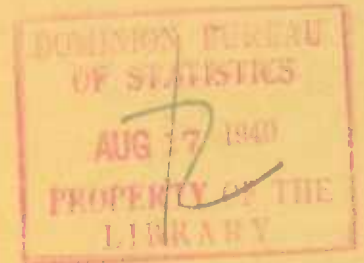


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Minister of Trade and Commerce.

CANADA
DOMINION BUREAU OF STATISTICS
AGRICULTURAL BRANCH



SERIES NO. VII

REPORT NO. 2

THE DAIRY SITUATION
IN
CANADA

SPRING QUARTER

MARCH - MAY

1940



OTTAWA
1940

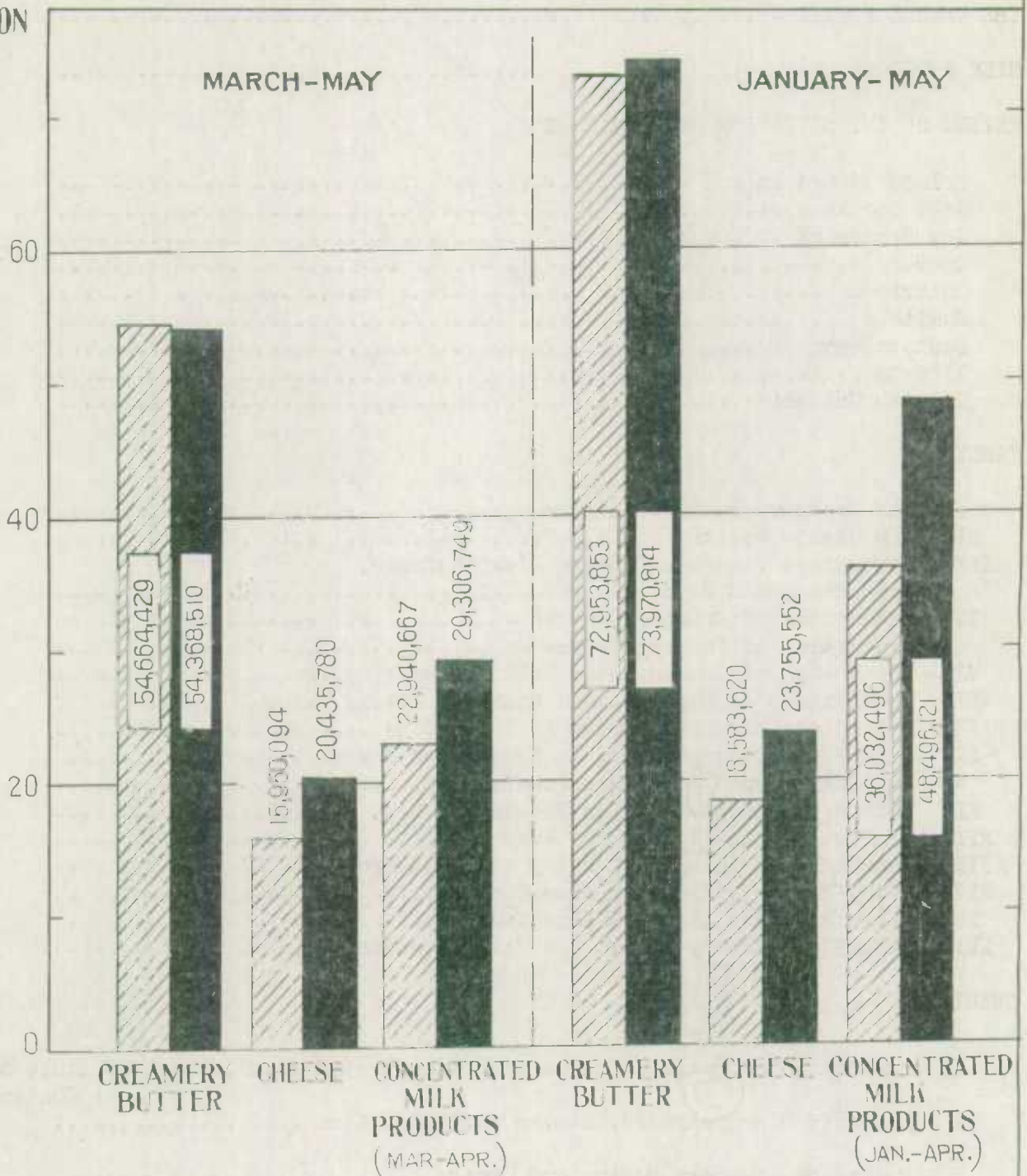
Price \$1 a year

CHART I

PRODUCTION OF CREAMERY BUTTER CHEESE AND CONCENTRATED MILK PRODUCTS

1939.. 1940..

MILLION
LB.



DOMINION BUREAU OF STATISTICS
AGRICULTURAL BRANCH

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SUMMARY

The extension of dairying enterprises seem to have been halted by the reduction in the prices of dairy products, compared with those paid in the winter months. At the same time the relatively abundant supplies of summer pasturage will reduce the cost and promises to hold milk production at a comparatively high level. All indications point to a large output of the principal manufactured products and a sizable surplus of butter, over and above domestic needs.

The Creamery Butter Position -- Although the production of creamery butter showed the effects of Cheese factory competition to some extent, the output for the three spring months of 1940 registered a decline of only 300 thousand pounds or one-half of one per cent below that of March to May, 1939. The late spring may have limited stock withdrawals to a small extent in the early spring, and delayed the movement into storage in the latter part of the spring period. It is now apparent, however, that at the end of the summer storage period, stocks will move to an unusually high level, creating a surplus of this product. Shipments of butter to Britain have practically ceased since the war began, and butter exports to all countries amounted to only 175 thousand pounds in the March to May period. The domestic disappearance however, showed a gain of $2\frac{1}{2}$ million pounds or 4.3 per cent over that of the preceding spring period. The average price of first grade creamery solids, based on the daily quotations of the Canadian Commodity Exchange at Montreal, was 25 $\frac{7}{8}$ cents, or nearly 5 cents above that recorded in the same period of the preceding year.

The Cheese Position -- The demand for cheese on the British market to meet war-time requirements has given the cheese industry a new and important status in this country. The arrangements made with the United Kingdom for the purchase of over 78 million pounds of cheese in 1940; the establishment of the Dairy Products Board to control exports, and regulate prices, and finally, the fixing of 14 cents as the export price for first grade cheese delivered at Montreal, are effective measures which promise to give the cheese industry a degree of stability which has been lacking in the past two decades.

During the March-May period the cheese output increased 28 per cent over that of the previous spring period, while exports increased 27.8 per cent. But while exports advanced, the total disappearance **including both** domestic and **exports sales**, declined 14.5 per cent. It is believed that high prices in the winter period were an important factor in reducing the domestic disappearance below that of the previous year. Control plans instituted by the Dominion Government by Order-in-Council passed March 23, came as a result of regulations introduced by the government of the United Kingdom whereby the price control exercised in regard to Australian-New Zealand cheese was also applied in a modified form to sales of Canadian Cheddar. During the month of March first grade coloured cheese in Montreal averaged 17 $\frac{1}{2}$ cents as compared with 11 $\frac{3}{8}$ cents in March, 1939, but the average for April was only 14 $\frac{1}{2}$ cents in comparison with 10 $\frac{7}{8}$ cents in the same month of the preceding year. During the first part of May coloured cheese at Montreal held slightly above the 14 cent level, but after May 23 all quotations were on the basis of the fixed export value. The average for the three months was 15 $\frac{3}{8}$ cents representing an **increase** of 3 $\frac{1}{2}$ cents above the 1939 level. By an order of the British Government dated May 27 the current make of Canadian cheese was pegged at 85 shillings ex-store, and 91 shillings whole-sale delivered. In Canadian currency these values would be the equivalent of 16.8 cents per pound and 18.0 cents per pound respectively.

Milk and Milk Products -- The production of whole milk products declined from 37.7 million pounds in the spring months of 1939 to 34.7 million pounds in the March-May period of 1940. The output of milk by-products was 9.4 million pounds in the three-month period of this year, which represents a decline of only 25 thousand pounds from that of the preceding year. This fall in production was also reflected in the export movement of evaporated milk, which decreased from 7 million pounds in the 1939 period to 4 million pounds in the 1940 period. Shipments of condensed milk, on the other hand, increased to 500 thousand pounds in the March to May period of 1940, compared with 400 thousand in the same month of 1939. Stocks of whole milk products reached a total of 13 million pounds at June 1, 1940, an increase of $1\frac{1}{2}$ million pounds over that of the previous year, while by-products dropped from 6.3 million pounds at June 1, 1939, to less than 3 million pounds at the same date in 1940.

Weather and Pasture Conditions -- The spring was late in the Eastern Provinces, the weather being cool and cloudy. Rainfall was about normal in the Maritime Provinces and in most of Quebec, but excess precipitation was reported in eastern Quebec and in many districts of Ontario. In the Prairie Provinces and British Columbia the spring opened earlier than usual; temperatures averaged above normal and the rainfall was light, particularly in northern sections of Manitoba and Saskatchewan. Pastures in the Eastern Provinces were inclined to be slow to start early in the season, but an exceptionally good growth developed in the month of May. In the Prairie Provinces pastures made an early start, although the growth was retarded by lack of moisture in sections that usually have an adequate supply. The average pasture rating for Canada at the end of May was 96 compared with 89 at the same date in 1939.

Milch Cow Numbers -- An increase in the number of dairy cows on farms was indicated in the reports of Dairy Correspondents in the March-May period as compared with those in the same months a year ago, and the percentage of cows actually milking moved up accordingly. Many farmers retained a few more cows on their farms so that they would be prepared for any price advance that ensued. Recent price declines, however, seem to have produced the beginning of a switch over to beef production in which cows intended for dairying may be otherwise employed.

Milk Production and Distribution -- According to the reports of Dairy Correspondents, milk production in Canada increased about $2\frac{1}{2}$ per cent in the March-May period of 1940 in comparison with the corresponding period of 1939. It would appear that this increase was due to a corresponding advance in the milk production per cow; all cows showed an increase of 2 per cent and those actually milking an increase of 2.1 per cent. The quantities of milk used in the butter and cheese industries advanced 3 per cent over the March-May period of the preceding year, and out of a total of approximately $1\frac{1}{2}$ billion pounds of milk used by these two industries, 84.8 per cent was delivered to creameries in the form of either milk or cream. It is estimated that the diversion of milk from creameries into the cheese factory channel amounted to approximately 2 million pounds. It is important to observe, however, that less milk was used in farm homes, smaller quantities were used for live stock feeding, and the production of dairy butter declined approximately 12 per cent as compared with the preceding spring period. Hence, greater quantities of milk were sold to factories, and regardless of the diversion of milk from creameries to cheese factories, the output of creamery butter did not suffer a very serious reduction.

