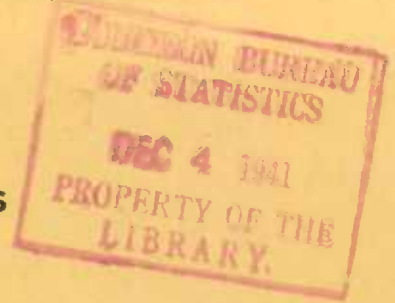


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CANADA
DOMINION BUREAU OF STATISTICS
AGRICULTURAL BRANCH



SERIES NO. VIII

REPORT NO. 3

THE DAIRY SITUATION
IN
CANADA

THIRD QUARTER

JULY - SEPTEMBER

1941



OTTAWA
1941

Price \$1 a year

TABLE OF CONTENTS

	<u>Page Number</u>
SUMMARY	1
THE DAIRY SITUATION	3
THE CREAMERY BUTTER POSITION	7
THE CHEESE POSITION	9
MILK PRODUCTS	9
REVIEW OF THE SITUATION BY PROVINCES	
Prince Edward Island	11
Nova Scotia	11
New Brunswick	13
Quebec	15
Ontario	17
Manitoba	19
Saskatchewan	20
Alberta	21
British Columbia	22

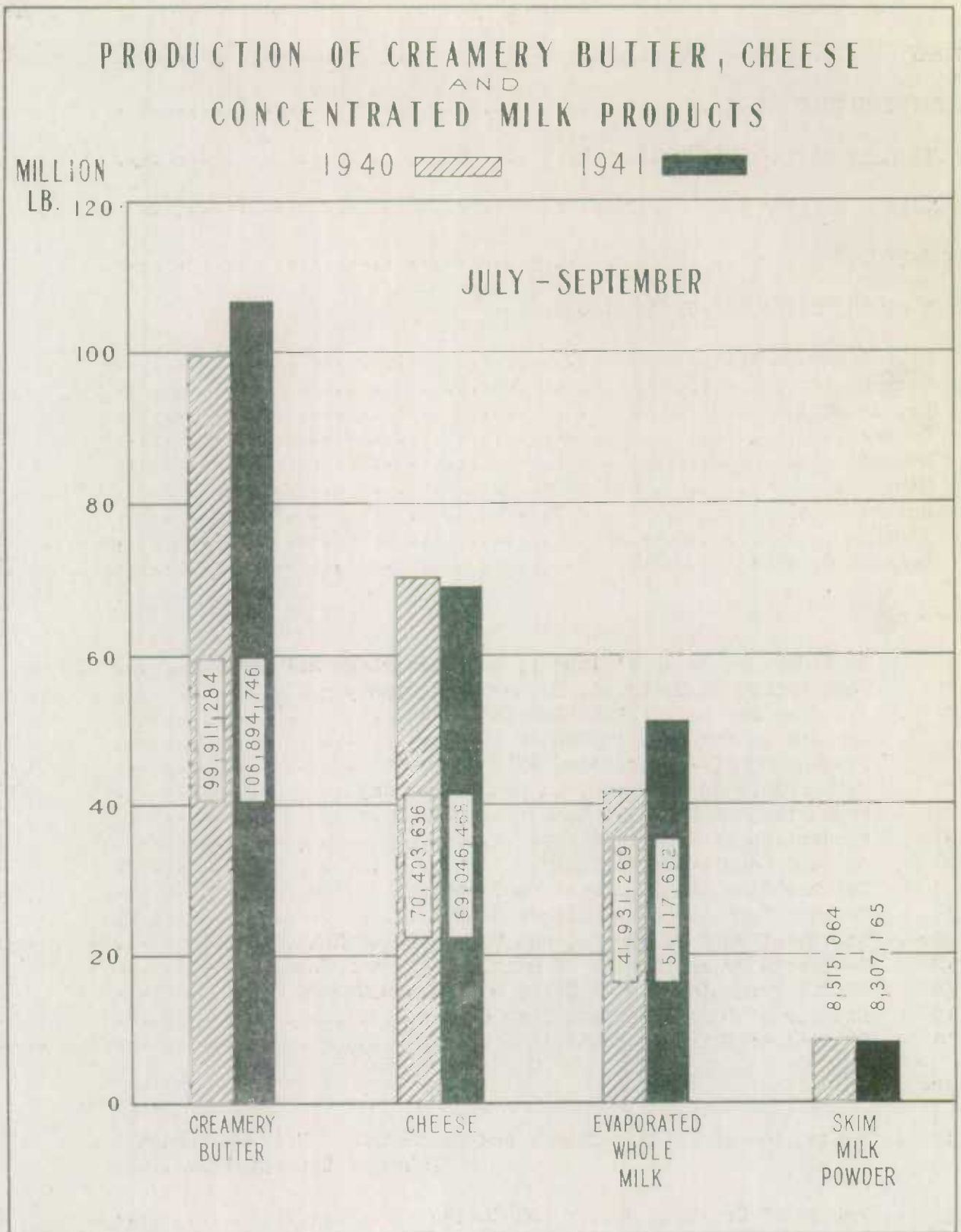
TABLES -

1 - Milk Cows on Farms at June 1, and Percentage Milking	2
2 - Feed Prices at Montreal, Toronto and Winnipeg	4
3 - The Creamery Butter Position in Canada	6
4 - The Cheese Position in Canada	8
5 - Production of Concentrated Milk Products	8
6 - Milk Production per cow, in pounds per day	10
7 - Production of Creamery Butter	12
8 - Production of Factory Cheese	12
9 - Pasture Conditions in Canada	14
10 - Weather Conditions in Eastern Canada	16
11 - Weather Conditions in Western Canada	18
12 - Stocks of Butter, Cheese, and Concentrated Milk Products	23
13 - Wholesale Price Indexes of Milk, Butter and Cheese	24
14 - Retail Price Indexes of Milk, Butter and Cheese	24
15 - Exports of Dairy Products from Canada	25
16 - Imports of Dairy Products into Canada	25

CHARTS -

1 - Production of Butter, Cheese and Concentrated Milk ... (Back of Table of Contents)	
2 - Prices of Creamery Butter and Cheese	26

Chart 1



DOMINION BUREAU OF STATISTICS
AGRICULTURAL BRANCH

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SUMMARY

This report on the Dairy Situation in Canada for the third quarter, July-September, 1941, is based on information obtained through the co-operation of Dairy officials and Correspondents in the provinces and Superintendents of Dominion Experimental Farms. Unless otherwise stated, the figures given in this Summary are for the three months covered by this report; and with the exception of those specifically mentioned, all comparisons are with the same period of the previous year.

The production of milk is placed at slightly less than 7 billion pounds for the third quarter of 1941, and the estimated total for the year is expected to approximate 17 billion pounds. These figures represent increases of 4.9 and 4.3 per cent.

The creamery butter make amounted to nearly 107 million pounds, an increase of approximately 7 million pounds or 7.0 per cent. The January-September production reached a total of 233.6 million pounds, or 9.0 per cent above the 1940 figure.

The domestic disappearance of creamery butter advanced 1.7 per cent. This increase is attributed to greater employment in industries, larger payrolls, and a general increase in population. If the present trend in butter production continues there should be more than sufficient to meet domestic requirements during the winter.

Butter prices at Montreal averaged $35\frac{1}{2}$ cents compared with $22\frac{3}{4}$ cents a year ago. The highest prices were paid in August, the average for the month being $36\frac{5}{8}$ cents. There is some indication that high prices tended to restrict consumption during that month. Under the new Government regulations maximum butter prices at Montreal and Toronto would fall somewhere between 34 and 35 cents.

Cheddar cheese production fell to 69 million pounds, a decline of over 1 million pounds. The output for the nine months reached a total of 118.7 million pounds, an increase of approximately $\frac{1}{4}$ of a million pounds.

The total disappearance of cheese (including exports) declined 11.6 per cent. At October 1, stocks were shown to be up 11 million pounds. Surplus holdings may be reduced after November 1 by the removal of restrictions on local sales. The fixed price of Export cheese at Montreal was 16 cents as compared with 14 cents. On a butterfat basis the former figure was $2\frac{1}{2}$ cents a pound less than that paid for butter. Effective December 1, first grade cheese cannot be sold in Ontario and Quebec for more than 25 cents a pound, f.o.b. factory.

The production of concentrated whole milk products moved from 48.7 to 62.3 million pounds, and milk by-products advanced from nearly 12 to $12\frac{1}{2}$ million pounds. Exports of all products increased 10.6 per cent and imports decreased 48.7 per cent.

Milk cow numbers at June 1, declined only $\frac{1}{10}$ of 1 per cent as compared with those on farms at the same date in 1940, the total being 3,890,300. More were used for milking purposes, increasing the numbers actually in production.

Pastures and feeds. Pasture ratings for the Dominion averaged 82 as compared with 95 a year ago. The greatest difference was shown in July, conditions being better in the latter part of the season. The hay crop was poor in Ontario and Quebec, and the Dominion total was reduced approximately 2 million tons. There was a good alfalfa crop. The production of oats was considerably less but the barley crop was slightly better than in 1940. Free transportation has now been arranged for western grains shipped to British Columbia and the eastern provinces.

By Provinces, July to September, 1940 and 1941.

