

quality payments of 2 cents on 94-score and 1 cent on 93-score cheese were continued. The combination of these prices and bonuses resulted in the equivalent of 19 cents per pound at Montreal during most of the 1941 season.

The contract with the British Ministry of Food for shipment of evaporated milk in 1941-42 was 658,000 cases, compared with 751,000 in 1940-41. The reason for the reduction is found in the preference expressed by the Ministry of Food for dairy products in the form of cheese, as far as possible. It was the wish of British authorities that Canada restrict her exports of evaporated milk to a quantity sufficient to meet the requirements of certain Empire countries.

Effective Dec. 22, 1941, a subsidy of 40 cents per 100 pounds over a minimum price of \$1.70, or on the present price, whichever is higher, is being paid for milk delivered by producers to manufacturers of concentrated milk products.

The manufacture of creamery butter was encouraged during the past summer by the establishment of minimum prices effective May 10, 1941. Unfavourable pasture conditions during the summer months together with favourable prices for cheese tended to restrict butter production in Ontario and Quebec though the output for the country as a whole was about 8.1 p.c. in excess of that for 1940. Despite this increase in production, domestic demand was such as to create prices substantially higher than those established by the Dairy Products Board. The increase in income resulting from this combination of higher prices and greater output amounted to about \$30,000,000 for 1941. There is reason to expect reasonably favourable prices in 1942 but there is no desire to increase butter production at the expense of cheese. Domestic consumption has, in the past, taken care of all but a very small quantity of Canadian butter production and there is no wish to change that position at present.

In order to encourage milk production, a subsidy of 30 cents per 100 pounds is being paid by the Dominion Government on fluid milk in all areas where no increase in price has taken place since Aug. 1, 1941.

Eggs and Poultry.—From the beginning of the War to May 1, 1940, eggs were exported to Great Britain by private firms to private British importers. In May 1940, the British Ministry of Food became the sole importer and on Apr. 15, 1941, control of exports by Canada was assumed by the Special Products Board. Exports from Canada amounted to 1,274 dozen in 1939, 10,980,000 dozen in 1940, and approximately 16,300,000 dozen in 1941.

In the spring of 1941, four contracts totalling 13,800,000 dozen were entered into, half for shipment as fresh eggs and the remainder to be stored for shipment in the autumn. The removal of these eggs from the domestic market during the summer and autumn months contributed toward an increase of from 4 to 8 cents per dozen compared with prices during the same period of 1940. Subsequently, contracts were made for an additional 23,100,000 dozen for shipment from Dec. 1, 1941, to May 1, 1942. The contract price for eggs produced during the winter months was 32.12 cents per dozen, Grade A, *f.o.b.*, Canadian seaboard, and that for eggs shipped between Mar. 1 and May 31, 28.79 cents.

In order to encourage the production of eggs, the payment by the Dominion Government of a bonus of 3 cents a dozen for Grade A eggs purchased by the Special Products Board for export to the British Ministry of Food, was announced on Dec. 19, 1941. An additional one-half cent per dozen will be paid for all eggs that are oil-processed. The bonus will be paid as an addition to the contract price at which the eggs are being sold to the Ministry of Food, and is effective on eggs purchased for export from producers on or after Dec. 22, 1941.