Feed costs at Montreal and Winnipeg during the spring of 1940 advanced 15 per cent and 23 per cent, respectively, over the same period of 1939, whereas declines of 4.5 and 8.6 per cent were recorded in comparison with the five-year average. Price indexes reveal advantages to dairy farmers; likewise, further improvement in business conditions may help to advance consumption. This improvement was revealed in an increase of 18 per cent in the physical volume of business, and 7 per cent in the employment of labour. Factory employment, included in the latter, advanced 15.2 per cent over the spring period of 1939.

THE DAIRY SITUATION

A comparatively late spring retarded the development of pastures in many sections of Canada. Yet, a substantial carry-over of feed from the winter period placed farmers in a good position in meeting this situation, so that despite the lateness of the season dairy cattle were released to grazing grounds in good condition. A sharp decline in the prices of concentrated feed stuffs also benefited dairy farmers to some extent, although it is generally conceded that these reductions came too late to have any effect on production. By the end of May milch cows were producing well and the gain in milk production during the March-May period was 3 per cent greater than that recorded in the same period of the previous year. Farmers who had any choice in the marketing of their milk products gave the cheese factories increased patronage, but despite the diversion of milk into the cheese factory channel the production of butter in the March-May period of 1940 suffered a reduction of only one-half of one per cent, in comparison with the corresponding period of 1939.

The general upturn in business conditions in this country would be expected to favourably effect the consumption of dairy products. The physical value of business during the spring months advanced 18 per cent over that of the previous spring period. The index of employment advanced from 110.9 at March 1, 1939, to 118.2 at March 1, 1940. Similar advances were recorded at the first of the two succeeding months. For the period as a whole the employment index advanced approximately 7 per cent and factory employment increased 15.2 per cent in the March-May period of this year in comparison with the same period a year ago.

FEED COSTS - Feed prices during the spring period continued to advance over those of the previous year, although the gain was somewhat less pronounced in the spring than it was in the winter. Oats were quoted on the Montreal market at prices averaging approximately 20 per cent over the 1939 quotations. Barley showed an increase of 19 per cent at Montreal, but the Winnipeg quotations were 27 per cent higher. Bran advanced less than 7 per cent at Montreal, but registered an increase of nearly 22 per cent at Winnipeg. All feeds combined showed average advances over the previous year of 15 per cent at Montreal and 23 per cent at Winnipeg. In the winter period respective increases of 27 per cent and 38 per cent were recorded. The prices shown in the spring period of 1940 in comparison with the five-year average for that period indicated the reverse situation. Oats registered a decline of approximately 4 per cent at Montreal and 14 per cent at Winnipeg, while barley declined approximately 5 per cent and 12 per cent respectively. An advance of 4 per cent in bran prices was shown at Montreal, but there was practically no change at Winnipeg. Taking all feeds combined, respective reductions of 4.5 per cent and 8.6 per cent were revealed at Montreal and Winnipeg, as compared with declines of .15 per cent and 2 per cent, respectively, during the winter period.

PRICE INDEXES - In comparing the wholesale indexes for the spring period with those of the previous year, it is apparent that the percentage gains in dairy products continued to hold a position next to wheat and coarse grains. The advances shown however, were less than those recorded in the winter period, butter showing a gain of 18 per cent as against 22 per cent in the earlier period while cheese advanced 34 per cent compared with an average gain of 41 per cent during the winter months. Veal made price advances comparable to that of butter while hogs showed a price decline slightly higher than that recorded in the December-February period. The increase in all products over the previous year was approximately equal to the gain shown in the previous three-month period, but this gain was not as great as that recorded for dairy products with the exception of milk which remained slightly above the 1939 level.

TABLE I - THE CREAMERY BUTTER POSITION IN CANADA, MARCH TO MAY, 1936 to 1940

		March	April	May	March to May
Stocks in storage at first of the month -	1936	16,429,074	3,797,312	4,824,048	-
	1937	18,775,193	9,152,773	5,817,243	-
	1938	10,222,772	4,465,780	4,542,881	-
	1939	22,368,170	12,540,703	9,649,968	-
	1940	22,521,116	13,657,360	10,237,834	-
Stocks in transit at first of the month -	1936	632,800	224,000	140,000	-
	1937	800,800	336,000	308,000	-
	1938	117,600	224,000	140,000	-
	1939	464,800	509,600	196,000	-
	1940	616,000	420,000	168,000	-
Production during month -	1936	9,518,260	14,489,750	25,403,949	49,411,959
	1937	9,701,100	15,298,366	24,828,433	49,827,899
	1938	10,161,091	16,434,225	28,962,502	55,557,818
	1939	10,942,614	15,894,372	27,827,443	54,664,429
	1940	10,517,650	16,602,161	27,248,699	54,368,510
Imports -	1936	16,922	5,770	56,289	78,981
	1937	17,932	9,212	1,158	28,302
	1938	3,794,050	338,854	526	4,133,450
	1939	1,180	44	1,642	2,866
	1940	298	35	-	-
Exports -	1936	30,300	29,700	35,600	95,600
	1937	40,900	36,400	42,600	119,900
	1938	25,700	23,200	66,300	115,200
	1939	2,179,700	633,100	1,036,500	3,849,300
	1940	35,400	87,700	51,700	174,800
Prices -	1936	22 5/8	22 1/4	19 7/8	21 5/8
	1937	26	26 1/8	22 7/8	25
	1938	35 3/4	30 3/4	26 3/4	31 1/8
	1939	21 3/4	21 1/4	20 7/8	21 1/4
	1940	27 3/4	26 1/2	23 1/4	25 7/8
x Total Disappearance of Canadian-made Butter (Domestic and Export)	1936	17,558,822	18,547,014	19,530,152	55,635,988
	1937	19,788,320	18,661,896	21,004,552	59,454,768
	1938	15,811,683	16,441,124	20,380,255	52,633,062
	1939	21,245,281	19,098,707	22,710,353	63,054,341
	1940	19,577,406	20,173,687	22,194,767	61,945,860
x Domestic Disappearance of Canadian-made Butter	1936	17,528,522	18,517,314	19,494,552	55,540,388
	1937	19,747,420	18,625,496	20,961,952	59,334,868
	1938	15,785,983	16,417,924	20,313,955	52,517,862
	1939	19,065,581	18,465,607	21,673,853	59,205,041
	1940	19,542,006	20,085,987	22,143,067	61,771,060

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

Due to the increase in wholesale prices the cost of these products to the consumer was somewhat increased; and in this development dairy products were placed in a less favourable position than was the case in the winter quarter. Cheese and butter advanced 18 per cent in the March-May period over the same period of last year. Beef increased only 3 per cent, however, and pork, lard and eggs registered reductions. Three months ago pork prices were approximately on a par with those of the previous year, and although butter fell to somewhat lower levels it was more than offset by the increase in cheese prices. It is already apparent that the increase in the price of cheese has restricted domestic consumption, but this condition may be corrected as subsequent price declines become effective.

THE CREAMERY BUTTER POSITION

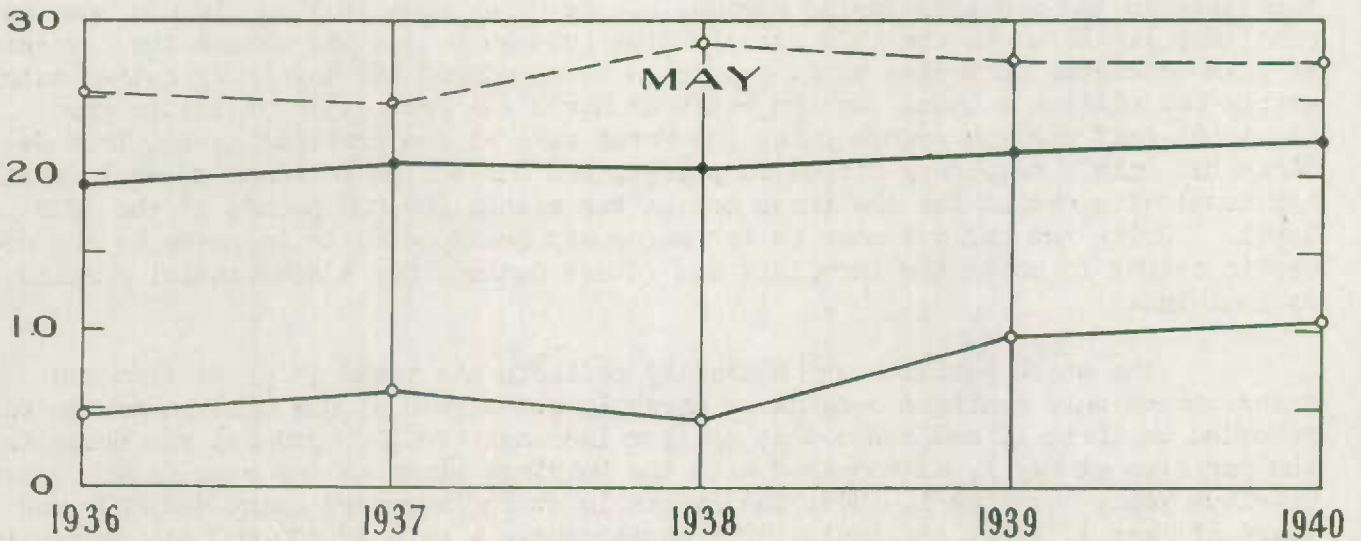
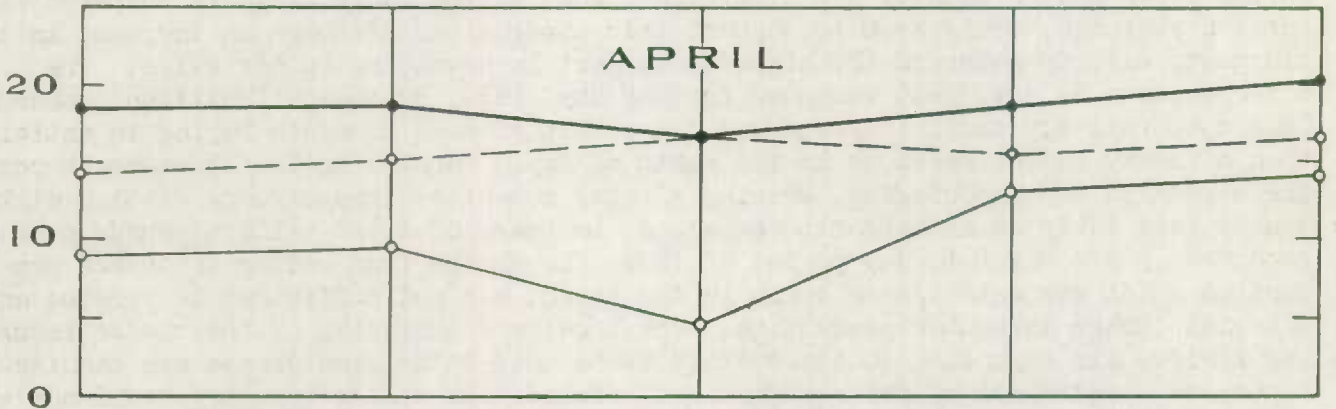
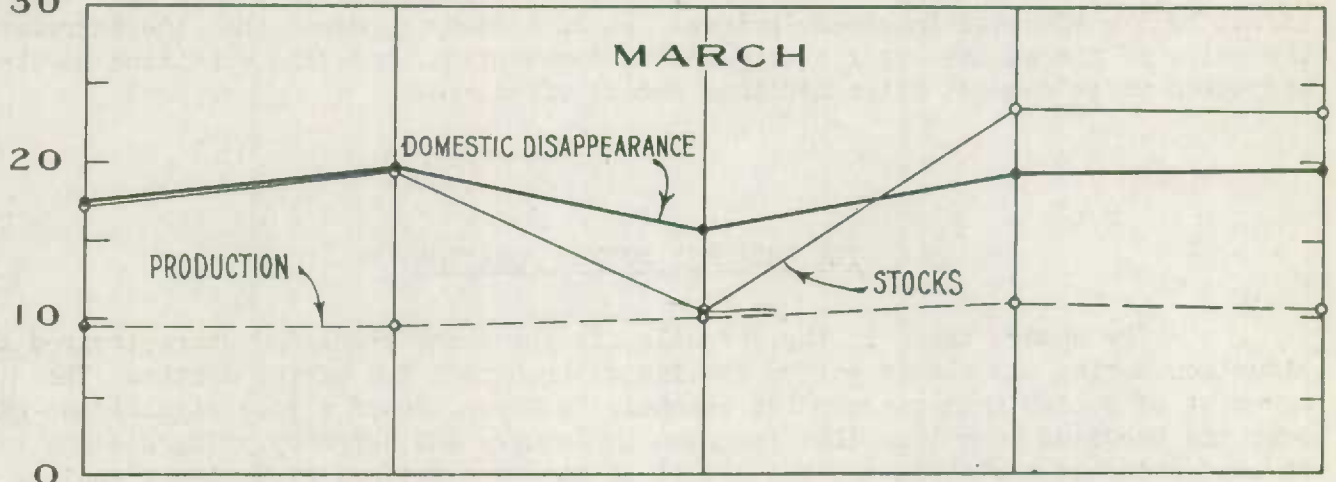
The upward trend in the domestic disappearance which had characterized the situation during the winter period continued throughout the spring months. The movement of butter into consumptive channels in March showed a less significant gain over the previous year than that recorded in January and February. There seems to be some evidence that this was the result of the late spring, producing a smaller movement of butter into camps and isolated positions which are inaccessible after the spring break-up. A gain of 1 1/2 million pounds in the month of April compared with April a year ago, would seem to support this conclusion, although an increase in employment, already referred to, played some part in advancing butter sales. The disappearance in May, 1940 exceeded that of May, 1939, by one-half million pounds. This comparatively small increase was the result of hand to mouth buying in anticipation of heavy butter receipts in the month of May. For the entire three-month period the situation was encouraging, showing a total domestic disappearance of 61.8 million pounds (see table on the opposite page), an increase of 2 1/2 million pounds over that recorded in the March to May period of 1939. The change from butter to cheese production which was anticipated early in the season was not sufficient to produce any material change in butter production. The localized character of the cheese industry has limited its expansion to those areas where both butter and cheese are manufactured; so, regardless of price advantages offered, the cheese industry could not always be regarded as a formidable competitor. More cheese factories were in operation than in the previous spring period, but as usual most of them did not open up until May 1. Based on the 1939 distribution between butter and cheese the diversion of milk to cheese factories would appear to have reduced the March-May butter output nearly two million pounds. In the month of March the production of butter was about one-half million pounds below the March make in the previous year. This decline had only a temporary affect on prices, and due to the increase shown in April the cumulative output for the three months was within 300,000 pounds of the 1939 level. During the early summer butter sales may be expected to increase on the domestic market to cover the immediate and future demand, but a substantial surplus is imminent.