Province	Numbers on Farms		Percentage Change
	June 1, 1940	June 1, 1941	
	No.	No.	%
CANADA	3,894,800	3,890,300	- 0.1
Prince Edward Island	44,400	44,200	- 0.5
Nova Scotia	114,400	113,000	- 0.9
New Brunswick	113,100	111,600	- 1.3
Quebec	1,028,600	1,010,000	- 1.8
Ontario	1,195,100	1,204,300	+ 7.6
Manitoba	350,500	326,500	- 6.9
Saskatchewan	502,500	532,000	+ 5.8
Alberta	416,800	418,000	+ 0.3
British Columbia	129,400	130,700	+ 1.0

Province	Year	July	August	September	Average July to September
		%	%	%	%
CANADA	1940	85.6	82.4	79.7	82.6
	1941	84.8	83.4	81.7	83.3
Prince Edward Island	1940	80.3	81.6	79.9	80.6
	1941	87.2	80.7	88.4	85.4
Nova Scotia	1940	89.0	89.8	85.0	87.9
	1941	91.4	86.9	87.7	88.7
New Brunswick	1940	91.2	90.7	86.5	89.5
	1941	92.3	88.4	88.0	89.6
Quebec	1940	94.7	93.5	93.8	94.0
	1941	92.9	93.6	91.6	92.7
Ontario	1940	89.3	85.3	86.0	86.9
	1941	87.9	86.2	85.0	86.4
Manitoba	1940	89.2	78.2	75.7	81.0
	1941	81.2	86.3	77.1	81.5
Saskatchewan	1940	79.6	74.1	72.5	75.4
	1941	76.1	78.4	73.4	76.0
Alberta	1940	73.8	66.9	57.8	66.2
	1941	73.5	71.5	65.0	70.0
British Columbia	1940	83.1	82.1	80.3	81.8
	1941	81.1	78.3	79.0	79.5

The latter data are based on Dairy Correspondents' reports.

The production of milk during the July-September period of 1941 was abnormally high. This was due in part to good pastures in certain parts of the Dominion during the latter part of the season and to an increase in the number of cows being employed for milking purposes.

Summer forage was more plentiful in the Maritime Provinces than in the same period of 1940, but Quebec suffered slightly from dry weather and Ontario pastures were considerably below normal. Grass forage on the Prairies was better than usual, although in Alberta the growth did not average up to that of the previous year. The condition of pastures for the Dominion as a whole was poor in July but rather better in August and September, the average ratings for the three months being 82 as compared with 95 in the three-month period of 1940.

The numbers of milk cows recorded on farms at June 1 showed substantial increases in Ontario and Saskatchewan, and slight advances in Alberta and British Columbia. The Dominion total was practically unchanged as will be observed in a study of Table 1. The percentage of cows milking had an important bearing on production. Prince Edward Island, Nova Scotia, Saskatchewan and Alberta registered significant increases, and combined with the advance in numbers already mentioned, the two western provinces in particular made a sizable contribution to the dairy production of Canada.

Milk production for the July-Sept. period is now estimated at slightly less than 7 billion pounds, and the total for 1941 is expected to reach 17 billion pounds. These advances over the 1940 production of approximately 5 per cent and 4 per cent respectively, are represented by larger outputs in all provinces except Ontario and British Columbia. While the greater part of the increased milk supply went into manufactured products, it is of interest to know that the sales of fluid milk based on the returns from Quebec, Three Rivers, Sherbrooke, Ottawa, Toronto and Windsor, increased 6 per cent in August, 1941, over the same months of the previous year, and 5 per cent during the eight months, January to August. Values based on figures for the same centres increased 14 per cent in August and 11 per cent during the first eight-month period.

Feed Prices invited considerable attention throughout the third quarter of 1941; for not only did the advancing prices add to the cost of purchasing pasture substitutes but also foreshadowed a more serious situation in the winter months when larger quantities would have to be purchased to keep up the milk supply. The figures in Table 2 reveal advances in the price of oats amounting to 46 per cent at Montreal and 59 per cent at Winnipeg over the July-September period of the previous year. Barley increased 47 per cent and 44 per cent at the two markets mentioned, and bran at Montreal moved up from \$25.00 to \$27.00 a ton. Compared with the five-year average, barley increased 17 per cent at Montreal and 14 per cent at Winnipeg, while bran at Montreal advanced 18 per cent. The increase in concentrated feeds was even more pronounced. Gluten feed at Toronto went up nearly 20 per cent during the period, July to September, as compared with the same period of 1940, and Linseed Oil Cake increased 32 per cent. These quotations represent advances in comparison with the five-year average of 15 per cent and 12 per cent, respectively.

While feed prices moved to considerably higher levels during the July-September period, it is important to note that further advances were checked as a result of the prompt actions taken by the Wartime Prices and Trade Board co-operating with the Agricultural Supplies Board. Early in July, control measures dealing with export quotas on feed grain, were put into operation through powers vested in the Minister of Agriculture by Order in Council passed on March 4, 1941. These quotas were applied to 35 licensed mills in Canada. Although the quota was primarily set at 70 per cent and later at 50 per cent, the actual exports were considerably below the percentage shown. Furthermore by an arrangement with millers it was agreed to reduce the wholesale carload prices of Bran, Shorts, and Middlings by \$3.00 a ton, effective July 15 to August 31 in all parts of Canada.

Based on Grain and Bran Prices at Montreal and Winnipeg and Concentrated Feeds at Toronto at the end of July, August and September, 1940 and 1941, with 5-year average 1935-39.

Description	July 31		August 31		September 30		July-September Average	
	MONTREAL WINNIPEG Cents per bushel		MONTREAL WINNIPEG Cents per bushel		MONTREAL WINNIPEG Cents per bushel		MONTREAL WINNIPEG Cents per bushel	
OATS No. 3 C.W.								
1940	37 7/8	26 1/8	37 5/8	27 1/8	39 1/2	31 1/4	38 3/8	28 1/8
1941	51	40	58	46 3/4	59 3/4	47 5/8	56	44 3/4
% Change	+ 34.8	+ 53.1	+ 54.2	+ 72.4	+ 51.3	+ 52.3	+ 46.0	+ 59.1
1935-39 Av.								
1941	51	40	58	46 3/4	59 3/4	47 5/8	56	44 3/4
% Change	+ 10.6	+ 3.9	+ 31.1	+ 31.7	+ 32.4	+ 30.0	+ 24.1	+ 21.5
BARLEY No. 2 Feed								
1940	43 1/4	32 3/4	43 7/8	32 1/8	47 3/4	38 3/4	45	34 1/2
1941	64	45 7/8	63	47 5/8	71	55 3/4	66	49 3/4
% Change	+ 48.0	+ 40.0	+ 43.7	+ 48.2	+ 48.7	+ 43.9	+ 46.7	+ 44.2
1935-39 Av.								
1941	64	45 7/8	63	47 5/8	71	55 3/4	66	49 3/4
% Change	+ 10.6		+ 19.8	+ 22.0	+ 21.6	+ 21.6	+ 17.3	+ 14.1
BRAN								
Dollars per ton								
1940	25.25	23.00	25.25	23.00	25.25	23.00	25.25	23.00
1941	25.25		27.25		29.25		27.25	
% Change			+ 7.9		+ 15.8		+ 7.9	
1935-39 Av.								
1941	25.25	22.30	27.25	20.40	29.25	21.30	27.25	21.53
% Change	+ 6.3		+ 21.4		+ 28.0		+ 18.4	
GLUTEN FEED								
25% - ton lots								
TORONTO (Dollars per ton)								
1940	25.00		25.00		27.00		25.67	
1941	30.00		30.00		32.00		30.67	
% Change	+ 20.0		+ 20.0		+ 18.5		+ 19.5	
1935-39 Av.								
1941	30.00		30.00		32.00		30.67	
% Change	+ 15.4		+ 21.0		+ 9.6		+ 15.0	
LINSEED OIL CAKE								
38% - ton lots								
1940	30.75		31.00		31.50		31.08	
1941	39.00		40.75		43.00		40.92	
% Change	+ 26.8		+ 31.4		+ 36.5		+ 31.7	
1935-39 Av.								
1941	39.00		40.75		43.00		40.92	
% Change	+ 11.7		+ 12.6		+ 11.2		+ 11.9	

Since the close of the period under review quite significant changes have been made through government regulations, thereby placing the whole problem of feed costs on a different basis. The changes now in effect were covered in the following orders.

1. One-third of the regular freight rate charges on all feed grains and mill-feeds shipped in carloads or ship cargoes from Fort William to points in the Eastern Provinces, to be paid by the Dominion Government; provided however that these feeds are used exclusively for livestock and poultry feeding. This regulation was made effective by the Order in Council P.C. 7523 dated September 25, 1941.
2. The full payment of all freight costs on feed grains moved eastward from Fort William to be met by the Dominion Government, as per Order in Council P.C. 8067 dated October 20, 1941, replacing order 7523 above.
3. The free freight rate plan was made retroactive to May 1 on western grain, barley, oats, rye and screenings (No. 1 and 2) which had been shipped into Eastern Canada since that date and still available for distribution on October 20. This amendment was covered by Order in Council P.C. 8396 passed on October 28, 1941. A later change extends these free rates to British Columbia.
4. Maximum Price policy provided for by Order in Council P.C. 8527 passed November 1, 1941, provides for a ceiling on the prices and costs of all goods and services, subject to detailed regulations by the Wartime Prices and Trade Board.

Farm Labour - There was a general shortage of farm labour during the summer months which tended to slow up the development of dairying enterprises. Insufficient help was reported from all parts of the country, and many observers indicated that those employed were lacking in farm experience. While monthly figures on farm wages are not available it is apparent that a considerable increase in labour costs occurred during the course of the past year.

The number of Dairy Factories in operation in Canada are shown below. In studying these figures it will be noticed that with the exception of the month of September, fewer cheese factories and creameries were in operation than in the corresponding months of 1940.

