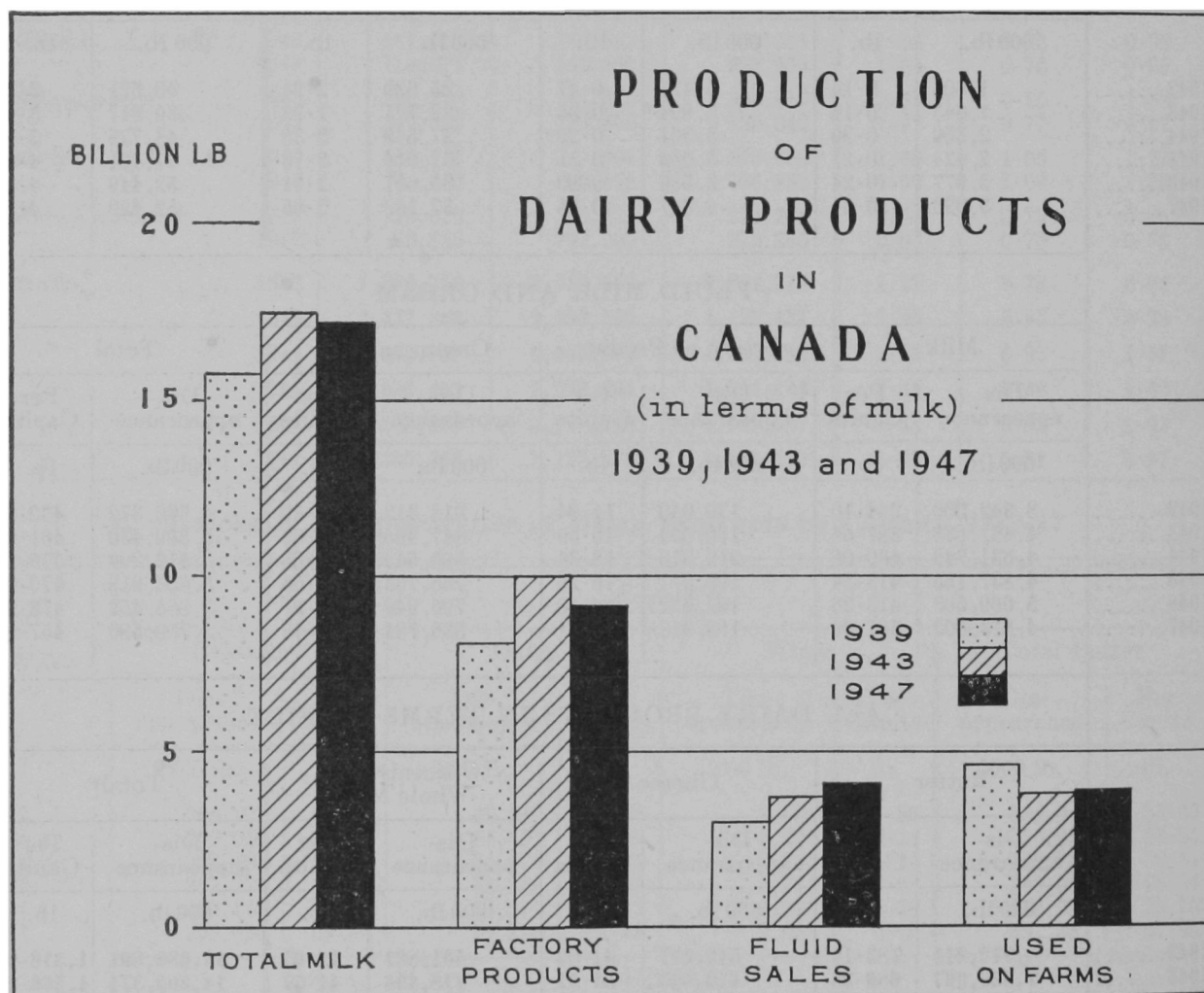


It will be observed from the accompanying chart that the proportion of milk used in factories has decreased in recent years. On the other hand, with the growth of urban centres the proportion used for fluid sales moved to a higher level. Between 1920 and 1925 the percentage of the total milk supply used for the production of factory dairy products increased from 42 to 46 p.c., while the quantities employed for manufacture on farms fell from 22 p.c. to less than 19 p.c. By 1935, factory production took 48 p.c. and fluid sales, which had taken only 14 p.c. in 1920, stepped up to 19 p.c. These increases were reflected in farm manufacturing, the milk required for this purpose having fallen to less than 16 p.c. There was very little change until the outbreak of the War in 1939. By 1945, increased demand for fluid milk boosted sales to 23 p.c., and advanced factory requirements to 56 p.c. All sections of the country have been using increased quantities of fluid milk, particularly during the war years, but the proportion of fluid sales to the total available has been most evident in the Prairie Provinces and in Ontario and Quebec.



**Butter Production.**—The most pronounced increases in creamery butter production took place between 1940 and 1941 and between 1942 and 1943. In the latter year it reached the high point of 312,000,000 lb., falling in the next twelve-month period to 299,000,000 lb., and in 1946 to 271,000,000 lb. With the removal of rationing and price regulations in 1947 the output moved to higher levels with a total production of 291,000,000 lb.