The stock position which usually reflects the trend in production and sales showed only a slight decline on March 1, but a gain of one million pounds was recorded on April 1, and a somewhat smaller increase (700,000 pounds) was shown in the position at May 1, as compared with the holdings shown at the same dates of the previous year. On June 1, 1940, the stocks in store increased about 400,000 over those of June 1, 1939, and including transit stocks a gain of 600,000 pounds was indicated. Changes in the domestic disappearance as compared with last year, compared

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

March - May, 1936 to 1940

MILLION
LB. 30



with the trends in production and stocks, also in relation to the previous year, are shown in Chart II. Stocks at June 1, followed by percentage comparisons in the domestic disappearance, production and stocks (store and transit) both in relation to previous months, and the same months of the previous year, are given in the summary below.

Year	Stocks at June 1	Transit Stocks at June 1	Total Stocks
1936	10,305,845	532,000	10,837,845
1937	9,221,124	728,000	9,949,124
1938	13,041,128	224,000	13,265,128
1939	14,274,258	688,800	14,963,058
1940	14,714,166	845,600	15,559,766

	Total Domestic Disappearance		Production of Creamery Butter		Total Stocks (Storage & Transit)	
	Last Month	Last Year	Last Month	Last Year	Last Month	Last Year
	%	%	%	%	%	%
March	+ 2.4	+2.5	+14.8	-3.9	-30.2	-0.9
April	+ 2.8	+8.8	+57.9	+4.5	-39.2	+7.9
May	+10.2	+2.1	+64.1	-2.1	-25.4	+6.7
Mar. to May	-	+4.3	-	-0.5	-	-

Since the outbreak of war the exports to Britain have been reduced to almost negligible quantities. The total exports of 174,800 pounds were shipped principally to British and French possessions in the western Atlantic. New Zealand butter was subjected to control early in September, the price set being 125 shillings per cwt. which would be the equivalent of 24.27 cents per pound in Canadian currency, while Australian butter was set at 117 shillings per cwt., or the equivalent of 22.71 cents per pound. Since September 20, the exchange rate has also been fixed, thus further stabilizing prices. With subsequent price advances ordered by the government of Britain, the value of butter at London now stands at approximately 143 shillings per cwt. or 28.28 cents per pound in Canadian funds.

Coupled with price control measures the rationing system was also introduced in the early part of the war limiting the sale of butter to four ounces per person per day. On March 24, it was changed to 8 ounces, but it was subsequently reduced to the former figure. Recently margarine is also being subjected to a rationing system so that the new regulation limits the consumption of both margarine and butter to six ounces per day. Invasion of the Low Countries caused a slight advance in butter prices on Canadian markets, but the advance was a temporary one; and when the position was more definitely defined in relation to the problem of war-time distribution, trading activities were in no way affected.

Butter Prices on the Canadian Commodity Exchange at Montreal were maintained on a relatively high level during the month of March, the trend being generally upward. Starting with a quotation of 26 1/2 cents for the first grade product, the market advanced the second day, and moved up to 27 5/8 cents on March 4. During the remainder of the week 27 1/2 cents was the ruling quotation. On March 11, prices advanced to 28 cents, and subsequently to 28 3/8 cents. During the next five days the butter market remained comparatively steady at 28 to 28 1/8 cents, falling how-

TABLE II - THE CHEESE POSITION IN CANADA, MARCH TO MAY, 1939 and 1940.

		March	April	May	March to May
Stocks in storage at first of the month -	1939	27,298,595	26,102,959	26,508,476	-
	1940	14,873,658	13,367,191	13,897,383	-
Production during month -	1939	1,689,641	3,042,578	11,217,875	15,950,094
	1940	2,687,736	4,845,111	12,902,933	20,455,780
Imports -	1939	91,203	98,407	181,643	371,253
	1940	111,080	142,230	-	-
Exports -	1939	390,400	376,600	5,448,500	6,715,500
	1940	5,103,700	2,293,400	1,183,000	8,580,100
Prices -	1939	11 3/8	10 7/8	10 1/4	10 7/8
	1940	17 1/2	14 1/2	14	15 1/4
Total Disappearance of Canadian-made Cheese -	1939	2,885,277	2,637,061	10,604,520	16,126,858
	1940	4,194,203	4,314,919	5,281,078	15,790,200

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

	Total Disappearance		Production of Cheese		Total Stocks	
	Last Month %	Last Year %	Last Month %	Last Year %	Last Month %	Last Year %
March	-42.9	+45.4	+ 66.8	+59.1	-27.8	-45.5
April	+ 2.9	+63.6	+ 80.3	+59.2	-10.1	-48.8
May	+22.4	-50.2	+166.3	+15.0	+ 4.0	-47.6
March to May	-	-14.5	-	+28.1	-	-

ever, on March 19, to 27 7/8 cents, and then to 27 3/4 cents. After the Easter Holiday the market again advanced to 28 cents but became stabilized at a slightly lower figure, namely 27 5/8 to 27 7/8 cents during the last week of the month. The average for March, 1940, was 27 3/4 cents as compared with 21 3/4 cents during March, 1939.

The butter market opened at the beginning of April with a quotation of 27 1/2 cents and two days later prices receded to 27 cents. On April 5 prices fell to 26 1/4 cents, but the reappearance of a strong demand during the second week of April pushed prices up to 26 3/8 cents, and subsequently to 26 3/4 cents. On April 11 an advance of 1 cent set the market value at this point until after the middle of the month. On April 16, 27 5/8 cents was recorded, but the market broke the following day to 27 1/8 cents and finally to 26 1/8 cents. During the week starting April 22 market values were about a quarter of a cent below this figure; falling thereafter to 26 cents, then to 25 cents, and finally to 23 3/8 cents at the end of the month. The average for the month of April was 26 1/2 cents compared with 21 1/4 cents in the same month of the preceding year.

The May-day quotation of 23 3/8 cents moved up two-eighths of a cent the following day and reached 24 cents on May 3rd. A fractional reduction was recorded at the beginning of the second week, and from that date to April 19 the market was stabilized at 23 cents to 23 3/8 cents. For the next two days 22 3/4 cents was quoted and declined the following day to 22 5/8 cents. Prices advanced, however, to 23 1/8 cents on March 23, which figure was maintained until the end of the month. The average price for May was 23 1/4 cents compared with 20 7/8 cents in the same month of last year. The average for the three spring months was 25 7/8 cents, an advance of 4 5/8 cents over the same period of 1939.

THE CHEESE POSITION

There were two notable features about the cheese situation in the March-May period. The first of these was an increase in the production over the same period of the previous year, which of course may be attributed largely to the advance in cheese prices; the other was the fall in stocks as the result of an unusually heavy export movement. But although exports increased substantially, the advance was out of line with production at times, the latter having registered quite consistent gains over the corresponding months of the previous year. The irregularity in the export of cheese during the spring period was probably the result of changes in empire marketing arrangements — designed in part to balance supplies and to work in with available shipping space. It was not to be expected that the percentage gain in production over the previous year would be maintained in the spring months, for there were a large number of factories in operation during the winter and early spring that normally remain closed until May. The high prices in the winter proved to be the incentive to both farmers and operators, and when cheese prices fell it limited the shift from butter to cheese production. Of the total quantity of milk used in the two industries cheese factories obtained 15 1/4 per cent as against 12 1/4 per cent in the 1939 period. The gain in production over the same period of the previous year was approximately 4 1/4 million pounds, or 28 per cent, most of which was due to the diversion from creameries to which reference was made in the previous section.

