE YEARS 1934-35 TO 1938-39.

	December 31		January 31		February 28		December-February 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								
1934-35 to 1938-39	27.00	21.23	27.41	21.67	27.73	22.39	28.04	21.79
1939-40	27.43	19.84	27.35	21.61	28.07	20.88	27.78	20.78
%	+ 1.6	- 6.5	+ 1.6	- .28	+ 1.2	- 6.75	- .9	- 4.64
1938-39	21.47	15.00	21.76	15.66	21.61	15.29	21.61	15.32
1939-40	27.43	19.84	27.35	21.61	28.07	20.88	27.78	20.78
%	+27.7	+32.3	+28.0	+38.4	+29.9	+36.6	+28.6	+35.6
Barley No. 3 C.W.								
1934-35 to 1938-39	26.56	23.03	26.81	21.74	26.85	22.15	26.74	22.31
1939-40	26.22	20.54	25.96	20.69	27.05	22.05	26.41	21.09
%	- 1.29	-10.82	- 3.5	- 4.83	+ .74	- .46	- 1.2	- 5.4
1938-39	20.63	14.84	20.31	15.05	20.07	14.90	20.34	14.93
1939-40	26.22	20.54	25.96	20.69	27.05	22.05	26.41	21.09
%	+29.1	+38.4	+27.8	+37.5	+34.8	+48.0	+29.8	+41.3
Bran								
1934-35 to 1938-39	25.95	23.80	26.65	24.00	26.75	23.60	26.45	23.80
1939-40	26.25	23.00	26.25	24.00	26.25	24.00	26.25	23.67
%	+ 1.15	- 3.37	- 1.5	-	- 1.87	+ 1.69	- .76	- .55
1938-39	20.25	16.00	21.25	18.00	22.25	18.00	21.25	17.33
1939-40	26.25	23.00	26.25	24.00	26.25	24.00	26.25	23.67
%	+29.6	+43.8	+23.5	+33.3	+18.0	+33.3	+23.5	+36.6
All Feeds								
1934-35 to 1938-39	26.48	22.69	26.95	22.47	27.11	22.71	26.85	22.63
1939-40	26.63	21.13	26.69	22.10	27.12	22.31	26.31	21.85
%	+ .56	- 6.8	- .97	- 1.65	+ .03	- 1.7	- .15	- 2.45
1938-39	20.78	15.28	21.11	16.24	21.31	16.06	21.07	15.86
1939-40	26.63	21.13	26.69	22.10	27.12	22.31	26.31	21.85
%	+28.2	+38.3	+26.4	+36.1	+27.3	+38.9	+27.2	+37.8

farmers for the extra feed costs when these costs are based on market values, feeds having increased 27 per cent compared with the quotations for the same dates in the previous year at Montreal as against a rise of 24 per cent in butter prices on the same market. This does not apply when cheese is used as a basis of comparison. Montreal cheese prices showed an average advance of 52 per cent in the winter of 1939-40 over the corresponding period of 1938-39. What must be considered, of course, is that only a small proportion of the cheese factories are in operation during the winter, making it necessary for farmers to patronize creameries regardless of prices paid. This being the case, the advantages offered by the cheese market can only be given a limited application. Another fact which one can easily overlook in evaluating this seeming lack of parity between the value of feeds and the value of dairy products is that only limited quantities of mill feeds and concentrates are purchased where home grown feeds are available; and this was particularly noticeable during the past winter. Then, too, the cost of growing feed rather than the market value of these feeds offers the only proper comparison; the income from the sale of feeds such as oats, barley and corn, even if they could be sold at prevailing prices, would be considerably smaller than those received through the use of these feeds in the production of milk and other secondary products. Any apparent losses sustained, therefore, through a lack of parity between cost and income are still a subject of speculation, and will depend more on future conditions than those that now exist.

PRICE INDEXES shown in tables X and XI offer fair comparison between the price changes as applied to dairy products and other farm commodities. It will be noticed that fresh milk has changed very little as compared with the previous winter period, but that the wholesale cheese index advanced 41.5 per cent and butter increased 22.1 per cent. These indexes, all of which take 1926 as a base year, would seem to give dairy products an advantage over feed costs, but are less than those recorded for wheat, which showed an average advance of 43 per cent. This product, along with coarse grains which showed an advance of 37.9 per cent, offers the only competition at the present time, and if this price relationship continues, dairying may be expected to feel the unfavourable effects in the grain growing sections of the Dominion.

These advantages to the producer, however, represent a disadvantage to the consumers; for on the basis of retail indexes (See table XI), creamery butter rose 21.4 per cent in the winter period of 1939-40 over the same period of 1938-39, while pork showed practically no advance, beef showed an average increase of about 10 per cent, while eggs and lard recorded a substantial reduction. Cheese, on the other hand, with an advance of only 6.5 per cent, would offer very definite advantages to the consumer in comparison with meat products. Then again, when a comparison is made in strict relation to the base year, it will be noticed that meats were more on a par with the 1926 prices than either creamery butter or cheese, and may be a factor of some consequence in regulating the consumer purchases. Next to beef sirloin, however, the milk index for the 1939-40 period was closer to the 1926 base year than any of the products listed on the table.

TABLE II - THE CREAMERY BUTTER POSITION IN CANADA, DECEMBER TO FEBRUARY, 1935-36 to 1939-40.

		December	January	February	December to February
Stocks in storage at first of the month -	1935-36	40,615,898	32,081,722	24,964,113	-
	1936-37	44,388,158	35,707,463	28,374,509	-
	1937-38	38,045,409	27,769,429	18,408,031	-
	1938-39	53,047,929	43,770,244	34,269,447	-
	1939-40	49,429,463	40,903,868	32,681,080	-
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	-
	1938-39	392,000	845,600	660,800	-
	1939-40	448,000	630,000	464,800	-
Production during month -	1935-36	10,398,899	9,420,233	8,042,092	27,861,224
	1936-37	10,789,399	8,950,078	7,628,046	27,367,523
	1937-38	9,847,206	8,367,468	7,612,102	25,826,776
	1938-39	11,247,322	9,810,077	8,479,347	29,536,746
	1939-40	11,901,177	10,444,259	9,158,045	31,503,481
Imports -	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
	1938-39	722	472	595	1,789
	1939-40	167	80	30	277
Exports -	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
	1938-39	185,600	1,362,200	2,420,000	3,967,800
	1939-40	104,600	93,700	77,200	275,500
Prices -	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
	1938-39	21 1/2	22 7/8	22 3/8	22 1/4
	1939-40	28	27 5/8	26 3/4	27 1/2
x Total Disappearance of Canadian made Butter (Domestic and Export)	1935-36	19,129,075	16,325,042	16,465,131	51,919,248
	1936-37	19,010,894	16,259,032	17,122,562	52,392,488
	1937-38	19,787,186	17,784,866	16,211,761	53,783,813
	1938-39	20,071,407	19,495,674	20,056,624	59,623,705
	1939-40	20,244,772	18,832,247	19,166,809	58,243,828
x Domestic Disappearance of Canadian-made Butter	1935-36	19,074,275	16,299,342	16,434,431	51,808,048
	1936-37	18,944,494	16,228,532	17,095,462	52,268,488
	1937-38	19,704,986	17,700,866	16,184,661	53,590,513
	1938-39	19,885,807	18,133,474	17,636,624	55,655,905
	1939-40	20,140,172	18,738,547	19,089,609	57,968,328

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

CREAMERY BUTTER POSITION.

