

Review of the Montreal Dairy Produce Season

With the official closing of navigation in Montreal on December 12th, the Montreal exporting season comes to an end. A certain amount of cheese and butter continues to go forward by rail to St. John and Halifax for shipment to Great Britain, but the bulk of our exports have already been shipped.

The 1916 export trade for butter, cheese and eggs has been eminently satisfactory from every point of view as is demonstrated by the totals of receipts and shipments from Montreal. Great efforts have been made by the Canadian people to supplement their offerings of men, money and munitions, by increased supplies of foodstuffs, of which the Mother Country stands greatly in need, in order to meet her requirements for domestic consumption as well as the inevitable wastage of food that goes on at the front. No less than 2,142,000 boxes of cheese were exported from Montreal this season, as compared with 1,851,000 boxes last year and 1,482,000 boxes the year before. Butter totals are still more satisfactory being 177,000 packages as compared with 54,000 packages in 1915, and only 7,200 packages in 1914. Egg exports were 373,000 cases in the past season, compared with 279,000 cases in 1915 and 112,000 cases in 1914—all together a very creditable showing.

Excellent Monetary Returns.

From a monetary point of view, results are even more advantageous, as, owing to the continually increasing prices paid for our dairy produce by the British buyers, the total value of this trade amounted to \$37,000,000, cheese being estimated at \$33,822,000, and butter at \$3,426,000.

Heavy Makes of Butter and Cheese.

In order to supply the heavy demands from the Old Country buyers, receipts of butter and cheese in Montreal have been considerably in excess of other years, as is shown in the following table:

more oversold. Bran has risen in price from \$21.00 at the beginning of June to \$32.00 at the present time, but notwithstanding these abnormal values, the high prices received for butter and cheese from abroad have enabled our farmers to feed their cattle to a greater extent than usual.

An interesting factor in the situation has been the relatively lower prices paid for butter than for cheese which has induced the factories to turn out cheese in greater proportion. This is shown by the comparison between the prices of the two commodities in the accompanying graph, in which calculations have been based on the fact that only 10 to 11 pounds of milk are required to produce a pound of cheese, while 20 to 22 pounds are required for a pound of butter.

Canadian Prices Reflect English Markets.

According to our graph, from a low point touched on July 18 prices of both cheese and butter show an almost unbroken rise. At the present time the market is tending to ease off slightly as usually occurs at this time of year when offerings are of inferior quality at the close of the season. As a rule the reaction is greater, but this year fodder butter and cheese are snapped up at prices very little under those paid for the remainder of the autumn make.

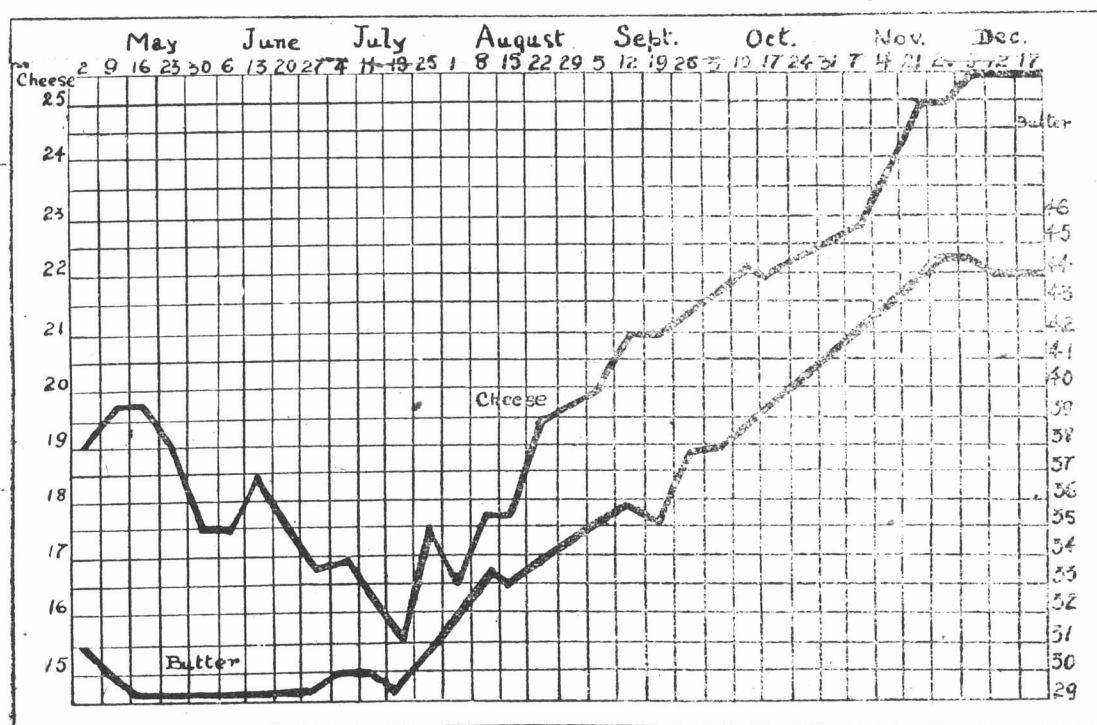
Throughout the season the trend of prices has been governed entirely by the export demand, each fluctuation being accounted for by a temporary lull in cable activities. Towards the end of the season, in October and November, stocks of butter fell so low that Canadian merchants were disposed to hold their stores for the benefit of the home trade. The export trade automatically swung over to New York where prices offered were fully four cents lower than we could afford to quote, and a marked increase in shipments from the port of New York immediately took place. Exports from New York