TABLE IV-A-PRODUCTION OF CREAMERY BUTTER IN CANADA, BY PROVINCES,
MARCH TO MAY, 1939 AND 1940.
(In Thousands of Pounds)

Province	March		April		May		March to May		Percentage Increase (+) Decrease (-)
	1939	1940	1939	1940	1939	1940	1939	1940	
Prince Edward Island	61	61	68	69	111	108	240	238	(-) 0.8
Nova Scotia	334	340	344	377	453	571	1,131	1,288	(+) 13.9
New Brunswick	116	102	173	165	309	349	598	616	(+) 3.0
Quebec	1,232	847	3,948	3,760	7,942	7,911	13,122	12,518	(-) 4.6
Ontario	5,290	4,834	6,566	6,695	9,401	9,126	21,257	20,655	(-) 2.8
Manitoba	1,302	1,317	1,591	1,648	2,910	2,606	5,803	5,571	(-) 4.0
Saskatchewan	774	1,161	1,025	1,544	2,798	2,839	4,597	5,544	(+) 20.6
Alberta	1,326	1,457	1,680	1,741	3,179	2,893	6,185	6,091	(-) 1.5
British Columbia	508	399	499	603	724	846	1,731	1,848	(+) 6.8
CANADA	10,943	10,518	15,894	16,602	27,827	27,249	54,664	54,369	(-) 0.5

TABLE V-B-PRODUCTION OF FACTORY CHEESE IN CANADA, BY PROVINCES,
MARCH TO MAY, 1939 AND 1940.
(In Thousands of Pounds)

Province	March		April		May		March to May		Percentage Increase (+) Decrease (-)
	1939	1940	1939	1940	1939	1940	1939	1940	
Prince Edward Island	-	-	-	1	-	-	-	1	-
New Brunswick	-	-	-	-	71	60	71	60	(-) 15.5
Quebec	98	158	261	365	1,536	1,687	1,895	2,210	(+) 16.6
Ontario	1,081	1,901	2,234	3,803	8,794	10,338	12,109	16,042	(+) 32.5
Manitoba	244	401	273	429	380	473	897	1,303	(+) 45.3
Saskatchewan	2	2	4	3	40	23	46	28	(-) 39.1
Alberta	172	171	183	163	273	225	628	559	(-) 11.0
British Columbia	93	55	88	81	124	97	305	233	(-) 23.6
CANADA	1,690	2,688	3,043	4,845	11,218	12,903	15,951	20,436	(+) 28.1

The disappearance figures shown in Table II on page 8 include the exports of cheese. Due to a fall in the domestic disappearance, a decline of 2.3 million pounds was recorded for the entire three-month period of 1940, in comparison with the same period of 1939. The total disappearance figures were also approximately 4 1/2 million pounds below those for the three winter months.

In making a comparison between butter and cheese prices at Montreal on a butter-fat basis, it is apparent that cheese maintained a price advantage of nearly 8 cents over that of butter during the March-May period of 1940. The following figures reveal the differences that existed between the 1939 and 1940 periods, by months.

Butter and Cheese at Montreal on a Butter-fat Basis

		<u>Butter</u>	<u>Cheese</u>	<u>Difference in favour of cheese</u>
		<u>¢</u>	<u>¢</u>	<u>¢</u>
March	1939	26 1/2	29	2 1/2
	1940	33 7/8	44 5/8	10 3/4
April	1939	25 7/8	27 3/4	1 7/8
	1940	32 5/8	37	4 5/8
May	1939	25 1/2	26 1/8	5/8
	1940	28 3/8	35 3/4	7 3/8
March to				
May	1939	26	27 5/8	1 5/8
	1940	31 1/2	39 1/8	7 5/8

In order to evaluate the cheese situation it becomes necessary to consider the steps leading up to the control of cheese marketing and cheese prices under the exigencies of a war-time economy. Early in September members of the London Provision Exchange held a meeting, together with other exchanges in the United Kingdom and set 63 shillings per cwt. (112 lbs.) as the maximum price for Canadian Cheddar. This price was confirmed at a subsequent meeting on September 8. The agreement only affected exchange members, of course, all others being able to buy and sell cheese in open competition as usual. But while Canadian Cheese continued to be sold on a free market the British government took complete control of the Australian and New Zealand product early in October. About the middle of that month the advice received from the United Kingdom indicated a shortage of Canadian Cheese, so that large wholesalers and chain store operators were willing to pay more than the agreed price in order to obtain an adequate supply. This situation coupled with light offerings and an active demand from domestic buyers in this country caused Canadian prices to move on a rising price level, considerably above the agreed prices in the United Kingdom; thus, very few sales were made through the regular importers, most of whom being Exchange members were committed to the maximum price arrangement.

Early in October the maximum price was advanced to 68 shillings, but sales of Canadian Cheese to processors and chain store operators in the United Kingdom averaged about 14 shillings above this figure. Prices reached the seasonal high point with the week beginning February 19, at which time independent buyers were offering 107 to 112 shillings. Prices did not hold very long at this level and before the first of March sharp reductions had occurred on all markets. Canadian prices also fell, placing them in close alignment with those recorded on the London market. On March 19, a statutory order was issued prohibiting the importation of all food products which had not already been subjected to control, making it necessary for cheese to be imported under licence. The next step was the setting up of a Dairy Product Control

TABLE VI - PRODUCTION OF CONCENTRATED MILK PRODUCTS IN CANADA,
MARCH TO MAY, 1939 and 1940.

(In Thousands of Pounds)

Commodity	March		April		May		March to May		Percentage Increase (+) Decrease (-)
	1939	1940	1939	1940	1939	1940	1939	1940	

Whole Milk Products

Condensed	569	487	749	572	820	1,464	2,138	2,523	(+) 18.0
Evaporated	8,802	6,326	12,026	9,140	12,469	14,664	33,297	30,130	(-) 9.5
Milk Powder	518	487	601	713	1,099	879	2,218	2,079	(-) 6.3
Cream Powder	-	-	3	-	-	-	3	-	-
Total	9,889	7,300	13,379	10,425	14,388	17,007	37,656	34,732	(-) 7.8

Milk By-Products

Skim Milk:									
Condensed	352	181	382	176	180	370	914	727	(-) 20.5
Evaporated	65	27	63	157	90	68	218	252	(+) 15.6
Powder	1,741	1,586	2,344	1,752	2,319	2,876	6,404	6,214	(-) 3.0
Buttermilk:									
Powder	226	213	370	343	365	474	961	1,030	(+) 7.2
Condensed	131	200	149	284	124	105	404	589	(+) 45.8
Casein	44	118	137	143	247	230	428	491	(+) 14.7
Sugar of Milk	13	11	22	24	29	30	64	65	(+) 1.6
Total	2,572	2,336	3,467	2,879	3,354	4,153	9,393	9,368	(-) 0.3

Whole Milk and Milk By-Products, Combined

Total	12,461	9,636	16,846	13,304	17,742	21,160	47,049	44,100	(-) 6.3
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Board by the Government of Canada, under an Order-in-Council passed on May 23, 1940. This order set the price of first grade cheese on board ship or railway cars in Montreal at 14 cents; second grade at 13 1/2 cents and third grade at 13 cents. The Board has been given wide authority in regulating exports of dairy products; it is also empowered to grant export licences and to determine the prices paid to manufacturers for dairy products delivered to them. At the same time an agreement was made with the United Kingdom guaranteeing Canada a market for 78.4 million pounds of uncoloured cheese during the calendar year of 1940. On May 27 an order by the British Government definitely pegged the price of Canadian cheese at 85 shillings per cwt. (112 lbs.) ex-store; 91 shillings wholesale delivered, and 1 shilling per pound retail. Effective July 1, all cheese made prior to 1940 is to be priced at 100 to 107 shillings ex-store and 1 s. 2 d. retail.

CHEESE PRICES at Montreal for first grade Ontario coloured stood at 19 cents on March 1. This was within a fraction of the high price for the season which occurred during the first week of February, the price then quoted being the highest since 1928. Prices remained at the 19-cent level until March 8, when a reduction of 7/8 of a cent was recorded. Until March 13 cheese prices stayed at 18 1/8 to 18 1/2 cents after which they fell to 17 3/4 cents, and then to 17 1/8 cents. The cheese market held at 17 1/4 cents until March 23 when cheese prices dropped 1 1/4 cents. On March 25 the market strengthened again to 17 1/4 cents and closed at the end of the month at 15 1/4 cents. The average for March, 1940, was 17 1/2 cents compared with 11 3/8 cents in March, 1939.

Beginning with 15 cents on the first day of April, prices declined a quarter of a cent for two successive days, but stood at the new level of 14 1/2 cents until April 12 when another fractional reduction was recorded. On April 14, 14 1/4 cents was quoted and at the beginning of the following week 14 3/8 cents became the ruling quotation. Prices moved up to 14 1/2 cents thereafter and remained at that figure until March 26, when prices fell to 14 1/8 cents. The average for April was 14 1/2 cents compared with 10 7/8 cents in April, 1939.

The stabilization of cheese prices as a result of British regulations was foreshadowed in trade circles during the early part of May when the new product began to come on the market. The tendency therefore was to trade within close range of 14 cents. Sales made above this level covered a special product for the domestic market. During the first part of the month prices ranged fractionally above 14 cents, and for four days thereafter prices remained at that figure. From May 17 to May 22, 13 3/4 cents was the ruling quotation, but after May 23 (the date of the Order-in-Council already mentioned) cheese prices were definitely established at 14 cents for the first grade product, and all quotations were made on that basis. To meet the special requirements of the home market of course, some cheese continues to be sold slightly above the set price but it only represents a small proportion of the total output.

Milk and Milk Products

Competition with the Cheese industry in the purchase of milk tended to reduce the output of concentrated milk products. During the spring period the production of whole milk products declined from 37.7 million pounds in the March-May period of

TABLE VII - FEED PRICES AT MONTREAL AND WINNIPEG AT THE END OF MARCH, APRIL AND MAY, 1940, WITH COMPARATIVE FIGURES FOR THE SAME DATE OF 1939, AND THE AVERAGES FOR THE FIVE YEARS 1935 TO 1939.