The winter period, December to February 1939-40, witnessed a definite upturn in the domestic disappearance of creamery butter as compared with the figures shown for the corresponding period of the preceding year. The percentage variation was quite moderate in December, but widened as the season advanced. As indicated in the preceding section of this report, the increase recorded in the employment of labour produced an improvement in the economic position which was shared by the dairy industry. This improvement was quite definitely indicated in the domestic disappearance of butter.

In the table shown on the opposite page it will be seen that the domestic disappearance increased from 55.7 million pounds in the 1938-39 period to 58 million pounds in the winter of 1939-40. The disappearance in December was about a quarter of a million pounds above the figures shown for the same period of the previous year; an increase of approximately half a million pounds was apparent in January and almost one and one-half million pounds in February. In relation to the total supply it is of interest to know that the domestic disappearance of butter increased in the month of December from 30.7 per cent in 1938 to 32.6 in 1939. In January the percentage advanced from 33.3 to 36.1, and in February from 40.6 to 45.1 per cent. For the entire three-month period of 1939-40, 71.2 per cent of the total butter supply was absorbed into consumptive channels as compared with 61.7 in the winter period 1938-39. In evaluating the significance of these changes in disappearance it is well to remember that changes have taken place in the population which must be taken into account, and when this is done it reveals the following per capita disappearance (the figures for the same month of the preceding year to be shown in brackets).

December 1.78 pounds (December 1.77 pounds)
January 1.66 pounds (January 1.62 pounds)
February 1.69 pounds (February 1.57 pounds)

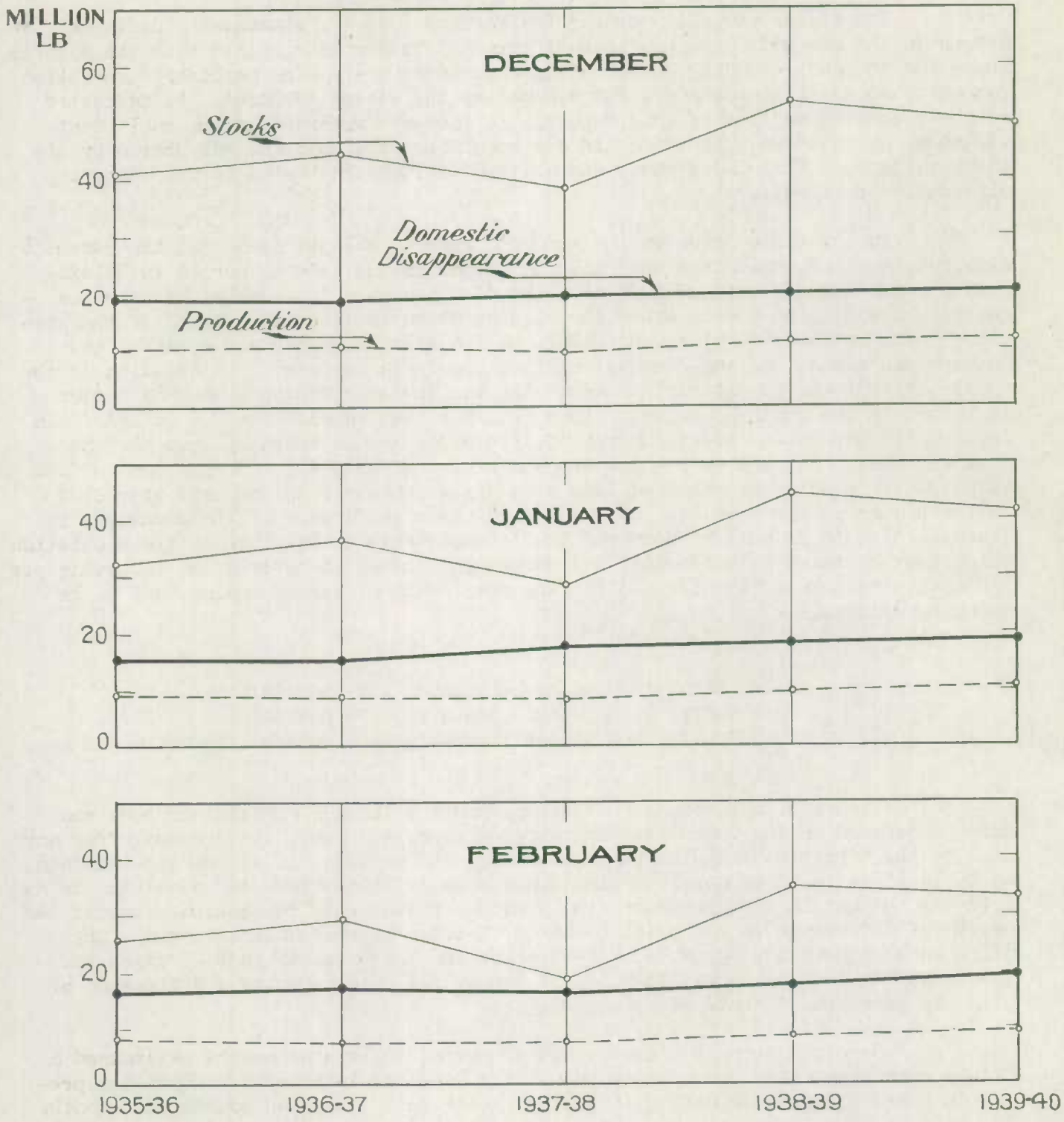
While the improvement in the employment situation explains in some measure the change in the domestic disappearance from last year, it does not offer any clue to the variation and disappearance within the period. If we examine the data on Table II, it will be observed that changes in price may have had something to do with the changes in disappearance from previous months. As the season advanced the margin of difference in the price of butter between years became narrower. The difference between the December 1938-39 price and the December 1939-40 price was $7\frac{1}{2}$ cents. In January it was less than 5 cents, while in February a difference of slightly more than 4 cents was recorded.

The production of creamery butter during the winter months maintained a fairly consistent lead over the output of the December-February period of the preceding year, the gain amounting to a little over half a million pounds each month. It would be a fallacy, of course, to attribute the entire increase in production to increased prices, although this was probably an important factor; abundant food

Chart 2

DOMESTIC DISAPPEARANCE OF CREAMERY BUTTER IN CANADA COMPARED WITH PRODUCTION AND STOCKS

DEC.-FEB. 1935-36 TO 1939-40



supplies and a comparatively mild winter increased the milk production per cow, so that while approximately the same number of cows were being milked, the total production of milk was slightly higher than was shown in the previous winter period. It should also be borne in mind that while the price relationship favoured the cheese industry the diversion of milk from creameries to cheese factories was restricted on account of so many cheese factories having closed before the price advance occurred; hence the creameries did not lose as much patronage as they would have if alternative opportunities had been offered.

