

3 p.c. There were 3,795,000 cows on farms at June 1, as compared with 3,680,000 at the same date in 1942, but production per cow at 4,616 lb., was 136 lb. less than in 1942. The proportion of cows actually milking was estimated to average 77 p.c. in 1943 as against 74 p.c. in 1942.

Butter Production.—The 1943 creamery butter output of 312,000,000 lb. was the largest volume of butter ever produced in Canada, representing an increase of 28,000,000 lb. over that of the preceding year. The production of creamery butter was affected by the institution of a 6-cent subsidy paid by the Government as from July 6, 1942, and a 10-cent subsidy from Jan. 1 to May 1, 1943. To give further encouragement to the creamery industry, this subsidy was increased to 8 cents a lb. during the period May 1 to Dec. 31, 1943. It should be noted, however, that while the subsidy increased the creamery output, it discouraged the manufacture of dairy butter on farms. Hence, the output of the farm-made product fell to approximately 79,000,000 lb. in 1942 and to 55,000,000 lb. in 1943. The 1943 decline almost offset the increase recorded in the creamery make, so that the total production of 368,000,000 lb. in 1943 was only about 5,000,000 lb. greater than that produced in the preceding year. Of this total, Ontario and Quebec produced approximately 50 p.c., the Prairie Provinces 41 p.c., the Maritimes 7 p.c. and British Columbia 2 p.c. All provinces but the latter recorded increases in the creamery butter make during 1943, as compared with 1942, while dairy butter production suffered declines throughout the Dominion.

Cheese Production.—The output of Canadian cheddar in 1942 was approximately 206,000,000 lb., the highest make since 1900 when nearly 221,000,000 lb. were produced in Canadian factories. In 1943, the quantity of cheese manufactured in Canada fell to approximately 162,000,000 lb. Nevertheless, this amount exceeded the output of all previous years since 1926. The amount produced in Quebec and Ontario represented approximately 94 p.c. of the total production in 1943; Manitoba and Alberta contributed nearly 4 p.c., while the remaining 2 p.c. was produced in Prince Edward Island, New Brunswick, Saskatchewan and British Columbia. In order to give further encouragement to cheese manufacturing, a subsidy of 30 cents a cwt. was offered by the Government for milk delivered to cheese factories as from Oct. 1, 1943. Under an agreement with the Government of the United Kingdom, arrangements were made for the shipment of 125,000,000 lb. of cheese to the British Ministry of Food during the fiscal year 1942-43. Actual shipments, of course, greatly exceeded this amount. The 1943-44 contract called for the delivery of 150,000,000 lb., but, owing to the decline in production, it was impossible to meet this objective. Nevertheless, over-shipments of the 1942 make, exported in 1943, increased the total deliveries to the United Kingdom to approximately 92 p.c. of the amount exported in the previous year.

Cheese and Butter Prices.—The price of cheese in 1942 was set at 20 cents a lb. f.o.b. Montreal, compared with 16 cents received by producers during the latter part of 1941. In 1943 a further increase was ordered by establishing the price at 20 cents f.o.b. factory instead of f.o.b. Montreal. The quality bonus paid by the Dominion Government gave producers an average of about 9/10ths of a cent per lb. over and above the basic price, and in Ontario, where the Government continued to pay the bonus of 2 cents a lb. on all cheese manufactured, the total price was approximately 23 cents a lb. at the factory. Throughout the first four months of 1942, producers were able to market first-grade cheese at prices averaging between 24 and 25 cents f.o.b. Montreal; but in subsequent months, the lower price in effect brought the yearly average down to 21½ cents. In 1943, the average was