	March 30		April 30		May 30		March-May 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. 2								
C.W.								
1935-39	29.75	25.30	29.00	24.40	28.45	24.55	29.05	24.75
1940	28.45	22.30	29.00	21.90	26.00	19.55	27.80	21.25
%	- 4.5	-11.9	-	-10.2	- 8.6	-20.4	- 4.3	-14.2
1939	23.40	16.90	22.25	17.00	23.00	18.60	23.05	17.50
1940	28.45	22.30	29.00	21.90	26.00	19.55	27.80	21.25
%	+21.2	+31.9	+30.3	+23.9	+13.0	+ 5.0	+20.6	+21.4
Barley No. 3								
C.W.								
1935-39	22.70	18.05	21.30	21.35	20.15	17.25	21.35	18.90
1940	22.40	19.00	22.50	18.05	16.05	12.75	20.30	16.60
%	- 1.3	+ 5.3	+ 5.6	-15.5	-20.4	-26.1	- 4.9	-12.3
1939	16.95	11.55	17.10	13.90	17.15	13.65	17.05	13.05
1940	22.40	19.00	22.50	18.05	16.05	12.75	20.30	16.60
%	+32.1	+64.5	+31.6	+29.8	- 6.4	- 6.6	+19.1	+27.2
Bran								
1935-39	27.35	23.80	28.10	25.00	26.75	24.60	27.40	24.50
1940	26.25	24.00	26.25	24.00	26.25	25.00	26.25	24.35
%	- 4.0	+ 0.8	- 6.6	- 4.0	- 1.9	+ 1.6	+ 4.4	- 0.6
1939	23.25	18.00	26.25	21.00	24.25	21.00	24.60	20.00
1940	26.25	24.00	26.25	24.00	26.25	25.00	26.25	24.35
%	+12.9	+33.3	-	+14.3	+ 8.2	+19.0	+ 6.7	+21.7
All Feeds								
1935-39	26.60	22.40	26.15	23.60	25.10	22.15	25.95	22.70
1940	25.70	21.80	25.90	21.30	22.75	19.10	24.80	20.75
%	- 3.7	- 2.6	- 1.0	- 9.8	- 9.4	-13.8	- 4.5	- 8.6
1939	21.20	15.50	21.85	17.30	21.45	17.75	21.55	16.85
1940	25.70	21.80	25.90	21.30	22.75	19.10	24.80	20.75
%	+21.2	+40.6	+18.5	+23.1	+ 6.0	+ 7.6	+15.1	+23.1

1939 to 34.7 million pounds in the spring period of 1940. Evaporated milk, which is the most important product in the group declined 9.5 per cent below the output of the previous spring period. The total production of milk by-products declined only 25 thousand pounds; two of the constituent items, skim milk powder and condensed skim milk showing reductions of 3 per cent and 21 per cent respectively, while evaporated skim milk and condensed buttermilk registered increases of 16 per cent and 46 per cent. The output of whole milk products and milk by-products combined decreased 6.3 per cent in the spring period of 1940 as compared with the same period of 1939.

Export shipments reflected the downward trend in production. Shipments of evaporated milk to the United Kingdom which totalled almost 7 million pounds in the March-May period of 1939, declined to somewhat less than 4 million pounds in the period covered by this report. Exports of condensed milk on the other hand advanced from approximately 400 thousand pounds in the spring months of 1939 to approximately 500 thousand pounds in the spring period of 1940. Exports of milk powder, however, fell somewhat below the figures reported in the spring months of the preceding year.

Although the stocks of whole milk products were below the 1939 level at March 1, they advanced from 7.2 million pounds to 10.6 million pounds at April 1, and, followed by a corresponding advance at the first of May, reached 12.9 million pounds at June 1, 1940, as compared with 11.2 million pounds at the same date in 1939. Milk by-products, on the contrary, registered consistent decline at the first of each month, and at June 1, 2.9 million pounds were in store, compared with 6.3 million pounds at June 1, 1939. For complete data see Table XVI.

REVIEW OF THE SITUATION BY PROVINCES

Prince Edward Island

Cool, backward weather obtained during the spring period with rainfall slightly above normal but somewhat less than that of a year ago. The pastures were slow to start but came through the winter in very excellent condition and a good supply of forage was in sight at the end of May. Sections of the province which suffered from drouth in 1939 still showed some ill effects at the end of May, but the province as a whole showed an average rating of 101 as compared with 84 at the same date in 1939. Farmers reported good stands of clover in both pastures and meadows.

The late spring caused farmers to keep dairy herds in the barn for a longer period than usual, but herds were permanently released to pastures by June 1, which averaged about a week later than last year. The condition of live stock at the end of the stabling season was considerably better than in other years. The numbers of cows on farms showed practically no change from last year. The percentage of cows milking, on the other hand, was much higher in both March and May, the average being 73 per cent as compared with 67.4 per cent in the spring period of the preceding year.

The production of milk on farms registered a gain of about 7 per cent during the March-May period of 1940, compared with the same three-month period of 1939. This increase seemed to be related to the numbers of cows milking rather than to the feed supplies which were lacking in the early part of the spring period. The advance in milk production occurred in the months of March and May. The fall-off in the April production was due to damp, cool weather. Based on all cows in the herds of Dairy Correspondents, milk production per cow was slightly more than that recorded in the spring of 1939, but the cows actually milking produced approximately the same. There seems to be some evidence of a renewed interest in dairying; more butter was made on farms during the spring of 1940 than in the same period of 1939 and the creamery make showed an advance of 1 per cent. Less milk was fed to live

TABLE VIII - MONTHLY AVERAGE PERCENTAGE OF MILKING COWS TO
TOTAL COWS IN CANADA, BY PROVINCES,
MARCH, APRIL AND MAY, 1939-1940.

Province and Year		March	April	May	Average March to May
Prince Edward Island	1939	53.3	74.3	74.7	66.4
	1940	62.0	73.2	83.7	73.0
Nova Scotia	1939	72.0	70.5	73.2	71.9
	1940	75.9	74.9	85.4	78.7
New Brunswick	1939	79.3	78.9	79.1	79.1
	1940	72.9	77.3	88.9	79.7
Quebec	1939	56.9	76.7	87.3	73.6
	1940	52.9	75.6	87.1	71.9
Ontario	1939	75.4	79.1	84.1	79.5
	1940	67.8	80.4	85.1	77.8
Manitoba	1939	66.9	71.8	78.4	72.4
	1940	67.9	71.4	75.6	71.6
Saskatchewan	1939	57.6	65.9	68.4	64.0
	1940	57.4	65.3	73.2	65.3
Alberta	1939	63.7	72.0	70.3	68.7
	1940	60.2	65.7	64.6	63.5
British Columbia	1939	82.3	86.4	87.7	85.5
	1940	80.4	83.5	86.9	83.6
CANADA	1939	67.5	75.1	78.1	73.6
	1940	66.4	74.1	81.2	73.9

stock and more was sold for consumption in the fluid form. Farmers received an average of about 27 cents a pound butter-fat for cream delivered to factories. Fresh milk retailed for about 1.85 per hundred pounds, and milk sold to cheese factories was valued at \$.10 per hundred pounds.

Nova Scotia

The weather was inclined to be cool in Nova Scotia during the spring but the rainfall was not excessively heavy. The total rainfall recorded at Kemptville was 10 inches, compared with approximately 13 inches in the 1939 period; Nappan received 9.2 inches as compared with 10.2 a year ago, while the Island of Cape Breton received somewhat more than the usual supply. Pastures were reported to be quite satisfactory in all parts of the province although they seemed to make rather slow progress at the start. Young seedlings came through the winter in excellent condition and a good supply of clover is assured. Despite the slow growth in the early spring, pastures were rated at 97 at the end of May as compared with 83 at the same date in the previous year.

Farmers were able to put their herds out to grass about May 25, which was slightly earlier than last year. Dairy cows were fed fairly liberally during the winter and left the stables in better flesh than usual. The numbers of cows in farm herds continued throughout the spring months at about the same level as in 1939. The average was slightly lower but not enough to make any difference in production. The percentage of cows actually milking however, was 78.7 in the March-May period of 1940, as compared with 71.9 in the same period of 1939. Increases were recorded in all three months, but the most pronounced advance was made in the month of May.

There was an increase in the milk production per farm in Nova Scotia in the 1940 period, averaging 9.4 per cent above that recorded in the spring of 1939. Increases were shown in each of the three months. These increases were reflected in the production of butter which advanced approximately 14 per cent above the spring output in 1939. The milk production per cow based on all cows in the herds of Dairy Correspondents declined in March, but increased in both April and May. The average was 13.8 as compared with 13, and cows actually milking produced 18.7 pounds per day, as compared with 18 in the same period of the preceding year. While there appears to be some element of disappointment in cream prices being paid to farmers, it is recognized by competent observers that the average spring-time price of 27 cents per pound butter-fat was above the market value of butter. Competition with fruit growing is favourable to dairying and may lead to some expansion of dairying enterprises in areas where fruit growing is proving unprofitable. Farmers made more butter this spring than last spring, sold more milk and fed smaller quantities to live stock. Fluid milk was selling at about \$2.15 per hundred at the end of May, condenseries paid \$1.30, and fluid cream was being marketed to the householders at about 50 cents per pound butter-fat.

New Brunswick

Excessive rainfall was reported from some parts of New Brunswick during the three spring months, but on the whole the precipitation was just slightly above normal with little change as compared with that of the previous year. At Fredericton the rainfall was the same as in 1939, namely, 11.4 inches, and at Chatham there was a total of 8.5 inches as compared with 6.8 inches a year ago. Pastures came through the winter in very good condition, and there was a fair stand of clover. The pasture rating at the end of May, 1940, was 93 as compared with 84 at the same date in 1939.

TABLE IX - MILK PRODUCTION PER COW IN POUNDS PER DAY, IN CANADA,
BY PROVINCES, MARCH, APRIL AND MAY, 1939-1940.

Province and Year		Based on all cows in herds of Dairy Correspondents			Based on cows actually milking in herds of Dairy Correspondents		
		March	April	May	March	April	May
Prince Edward Island	1939	8.4	12.8	12.5	15.8	17.3	16.8
	1940	9.6	12.1	14.7	15.6	16.5	17.6
Nova Scotia	1939	12.6	11.5	14.8	17.4	16.4	20.2
	1940	10.4	14.7	16.3	17.4	19.6	19.1
New Brunswick	1939	11.6	12.5	15.5	14.6	15.8	19.5
	1940	11.8	13.0	17.7	16.1	16.9	20.0
Quebec	1939	9.2	15.3	16.6	16.2	20.0	19.0
	1940	8.1	14.0	16.9	15.4	18.6	19.4
Ontario	1939	15.8	17.2	20.2	20.9	21.8	24.0
	1940	14.6	18.7	20.6	21.6	23.2	24.3
Manitoba	1939	11.7	15.2	16.7	17.4	21.1	21.3
	1940	12.9	14.0	17.9	19.0	19.6	23.6
Saskatchewan	1939	9.7	14.1	16.0	16.9	21.4	23.4
	1940	10.7	14.4	17.6	18.6	22.1	24.0
Alberta	1939	12.0	18.5	18.7	18.9	25.6	26.6
	1940	11.8	15.1	16.2	19.6	22.9	25.1
British Columbia	1939	16.4	19.0	21.2	19.9	22.0	24.2
	1940	16.8	21.5	21.2	20.9	24.1	24.4
CANADA	1939	11.9	14.1	16.9	17.6	20.2	21.7
	1940	11.8	14.2	17.7	18.2	20.4	21.9

Dairy herds left the barns for permanent pastures about May 24 and were reported to be in excellent condition. The date of release was a few days earlier than that reported a year ago. Dairy Correspondents reveal no change in the milch cow population as compared with the spring of 1939, and the percentage milking showed an advance of less than one per cent, the figures being 79.7 as compared with 79.1.