It may be seen from the Chart 2 that the stock movement showed little or no relationship to the domestic disappearance. At December 1, 1939, stocks were down 3½ million pounds from the same date of the preceding year; at January 1, 1940, a decline of 3 million pounds was recorded; at February 1, the difference was reduced to approximately 1 3/4 million pounds, while at March 1 the cumulative increase in production advanced stock holdings in store and transit to within 200 thousand pounds of those shown at the same date of the preceding year. The March 1 stock figures which do not appear on Table II are shown below, together with the percentage changes in the domestic disappearance of production and stocks compared with last month and last year.

Year	Stocks at March 1	Transit Stocks at March 1	Total Stocks
1936	16,429,074	632,800	17,061,874
1937	18,775,193	800,800	19,575,993
1938	10,222,772	117,600	10,340,372
1939	22,888,170	464,800	23,352,970
1940	22,521,116	616,000	23,137,116

	Total Domestic Disappearance		Production of Creamery Butter		Total Stocks (Storage & Transit)	
	Last Month	Last Year	Last Month	Last Year	Last Month	Last Year
	%	%	%	%	%	%
December	-8.4	+1.3	-22.7	+5.8	-12.0	-6.7
January	-7.0	+3.4	-12.2	+6.5	-16.7	-6.9
February	+1.9	+3.2	-12.3	+8.0	-20.2	-5.1
Dec. to Feb.	-	+4.2	-	+6.7	-	-

The quantity of butter on hand at the end of the storage season, May 1, is commonly taken to represent the surplus, for the creamery output in each of the summer months is more than sufficient to meet domestic requirements. The calculation made in the previous issue of the "Dairy Situation" revealed a surplus of approximately 12 million pounds of butter. This apparent surplus, based on the production and disappearance of the previous year, advanced to 12.6 million pounds on March 1. Since that date, however, a sharp reverse in the surplus position was recorded which may be attributed to heavy withdrawals into consumptive or unrecorded channels. For one thing a very considerable amount went into ship stores. This is a situation which can be expected to arise under wartime conditions when the sources of supply are more uncertain and prices are out of line with normal market trends. The heavy disappearance in September last can be credited to the feverish condition of the butter market during the first few weeks of the war when future conditions were uncertain.

TABLE III-A-PRODUCTION OF CREAMERY BUTTER IN CANADA, BY PROVINCES, DECEMBER TO FEBRUARY, 1938-39 AND 1939-40.
(In Thousands of Pounds)

Province	December		January		February		December to February		
	1938	1939	1939	1940	1939	1940	1938-1939	1939-1940	Percentage Increase (+) Decrease (-)
Prince Edward Island	110	66	94	65	70	59	274	190	(-) 30.7
Nova Scotia	358	347	346	377	310	348	1,014	1,072	(+) 5.7
New Brunswick	105	92	90	97	85	84	280	273	(-) 2.5
Quebec	2,524	2,606	1,279	1,267	625	596	4,428	4,469	(+) 0.9
Ontario	4,818	5,049	4,533	4,736	4,131	4,280	13,482	14,065	(+) 4.3
Manitoba	949	1,080	1,055	1,143	1,022	1,160	3,026	3,383	(+) 11.8
Saskatchewan	660	1,020	683	998	636	994	1,979	3,012	(+) 52.2
Alberta	1,343	1,335	1,246	1,330	1,091	1,286	3,680	3,951	(+) 7.4
British Columbia	380	306	484	431	509	351	1,373	1,088	(-) 20.8
CANADA	11,247	11,901	9,810	10,444	8,479	9,158	29,536	31,503	(+) 6.7

TABLE III-B-PRODUCTION OF FACTORY CHEESE IN CANADA, BY PROVINCES, DECEMBER TO FEBRUARY, 1938-39 AND 1939-40.
(In Thousands of Pounds)

Province	December		January		February		December to February		
	1938	1939	1939	1940	1939	1940	1938-1939	1939-1940	Percentage Increase (+) Decrease (-)
Quebec	294	317	181	227	94	156	569	700	(+) 23.0
Ontario	1,385	1,897	864	1,124	693	1,000	2,942	4,021	(+) 36.7
Manitoba	159	180	162	209	170	282	491	671	(+) 36.7
Saskatchewan	1	1	-	-	1	1	2	2	—
Alberta	180	102	172	109	148	127	500	338	(-) 32.4
British Columbia	59	32	66	39	83	46	208	117	(-) 43.8
CANADA	2,078	2,529	1,445	1,708	1,189	1,612	4,712	5,849	(+) 24.1

The movement of butter overseas has now been almost entirely discontinued and any exports from Canada during the December-February period were principally to the British possessions, such as Jamaica, Newfoundland and Trinidad. While it was thought at one time that there might be a market for Canadian butter in Great Britain, war-time needs have not measured up to expectations. The shifting character of the population during war-time is something that has to be accounted for, making it doubly difficult to forecast food requirements. Moreover, the early introduction of the rationing system in Great Britain had an important bearing on consumption; and likewise, the desire to limit imports with the object of keeping a favourable trade balance will tend to curtail the importation of goods to the most essential products. In the last analysis it may lead to a greater use of substitutes such as margarine instead of butter, and to the importation of larger quantities of cheese.

Milk production promises to be relatively high in the present summer, and even with a normal increase in cheese production a considerable volume of butter will likely be produced. While the contingencies of war make it difficult to make any prophecies on market conditions, the facts of the situation as they now exist would seem to suggest a considerable surplus of butter during the summer months.

Butter Prices - First Grade creamery solids on the Canadian Commodity Exchange at Montreal were quoted at 28½ cents at the close of business December 1, 1939, and following a slight advance on December 2 fell back to 28¼ cents where it stayed until the end of the following week when 28 3/8 cents was quoted. Starting with 28¼ cents on the 11th of the month the market declined to 27 7/8 cents and reached the even figure of 28 cents on December 14. With the exception of a fractional recession of the 21st, 27 3/4 cents to 27 7/8 cents became ruling quotations until the end of December. The average for the month was 28 cents as compared with 21½ cents in the same month of the preceding year.

On the first market day of January butter was quoted at 28 cents but fell 1/8 of a cent for the two succeeding days and to 27 5/8 cents on January 9. The market only varied about ¼ of a cent until after the middle of the month, 27½ cents being quoted on both the 16th and 17th. From that date until January 25 the market became stabilized at 27 5/8 cents, after which it fell to 27½ cents and to 27¼ cents at the close of the month. The average price of butter for the month of January was 27 5/8 cents, whereas in the same month of the preceding year it was 22 7/8 cents.

A weaker tendency was revealed in the market quotations of early February. On February 2, prices fell to 27 1/8 cents. On February 6, they advanced to 27 3/8 cents; otherwise 27¼ cents was the ruling price until the end of the second week. On February 13 the market weakened again to 26 7/8 cents and to 26½ cents on February 15. A subsequent decline in the demand for butter reduced the price to 26¼ cents on February 21, then to 26 cents and finally to 25 7/8 cents on February 23. For the remainder of the month prices varied from 26¼ to 26½ cents. The average for February, 1940, was 26 3/4 cents as against 22 3/8 cents for February, 1939. The average for the three months, December to February, was 27½ cents, an increase of 5¼ cents over the December-February average in 1938-39.