Number of Operating Dairy Factories in Canada

	<u>July</u>	<u>August</u>	<u>September</u>
As Creameries			
1940	1392	1380	1382
1941	1345	1350	1350
As Cheese Factories			
1940	1218	1204	1193
1941	1180	1146	1196
As Combined Factories			
1940	140	138	138
1941	146	128	98

July to September, 1937 to 1941.

	Year	July	August	September	July to September
		Lb.	Lb.	Lb.	Lb.
Stocks in storage at first of the month, (including Imported Stocks)	1937	26,542,253	40,602,700	49,078,407	-
	1938	32,943,930	50,331,767	61,113,630	-
	1939	31,797,913	45,826,401	54,935,793	-
	1940	32,582,334	49,925,411	57,917,879	-
	1941	35,905,338	50,748,452	61,907,536	-
Stocks in transit at first of the month	1937	538,000	756,000	812,000	-
	1938	700,000	476,000	890,400	-
	1939	1,064,000	952,000	408,800	-
	1940	896,000	613,000	1,024,800	-
	1941	1,288,000	1,260,800	812,000	-
Production during month	1937	36,011,612	31,730,133	29,179,352	96,921,097
	1938	38,858,431	35,252,204	30,338,515	104,449,150
	1939	38,057,563	34,085,995	30,024,827	102,168,385
	1940	39,607,803	33,775,562	26,527,919	99,911,284
	1941	39,157,290	35,460,018	32,277,438	103,394,746
Imports	1937	689	653	3,733	8,078
	1938	336	821	1,258	2,415
	1939	97	257	619	973
	1940	672	194	486	1,552
	1941	46	131	314	491
Exports	1937	49,100	54,300	52,000	155,400
	1938	80,200	159,400	1,571,200	1,810,800
	1939	1,644,800	1,014,700	233,800	2,893,300
	1940	129,000	149,900	139,400	448,300
	1941	132,300	143,000	152,500	457,800
Prices	1937	26	26 3/4	26 3/8	25 3/2
	1938	25	25 1/2	22 3/4	23 3/4
	1939	21 3/4	21 1/2	26 1/4	23 1/8
	1940	22 5/8	22 3/8	23 3/8	22 3/4
	1941	35 3/8	26 5/8	24 1/2	35 1/2
x Total Disappearance of Creamery Butter (Domestic and Export)	1937	21,733,854	23,198,979	23,859,017	68,841,850
	1938	21,694,930	24,056,762	27,125,093	72,876,785
	1939	24,141,172	25,520,060	27,752,084	77,413,316
	1940	22,545,598	25,374,488	26,337,790	74,257,876
	1941	24,241,422	24,849,865	26,464,363	75,555,650
x Domestic Disappearance of Creamery Butter	1937	21,734,754	23,144,679	23,807,017	68,686,450
	1938	21,614,730	23,897,362	25,553,893	71,065,985
	1939	22,496,372	24,505,360	27,518,264	74,520,016
	1940	22,416,598	25,224,588	26,168,390	73,809,576
	1941	24,079,122	24,706,865	26,311,633	75,097,620

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

THE CREAMERY BUTTER POSITION

The production of creamery butter during the third quarter of 1941 was nearly 7 million pounds higher than that produced in the same period of 1940. The greatest increase took place in September. Allowing for the usual time lag it would appear that the advance in butter prices during the month of August as against the fixed price of cheese, diverted a certain amount of milk into the creamery channel in the month of September. It would also appear that butter prices during August produced an immediate effect on consumption; for while the domestic disappearance (see Table 3 on the opposite page) advanced in July, a decline of 2.1 per cent was recorded in August as compared with the same month last year. Exactly the opposite situation developed in September when a fall of $2\frac{1}{4}$ cents from the previous month tended to push domestic disappearance to a slightly higher level. It shows in some measure the sensitive character of consumer-demand when total living costs are on an ascending scale.

The domestic disappearance during the entire three-month period advanced approximately 1.3 million pounds or nearly 2 per cent over the July-September period of 1940. This increase was encouraging in face of a 13 cent spread in the price of butter. It should be borne in mind, of course, that this increase in the domestic disappearance was due principally to a larger consuming population, a proportion of which, being service personnel, benefited from a fixed scale of rationing. Another important influence was the increase in industrial employment, and the larger payrolls that accompanied this increase. The former is indicated in an average advance of 32 per cent in factory labour employment as at July 1, August 1, and September 1; and with the inclusion of all industries the situation was just slightly less favourable, the indexes showing an average advance of 25 per cent over those of a year ago. Likewise, the physical volume of business which frequently offers a good index to the general economic position, was 13 per cent above the average recorded at the same dates in 1940.

There was a relatively strong stock position at the end of September, showing 9 million pounds more butter than at October 1 a year ago. If the output of butter during the next quarter keeps pace with current trends there should be a sizeable surplus over and above domestic requirements during the winter months. With the closing of cheese factories a good share of the increase in milk production may be diverted to creameries. The stabilization of prices is also expected to give some encouragement to producers in offering a more definite measure of values upon which they can plan their future production. In order that all facts may be understood in respect to these price control regulations, the steps taken in this direction are enumerated in historical order below:

1. Maximum butter prices were set by order of the Wartime Prices and Trade Board on December 23, 1940. This price was based on the price prevailing as at December 12, 1940.
2. Minimum butter prices were set by the Dairy Products Board as at May 13, 1941, under Order No. 21 a schedule of butter prices was set up for the months May to October. This was non-operative as butter prices always exceeded the prices set.
3. Maximum price regulations for all commodities were established by Order in Council P.C. 8527, dated November 1, 1941.
4. The next step will be the fixing of maximum prices by the Wartime Prices and Trade Board. During the basic period, September 15 to October 11, maximum butter prices at Montreal and Toronto would seem to fall between 34 and 35 cents.

Based on Dairy prices for creamery butter quoted at the close by the Canadian Commodity Exchange for 1st. Grade solids, the average price for July was $35\frac{3}{8}$ cents, for August $36\frac{5}{8}$ cents, and for September $34\frac{1}{2}$ cents. The three-month average was $35\frac{1}{2}$ cents as compared with $22\frac{3}{4}$ cents in 1940.

THE CHEESE POSITION IN CANADA

TABLE 4.

July to September, 1940 and 1941.

	Year	July	August	September	July to September
		Lb.	Lb.	Lb.	Lb.
Stocks in storage at first of the month	1940	23,937,939	33,262,009	33,051,872	--
	1941	33,938,145	32,323,386	41,928,625	--
Production during month	1940	25,134,841	24,386,655	20,882,140	70,403,636
	1941	25,221,201	23,724,608	20,100,659	69,046,468
Imports	1940	29,481	16,259	18,799	64,539
	1941	61,675	101,670	19,441	182,786
Exports	1940	19,195,000	22,804,800	17,707,700	59,707,500
	1941	22,361,700	17,773,000	3,351,500	48,486,200
Prices	1940	14	14	14	14
	1941	16	16	16	16
Total Disappearance of Canadian-made Cheese	1940	20,840,771	24,596,792	20,588,450	66,026,013
	1941	23,835,960	14,119,369	17,444,027	58,399,356

PRODUCTION OF CONCENTRATED MILK PRODUCTS IN CANADA

TABLE 5.

July to September, 1940 and 1941.
(Thousands)

Commodity	July		August		September		July to September		
	1940	1941	1940	1941	1940	1941	1940	1941	Increase(+) Decrease(-) %
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	%
Whole Milk Products:									
Condensed	2,097	2,918	1,135	2,893	1,517	2,730	4,779	8,541	(+) 78.7
Evaporated	15,480	18,850	14,901	17,393	11,551	14,875	41,932	51,118	(+) 21.9
Milk Powder	768	843	743	934	519	889	2,030	2,666	(+) 31.3
Cream Powder	--	2	--	--	5	2	5	4	(-) 20.0
Milk By-Products:									
Skim Milk:									
Condensed	318	348	431	486	338	395	1,087	1,229	(+) 13.1
Evaporated	87	172	103	213	98	136	288	573	(+) 100.0
Powder	3,193	3,068	2,920	2,926	2,402	2,314	8,515	8,308	(-) 2.4
Buttermilk:									
Powder	564	433	440	425	327	388	1,331	1,276	(-) 4.1
Condensed	59	143	94	178	169	304	322	625	(+) 94.1
Casein	132	137	78	140	62	107	272	384	(+) 41.2
Sugar of Milk	35	31	28	31	23	30	86	92	(+) 7.0

The production of cheese fell from 70.4 to 69 million pounds. A slight advance occurred in July, otherwise the decline was general. Exports amounted to 48½ million pounds and the butter disappearance (including exports) was well over 58 million pounds. Low prices would be expected to affect a reduction in the cheese output during the fourth quarter.

Restrictions have now been lifted on the manufacture and sale of cheese for local consumption. This change may be expected to stimulate domestic sales in November and December and should aid in reducing stocks, which at the end of September were 11 million pounds above the September 1 stocks a year ago.

Prices quoted at Montreal for export cheese remained fixed at 16 cents, compared with 14 cents in the third quarter of 1940. A bonus of 2 cents a pound was paid by the Ontario and Quebec governments for cheese produced in those provinces, and the Dominion government also pays factories a bonus of 2 cents a pound for 94 score cheese and 1 cent for 93 score.

The relative value of butter and cheese on a butterfat basis at Montreal is shown in the table below. The margin of difference in favour of butter varied from 1 3/8 cents in September to 3 7/8 cents in August. A year ago cheese had an advantage of 8 cents a pound, whereas cheese prices are now 2½ cents a pound below those offered for butter. Future prices will probably be influenced by maximum price regulations. In Quebec and Ontario the maximum price for first grade cheese has now been placed at 25 cents by order of the Wartime Prices and Trade Board. Second grade cheese is set at 24½ cents and third grade cheese at 24 cents.