The production of milk per farm exceeded that of the previous spring period by 6.7 per cent. None of the cheese factories opened until May so that outside of fluid sales farmers were compelled to give all their patronage to the creameries, the output of which increased approximately 3 per cent in the March-May period over the same period of the preceding year. The average quantity of milk produced per cow based on all cows in the herds of Dairy Correspondents was 14.2 pounds per day as compared with 13.2 in the three-month period of the preceding year, an increase of 7.6 per cent; and cows actually milking averaged 17.7 pounds per day as compared with 16.6 pounds in the spring-time period of the preceding year, an advance of 6.6 per cent. Due to increased employment in the woods and in factories, dairying did not receive quite as much attention as it had in former years. Less butter was made at home and more milk was sold off farms. Fluid milk was retailing at the end of May for about \$2.00 per hundred; fluid cream sold for nearly 50 cents per pound butter-fat and creameries paid about 25 cents per pound butter-fat for churning cream. It seems to be the general opinion that if prices are maintained at the existing level dairying will receive its fair share of attention during the summer months; yet, without additional remuneration to pay for the high costs of feed, labour and equipment, observers forecast a decline in the holdings of dairy stock after the season of cheap production has passed.

Quebec

In common with other sections of Eastern Canada, the weather was inclined to be cloudy and showery, but temperatures were equal to or slightly above those of the preceding year. The rainfall was well above normal at most of the Quebec stations, and slightly greater than that recorded in the preceding spring period. Cap Rouge recorded about 10.6 inches, Lennoxville 10.9, and Quebec 11.4, representing slight increases over the previous year in all cases. Sherbrooke received 12.7 inches, which was nearly 3 inches above that of the preceding year. The growth was rather slow during the early part of the spring, but pastures had developed nicely by the end of May, the rating being 101 at the end of May, 1940, as compared with 96 at the same time in 1939. Due to high costs of fertilizers, farmers are not using these materials to as great an extent as they did in the two previous years. Moisture supplies are believed to be sufficient however, to produce a good sturdy growth on meadows and pasture lands. The late spring retarded seeding operations in the province and the acreage sown to corn, grain and roots may not measure up to earlier expectations.

Despite the late spring, dairy stock was placed on pasture before the end of May, only a few days later than that reported in the preceding year. Farmers retained larger numbers of milch cows, and fewer were exported to other provinces and to the United States. Dairy Correspondents reported the addition of about four cows per farm in the spring months as compared with the spring months of the preceding year. The percentage of cows milking, which of course is the most important factor as far as dairy production is concerned, declined from 73.6 per cent in the spring of 1939 to 71.9 per cent in the 1940 period; so that the number milking was practically the same as that reported a year ago. Live stock improvement policies are being pursued in several counties, notably a few counties adjacent to Quebec, and if plans materialize, there may be a slight reduction in the number of potential producers.

Milk production in the spring months would seem to have advanced about 2 1/2

TABLE X - WEATHER RECORDS REPORTED FROM REPRESENTATIVE STATIONS IN EASTERN CANADA
MARCH TO MAY, 1939 AND 1940

Station and Year		Inches of Precipitation				Mean Temperature				Hours of Sunshine			
		Mar.	Apr.	May	Total	Mar.	Apr.	May	Average	Mar.	Apr.	May	Total
Charlottetown	1939	4.7	4.4	4.5	13.6	21	35	46	34	154	159	259	572
	1940	3.0	3.2	5.0	11.2	28	36	50	38	113	163	200	476
Kentville	1939	4.5	4.5	3.9	12.9	24	37	48	36	142	141	245	528
	1940	4.7	2.8	2.5	10.0	29	38	51	39	105	144	155	404
Nappan	1939	3.5	3.1	3.6	10.2	21	36	47	35	137	141	251	529
	1940	3.2	3.2	2.8	9.2	27	36	51	38	107	133	151	391
Sydney	1939	5.4	3.3	2.4	11.1	23	36	44	34	-	-	-	-
	1940	6.2	3.9	3.4	13.5	30	35	46	37	-	-	-	-
Chatham, N.B.	1939	2.5	2.9	1.4	6.8	18	34	47	33	-	-	-	-
	1940	4.2	2.3	2.0	8.5	25	35	49	36	-	-	-	-
Fredericton	1939	4.3	4.6	2.5	11.4	19	36	50	35	151	157	263	571
	1940	4.2	3.5	3.7	11.4	25	37	52	38	124	138	165	427
Cap Rouge	1939	2.1	4.3	3.5	9.9	19	34	50	34	142	124	219	485
	1940	2.6	4.0	4.0	10.6	23	36	50	36	106	116	131	353
Lennoxville	1939	4.3	4.1	2.0	10.4	19	35	52	35	121	137	246	504
	1940	5.0	2.8	3.1	10.9	22	37	55	38	101	135	182	413
Quebec	1939	2.2	3.7	3.0	8.9	19	35	52	35	147	136	226	509
	1940	3.4	4.3	3.7	11.4	24	36	51	37	125	146	175	446
Sherbrooke	1939	3.9	4.0	1.9	9.8	20	36	53	36	120	146	265	531
	1940	4.5	4.0	4.2	12.7	22	37	55	38	110	148	202	460
North Bay	1939	1.3	2.4	2.7	6.4	18	35	53	35	-	-	-	-
	1940	1.5	1.5	4.6	7.6	19	37	52	36	-	-	-	-
Ottawa	1939	2.1	2.4	2.2	6.7	19	34	54	36	130	137	234	501
	1940	3.0	2.6	4.2	9.8	20	37	55	37	131	162	189	482
Peterboro	1939	2.4	3.1	1.6	7.1	25	39	58	41	-	-	-	-
	1940	3.1	2.4	5.2	10.7	23	40	56	40	-	-	-	-
Kapuskasing	1939	2.2	1.7	2.9	6.8	7	28	46	27	126	159	223	508
	1940	1.2	1.0	4.4	6.6	12	30	45	29	135	193	150	478
Chatham, Ont.	1939	2.1	3.9	0.7	6.7	33	43	60	45	118	143	260	526
	1940	2.6	1.6	3.7	7.9	28	42	55	42	104	161	168	433
Woodstock, Ont.	1939	2.3	4.3	1.7	8.3	27	40	57	41	140	144	245	529
	1940	1.8	2.8	5.6	10.2	23	40	52	38	110	171	165	446

per cent as compared with the March-May period of the preceding year; the creamery butter output declined 4.6 per cent, while cheese production advanced 16.6 per cent. A sharp decline from the previous spring was also recorded in the output of dairy butter. The consumption of milk in farm homes was also reduced, and less milk was fed to live stock. Milk production per cow (counting all cows in the herds) fell 5.1 per cent and the production of those actually employed for milking purposes declined 3.3 per cent below that of the preceding spring period. This decline in the per cow production may be credited to higher feed costs and late pastures in the early part of the spring period. Where this condition existed, and it seemed to be quite general, dairy stock went on the grass in rather poor condition. Farmers received an average of about 26 cents for butter-fat, \$1.10 cents for milk delivered to cheese factories and about \$2.00 per hundred for milk used for household purposes. There is a general feeling that the prices paid for factory milk and cream are out of line with production costs. This, of course, cannot be regarded as a serious factor during the summer, and as long as pastures remain satisfactory, production will probably be maintained at the normal level.

Ontario

The rainfall in Ontario during the spring period was well above normal, and based on the records for six stations shown on Table X, an average increase of approximately 26 per cent was recorded above that of the preceding year. Temperatures also ranged somewhat higher than they did a year ago. Clover wintered well, and pastures, although slow to start on account of the backward weather in the early spring, made quite rapid progress toward the end of May. There was no winter killing, although northern and south-eastern sections of the province suffered from excessive moisture, making it difficult for farmers to get corn and roots planted in sufficient time to assure a worthwhile harvest. Pastures were rated at 99 at the end of May, 1940, as compared with 93 at the same date in 1939.

Feed supplies were sufficient to carry livestock over the spring period, although there was very little surplus. In southern counties feeds were practically exhausted at the commencement of the pasture season. Dairy cows were released to permanent pasture grounds about May 20, although it was somewhat later in the north. Despite the backward season, cows left the barns at approximately the same time as in 1939. Observers report that dairy cows went to summer pasture in good condition and were milking well by the end of May. Fewer cows were sold to outside buyers this spring, and with young heifers coming into production, the cow population which showed a decline at December 1, would now appear to be practically on a level with that of the previous year. The percentage of cows actually milking declined in March but increased slightly in April and May. The average was 77.8 in the March-May period of 1940, as compared with 79.5 in the same period of 1939.

Dairy Correspondents reported a decline in the milk supply in March, but the average production in the month of April exceeded that of the previous April, and a very substantial gain was shown in the month of May, as compared with May, 1939. The net advance represented an increase of about 2 1/2 per cent in milk production. The increase in cheese was principally due to the operation of factories which had remained open all winter, or had opened early in the year. The daily output per cow, based on all cows in the herds of Dairy Correspondents averaged 18 pounds, a slight gain over that of the previous year. The daily production per cow, based on cows actually milking, averaged 23 pounds as compared with 22.2 pounds in the 1939 period. Butter production declined 2.8 per cent while cheese production increased 32.5 per cent.