TABLE IV THE CHEESE POSITION IN CANADA, DECEMBER TO FEBRUARY, 1938-39 and 1939-40.

		December	January	February	December to February
Stocks in storage at first of the month - (Adjusted for new firms)	1938-39	32,294,350	31,453,064	29,841,263	-
	1939-40	27,195,145	25,725,233	20,602,349	-
Production during month -	1938-39	2,077,613	1,445,049	1,188,477	4,711,139
	1939-40	2,528,915	1,708,145	1,611,627	5,848,687
Imports -	1938-39	148,043	60,210	95,155	303,408
	1939-40	133,918	220,416	-	-
Exports -	1938-39	7,574,500	1,329,300	894,500	9,798,300
	1939040	3,018,800	1,966,400	3,951,900	8,937,100
Prices -	1938-39	11 3/8	12 1/8	12 1/8	11 7/8
	1939-40	16 7/8	18 1/4	19 1/8	18 1/8
Total Disappearance of Canadian-made Cheese -	1938-39	2,918,899	3,056,850	3,731,145	9,706,894
	1939-40	3,998,822	6,831,034	7,340,318	18,170,174

TABLE IV - 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
	%	%	%	%	%	%
December	- 77.9	+ 37.0	- 50.8	+ 21.7	- 32.4	- 15.8
January	+ 70.8	+123.5	- 32.5	+ 13.2	- 5.4	- 18.2
February	+ 7.5	+ 96.7	- 5.7	+ 35.6	- 19.9	- 31.0
December to February	-	+ 87.2	-	+ 24.1	-	-

The increase in cheese prices, which began in November and continued throughout the winter period, caused a number of seasonal operators to continue in business, and for other factories that had already closed up to re-open. In the month of February there were 174 cheese factories in operation in Canada as compared with 137 in the same month last year. The winter production, of course, is always comparatively small but an advance of approximately 1 million pounds, or 24 per cent, was recorded in the winter period of 1939-40 as compared with the same period of the preceding year.

Since cheese is largely an export commodity, the position of the industry in this country must be determined largely by the volume of the export movement. Britain also draws considerable quantities of cheese from New Zealand and Australia during our off-production season, thus making up for the smaller shipments from Canada. The fact that it costs more to ship cheese from Canada to the Old Country during the period of closed navigation on the St. Lawrence is also a condition that normally tends to restrict exports during that period.

During December, 1939, the exports of cheese fell 4½ million pounds as compared with those shown for the same month of the preceding year, but a slight gain was recorded in January, 1940, over those of January, 1939. In February exports jumped to nearly 4 million pounds as compared with approximately 3/4 of a million pounds in February, 1939. This unusual increase produced a total of nearly 9 million pounds for the three months as against 9 3/4 million pounds in the December-February period of 1938-39.

In addition to the favourable export movement, the sales of cheese in Canada were greater than those of the preceding winter season. In the three-month period of 1939-40 the total disappearance was practically twice the amount recorded in the 1938-39 period. The data discussed herewith is shown in the table on the opposite page.

Cheese Prices stood at 16 3/8 cents at the beginning of December but a stronger market developed about a week later, advancing prices to 16½ cents. On December 13 cheese was quoted at 16 5/8 cents and two days later the market advanced to 17 1/8 cents. Prices stood at this point until December 22 when another quarter of a cent advance was recorded. The market remained at this point until December 29, when a subsequent decline reduced the quotation to 17¼ cents. The average for December was 16 7/8 cents as compared with 11 3/8 cents in the same month of the preceding year.

The quotation of 17¼ cents at the beginning of the new year was increased to 17 7/8 cents on January 3. This was followed by a decline of 5/8 of a cent, but a subsequent increase created a price level of 17½ cents. This became the ruling price until January 12 when a further increase of 3/8 of a cent was registered. On January 19 the market strengthened to 18 5/8 cents and on the 26th prices moved up to 19½ cents, where they remained until the end of the month. The average for January, 1940, was 18¼ cents, and the average for January, 1939, was 12 1/8 cents.

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

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	1938	45,800	44,500	(-) 2.8	11,700	9,600	(-) 17.9
	1939	46,400	43,400	(-) 6.9	12,200	9,300	(-) 31.1
		(+)1.3	(-)2.5	-	(+)4.3	(-)3.2	-
Nova Scotia	1938	115,500	122,000	(+) 5.6	30,300	31,600	(+) 4.3
	1939	118,300	122,000	(+) 3.1	30,200	28,300	(-) 6.7
		(+)2.4	-	-	(-)0.7	(-)11.6	-
New Brunswick	1938	112,600	123,300	(+) 9.5	28,900	25,000	(-) 13.5
	1939	114,300	124,400	(+) 8.8	29,600	23,600	(-) 25.4
		(+)1.5	(+).89	--	(+)2.4	(-)5.9	-
Quebec	1938	982,000	1,026,700	(+) 4.6	242,600	200,300	(-) 17.4
	1939	1,001,700	1,045,400	(+) 4.3	253,700	203,200	(-) 24.8
		(+)2.0	(+)1.8	-	(+)4.6	(+)1.4	-
Ontario	1938	1,174,400	1,218,000	(+) 3.7	247,000	238,000	(-) 3.6
	1939	1,182,900	1,187,500	(+) .38	248,200	248,200	-
		(+)0.7	(-)2.5	-	(+)0.5	(+)4.3	-
Manitoba	1938	383,700	367,100	(-) 4.3	89,700	80,700	(-) 10.0
	1939	365,800	356,200	(-) 2.7	86,600	75,600	(-) 14.5
		(-)4.7	(-)3.06	-	(-)3.5	(-)6.7	-
Saskatchewan	1938	496,600	520,700	(+) 4.9	116,900	96,600	(-) 17.4
	1939	490,400	527,000	(+) 7.5	132,700	104,100	(-) 27.5
		(-)1.2	(+)1.2	-	(+)13.5	(+)7.8	-
Alberta	1938	440,900	408,300	(-) 7.4	104,300	82,000	(-) 21.4
	1939	429,200	397,400	(-) 8.	103,800	84,500	(-) 22.8
		(-)2.7	(-)2.7	-	(-)0.5	(+) 3.	-
British Columbia	1938	122,300	130,700	(+) 6.9	25,700	29,700	(+) 15.6
	1939	124,500	130,000	(+) 4.4	29,100	30,900	(+) 6.2
		(+)1.8	(-) .5	-	(+)13.2	(+) 4.	-
CANADA	1938	3,873,800	3,961,300	(+) 2.3	897,100	793,500	(-) 11.6
	1939	3,873,500	3,933,300	(+) 1.5	926,100	807,700	(-) 14.6
		-	(-) .7	-	(+)3.2	(+)1.8	-

The market showed some signs of increasing strength at the beginning of February when cheese prices advanced from 19½ to 19 5/8 cents. For a two-day period commencing February 9, cheese was quoted at 19 cents. Subsequently prices advanced to 19 1/8 cents and then to 19¼ cents. On February 23 prices declined to 18½ cents and the market remained at this point until the end of the month. For February, 1940, the average price was 19 1/8 cents as against 12 1/8 cents for the same month of the preceding year. Incidentally the February price was the highest for that month since 1928. For the three months December to February, 1939-40, the average was 18 1/8 cents, whereas 11 7/8 cents was the average quotation for the December-February period of 1938-39.