MONTRÉAL BUTTER AND CHEESE PRICES IN CENTS PER POUND BUTTERFAT

July	1940	27 5/8	35 3/4	+ 8 1/8 more than butter
	1941	43 1/8	40 3/4	- 2 3/8 less than butter
August	1940	27 1/4	35 3/4	+ 8 1/2 more than butter
	1941	44 5/8	40 3/4	- 3 7/8 less than butter
September	1940	28 1/2	35 5/4	+ 7 1/4 more than butter
	1941	42 1/8	40 3/4	- 1 3/8 less than butter
July to	1940	27 3/4	35 3/4	+ 8 more than butter
September	1941	43 1/4	40 3/4	- 2 1/2 less than butter

CONCENTRATED MILK PRODUCTS

Concentrated whole milk production reached a total of 62.3 million pounds compared with 48.7 million pounds in July-September 1940. Production and percentage increases are shown by products as follows: evaporated milk, 51 million and 22 per cent; condensed whole milk, 8½ million and 79 per cent; whole milk powder, 2 3/4 million and 31 per cent. Exports of evaporated milk fell from 14 to 11 million pounds, the latter being 22 per cent of the output. Exports of condensed milk increased from 2¼ to nearly 6½ million pounds, or 66 per cent of that produced.

The production of milk by-products advanced from 12 to 12½ million pounds in the July-September period, the production and percentage changes by products being as follows: skim milk powder, 3¼ million pounds, a decline of 2½ per cent; condensed skim milk, 1¼ million pounds, an advance of 13 per cent. Buttermilk powder declined 55 thousand pounds and casein advanced 11.2 thousand pounds. Imports of milk powder increased from 4 to 7 thousand pounds, while casein imports of 300 thousand pounds represent about half the amount imported a year ago.

By Provinces, July to September, 1940 and 1941.

Province	Year	Total Cows			Cows Milking		
		July	August	September	July	August	September
		Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
CANADA	1940	19.1	18.4	15.0	23.5	19.9	19.0
	1941	19.4	18.7	16.3	23.3	22.4	20.7
Prince Edward Island	1940	16.6	13.0	13.4	20.8	15.9	17.3
	1941	21.6	19.4	18.7	24.8	24.1	21.2
Nova Scotia	1940	17.6	16.5	14.6	29.7	18.4	17.3
	1941	19.0	17.9	17.3	20.8	20.6	19.8
New Brunswick	1940	19.8	16.5	13.9	21.7	18.0	16.1
	1941	21.2	19.2	15.8	23.0	21.7	19.2
Quebec	1940	20.1	18.1	17.4	21.2	19.3	18.6
	1941	20.5	20.9	18.8	22.0	22.3	20.5
Ontario	1940	22.2	20.4	18.7	24.9	23.9	21.7
	1941	21.6	20.7	20.1	24.3	24.0	23.6
Manitoba	1940	19.6	16.2	14.8	22.0	20.7	19.5
	1941	14.7	19.2	14.6	21.8	22.2	18.9
Saskatchewan	1940	18.7	14.8	14.0	23.5	20.0	19.3
	1941	18.3	18.3	16.9	24.1	23.3	23.0
Alberta	1940	18.4	14.7	12.2	25.6	21.9	21.1
	1941	18.6	16.0	13.8	25.3	22.4	21.2
British Columbia	1940	18.5	17.4	16.4	22.2	21.2	20.4
	1941	19.0	16.3	14.9	23.4	20.8	18.9

Prince Edward Island -

Rainfall in this province during July and August was about 50 per cent above normal. At Charlottetown, the precipitation for July and August was 5.4 and 4.8 inches as compared with the normal of 2.9 and 3.3 inches. This heavy rainfall resulted in exceptionally good pastures in July, August and September, being 108, 106 and 104, respectively compared with 101, 80 and 86 for the corresponding months of 1940. With the exception of the year 1933, these were the highest pasture ratings for any year since 1920.

The numbers of cows on farms showed little change from the previous year, but the percentage actually milking advanced from 80.6 in the July-September period of 1940 to 85.4 for the corresponding period of 1941. It is estimated that the total milk production increased 25 per cent over the same period of last year, giving a total of 88 million pounds, and it is expected that the annual output will approximate 166 million. Regardless of higher prices, dairy correspondents offer the opinion that more milk was consumed in farm homes and that greater quantities were fed to live stock. Creamery butter production increased from 945 thousand pounds in the July-September period of 1940 to approximately 1.3 million pounds for the same period of 1941, while factory cheese declined from 479 thousand to 471 thousand pounds.

The hay crop as estimated at the end of August was shown to be 4 per cent higher than the 1940 crop. Oats suffered a reduction of approximately 6 per cent, barley fell 13 per cent, and fodder corn production was reduced about 23 per cent. The good pastures now in evidence, combined with increased prices paid for butterfat would warrant the belief that milk production during the fall months should show a percentage gain over the 1941 period; possibly exceeding that recorded in the quarter under review. Farmers have been receiving about \$1.90 to \$2.00 a hundred for fluid milk, \$1.50 for milk sold to cheese factories and 36 cents a pound butterfat for cream used for buttermaking.

Nova Scotia -

Frequent, and heavy rains all summer provided excellent pastures and good growing weather for the crops in Nova Scotia. Hay cutting was delayed in many districts and farmers lost a certain amount by spoilage. The rainfall at Truro during July and August amounted to 4.0 and 7.7 inches, while the normal was 3.1 and 3.2 inches. In comparison with last year, the August precipitation at Kentville was 3.8 inches as compared with 1.7 inches, and at Nappan it amounted to 4.6 inches against 1.2 inches in the 1940 period. The eastern part of Cape Breton Island provided an exception to the rest of the province with slight deficiencies in rainfall.

The pastures were good all season, showing July, August and September ratings of 97, 102 and 100 as compared with 92, 83 and 82 for the same months in 1940. The quality of both pasture and roughage was inclined to be poor, and the latter used as a pasture substitute did not give the results expected. This deficiency was made up by feeding some concentrates and millfeeds, although owing to the high prices of these feeds farmers were somewhat hesitant about making the investment. The root crop at the end of August was estimated at about 12 per cent below that of 1940. A decline in the acreage was principally responsible for this reduction. The fodder corn output moved up 17 per cent according to the same estimate, oats increased 6 per cent and barley advanced about 4 per cent.

PRODUCTION OF CREAMERY BUTTER

TABLE 7.

By Provinces, July to September, 1940 and 1941.

Province	July		August		September		July to September		
	1940	1941	1940	1941	1940	1941	1940	1941	Increase(+) Decrease(-)
	000 Lb.	000 Lb.	000 Lb.	000 Lb.	000 Lb.	000 Lb.	000 Lb.	000 Lb.	%
CANADA	39,303	39,157	33,775	35,460	36,523	32,277	99,311	103,894	(+) 7.0
Prince Edward Island	414	491	315	425	216	356	945	1,272	(+) 34.3
Nova Scotia	377	943	635	749	448	646	1,990	2,338	(+) 17.5
New Brunswick	343	926	646	734	398	567	1,392	2,227	(+) 17.7
Quebec	12,126	11,589	10,426	11,040	8,978	10,402	31,530	33,031	(+) 4.8
Ontario	10,922	9,757	9,684	9,242	8,205	8,733	28,811	27,735	(-) 3.7
Manitoba	4,161	4,195	3,528	3,623	2,746	3,251	10,425	11,069	(+) 6.1
Saskatchewan	4,809	5,547	3,983	4,764	2,573	4,238	11,365	14,549	(+) 23.0
Alberta	4,842	5,161	4,025	4,441	2,506	3,324	11,373	13,226	(+) 13.3
British Columbia	309	548	503	442	458	457	1,570	1,447	(-) 7.8

PRODUCTION OF FACTORY CHEESE

TABLE 8.

By Provinces, July to September, 1940 and 1941.

Province	July		August		September		July to September		
	1940	1941	1940	1941	1940	1941	1940	1941	Increase(+) Decrease(-)
	000 Lb.	000 Lb.	000 Lb.	000 Lb.	000 Lb.	000 Lb.	000 Lb.	000 Lb.	%
CANADA	25,135	25,221	24,387	23,725	20,882	20,101	70,404	69,047	(-) 1.9
Prince Edward Island	188	171	176	179	115	121	479	471	(-) 1.7
New Brunswick	178	131	134	118	83	110	395	359	(-) 9.1
Quebec	6,923	7,875	6,245	6,306	6,072	4,880	19,940	19,061	(-) 4.4
Ontario	13,747	13,076	13,203	13,285	13,823	14,184	43,773	46,545	(-) 9.5
Manitoba	535	436	426	333	409	384	1,370	1,133	(-) 13.6
Saskatchewan	108	81	82	70	49	57	239	208	(-) 13.0
Alberta	379	383	371	351	222	309	1,032	1,046	(+) 1.4
British Columbia	77	65	59	53	49	53	176	174	(-) 1.1

Dairy Correspondents reported fewer cows on farms, possibly a continuation of the 1 per cent reduction shown June 1, still, the percentage milking showed a slight increase over the corresponding period of 1940, so that the numbers producing were virtually unchanged as compared with a year ago. Some heavy sales of dairy cows were reported in various parts of the province, especially in Pictou county, and the prices were said to be quite high.