TABLE XI - WEATHER RECORDS REPORTED FROM REPRESENTATIVE STATIONS IN WESTERN CANADA
MARCH TO MAY, 1939 AND 1940

Station and Year		Inches of Precipitation				Mean Temperature				Hours of Sunshine			
		Mar.	Apr.	May	Total	Mar.	Apr.	May	Average	Mar.	Apr.	May	Total
Brandon	1939	Nil	0.9	3.0	3.9	15	38	56	36	177	245	256	678
	1940	0.6	0.5	2.2	3.3	18	37	52	36	167	186	245	598
Morden	1939	0.1	1.4	1.8	3.3	19	39	58	39	176	235	244	655
	1940	1.0	3.0	1.6	5.6	18	36	53	36	174	171	209	554
Dauphin	1939	0.2	0.2	1.9	2.3	16	39	55	37	-	-	-	-
	1940	0.2	Nil	1.6	1.8	22	38	55	38	-	-	-	-
Battleford	1939	0.3	0.3	1.1	1.7	13	40	54	36	-	-	-	-
	1940	0.2	0.1	0.5	0.8	17	35	57	36	-	-	-	-
Prince Albert	1939	0.5	1.0	1.0	2.5	13	37	53	34	-	-	-	-
	1940	0.4	Nil	2.3	2.7	18	36	56	37	-	-	-	-
Saskatoon	1939	0.6	0.3	0.8	1.7	16	40	55	37	202	264	248	714
	1940	0.7	0.2	1.2	2.1	18	37	57	37	169	196	299	664
Indian Head	1939	0.4	0.4	1.0	1.8	15	39	55	36	139	-	-	-
	1940	1.1	0.8	1.3	3.2	18	35	56	36	141	163	249	553
Swift Current	1939	0.6	0.7	3.2	4.5	21	42	54	39	166	227	243	636
	1940	0.5	1.4	0.9	2.8	23	33	57	38	108	135	291	534
Beaverlodge	1939	1.3	1.0	1.7	4.0	20	39	51	37	154	241	252	647
	1940	2.1	2.0	1.0	5.1	26	37	51	38	109	163	257	529
Edmonton	1939	0.8	0.9	5.4	7.1	20	42	53	38	166	258	245	669
	1940	3.0	3.1	2.6	8.7	24	35	55	38	106	152	266	524
Calgary	1939	1.6	1.1	1.4	4.1	22	42	52	39	154	228	290	672
	1940	0.8	3.5	1.1	5.4	27	34	53	38	84	116	252	452
Cardston	1939	1.0	0.7	1.5	3.2	30	45	54	43	-	-	-	-
	1940	0.5	3.2	1.5	5.2	32	37	55	41	-	-	-	-
Victoria	1939	1.2	0.4	1.0	2.6	44	50	54	49	143	222	279	644
	1940	3.0	1.4	1.3	5.7	48	52	56	52	154	214	285	653
Prince George	1939	1.0	2.6	2.2	5.8	28	41	51	40	129	154	209	492
	1940	3.2	3.0	1.9	8.1	36	43	52	44	71	145	237	453
Agassiz	1939	4.0	2.0	3.4	9.4	45	51	56	51	111	122	148	381
	1940	7.7	4.4	3.6	15.7	47	53	58	53	92	99	196	387
Kamloops	1939	0.2	0.2	0.8	1.2	38	52	59	50	203	244	256	703
	1940	0.8	0.6	1.8	3.2	44	54	58	52	140	141	213	494

The cheese factories took some patronage from condenseries for a time when cheese prices were high, as well as from creameries. The retention of skim milk on the farms of creamery patrons, fitted in well with the hog industry, and many farms have extended their dairying enterprises on this account. Since cheese prices were reduced, some have switched their patronage to creameries; yet, in the districts where farmers have had a convenient choice, the cheese factories held their own in competition with the butter-making industry. There was a sharp reduction in the production of dairy butter during the three spring months as compared with the same period of the preceding year, and the amount of milk fed to live stock was also reduced. There was practically no change, however, in the milk used in the farm homes. Fluid milk prices averaged about \$1.30 per hundred pounds at the end of May, 1940, and cheese factories paid about \$1.05 per hundred pounds. Condensery patrons received about \$1.25 per hundred pounds, while churning cream was worth about 24 cents per pound butter-fat delivered at creameries.

Manitoba

The spring opened up early in this province, giving the grass an early start where adequate moisture was supplied. In northern areas there was a shortage of moisture, which retarded the growth of both grass and field crops. The spring was inclined to be cold, particularly in the month of May. The precipitation at Morden was 5.6 inches as compared with 3.3 inches in the preceding spring period, but at Dauphin it fell to 1.3 inches as compared with 2.3 inches a year ago. It will be seen that conditions were rather variable, and while there was a slight deficiency of moisture in the province as a whole, this was not indicated in the end of May pasture rating, which stood at 80 as compared with 81 at the same date of the previous year.

Dairy herds were released to pastures comparatively early, but owing to the development of colder weather they had to be restabled. They finally went out about May 15, which seemed to be about 10 days later than last year. Although farmers had enough grain to carry their stock through the winter, there seemed to be a shortage for feeding purposes in the early spring. Live stock continued in good flesh despite the dried-up condition of pastures in northern sections, and the milk supply was not abnormally reduced. Milch cows on farms showed a reduction of about one-half of one per cent from the previous year, and the percentage of cows used for milking purposes registered a decline of less than 1 per cent. Dairy Correspondents reported that 71.6 per cent of the dairy cows were being milked in the spring period of 1940, as compared with 72.4 per cent in the spring period of 1939.

The production of milk in Manitoba registered an average reduction of about 2 1/2 per cent during the March-May period of this year as compared with the same period of the preceding year. Butter production dropped 4 per cent, while cheese production increased 45.3 per cent. One new factory was established in the province and commenced operating in the month of April; another factory is being constructed. On a milk basis, the deliveries to cheese factories and creameries were only slightly less than those of the preceding year, and may be explained from the fact that a considerable reduction took place in the consumption of milk consumed in farm homes and fed to live stock. A substantial decline in the production of dairy butter was also recorded. Reports indicate that farmers are turning their attention to live stock production, and cows are being used for nursing calves instead of being used for dairying purposes.

The decline in the prices of dairy products was a source of discouragement, and some reduction in the holdings of dairy stock would seem to be indicated. The situation appears more hopeful, however, with the improved prospects for hay and pasture.

TABLE XII - WHOLESALE PRICE INDEXES OF THE PRINCIPAL DAIRY PRODUCTS
IN COMPARISON WITH OTHER AGRICULTURAL PRODUCTS IN CANADA,^x
MARCH TO MAY, 1939 AND 1940.

Base 1926 = 100

		March	April	May	Average March to May
Fresh Milk	1939	88.0	88.0	88.0	88.0
	1940	88.5	88.5	88.5	88.5
	%	(+) 0.6	(+) 0.6	(+) 0.6	(+) 0.6
Butter	1939	57.4	55.9	54.2	55.8
	1940	69.6	68.3	59.6	65.8
	%	(+) 21.3	(+) 22.2	(+) 10.0	(+) 17.9
Cheese	1939	60.2	59.6	55.7	58.5
	1940	87.9	76.0	71.5	78.5
	%	(+) 46.0	(+) 27.5	(+) 28.4	(+) 34.2
Coarse Grains /	1939	54.6	56.1	59.9	56.9
	1940	74.4	75.3	63.6	71.1
	%	(+) 36.3	(+) 34.2	(+) 6.2	(+) 25.0
Wheat (All Grades)	1939	38.6	39.4	42.9	40.3
	1940	58.9	60.3	53.3	57.5
	%	(+) 52.6	(+) 53.0	(+) 24.2	(+) 42.7
Veal	1939	87.2	82.0	75.6	81.6
	1940	100.4	92.7	93.3	95.5
	%	(+) 15.1	(+) 13.0	(+) 23.4	(+) 17.0
Steers	1939	99.6	99.9	97.5	99.0
	1940	100.0	99.9	106.9	102.3
	%	(+) 0.4	-	(+) 9.6	(+) 3.3
Hogs	1939	71.4	67.2	66.2	68.3
	1940	69.2	65.6	62.8	65.9
	%	(-) 3.1	(-) 2.4	(-) 5.1	(-) 3.5
All Farm Products	1939	65.1	65.5	65.2	65.3
	1940	71.3	72.1	68.0	70.5
	%	(+) 9.5	(+) 10.1	(+) 4.3	(+) 8.0

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

Creameries were paying about 21 cents per pound butter-fat for churning cream at the end of May, and the price of fluid milk averaged in the neighbourhood of \$1.65 except in Winnipeg where the base price of \$2.10 set by the Milk Control Board was in effect.

Saskatchewan

Weather and moisture conditions were highly satisfactory in the southern sections of this province during the spring period but an unprecedented drouth swept across northern areas. Dust storms were reported at Prince Albert and other sections of the north that had rarely experienced drouth at this season of the year. The spring opened up warm but somewhat cooler weather prevailed in the month of April. The average temperature for the three months was practically the same as that shown on the records for last year. Precipitation, however, was extremely variable. There was a total of 2 inches of rainfall at Saskatoon, 3.2 inches at Indian Head, and only eight-tenths of an inch at Battleford. The shortage of moisture was evident in the month of April, Swift Current being the only station to report more than an inch of precipitation. Pastures were slow to start but improved later in the spring. Seeded pastures were better than those of native origin. The growth of grass in the southern areas was a little better than usual, while the pasture growth in the north was universally poor. The average pasture rating for the entire province at the end of May, 1940, was 82, while a year ago at the same time the condition was estimated at 91 per cent of the long-time average.

Live stock was released to pastures about May 15, which would be about two weeks later than last year. There was no evidence, however, that live stock had suffered from a shortage of feed in the early spring, as the animals when turned out to grass were reported to be in fairly good condition. Farmers retained a few extra cows on farms, a slight increase being shown by Dairy Correspondents in comparison with the number reported at the same time in the previous year. The percentage of cows milking to total cows increased in greater proportion, advancing from 64 per cent in the 1939 period to 65.3 per cent in the 1940 period.

According to Dairy Correspondents, milk production per farm increased 13.5 per cent during the three spring months in comparison with the March-May period of the preceding year. Based on all cows in the herds the production per cow advanced 6.3 per cent and those actually milking registered an advance of 5.4 per cent. The increase in dairy production may be credited solely to the abundance of feed during the winter and early spring and the satisfactory pasture growth in the southern part of the province. The production of butter continued throughout the spring months at a high level, being 20.6 per cent above that of the preceding spring, while cheese production declined 39.1 per cent. It should be remembered, however, that there were only 9 cheese factories in operation in the month of May, as against 61 creameries. Consequently, cheese factories only received 317 thousand pounds of milk as against 129.8 million pounds delivered to creameries. A reduction of 5 per cent was recorded in the output of dairy butter as compared with the preceding year, less milk was fed to live stock and a very considerable reduction occurred in the consumption of milk in farm homes. While there seems to be a tendency to revert somewhat to live stock production as a result of lower prices, it is expected that milk production will be well maintained during the summer. Farmers received about 20 cents per pound butter-fat for churning cream at the end of May, and milk for cheese making was worth about 95 cents. The average price of fluid at the end of May was in the neighbourhood of \$1.95, somewhat higher prices being paid, of course, in the controlled areas than in other sections of the province.

TABLE XIII - RETAIL PRICE INDEXES OF DAIRY AND MEAT PRODUCTS IN CANADA,^x
MARCH TO MAY, 1939 AND 1940.