These price advances, noted above, gave the patrons of cheese factories a substantial lead over the creamery patrons. The differential of 8 7/8 cents for December advanced to 12 3/4 cents in January and 16 1/8 cents in February, 1940. Comparative figures on butter and cheese prices based on the Montreal quotations are given in the table below.

Monthly Average Prices of Butter and Cheese at Montreal

(Converted to cents per pound butter-fat)

		Butter	Cheese	Difference in favour of cheese
		¢	¢	¢
December	1938	26 1/4	29	2 3/4
	1939	34 1/8	43	8 7/8
January	1939	27 7/8	30 7/8	3
	1940	33 3/4	46 1/2	12 3/4
February	1939	27 1/4	30 7/8	3 5/8
	1940	32 5/8	48 3/4	16 1/8
December to February	1938-39	27 1/8	30 1/4	3 1/8
	1939-40	33 1/2	46 1/8	12 5/8

TABLE VII - PRODUCTION OF CONCENTRATED MILK PRODUCTS IN CANADA, DECEMBER TO FEBRUARY, 1938-39 AND 1939-40.

(In Thousands of Pounds)

Commodity	December		January		February		December to February		
	1938	1939	1939	1940	1939	1940	1938-1939	1939-1940	Percentage Increase (+) Decrease (-)
Whole Milk Products									
Condensed	519	469	592	367	580	508	1,691	1,344	(-) 20.5
Evaporated	5,294	8,247	4,129	6,775	3,144	6,484	12,567	21,506	(+) 71.1
Milk Powder	433	434	265	462	371	325	1,069	1,221	(+) 14.2
Cream Powder	3	-	-	-	-	4	3	4	(+) 33.3
Total	6,249	9,150	4,986	7,604	4,095	7,321	15,330	24,075	(+) 57.0
Milk By-Products									
Skim Milk:									
Condensed	359	262	159	272	138	266	656	800	(+) 21.9
Evaporated	33	52	29	33	33	48	95	133	(+) 40.0
Powder	1,421	1,343	1,416	1,499	1,225	1,315	4,062	4,157	(+) 2.3
Buttermilk:									
Powder	276	251	298	235	235	224	809	710	(-) 12.2
Condensed	43	196	195	212	67	79	305	487	(+) 59.7
Casein	58	41	90	54	109	14	257	109	(-) 57.6
Sugar of Milk	12	12	9	11	8	3	29	26	(-) 10.3
Total	2,202	2,157	2,196	2,316	1,815	1,949	6,213	6,422	(+) 3.4
Whole Milk and Milk By-Products, Combined									
Total	8,451	11,307	7,182	9,920	5,910	9,270	21,543	30,497	(+) 41.6

Milk and Milk Products.

A marked increase in the export demand was probably the principal reason for the advance in the production of concentrated whole milk products from 15 1/3 million pounds in the December-February period 1938-39 to 24 million pounds in the winter period 1939-40, an increase of 57 per cent. Evaporated milk, which is the most important product in the group, increased 71 per cent over the output of the previous winter. The production of milk by-products increased 200 thousand pounds above that of the 1938-39 period, representing an advance of 3.4 per cent. Condensed and evaporated skim milk, as well as skim milk powder and condensed buttermilk powder, contributed to the increase shown. Skim milk powder, the important product in this group, advanced 2.3 per cent while condensed skim milk advanced nearly 22 per cent, evaporated skim milk 40 per cent, and condensed buttermilk nearly 60 per cent. Whole milk products and milk by-products combined increased 41.6 per cent during the winter period of 1939-40 above those of the same period of 1938-39.

Export shipments of evaporated milk advanced from less than 2 million pounds in the 1938-39 period to over 4 million pounds in the period covered by this report; shipments of condensed milk advanced from approximately 300 thousand pounds in the winter period 1938-39 to 800 thousand pounds in the winter 1939-40, while exports of milk powder fell somewhat below those reported in the preceding year.

Stocks of milk products recorded substantial declines from those of the previous year. It will be seen from Table XIV that a wide margin of difference was shown in December, revealing a reduction of 46 per cent in the stocks of whole milk products and 51 per cent in the stocks of milk by-products as compared with the same date of the preceding year. At March 1, 1940, the whole milk stock position was almost on a par with that of March 1, 1939, while by-products showed a reduction of 63 per cent.

Review of the Production Situation.

The winter of 1939-40 was unusually mild with light snowfall. This was particularly the case on the Prairies where no snow at all was reported in some sections during December; roads remained open until well on in January and farmers had excellent opportunities for delivering their dairy products to the market. In eastern Canada there was very little snow until nearly the middle of December. The weather was cold in January, but with the exception of some sections of northern Ontario the snowfall was comparatively light. In the month of February temperatures rose slightly above normal in the eastern Provinces and there was an exceptional amount of sunshine. In western Canada temperatures were unusually high but, strangely enough, less sunshine was recorded than in the same month of the preceding year (see Tables XV and XVI). The precipitation was below normal in nearly all sections of Canada, and in the Prairie region it averaged little more than one half inch during any one of the three winter months.

TABLE VIII - MONTHLY AVERAGE PERCENTAGE OF MILKING COWS TO TOTAL COWS IN CANADA, BY PROVINCES, (BASED ON REPORTS OF DAIRY CORRESPONDENTS), DECEMBER TO FEBRUARY, 1938-39 AND 1939-40.

Province and Year		December	January	February	Average December to February
Prince Edward Island	1938-39	70.6	63.9	62.4	65.6
	1939-40	63.8	62.0	58.5	61.4
Nova Scotia	1938-39	82.7	74.2	72.9	76.6
	1939-40	83.3	78.8	68.9	77.0
New Brunswick	1938-39	67.7	62.0	60.2	63.3
	1939-40	72.5	67.8	60.4	66.9
Quebec	1938-39	67.8	44.2	37.1	49.7
	1939-40	66.7	49.6	35.9	50.7
Ontario	1938-39	72.1	66.6	66.5	68.4
	1939-40	72.7	67.2	62.3	67.4
Manitoba	1938-39	63.5	59.6	61.1	61.4
	1939-40	65.3	60.1	63.4	62.9
Saskatchewan	1938-39	58.3	59.0	54.1	57.1
	1939-40	64.2	56.9	55.1	58.7
Alberta	1938-39	61.0	59.5	57.8	59.4
	1939-40	57.6	54.0	55.2	55.6
British Columbia	1938-39	77.2	76.1	82.7	78.7
	1939-40	77.4	78.0	79.8	78.4
CANADA	1938-39	69.0	62.8	61.6	64.5
	1939-40	69.3	63.8	59.9	64.3

Feed supplies were generally satisfactory in the winter period of 1939-40, and were particularly well distributed. There was plenty of straw and hay in practically all sections of the Dominion, although some shortage was felt in Prince Edward Island and parts of Nova Scotia. The quality of the hay crop in the Maritimes was particularly good in contrast to the poor hay crop of 1938. Farmers, however, complained that the hay did not feed out very well and a shortage of clover made it less valuable for the production of milk. Grain supplies were adequate except in the Maritime Provinces, and in sections of Manitoba where the coarse grains' harvest in 1939 was below normal in some localities. Manitoba farmers were more fortunate, of course, in being able to procure other feeds to take the place of those mentioned. Exceptionally mild weather, which prevailed practically all through the winter, aided farmers in the Prairie Provinces. Hence, the usual "feed problem" was conspicuously absent. Dairy stock ran at large during the day, and it was easy for farmers to haul roughage from the open stacks. Producers in Ontario and in the dairy sections of eastern Quebec were well stocked with corn and silage. In other areas, notably the Maritime Provinces where farmers are more dependent upon the root supply, a shortage of palatable feeds was more definitely indicated. In the fruit-growing areas a very suitable substitute was found in the use of surplus apples. When roots began to run short during the month of February, apple pulp provided the deficiency and produced results in the production of milk. Prince Edward Island was the only province which seemed to experience an all-round shortage of feed. Hay was scarce, grains had to be rationed very carefully, and there was also a shortage of roots and other succulent feeds.