Almost 166 million pounds of milk was produced in Nova Scotia during the July-September period of 1941 representing an increase of 10 per cent over the same period of 1940; and it is estimated that the total production for the year will reach approximately $\frac{1}{2}$ billion pounds, which would be a 6 per cent increase over the previous year. Creamery butter production increased from 2 million pounds in the July-September period of 1940 to approximately 2.3 million pounds for the same period of 1941. The scarcity of qualified farm help has been a serious handicap and farmers have found it necessary to work long hours in order to meet the demands for increased milk supplies for domestic use and local manufacturing. Fluid milk was sold at the end of the period at \$2.20 a hundred; condenseries paid about \$1.60 a hundred, and cream delivered to butter factories averaged about 40 cents a pound butterfat. While it is apparent that the relationship between dairy products and feed costs will begin to affect production in the late autumn, it is expected that milk production in the last quarter of 1941 will continue to show some gain over the same period of the previous year.

New Brunswick

Part of the month of July was warm and dry but during the remainder of the summer the weather was inclined to be wet and cold. With a few exceptions the precipitation in northern New Brunswick was below normal, while in the lower Saint John Valley excesses of approximately 60 per cent were reported during July and August. The precipitation at Fredericton for the same months was 5.2 and 5.5 inches as against a normal of 3.0 and 3.7 inches.

The pastures stood up well, the July, August and September ratings being 99, 101 and 102 as compared with 99, 86 and 91 for the corresponding months of 1940. The hay crop, estimated at the end of August, was down 16 per cent from last year, oats showed a decline of 8 per cent while barley revealed quite a slight reduction. The end of September estimate for roots indicated a sharp decrease as compared with the 1940 crop. Some compensation may be found, however, in a larger corn crop, which advanced from 5 thousand to 7 thousand tons.

There was a decline of 1500 cows on farms at June 1, and dairy correspondents reporting for July, August and September also reveal slight reductions from the previous year. A shortage of efficient farm labour would account for this reduction. Nevertheless, the percentage actually milking has changed very little and owing to improved pastures the total production of milk showed an estimated total of 217 million pounds or an increase of 15 per cent over the July-September period of 1940. Based on the production records for nine months it is expected that the annual production of milk will approximate 400 million pounds an increase of 7 per cent over 1940. While there may be some increase during the last quarter of the year, it would not be expected to measure up to the advance recorded in the quarter under review. Creamery butter production increased from 1.9 million pounds in the July-September period of 1940 to 2.2 million pounds for the same period of 1941, and factory cheese declined from 395 thousand to 359 thousand pounds.

By Provinces at the End of July, 1920-1941, August, 1930-1941 and September, 1939-1941.

Year	P. E. Island			Nova Scotia			New Brunswick			Quebec			Ontario		
	July	Aug.	Sept.	July	Aug.	Sept.	July	Aug.	Sept.	July	Aug.	Sept.	July	Aug.	Sept.
1920	94	-	-	93	-	-	89	-	-	97	-	-	98	-	-
1921	73	-	-	76	-	-	70	-	-	77	-	-	92	-	-
1922	105	-	-	107	-	-	105	-	-	101	-	-	104	-	-
1923	106	-	-	105	-	-	92	-	-	95	-	-	93	-	-
1924	94	-	-	95	-	-	89	-	-	103	-	-	102	-	-
1925	104	-	-	105	-	-	104	-	-	107	-	-	96	-	-
1926	101	-	-	99	-	-	101	-	-	97	-	-	98	-	-
1927	105	-	-	105	-	-	105	-	-	105	-	-	106	-	-
1928	102	-	-	107	-	-	102	-	-	104	-	-	106	-	-
1929	92	-	-	88	-	-	95	-	-	100	-	-	94	-	-
1930	91	88	-	96	84	-	99	98	-	103	103	-	97	80	-
1931	106	99	-	102	101	-	103	96	-	99	94	-	99	89	-
1932	98	99	-	98	95	-	99	100	-	90	90	-	94	94	-
1933	88	66	-	88	66	-	90	75	-	81	83	-	70	66	-
1934	85	85	-	75	67	-	85	82	-	93	85	-	61	60	-
1935	95	73	-	94	80	-	96	77	-	102	97	-	105	96	-
1936	109	103	-	106	100	-	106	101	-	99	93	-	61	58	-
1937	99	72	-	98	83	-	94	85	-	95	97	-	96	93	-
1938	101	105	-	105	102	-	102	105	-	100	102	-	94	95	-
1939	89	80	62	96	88	75	96	90	81	101	101	98	75	88	90
1940	101	80	86	99	83	82	99	86	91	98	93	91	104	99	101
1941	108	103	104	97	102	100	99	101	102	81	82	82	69	74	78
Year	Manitoba			Saskatchewan			Alberta			B.C.			CANADA		
	July	Aug.	Sept.	July	Aug.	Sept.	July	Aug.	Sept.	July	Aug.	Sept.	July	Aug.	Sept.
1920	93	-	-	88	-	-	106	-	-	98	-	-	96	-	-
1921	96	-	-	98	-	-	83	-	-	97	-	-	86	-	-
1922	103	-	-	92	-	-	76	-	-	67	-	-	98	-	-
1923	105	-	-	110	-	-	112	-	-	108	-	-	102	-	-
1924	94	-	-	72	-	-	78	-	-	82	-	-	97	-	-
1925	102	-	-	97	-	-	100	-	-	88	-	-	99	-	-
1926	90	-	-	85	-	-	101	-	-	91	-	-	94	-	-
1927	109	-	-	111	-	-	114	-	-	104	-	-	106	-	-
1928	106	-	-	103	-	-	105	-	-	101	-	-	105	-	-
1929	68	-	-	66	-	-	69	-	-	93	-	-	92	-	-
1930	101	87	-	87	81	-	99	98	-	95	88	-	99	92	-
1931	65	70	-	52	65	-	83	86	-	95	90	-	96	91	-
1932	88	78	-	87	83	-	99	90	-	97	98	-	92	92	-
1933	69	62	-	60	52	-	64	63	-	94	85	-	77	73	-
1934	58	58	-	58	49	-	76	68	-	95	87	-	76	71	-
1935	108	104	-	98	94	-	92	92	-	97	96	-	101	93	-
1936	62	54	-	52	47	-	52	65	-	94	87	-	82	79	-
1937	87	86	-	35	29	-	63	83	-	95	96	-	91	90	-
1938	88	85	-	84	78	-	88	94	-	69	72	-	97	97	-
1939	76	70	89	101	73	81	91	68	80	99	84	88	90	90	89
1940	75	80	88	82	74	81	102	90	94	83	86	88	99	92	92
1941	95	92	104	66	76	87	68	70	91	94	92	102	79	82	85

Higher prices would seem to have diverted some milk from farm homes to factories and milk plants, and this condition is one which promises to continue as the wartime demands for fresh milk and manufactured products by the civil and military population become more and more enlarged. Butterfat sold at about 37 cents a pound at the end of September; pasteurizing plants paid about \$2.00 a hundred for fresh milk and patrons received about \$1.50 a hundred for milk used for cheese-making.

Quebec -

July and the first part of August was very warm in this province and there was insufficient rain in several localities. Conditions were more favourable during the latter part of August and throughout September. The rainfall was inclined to be quite light in the Eastern Townships, but at Quebec and in the lower St. Lawrence the precipitation was greater than in the previous year. At L'Assomption and Lennoxville the rainfall amounted to 2.4 and 1.8 inches in July and August respectively, as compared with a normal of 3.7 and 3.6 inches. At Ville Marie, on the other hand, the July precipitation reached 6.7 inches, compared with 0.9 inches for July 1940.

Pasture conditions in 1941 remained quite constant throughout the three-month period, but as compared with 1940 pastures the difference was less pronounced as the season advanced. The pasture ratings for July were 98 and 81 for 1940 and 1941, respectively, while the August averages were 93 and 82 and September 91 and 82. There was a reduction of 28 per cent in the hay and clover crop from that of the previous year, and although the alfalfa crop increased 53 per cent the acreage under crop would not be enough to make up the deficiency. Many farmers had to resort to the feeding of concentrates in order to maintain production at a normal level, which, of course, added materially to production costs. The substantial reduction in roughages and grains would promise to have a telling effect on dairy production in subsequent months, and owing to a shortage of farm help a reduction in the size of dairy herds during the late autumn is almost inevitable.

Dairy observers reported fewer numbers of cows milking, at the end of September, and this conclusion is borne out by the reports of dairy correspondents for the July-September period. A decrease of 2 per cent in total numbers reported on farms in the survey of June 1, 1941, as compared with June 1, 1940, would indicate that dairy herds had been reduced early in the season.

Milk production for the July-September period is estimated at 1 4/5 billion pounds an increase of about 4 per cent over the same period of 1940. Indications are not quite so bright for the late autumn although much will depend on the weather and how the pastures are maintained. It is believed, however, that the annual milk production would approximate 4 billion pounds, which would exceed that of the previous year by about 2 per cent. Creamery butter production increased from 31.5 million pounds in the July-September period of 1940 to approximately 33 million pounds for the same period of 1941, and factory cheese declined from 19.9 million to 19.1 million pounds. Prices have been encouraging. Milk sold to cheese factories, averaged about \$1.40 a hundred; condensaries paid the producers \$1.60 a hundred and creameries paid 35 to 40 cents a pound butterfat for churning cream.

Based on Records of Representative Stations, July-September, 1940 and 1941.