Base 1926 = 100

		March	April	May	Average March to May
Creamery Butter	1939	59.7	59.5	58.4	59.2
	1940	70.0	71.6	68.2	69.9
	%	(+) 17.3	(+) 20.3	(+) 16.8	(+) 18.1
Cheese	1939	69.8	69.5	69.2	69.5
	1940	83.3	83.0	79.9	82.1
	%	(+) 19.3	(+) 19.4	(+) 15.5	(+) 18.1
Milk (Fresh)	1939	92.5	92.5	92.5	92.5
	1940	94.2	94.2	94.2	94.2
	%	(+) 1.8	(+) 1.8	(+) 1.8	(+) 1.8
Veal Roast	1939	87.0	86.5	82.3	85.3
	1940	91.7	89.1	86.5	89.1
	%	(+) 5.4	(+) 3.0	(+) 5.1	(+) 4.5
Beef Sirloin	1939	92.5	93.9	94.9	93.8
	1940	96.3	95.9	96.6	96.3
	%	(+) 4.1	(+) 2.1	(+) 1.8	(+) 2.7
Beef Chuck	1939	97.5	99.4	100.6	99.2
	1940	101.9	101.9	103.8	102.5
	%	(+) 4.5	(+) 2.5	(+) 3.2	(+) 3.3
Pork (Fresh)	1939	78.1	78.8	77.8	78.2
	1940	76.8	76.8	76.5	76.7
	%	(-) 1.7	(-) 2.5	(-) 1.7	(-) 1.9
Lard	1939	51.8	50.6	48.6	50.3
	1940	47.8	45.7	44.9	46.1
	%	(-) 7.7	(-) 9.7	(-) 7.6	(-) 8.3
Eggs	1939	64.3	60.3	55.8	60.1
	1940	60.5	58.8	57.3	58.9
	%	(-) 5.9	(-) 2.5	(+) 2.7	(-) 2.0

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

Alberta

Weather conditions were exceptionally favourable for the production of plant growth in this province during the spring months; pastures made rapid progress under the influence of heavy precipitation and warm weather. Approximately 5 inches of rainfall was recorded at Beaver Lodge, 9 inches at Edmonton and 5 inches at both Calgary and Cardston. It will be seen, therefore, that the precipitation was well distributed. At Lacombe 6.53 inches of rainfall was reported during the three spring months, which was a record for the season at that station.

There was no winter killing of pasture grass and although the growth was slow to start on account of the low temperatures in April, it made exceptional gains with the advent of warm weather in May. At the end of that month the pasture rating as listed by Crop Correspondents was 101 as compared with 90 on the same day of the preceding year.

Dairy herds were turned into pastures about ten days later than last year, the average date of release being about May 10 although in some parts cool, wet weather made it necessary to stable them for a longer period. The condition of the live stock was reported to be excellent and dairy cows made rapid gains in milk production during the first two months of the spring season. Farmers of the province prepared for increased production in 1940 by retaining a few extra cows on their farms and there was also some pure bred stock imported into the province. Strangely enough the number of cows milking registered no change as compared with the previous spring and the percentage of total cows fell from an average of 68.7 in the March-May period of 1939 to 63.5 in the corresponding period of 1940. It is apparent, therefore, that a great number of non-milking cows are being carried on farms. The reports of dairy farm observers reveal that a large percentage of cows were being used for nursing beef calves although it was also stated that attractive prices paid for veal induced farmers to sell off more than the usual number of calves, thus leaving greater quantities of milk for sale to factories. The fact that more milk was needed for feeding young pigs is said to have served as an incentive for farmers to continue as part-time dairymen, despite unsatisfactory prices being paid for milk products.

The production of milk on the farms of Alberta dairy correspondents increased in March, but declined considerably in April and to a lesser extent in May. Butter production during the three spring months declined 1.5 per cent as compared with the same period of the preceding year, while cheese production declined 11 per cent. The production of milk per cow, based on all cows in the herds of dairy correspondents, declined 12.2 per cent, while those actually milking registered a reduction of approximately 5 per cent. The former may be explained by the large number of dry cows and the latter can be attributed in part to the cool, wet weather which prevailed during April and part of May. The outlook for dairy production is not particularly promising. A feeling exists that the prices paid for dairy products are quite out of line with the production cost and this has already produced an unfavourable reaction. Creameries paid farmers an average of about 19 cents per pound butter-fat during the last week in May and cheese factories paid about 95 cents per 100 lbs for milk. Those who were able to patronize the condensery, of course, received higher prices. An increased demand for fresh milk, resulting in part from the establishment of military centres, has attracted more farmers into the milk trade. The prices paid for standard milk averaged about \$2.00 per hundred. Despite excessive quantities of milk fed to pigs a reduction in the total quantities of milk used for live stock was indicated; which was due, of course, to the large numbers of calves marketed in the late winter and early spring. There was also a slight reduction in the quantities used in farm homes and less milk was made into dairy butter. It is too soon to judge the effects of the growing competition with the beef industry indicated in

TABLE XIV - DAIRY PRODUCTS EXPORTED FROM CANADA,
MARCH TO MAY, 1939 AND 1940.

	Butter	Cheese	Condensed Milk	Milk Powder	Evaporated Milk	Fresh Milk	Cream
	Lb.	Lb.	Lb.	Lb.	Lb.	Gal.	Gal.
March							
1939	2,179,700	890,400	220,000	793,400	1,906,500	408	416
1940	35,400	5,103,700	70,900	446,500	2,048,900	162	-
April							
1939	633,100	376,600	40,800	561,400	1,818,400	144	216
1940	87,700	2,293,400	62,700	690,400	1,132,100	232	50
May							
1939	1,036,500	5,448,500	176,200	608,600	3,232,300	272	35
1940	51,700	1,183,000	401,900	431,400	685,000	402	29
March to							
May 1939	3,849,300	6,715,500	437,000	1,963,400	6,957,200	824	667
1940	174,800	8,580,100	535,500	1,568,300	3,866,000	796	79

TABLE XV - DAIRY PRODUCTS IMPORTED INTO CANADA,
MARCH TO MAY, 1939 AND 1940.

	Butter	Cheese	Condensed Milk	Milk Powder	Casein	Fresh Milk and Cream
	Lb.	Lb.	Lb.	Lb.	Lb.	Gal.
March						
1939	1,180	91,203	125	219	61,094	1,662
1940	298	111,080	-	685	19,496	155
April						
1939	44	98,407	399	897	56,650	410
1940	35	142,230	-	4,145	545,524	15
May						
1939	1,642	181,643	11,120	13,464	23,374	442
1940	975	143,217	1,406	336	97,430	40
March to						
May 1939	2,866	371,253	11,644	14,580	141,118	2,514
1940	1,308	396,527	1,406	5,166	662,450	210

the reports of dairy farm observers, but it seems probable that the milk output will be adversely affected if existing price relationships continue. This applies more to Alberta than to other provinces because of the greater adaptability of the cattle population to range conditions.

British Columbia

Warm weather with heavy rainfall produced an exceptionally fine growth of grass on pasture lands. The season was early and open grazing commenced in some cases before the first of April. Temperatures were well above the previous year for the spring season. The precipitation at Victoria was nearly 6 inches. Prince George received 8 inches of precipitation, and Agassiz Experimental Station reported nearly 16 inches. A year ago these three stations reported 2.6 inches, 5.8 inches and 9.4 inches, respectively. Only 3.2 inches was registered at Kamloops, but this also exceeded the rainfall of the previous spring by 2 inches. Both native and seeded pastures were well advanced by the end of April and at the end of May pastures showed a rating of 104 as compared with 98 at the same date in 1939. There was no winter killing of clover or pasture grass. Conditions generally were exceptionally satisfactory for dairying.

Live stock left the barns in very excellent condition early in April, although in some cases milch cows were stabled occasionally until about the 15th of the month. Compared with last year, grazing commenced about two or three weeks earlier. The sales of milch cows to outside buyers were less than those reported in the preceding spring period. The numbers on farms at the end of May, 1940, however, revealed practically no change as compared with the numbers reported at the same time in 1939. Fewer cows were actually milked and the percentage of milking cows to total cows averaged 83.6 per cent as against 85.5 per cent in the March-May period of the preceding year.

Milk production in both March and April registered moderate gains over the same months of 1939. This was due to the unusually favourable weather and almost ideal feeding conditions that existed at that time. The total production of milk for the period was nearly 3 per cent greater than that recorded in the March-May period of the previous year. Milk production per cow, based on all cows in the herds of reporting correspondents, was 4.8 per cent higher than that recorded in the spring months of the previous year, and based on cows actually milking, the increase was 5 per cent. Compared with the spring of 1939, the production of creamery butter registered an advance of 6.8 per cent during the three-month period, while cheese production declined nearly 24 per cent. A part of this increase in butter production resulted from a decline of about 2.3 per cent in the output of dairy butter, the milk so used being sold apparently to dairy factories instead of being manufactured on farms. Lesser quantities of milk used in farm homes may also account in part for the advance in creamery deliveries. More milk was fed to live stock, due probably to some increase in pig litters in those sections where farmers are engaging more extensively in live stock undertakings. The prices paid by

TABLE XVI - STOCKS OF BUTTER⁺, CHEESE AND CONCENTRATED MILK PRODUCTS IN CANADA,
BY MONTHS, MARCH TO JUNE, 1939 and 1940.

Product	March 1	April 1	May 1	June 1
	Lb.	Lb.	Lb.	Lb.
Creamery Butter				
1939	23,352,970	13,050,303	9,845,968	14,963,058
1940	23,137,116	14,077,360	10,505,834	15,559,766
Dairy Butter				
1939	258,035	157,866	104,358	121,351
1940	144,960	111,585	83,229	125,527
Cheese				
1939	27,298,595	26,102,959	26,508,476	27,121,831
1940	14,873,658	13,367,191	13,897,383	21,519,238
Concentrated Whole Milk Products:				
Condensed Milk				
1939	772,209	624,774	639,471	871,462
1940	392,619	469,040	437,690	622,076
Evaporated Milk				
1939	8,059,973	5,835,244	6,122,559	9,074,878
1940	8,683,195	9,479,339	12,248,506	11,352,161
Milk Powder				
1939	982,235	759,696	1,011,277	1,224,817
1940	543,698	618,690	645,898	875,874
Total Whole Milk Products				
1939	9,821,097	7,225,274	7,778,451	11,175,839
1940	9,625,267	10,571,289	13,338,154	12,855,237
Concentrated Milk By-Products:				
Condensed Skim Milk				
1939	480,095	416,810	354,028	202,768
1940	148,123	213,474	279,773	257,819
Evaporated Skim Milk				
1939	8,187	3,271	18,267	5,014
1940	/	10,523	/	/
Skim Milk Powder				
1939	5,525,222	4,422,108	4,334,436	4,726,355
1940	2,357,247	2,501,648	2,603,287	2,254,808
Total By-Products				
1939	7,751,559	6,315,009	6,291,847	6,325,699
1940	2,856,580	2,965,461	3,212,608	2,945,247

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

/ Included in Condensed Skim Milk.

creameries at the end of May averaged about 25 cents per pound butter-fat. Condenseries paid about 30 cents and fluid milk prices varied from 50 to 65 cents at the end of May. General disappointment in respect to the prices of dairy products may limit the expansion of dairying enterprises in British Columbia, although, unlike other provinces the lack of alternative opportunities will tend to keep dairying in the foreground.

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DAILY PRICES OF BUTTER AND CHEESE, AT MONTREAL

DECEMBER-MAY 1938-39 AND 1939-40