The high price of mill feeds and concentrates limited the use of these feeds to those areas where milk was supplied to the fluid trade; and if we accept those parts of the Maritimes where farmers normally depend on purchased feeds to take the place of grain rations, the development of this situation could not be regarded as a serious detriment to dairy production.

Dairy stock went through the winter in exceptionally good condition. Reports from Dairy Correspondents showed that there was little or no change in the holdings of dairy cows on farms as compared with the previous year, and this was supported by the live stock survey which showed a decline of only 3/4 of 1 per cent at December 1, 1939, as compared with the same date in 1938 (See Table VI). The percentage of cows milking also revealed little change from the 1938-39 period, although some provinces showed slight increases. The tendency seemed to be in the direction of reduced percentages of milking cows as the season progressed. There would seem to be no evidence of any increase in freshenings during the spring months as compared with a year ago.

Slightly more milk was produced per farm in the winter period of 1939-40 than in the preceding winter. There was very little advance in the milk production per cow when all cows are included, but a substantial increase was recorded in the per cow production for those actually milking. The average for the three-month period was 18 pounds per cow per day in 1939-40 as compared with 16.8 pounds in 1938-39. The difference between the figures shown for all cows and those actually milking may be attributed to the tendency to retain a large number of dry cows in the herds for future use.

Dairy Correspondents reported that more milk was sold off farms, less was consumed in farm homes and less milk was fed to livestock in the period covered by this report than that recorded in the same period a year ago. According to Dairy

TABLE IX - MILK PRODUCTION PER COW IN POUNDS PER DAY, IN CANADA, BY PROVINCES, DECEMBER TO FEBRUARY, 1938-39 AND 1939-40.

Province and Year		Based on all cows in herds of Dairy Correspondents			Based on cows actually milking in herds of Dairy Correspondents		
		December	January	February	December	January	February
Prince Edward Island	1938-39	9.8	9.2	10.8	14.0	14.5	17.4
	1939-40	9.2	8.7	9.2	14.5	14.0	15.8
Nova Scotia	1938-39	14.4	12.9	12.0	17.4	17.4	16.5
	1939-40	15.3	12.9	13.2	18.5	16.4	18.8
New Brunswick	1938-39	8.8	10.2	10.5	13.1	16.5	15.8
	1939-40	11.4	10.1	10.1	15.6	14.9	18.5
Quebec	1938-39	9.3	6.5	6.3	13.7	14.7	16.9
	1939-40	9.7	7.4	6.2	14.5	14.8	17.4
Ontario	1938-39	13.9	14.2	14.1	19.4	21.3	21.2
	1939-40	13.9	13.7	14.6	19.0	20.4	25.5
Manitoba	1938-39	10.9	9.6	12.1	17.3	16.2	19.9
	1939-40	11.6	10.2	13.3	17.6	16.9	18.7
Saskatchewan	1938-39	9.2	8.6	9.7	15.8	14.5	18.0
	1939-40	11.1	10.2	11.4	17.2	17.9	20.7
Alberta	1938-39	10.8	11.1	12.5	17.8	18.6	18.8
	1939-40	10.3	11.2	12.2	18.3	20.6	22.2
British Columbia	1938-39	14.8	15.7	15.6	19.2	20.6	18.9
	1939-40	13.6	16.6	16.0	17.6	21.2	20.0
CANADA	1938-39	11.3	10.9	11.5	16.4	17.1	17.0
	1939-40	11.8	11.1	11.8	17.0	17.5	19.5

Correspondents reporting for their own farms, the sales of milk off farms advanced 15 per cent in the month of February. This was accounted for in a 6 per cent decline in the dairy butter make; there was also less milk used in farm homes and smaller quantities were fed to livestock, which would seem to account for the additional quantities diverted into the cheese factory channel, while at the same time maintaining a substantial lead in deliveries to creameries.

The instability of markets and the changes taking place in the sources of supply under wartime conditions make it difficult to forecast developments in the Dairy Industry. Prices will continue to restrict or expand production within certain limits, but it is always well to remember that any expansion in milk production must be planned in advance; and likewise, any marked decline in the milk output would be unlikely to develop unless the prices of dairy products fall considerably below those of other farm products. Heavy capital investments by both farmers and dairy manufacturers will also tend toward the stabilization of the dairy industry, regardless of temporary price changes. The encouragement given to the cheese industry by the advancing prices in the early part of the winter, although partially removed by the recent declines, will have an effect on milk production; and considering the condition of dairy herds and the production per cow as reported in the winter period, it would appear that milk production might be maintained a little above that of the preceding season.

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TABLE X - WHOLESALE PRICE INDEXES OF THE PRINCIPAL DAIRY PRODUCTS IN COMPARISON WITH OTHER AGRICULTURAL PRODUCTS IN CANADA, x DECEMBER TO FEBRUARY, 1938-39 AND 1939-40.

Base 1926 = 100.

		December	January	February	Average December to February
Fresh Milk	1938-39	87.8	87.9	88.0	87.9
	1939-40	87.9	87.9	88.6	88.1
	%	(+) 0.1	-	(+) 0.7	(+) 0.2
Butter	1938-39	56.3	58.2	57.7	57.4
	1939-40	71.2	70.3	68.8	70.1
	%	(+) 26.5	(+) 20.8	(+) 19.2	(+) 22.1
Cheese	1938-39	60.2	58.8	60.2	59.7
	1939-40	79.6	83.0	90.8	84.5
	%	(+) 32.2	(+) 41.2	(+) 50.8	(+) 41.5
Coarse Grains /	1938-39	54.7	56.5	55.5	55.6
	1939-40	73.4	78.3	78.3	76.7
	%	(+) 34.2	(+) 38.6	(+) 41.1	(+) 37.9
Wheat (All Grades)					
	1938-39	39.3	38.8	39.2	39.1
	1939-40	55.0	55.9	56.7	55.9
	%	(+) 39.9	(+) 44.1	(+) 44.6	(+) 43.0
Veal	1938-39	91.9	93.5	96.1	93.8
	1939-40	100.5	113.6	107.5	107.2
	%	(+) 9.4	(+) 21.5	(+) 11.9	(+) 14.3
Steers	1938-39	88.8	94.6	96.3	93.2
	1939-40	100.6	103.0	99.4	101.0
	%	(+) 13.3	(+) 8.9	(+) 3.2	(+) 8.4
Hogs	1938-39	68.5	70.2	71.5	70.1
	1939-40	68.4	69.4	69.0	68.9
	%	(-) 0.2	(-) 1.1	(-) 3.5	(-) 1.7
All Farm Products					
	1938-39	64.6	64.8	64.7	64.7
	1939-40	69.1	70.0	70.3	69.8
	%	(+) 7.0	(+) 8.0	(+) 8.7	(+) 7.9

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

TABLE XI - RETAIL PRICE INDEXES OF DAIRY AND MEAT PRODUCTS IN CANADA, x DECEMBER TO FEBRUARY, 1938-39 AND 1939-40.