Station and Year	Inches of Precipitation				Mean Temperature				Hours of Sunshine			
	July	Aug.	Sept.	Total	July	Aug.	Sept.	Average	July	Aug.	Sept.	Total
Charlottetown 1940	3.3	1.8	8.0	13.1	68	65	59	64	266	299	146	711
1941	5.4	4.8	3.4	13.6	67	61	54	61	236	184	192	612
Kentville 1940	2.2	1.7	3.7	10.6	66	63	59	63	229	300	150	679
1941	2.2	3.8	2.0	8.0	67	62	56	62	236	210	173	619
Nappan 1940	3.4	1.2	9.7	14.3	65	62	57	61	253	290	122	665
1941	3.6	4.6	1.9	10.1	65	61	54	60	246	198	163	607
Sydney 1940	2.9	3.0	5.3	11.2	63	64	60	62	-	-	-	-
1941	2.6	3.3	2.4	8.3	65	59	52	59	-	-	-	-
Chatham, N.B. 1940	2.4	1.4	10.1	13.9	66	65	55	62	-	-	-	-
1941	2.3	2.9	1.6	6.8	67	60	55	61	-	-	-	-
Fredericton 1940	2.5	3.8	7.9	14.2	67	64	56	62	229	283	123	635
1941	5.2	5.5	1.9	12.6	67	61	55	61	228	157	170	555
Riviere du Loup 1940	1.4	2.0	2.6	6.0	64	63	53	60	-	-	-	-
1941	2.8	3.5	4.4	10.7	65	58	54	59	-	-	-	-
Lennoxville 1940	4.9	2.6	2.9	10.4	67	64	56	62	243	245	119	607
1941	3.9	1.8	2.5	8.2	67	61	57	62	237	229	191	657
Quebec 1940	3.3	3.8	2.6	9.7	67	64	57	63	204	265	130	599
1941	5.4	5.7	4.2	15.3	69	62	56	62	216	190	182	588
Sherbrooke 1940	4.0	1.8	3.3	9.1	67	64	57	63	263	260	137	660
1941	3.9	1.9	3.1	8.9	69	63	58	63	259	235	216	710
Core Bay 1940	2.4	3.3	3.3	9.3	67	64	58	63	-	-	-	-
1941	5.7	2.0	3.8	11.5	67	62	59	63	-	-	-	-
Ottawa 1940	2.8	1.4	1.2	5.4	67	66	58	64	283	256	183	722
1941	2.8	2.6	1.3	6.7	71	64	59	65	288	246	196	730
Peterboro 1940	1.5	2.6	3.7	7.8	70	68	60	66	-	-	-	-
1941	2.3	6.7	2.3	12.4	71	65	60	65	-	-	-	-
Kapuskasing 1940	1.2	3.0	2.5	6.7	64	63	54	60	233	221	154	608
1941	3.2	5.2	5.6	14.0	66	56	54	59	242	167	93	502
Chatham, Ont. 1940	1.3	6.8	1.5	9.6	72	70	62	68	275	205	158	638
1941	1.7	3.1	0.3	5.1	74	69	67	70	256	238	194	713
Guolph 1940	3.2	5.3	3.2	11.7	67	65	58	63	303	218	168	689
1941	5.8	2.9	1.0	9.7	70	65	61	65	277	276	191	744

With the exception of Northern Ontario, the weather during the past summer was warm and dry. In many counties of Old Ontario the rainfall was extremely limited; the water level fell to low ebb and caused a large number of wells to dry up. A good index to the situation was revealed in the pasture ratings in this province which, for the three months, July, August, and September, averaged only 63, 74 and 78 as compared with 104, 99 and 101 for the same months of 1940.

Rainfall during the month of August was 50 per cent below normal in the Niagara peninsula, whereas it was between 50 and 100 per cent above normal in the Peterboro-Kingston area. The contrast between these two areas was quite revealing. The August rainfall at Peterboro and Kingston amounted to 3.7 and 3.9 inches, respectively, in 1941, compared with 2.6 and 0.9 inches in 1940. At Niagara Falls, the rainfall for August was only 1.0 inches in 1941 as compared with 3.3 inches during the same month of 1940. Northern Ontario had an abundance of moisture throughout the season, and altogether too much during September.

The heavy rains which came in August and September seriously interfered with haying and harvesting in Northern Ontario and a part of the crop was rendered unfit for use. In the older part of the province, many farmers found it necessary to feed grain as a supplement for grass on over-stocked and run-down pastures. There now promises to be a shortage of home-grown feed, and a considerable quantity of millfeeds will have to be purchased this fall in order to maintain milk production. A great shortage of farm labour, coupled with a lack of feed and the high cost of millfeeds, will tend to reduce the size of dairy herds and seriously curtail the milk supply. The preliminary crop estimate at the end of August revealed a 14 per cent decline in the oat crop, a 15 per cent reduction in barley and a decrease of 40 per cent in the production of hay and clover. The root crop, estimated a month later, indicated that the tonnage would be reduced by a quarter.

According to the June 1 survey, cow numbers advanced 7.3 per cent over those shown at that date in 1940, but the reports of dairy correspondents showed practically no change in the percentages being milked. American buyers have been quite active in Eastern Ontario in recent weeks. It is possible that some reduction in numbers has taken place, and these cows will not be replaced until young heifers come into production.

Milk production was reduced about 1 per cent during the period under review as compared with the corresponding period of 1940. This would give Ontario a total milk supply of about $2\frac{1}{4}$ billion pounds in the July-September period. The total milk output of the province for the year will probably reach $5\frac{3}{4}$ billion pounds, a decline of 4.3 per cent in comparison with 1940. Creamery butter production decreased from 28.3 million pounds in the July-September period of 1940 to approximately 27.7 million pounds for the same period of 1941, while factory cheese declined from 46.8 million to 46.5 million pounds. The improvement already taking place in fall pastures as the result of increased rainfall should give the milk supply for the last quarter of 1941 a substantial lead over that of 1940. Prices are well up, and promise to stimulate increased efforts in dairying. Farmers have been receiving \$1.40 for milk sold to cheese factories, \$1.55 at condenseries and 37 cents a pound butterfat for churning cream.

Based on Records of Representative Stations, July-September, 1940 and 1941.

Station & Year	Inches of Precipitation				Mean Temperature				Hours of Sunshine				
	July	Aug.	Sept.	Total	July	Aug.	Sept.	Average	July	Aug.	Sept.	Total	
Brandon	1940	2.9	3.7	0.3	7.4	69	66	60	65	296	284	228	308
	1941	3.0	2.1	4.3	9.9	69	64	52	62	299	230	153	382
Morden	1940	4.3	1.6	2.2	8.3	70	67	62	66	233	250	233	746
	1941	1.0	1.6	6.6	9.1	72	67	55	65	294	218	139	351
Dauphin	1940	2.1	3.8	0.2	6.1	68	67	62	66	-	-	-	-
	1941	1.3	1.3	4.4	7.8	70	64	53	62	-	-	-	-
Battle- ford	1940	2.3	0.2	0.2	3.0	64	65	58	62	-	-	-	-
	1941	0.7	1.0	1.3	3.3	70	64	49	61	-	-	-	-
Prince Albert	1940	1.1	0.5	1.0	2.6	64	65	59	63	-	-	-	-
	1941	0.4	1.2	1.4	3.0	69	63	40	60	328	272	140	740
Saskatoon	1940	2.4	0.9	0.6	3.9	65	66	59	63	302	357	220	879
	1941	1.2	1.1	0.8	3.1	70	64	49	61	323	284	160	772
Indian Head	1940	2.4	1.0	1.7	5.1	67	66	60	64	250	234	-	-
	1941	3.0	1.4	0.5	4.9	68	64	51	61	-	221	136	-
Swift Current	1940	1.6	0.2	1.6	3.4	66	66	60	64	295	344	131	320
	1941	1.3	3.1	0.9	5.3	69	64	49	61	334	246	157	767
Beaver- lodge	1940	2.3	0.4	0.5	3.7	60	59	53	58	273	270	225	773
	1941	4.6	3.2	4.0	11.8	65	58	44	56	308	295	95	308
Edmonton	1940	3.7	0.7	0.2	4.6	61	62	57	60	251	309	226	736
	1941	1.1	2.3	1.3	5.2	58	60	46	58	358	270	144	772
Calgary	1940	4.0	0.2	2.9	7.1	61	62	56	60	270	323	135	778
	1941	1.1	3.1	2.2	6.4	66	60	46	57	337	225	151	713
Cardston	1940	3.2	0.1	5.3	8.6	66	64	58	63	-	-	-	-
	1941	0.4	1.1	2.7	4.2	68	62	47	59	-	-	-	-
Victoria	1940	0.9	0.4	2.7	4.0	59	62	59	60	288	319	194	801
	1941	0.1	1.5	2.2	3.8	63	60	53	60	353	265	147	765
Prince George	1940	4.6	1.8	1.4	7.8	61	59	55	58	215	242	196	353
	1941	2.4	3.3	3.1	12.3	64	61	48	58	372	224	86	582
Agassiz	1940	2.7	2.3	1.8	6.8	64	65	64	64	178	203	144	525
	1941	0.5	3.2	10.0	13.7	69	65	57	64	252	206	82	540
Kamloops	1940	0.9	0.2	0.2	1.3	70	68	64	67	277	241	243	766
	1941	1.9	2.0	2.2	6.1	74	68	54	65	346	248	97	691

Manitoba -

The weather was quite warm during July and August, but heavy rains came in September to produce a new growth on fields and meadows. During July, the rainfall in the interlake region and southwest to Portage La Prairie and Brandon was about 70 per cent above normal, but south of the Assiniboine River and along the Red River there were deficiencies of about 40 per cent. During August the rainfall was variable. The precipitation in southern Manitoba was considerably above normal, while in the northern parts of the province there were deficiencies of over 20 per cent. At Brandon the September precipitation was the heaviest in 20 years. The precipitation at Dauphin for July, August and September was 1.6, 1.8 and 4.4 inches as compared with 2.1, 3.8 and 0.2 inches for 1940. At Warden and Portage La Prairie 3.3 and 4.3 inches of rainfall were recorded in July, compared with 1.6 and 2.8 inches for the same months of 1940.