Base 1926 = 100

		December	January	February	Average December to February
Creamery Butter					
	1938-39	59.7	59.1	60.6	59.8
	1939-40	73.2	72.7	72.0	72.6
	%	(+) 22.6	(+) 23.0	(+) 18.8	(+) 21.4
Cheese	1938-39	73.3	71.7	71.1	72.0
	1939-40	73.6	76.4	80.2	76.7
	%	(+) 0.4	(+) 6.6	(+) 12.8	(+) 6.5
Milk (Fresh)	1938-39	94.2	92.5	92.5	93.1
	1939-40	92.5	92.5	93.3	92.8
	%	(-) 1.8	-	(+) 0.9	(-) 0.3
Veal Roast	1938-39	80.7	83.9	87.5	84.0
	1939-40	87.5	89.6	92.2	89.8
	%	(+) 8.4	(+) 6.8	(+) 5.4	(+) 6.9
Beef Sirloin	1938-39	84.4	86.7	90.1	87.1
	1939-40	94.6	95.6	95.9	95.4
	%	(+) 12.1	(+) 10.3	(+) 6.4	(+) 9.5
Beef Chuck	1938-39	88.7	90.6	95.6	91.6
	1939-40	100.6	102.5	103.1	102.1
	%	(+) 13.4	(+) 13.1	(+) 7.8	(+) 11.5
Pork (Fresh)	1938-39	74.8	77.2	78.5	76.8
	1939-40	76.5	77.5	77.2	77.1
	%	(+) 2.3	(+) 0.4	(-) 1.7	(+) 0.4
Lard	1938-39	58.8	57.1	54.3	56.7
	1939-40	52.7	51.8	49.4	51.3
	%	(-) 10.4	(-) 9.3	(-) 9.0	(-) 9.5
Eggs	1938-39	94.0	82.3	63.2	79.8
	1939-40	88.5	72.4	62.0	74.3
	%	(-) 5.9	(-) 12.0	(-) 1.9	(-) 6.9

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

TABLE XII - DAIRY PRODUCTS EXPORTED FROM CANADA, DECEMBER TO FEBRUARY, 1938-39 AND 1939-40.

	Butter	Cheese	Condensed Milk	Milk Powder	Evaporated Milk	Fresh Milk	Cream
	Lb.	Lb.	Lb.	Lb.	Lb.	Gal.	Gal.
December							
1938	185,600	7,574,500	113,200	498,700	781,500	88	2
1939	104,600	3,018,800	80,700	197,700	1,697,300	224	-
January							
1939	1,362,200	1,329,300	92,700	586,500	385,200	248	60
1940	93,700	1,966,400	62,600	443,700	1,501,400	229	-
February							
1939	2,420,000	894,500	96,900	774,800	746,500	248	215
1940	77,200	3,951,900	662,900	368,300	933,600	244	-
December to February							
1938-39	3,967,800	9,798,300	302,800	1,860,000	1,913,200	584	277
1939-40	275,500	8,937,100	806,200	1,009,700	4,132,300	697	-

TABLE XIII - DAIRY PRODUCTS IMPORTED INTO CANADA, DECEMBER TO FEBRUARY, 1938-39 AND 1939-40.

	Butter	Cheese	Condensed Milk	Milk Powder	Casein	Fresh Milk and Cream
	Lb.	Lb.	Lb.	Lb.	Lb.	Gal.
December						
1938	722	148,043	125	-	1,755	146
1939	167	138,918	22	490	174,628	21
January						
1939	472	60,210	329	7,472	60,100	178
1940	80	220,416	-	250	317,786	46
February						
1939	595	95,155	125	-	16,461	134
1940	30	132,799	250	400	27,143	-
December to February						
1938-39	1,789	303,408	579	7,472	78,316	458
1939-40	277	492,133	272	1,140	519,557	67

TABLE XIV - STOCKS OF BUTTER,+ CHEESE AND CONCENTRATED MILK PRODUCTS IN CANADA, BY MONTHS, DECEMBER TO MARCH. 1938-39 AND 1939-40.

Product	December 1	January 1	February 1	March 1
	Lb.	Lb.	Lb.	Lb.
Creamery Butter				
1938-39	53,439,929	44,615,844	34,930,247	23,352,970
1939-40	49,877,463	41,533,868	33,145,880	23,137,116
Dairy Butter				
1938-39	475,789	477,860	438,542	258,035
1939-40	166,042	138,277	158,772	144,960
Cheese				
1938-39	32,294,350	31,453,064	29,841,263	27,298,595
1939-40	28,175,218	25,725,238	20,602,349	14,873,658
Concentrated Whole Milk Products				
Condensed Milk				
1938-39	1,130,250	1,227,394	1,020,390	772,209
1939-40	537,283	609,508	513,209	392,619
Evaporated Milk				
1938-39	15,375,267	15,079,004	13,431,403	8,059,973
1939-40	8,796,658	12,650,882	9,101,497	8,683,195
Milk Powder				
1938-39	1,478,777	1,385,441	1,258,974	982,235
1939-40	438,112	527,282	581,860	543,698
Total Whole Milk Products				
1938-39	17,990,516	17,699,699	15,717,991	9,821,097
1939-40	9,775,929	13,790,996	10,198,393	9,625,267
Concentrated Milk By-Products -				
Condensed Skim Milk				
1938-39	352,610	449,789	472,699	480,095
1939-40	125,796	152,943	127,017	148,123
Evaporated Skim Milk				
1938-39	8,314	8,797	7,200	8,187
1939-40	/	/	/	/
Skim Milk Powder				
1938-39	6,740,077	6,294,102	5,630,007	5,525,222
1939-40	3,373,239	3,349,334	2,908,096	2,357,247
Total By-Products				
1938-39	8,889,601	8,501,216	8,105,386	7,751,559
1939-40	4,353,362	4,289,866	3,481,133	2,856,589

+ Butter stocks include transit stocks as well as stocks in storage.
/ Included in Condensed Skim Milk.

TABLE XV - WEATHER RECORDS REPORTED FROM REPRESENTATIVE STATIONS IN EASTERN CANADA, DECEMBER TO FEBRUARY, 1938-39 AND 1939-40.

Station and Year		Inches of Precipitation				Mean Temperature				Hours of Sunshine			
		Dec.	Jan.	Feb.	Average	Dec.	Jan.	Feb.	Average	Dec.	Jan.	Feb.	Average
Charlottetown	1938-39	4.8	2.5	2.8	3.4	28	19	17	21	56	91	118	88
	1939-40	4.0	1.9	2.8	2.9	27	16	19	21	53	81	131	88
Kentville	1938-39	3.4	3.7	2.8	3.3	29	21	21	24	55	90	94	80
	1939-40	3.8	2.2	2.0	2.7	27	16	21	21	53	73	118	81
Nappan	1938-39	3.3	2.3	3.6	3.1	27	18	17	21	70	106	97	91
	1939-40	3.1	0.9	2.0	2.3	25	12	17	18	63	80	121	88
Sydney	1938-39	5.2	3.7	4.9	4.6	31	24	21	25	-	-	-	-
	1939-40	4.4	1.5	2.9	2.9	32	22	22	25	-	-	-	-
Chatham, N.B.	1938-39	3.2	1.4	2.5	2.4	22	13	11	15	-	-	-	-
	1939-40	2.1	1.1	1.4	1.5	22	12	17	17	-	-	-	-
Fredericton	1938-39	4.6	1.9	3.3	3.3	23	13	13	16	85	113	122	107
	1939-40	3.4	0.8	2.2	2.1	21	10	17	16	72	96	168	112
Cap Rouge	1938-39	5.4	3.2	6.9	5.2	20	12	12	15	53	92	80	75
	1939-40	2.5	2.4	1.7	2.2	20	9	14	14	42	80	137	86
Lennoxville	1938-39	3.7	3.0	4.8	3.8	21	12	14	16	49	84	69	67
	1939-40	3.4	1.5	1.7	2.2	20	7	12	13	43	82	100	75
Quebec	1938-39	5.4	3.0	5.8	4.7	21	11	12	15	58	94	76	76
	1939-40	2.8	2.7	2.1	2.5	20	10	15	15	60	71	138	90
Sherbrooke	1938-39	3.7	3.0	4.3	3.7	23	13	16	17	56	93	75	75
	1939-40	3.2	0.9	1.4	1.8	20	8	14	14	45	83	108	79
North Bay	1938-39	1.6	2.0	2.5	2.0	19	10	10	13	-	-	-	-
	1939-40	1.6	1.2	0.8	1.2	20	4	11	12	-	-	-	-
Ottawa	1938-39	2.3	2.7	3.4	2.8	20	12	12	15	73	79	79	77
	1939-40	3.1	1.4	1.7	2.1	20	6	13	13	58	122	131	104
Peterboro	1938-39	1.9	3.0	3.4	2.8	26	19	18	21	-	-	-	-
	1939-40	2.1	3.4	1.7	2.4	27	11	19	19	-	-	-	-
Kapuskasing	1938-39	3.8	2.0	1.0	2.3	10	0	-2	3	45	92	116	84
	1939-40	2.4	3.0	1.0	2.1	15	1	5	7	43	57	119	73
Chatham Ont.	1938-39	1.8	2.4	5.0	3.1	29	26	26	27	45	59	102	69
	1939-40	1.0	2.1	2.3	1.8	33	18	25	25	42	54	78	58
Woodstock Ont.	1938-39	2.7	3.8	4.6	3.7	26	22	23	24	42	65	94	67
	1939-40	1.2	4.2	2.1	2.5	30	15	22	22	60	59	106	75

TABLE XVI - WEATHER RECORDS REPORTED FROM REPRESENTATIVE STATIONS IN WESTERN CANADA, DECEMBER TO FEBRUARY, 1938-39 AND 1939-40.

Station and Year		Inches of Precipitation				Mean Temperature				Hours of Sunshine			
		Dec.	Jan.	Feb.	Average	Dec.	Jan.	Feb.	Average	Dec.	Jan.	Feb.	Average
Brandon	1938-39	1.4	0.5	0.8	0.9	9	3	-12	0	78	82	151	104
	1939-40	0.3	0.4	1.2	0.6	22	1	9	11	70	119	74	88
Morden	1938-39	1.5	0.9	1.4	1.3	14	7	- 6	5	77	75	145	99
	1939-40	0.2	0.5	1.8	0.8	25	4	13	14	72	85	66	74
Dauphin	1938-39	0.6	0.7	0.8	0.7	13	7	- 8	4	-	-	-	-
	1939-40	0.5	0.2	0.7	0.5	22	4	11	12	-	-	-	-
Battleford	1938-39	1.0	0.6	0.5	0.7	9	9	- 9	3	-	-	-	-
	1939-40	1.2	0.2	0.6	0.7	18	- 3	8	8	-	-	-	-
Prince Albert	1938-39	0.6	0.8	0.5	0.6	9	6	-10	2	-	-	-	-
	1939-40	1.7	0.3	0.3	0.8	17	- 1	9	8	-	-	-	-
Saskatoon	1938-39	1.0	0.6	1.6	1.1	10	9	- 8	4	97	69	119	95
	1939-40	1.3	0.4	0.7	0.8	20	- 1	9	9	81	88	86	85
Indian Head	1938-39	1.1	0.9	0.7	0.9	12	8	- 9	4	56	62	93	70
	1939-40	0.9	0.5	1.2	0.9	21	- 1	8	9	74	76	80	77
Swift Current	1938-39	0.5	0.6	0.5	0.5	19	17	- 1	12	88	58	114	87
	1939-40	0.6	0.3	0.8	0.6	28	3	12	14	99	84	76	86
Beaverlodge	1938-39	1.5	1.1	2.6	1.7	17	19	4	13	77	71	66	71
	1939-40	1.3	1.8	0.7	1.3	24	4	13	14	52	80	67	66
Edmonton	1938-39	1.8	0.6	1.9	1.4	14	16	1	10	76	85	79	80
	1939-40	0.4	1.1	0.6	0.7	25	3	13	13	84	76	86	82
Calgary	1938-39	0.5	0.3	0.6	0.5	22	25	5	17	91	111	82	95
	1939-40	0.1	0.2	0.9	0.4	30	11	13	18	90	96	66	84
Cardston	1938-39	0.3	0.2	0.5	0.3	25	29	12	22	-	-	-	-
	1939-40	0.1	0.1	1.1	0.4	33	15	19	22	-	-	-	-
Victoria	1938-39	6.3	4.6	3.5	4.8	42	43	39	41	-	50	86	-
	1939-40	5.5	2.1	3.1	3.6	46	43	44	44	54	61	95	70
Prince George	1938-39	3.5	2.3	3.3	3.0	20	24	13	19	40	37	68	48
	1939-40	3.1	3.2	1.4	2.6	32	12	21	22	26	60	68	51
Agassiz	1938-39	11.9	10.3	6.3	9.5	38	40	34	37	-	14	51	-
	1939-40	12.6	3.6	8.1	8.1	44	40	41	42	24	41	48	38
Kamloops	1938-39	2.3	1.8	0.2	1.4	27	31	23	27	51	72	136	86
	1939-40	0.7	0.5	0.5	0.6	39	28	33	33	63	64	42	56

DAILY PRICES OF BUTTER AND CHEESE AT MONTREAL

SEPTEMBER-FEBRUARY 1938-39 AND 1939-40