Pastures were good all season, the ratings for July, August and September being 95, 93 and 104 as compared with 75, 80 and 88 for the same months of 1940. The ratings for July and August were the highest since 1935 and the second highest since 1930. The heavy rains seriously retarded harvesting and caused a loss of coarse grains, although much of it will be suitable for feed. According to the first crop estimate made at the end of August the oat crop was up 64 per cent over the 1940 out-turn, and the yield of barley advanced 64 per cent. The acreage sown to alfalfa was about double that of a year ago with a corresponding increase in yield, and the tame hay and clover crop will approximate 2 thousand tons as compared with less than 600 thousand tons in 1940. The root crop estimated at the end of September, promises to be twice as great as that of 1940, and fodder corn production has been placed at 30 per cent above that of the previous year.

The dairy cow population as at June 1 declined 7 per cent from the June 1 estimate a year ago, and dairy correspondents reporting for July, August and September showed practically no change in the percentage of cows in production. Dairy cattle are bringing considerably higher prices than a year ago, averaging up to \$110. for cows of improved breeding and \$35. for grades.

Milk production increased about 2 per cent in the July-September period as compared with the third quarter of 1940, or approximately $\frac{1}{2}$ billion pounds for the three months. The splendid pastures throughout the season would seem to account for this advance. It is estimated that the milk output on Manitoba farms for the year 1941 will reach $1\frac{1}{2}$ billion pounds, 8 per cent above that of the previous year. Creamery butter production increased from 10.4 million pounds in the July-September period of 1940 to approximately 11.1 million pounds for the same period of 1941, while factory cheese declined from 1.4 million to 1.2 million pounds. With abundant feed supplies and good fall forage in prospect the increase shown this quarter will probably be exceeded in the final quarter of 1941. Farmers received about \$2.10 for fresh milk, \$1.30 a hundred for cheese milk and 34 cents a pound butterfat for churning cream.

Saskatchewan -

Hot dry weather prevailed in Saskatchewan during July and the first part of August, while September was cool with frequent showers. Rainfall deficiencies in the area around Saskatoon and Yorkton were reported in the first two months, but in central and south-central parts excesses of about 50 per cent were indicated. At Melfort the rainfall for July and August was only 1.0 and 1.2 inches as compared with a normal of 2.7 and 2.0 inches. The precipitation at Battleford for July was only 0.7 as compared with 2.6 inches, whereas there was 1.0 inches in August and 1.6 inches in September as against 0.2 inches for both months in 1940. At Indian Head and Swift Current the July rainfall was 3.0 and 1.8 inches as compared with 2.4 and 1.6 inches in 1940. In August it was 1.4 inches at Indian Head and 3.1 inches at Swift Current as compared with 1.0 and 0.2 inches in the preceding year. The September rainfall at Swift Current was 0.9 inches as compared with 1.6 inches in the same month of the previous year.

Grass forage was inclined to be rather poor during the midsummer. This was shown in the pasture ratings for July, August and September of 66, 73 and 87 as compared with 82, 74 and 81 for the same months of last year. Late rains improved conditions considerably, and a second growth of oats and other forage on harvest fields improved the autumn pastures for dairy herds.

The hot weather came at a critical time and in some districts, especially around Moose Jaw and Swift Current where oats and coarse grains were badly scorched. Nevertheless, the province as a whole harvested a better crop than in 1940. Barley yielded a 28 per cent increase over the previous season. Hay and clover moved up 47 per cent, alfalfa 83 per cent, and the fodder corn estimate, at the end of September, showed an advance of 27 per cent over the 1940 harvest. The root crop will probably be considerably less than last year but the amount is not of sufficient importance to influence the milk output. The unusual increase in alfalfa was due to the huge advance in the acreage under crop.

Farmers have been gradually building up their herds since 1937 when a lack of feed made it necessary to liquidate holdings. Good dairy cows are in demand, at \$75. to \$115. There are more cows on farms, the numbers at June 1, being up 6 per cent and dairy observers indicated that this lead was maintained during the period reviewed in this report. Moreover, the percentage of milk cows in production advanced nearly 1 per cent over the July-September quarter of 1940.

There was a substantial increase in milk production in the July-September period, the total output being placed at about 900 million pounds or a rise of about 20 per cent over last year. The production for the year 1941 is expected to approximate 2 1/3 billion pounds, an increase of 26 per cent over 1940. Creamery butter production increased from 11.4 million pounds in the July-September period of 1940 to approximately 14.5 million pounds for the same period of 1941, while factory cheese declined from 239 thousand pounds to 208 thousand pounds. Fluid milk sold at about \$2.50 a hundred at the end of September; cheese milk delivered at factories was worth about \$1.40 a hundred and churning cream netted the producer approximately 34 cents a pound butterfat. It is believed that marketing conditions will favour further developments in dairying in this province, and that subject to weather conditions the milk supply in the next three months should show a satisfactory lead over the same period of the previous year.

Alberta -

Extremely high temperatures and low precipitation typified the situation in Alberta during July and the first part of August. The latter part of August and nearly all of September was inclined to be showery with heavy rains in some districts. The precipitation at Edmonton, Cardston and Calgary for the month of July was only 1.1, 0.4 and 1.1 inches, respectively, as compared with 3.7, 3.2 and 4.0 inches for the same month in 1940. Conditions were quite different at Beaverlodge, the rainfall for July amounting to 3.2 inches compared with only 0.4 inches for July 1940.

Pastures were below average during the season, although they improved considerably as the result of September rains. The districts adversely affected were along the Saskatchewan Boundary, more particularly in the southern and central areas. Prospects in the Peace River District were the best in the province, and in some localities in the north heavy rains seriously interfered with harvesting. The pasture ratings for the province during July, August and September were 68, 70 and 91 compared with 103, 90 and 94 for the same months of 1940. The tame hay and clover crop registered an advance of approximately 8 per cent over that of a year ago and alfalfa production moved up 33 per cent. An increase of approximately 60 per cent in the acreage of alfalfa contributed to the unusual increase in the tonnage. The estimated on the production of feed grains reveal declines from last year of 27 per cent in oats and 13 per cent in barley. Fodder Corn, estimated at the end of September, increased 45 per cent as compared with the previous harvest.

Live stock appears to be in a satisfactory condition regardless of short pastures and dry weather. Milk cows sold from \$65. up, although sales were principally limited to local trading. It is expected that fewer cows than usual will be marketed this fall. Both dairy observers and correspondents report more cows on farms. At June 1 the increase in numbers over the same date of the previous year was quite insignificant, but an advance of nearly 4 per cent in the percentage of cows milking in the July-September period over 1940 would explain why observers reached this conclusion.

Farmers have been endeavouring to increase milk production in order to supplement revenue from other sources. Higher butterfat prices have given encouragement to dairying, and with larger numbers of hogs on farms, skim milk is being used to good advantage as feed. These factors together with good September pastures tended to keep up the milk flow later in the season than usual. The milk output on Alberta farms for the July-September quarter is now estimated at 733 million pounds, which represents an increase of 15 per cent over the 1940 period. To the end of September it is estimated that milk production advanced 13 per cent over 1940, and applying this increase to the entire year, the annual production for 1941 should exceed 1 3/4 billion pounds. Creamery butter production increased from 11.4 million pounds in the July-September period of 1940 to approximately 13.2 million pounds for the same period of 1941, and factory cheese also showed a slight increase. If weather conditions continue reasonably favourable the milk output in the last quarter of 1941 may be expected to top the Autumn production of a year ago. The price situation will continue to be a factor of importance. At the end of September farmers received \$1.45 a hundred for cheese milk, \$1.50 for milk delivered to condenseries; and 33 cents a pound butterfat for churning cream. Milk sold to pasteurizing plants averaged about \$2.25 a hundred pounds.

British Columbia -

In common with other parts of western Canada, the weather in British Columbia was comparatively dry until after the middle of August. From then until the end of September the weather was unusually wet. The rainfall for August was well up, and the September precipitation was abnormally high. At Summerland, the precipitation for July and August was 1.7 inches for both months, as compared with a normal of .68 inches and .64 inches. At Agassiz, there was only 0.5 inches in July as compared with the normal rainfall of 1.9 inches, while in September 10 inches of rain fell as against 1.8 inches in September 1940. Many fields in the Fraser River Valley were undulated with water from the heavy rains, thus seriously interfering with the cutting and harvesting of grain crops.

Pastures were only fair in the third quarter, and in some districts the pastures became quite run-down during the mid-summer dry period. Nevertheless, the figures for the province as a whole show an average of 94, 92 and 102 for July, August and September as against 83, 86 and 88 for the same months last year. The June hay crop at the end of August was three thousand tons below that of the previous year, and it is believed that wild hay suffered a still greater reduction. The oat crop estimate revealed a 7 per cent increase over 1940 and the yield of barley was about equal to that of a year ago. Roots suffered a reduction in yield and the tonnage of alfalfa was below that of the previous season.

There was a small increase in cow numbers at June 1, but owing to a slight decline in the percentage milking there would seem to be little change since last year in the numbers actually in production. Milk production was reduced about 4 per cent in the July-September period, the total for the three months being approximately 133 million pounds. Estimated on the basis of the nine months production, it is expected that the total milk output for the year will approximate $\frac{1}{2}$ billion pounds, a decrease of almost 5 per cent. Creamery butter production decreased from 1.6 million pounds in the July-September period of 1940 to approximately 1.4 million pounds for the same period of 1941, and factory cheese declined from 176 thousand to 174 thousand pounds. With a general improvement in pastures in the offing it is possible that the production in the late autumn months will be equal to or possibly above that of the previous year, although the annual total may not be materially changed.

Farm labour was scarce and this condition will grow continually worse as more men are required for active service. Farmers are installing milking machines to cut production costs, and female labour is being employed to some extent on dairy farms. The prices of dairy products has proved to be an incentive to greater production. At the end of September milk delivered to pasteurizing plants was worth about \$2.35 a hundred; condenseries paid about \$1.55 a hundred and churning cream netted the producers about 35 cents a pound butterfat.

TABLE 12.

STOCKS OF BUTTER, CHEESE AND CONCENTRATED MILK PRODUCTS

22.

Canada Totals, by Months, July to September, 1940 and 1941.

Product	July 1	August 1	September 1	October 1
	Lb.	Lb.	Lb.	Lb.
Creamery Butter +				
1940	33,478,334	50,541,411	58,942,679	59,133,294
1941	37,193,338	52,109,252	62,719,536	68,532,925
Dairy Butter +				
1940	234,553	495,331	532,303	547,330
1941	209,738	326,457	308,889	236,776
Cheese				
1940	28,967,939	33,232,009	33,051,372	33,345,562
1941	33,938,145	32,323,336	41,928,625	44,585,257
Concentrated Whole Milk Products:				
Condensed Milk				
1940	1,055,924	1,393,731	1,427,809	867,416
1941	936,222	1,005,605	1,371,016	1,424,913
Evaporated Milk				
1940	19,536,067	25,254,538	29,124,051	27,511,736
1941	17,404,333	20,748,273	25,404,572	27,145,085
Milk Powder				
1940	914,880	1,314,332	1,568,374	1,714,517
1941	948,537	963,192	1,062,233	1,078,451
Concentrated Milk By-Products:				
Condensed Skim Milk				
1940	282,847	314,772	244,252	218,079
1941	207,479	109,168	128,207	60,601
Evaporated Skim Milk				
1940	3,622	4,270	7,303	11,497
1941	/	/	/	/
Skim Milk Powder				
1940	3,513,038	4,067,557	4,410,335	4,117,282
1941	2,667,347	3,523,384	2,820,735	2,647,078

Source: Annual and Monthly Cold Storage Reports.

+ Butter stocks include butter in transit and stocks of imported butter.

/ Included in Condensed Skim Milk.

N.B. The figures for 1941 are subject to revision.

WHOLESALE PRICE INDEXES OF MILK, BUTTER AND CHEESE

TABLE 13.

Averages for Canada, July to September, 1940 and 1941.
Base 1926 = 100.

	July	August	September	Average July to September
Fresh Milk				
1940	87.0	87.0	87.1	87.0
1941	94.6	95.0	96.3	95.3
%	(+) 8.7	(+) 9.2	(+) 10.6	(+) 9.5
Butter				
1940	57.6	57.5	58.6	57.9
1941	87.4	92.7	88.6	89.6
%	(+) 51.7	(+) 61.2	(+) 51.2	(+) 54.7
Cheese				
1940	67.8	69.8	70.0	69.2
1941	88.9	103.5	127.3	106.6
%	(+) 31.1	(+) 48.3	(+) 81.3	(+) 54.0

Source: Prices and Price Indexes, Dominion Bureau of Statistics.

RETAIL PRICE INDEXES OF MILK, BUTTER AND CHEESE

TABLE 14.

Averages for Canada, July to September, 1940 and 1941.
Base 1935-39 = 100.

	July	August	September	Average July to September
Fresh Milk				
1940	103.7	103.7	103.7	103.7
1941	109.2	109.2	110.1	109.5
%	(+) 5.3	(+) 5.3	(+) 6.2	(+) 5.6
Butter				
1940	90.1	91.1	90.4	90.5
1941	116.2	129.4	134.3	126.6
%	(+) 29.0	(+) 42.0	(+) 48.3	(+) 40.0
Cheese				
1940	109.6	108.2	108.2	108.7
1941	121.1	126.3	125.2	127.5
%	(+) 10.5	(+) 16.7	(+) 25.0	(+) 17.3

Source: Prices and Price Indexes, Dominion Bureau of Statistics.

TABLE 15.

EXPORTS OF DAIRY PRODUCTS FROM CANADA

25.

July to September, 1940 and 1941.

	Butter	Cheese	Condensed Milk	Milk Powder	Evaporated Milk	Fresh Milk	Cream
	Lb.	Lb.	Lb.	Lb.	Lb.	Gal.	Gal.
July							
1940	129,000	19,195,000	541,700	260,000	7,561,900	425	30
1941	162,300	22,361,700	2,227,600	589,500	5,960,100	442	7
August							
1940	143,900	22,804,800	964,300	331,200	6,128,400	274	-
1941	143,000	17,773,000	2,243,600	584,300	2,873,900	310	7
September							
1940	169,400	17,707,700	763,500	272,500	4,638,000	350	-
1941	152,500	8,351,500	1,868,900	511,500	2,387,100	210	-
July to September							
1940	448,300	59,707,500	2,289,500	863,700	14,328,300	1,049	30
1941	457,800	48,486,200	3,400,100	1,685,300	11,226,100	966	14

TABLE 16.

IMPORTS OF DAIRY PRODUCTS INTO CANADA

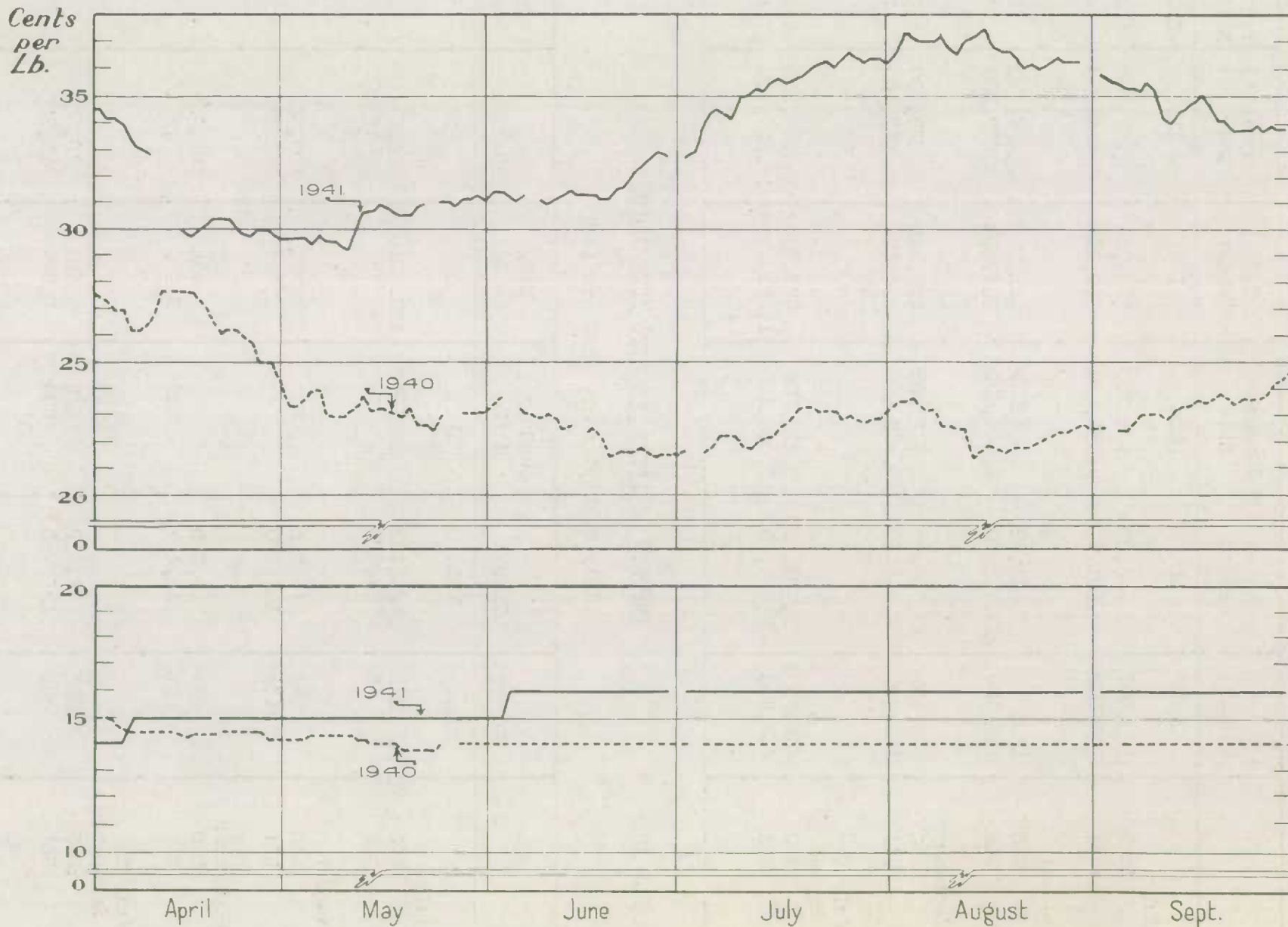
July to September, 1940 and 1941.

	Butter	Cheese	Condensed Milk	Milk Powder	Casein	Fresh Milk and Cream
	Lb.	Lb.	Lb.	Lb.	Lb.	Gal.
July						
1940	872	29,481	240	31	238,911	70
1941	46	61,675	-	202	500	20
August						
1940	194	16,253	300	3,324	109,564	-
1941	131	101,670	-	1,447	282,336	70
September						
1940	486	18,799	-	455	220,859	103
1941	314	19,441	283	5,496	3,364	86
July to September						
1940	1,552	64,539	540	4,410	569,334	173
1941	491	182,786	288	7,145	287,200	176

Chart 2

DAILY PRICES OF BUTTER AND CHEESE AT MONTREAL

APRIL-SEPT. 1940 AND 1941



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