other years. The embargo placed by the Russian Government on the export of Siberian butter cut off large quantities from the British market, which had to be brought in from other countries. Denmark as a source of supply was not to be counted on to the same extent as usual, as Germany claimed the bulk of the production. Irregular sailings and high freight rates impeded the importation of both butter and cheese from the colonies, so that the arrivals of New Zealand produce were considerably under those of other years. Even the domestic make fell off, owing to the large amounts of milk consumed by the military hospitals which have sprung up all over the kingdom, coupled with the decrease in the labor to carry on the industry. Thus it would seem as if every circumstance conspired against low prices in England.

The Domestic Market.

Besides these firm conditions in British circles, the Canadian market has had but little influence, except in one or two instances where heavy buying for storing purposes added greater strength to the market. The domestic demand has been good, dealers entering to the home trade usually paying slightly more than the export price in order to secure their requirements. On the whole less storing has been done this year than in former years, owing to the prevailing high prices. Dealers, particularly in the smaller towns, waited to buy their butter in a break that never came, and are now turning to the large exporting houses in Montreal for their winter needs.

People are grumbling over the high prices asked for dairy products. It is necessary to look at the matter from a broad standpoint. After all, the wealth of the country comes from the land, the farmers playing the larger part, so that when the farmers are prosperous the whole of Canada shares in their prosperity. We are receiving the same high prices as we are paying ourselves from the United Kingdom on the bulk of our production. The \$37,000,000 received from Great Britain on account of our dairy exports wipes off just so much of our financial indebtedness. In a similar manner our efforts to send abroad the best of our production repays in some measure our moral obligation to the Mother Country for protection against our common enemy.



Trend of the prices of cheese and butter, showing the relatively higher values that have been paid for Cheese during the past season.

Receipts from May 1 to Dec. 1.

	1916.	1915.
Cheese, boxes	2,189,981	1,971,117
Butters, pkgs.	481	383,733
Eggs, cases	621,560	504,541

As may be inferred from these totals, the makes of butter and cheese this year have been larger than usual. In the beginning of the season, receipts were smaller than last year, but as soon as the foreign demand became an established fact, and prices began to rise, farmers put forth greater efforts to increase their dairy production by the use of grain and other feeds. The heavy crop of hay was of material assistance, but nevertheless millers report sales of millfeeds in greater volume than usual. As a rule the demand for millfeeds falls off when the cows are turned out to graze. Not so this year. There has been a market for millfeeds throughout the season in spite of the fact

that prices increased as millers became more and more increased from 4,201 packages for the week of September 25th to 12,795 packages for the week of October 2nd. As shown above, Canadian prices have not suffered from this diversion of trade, for domestic stocks are by no means adequate to supply the winter requirements of the home population, and therefore prices have risen steadily as these conditions have become apparent.

British Market Conditions.

In order to account for the apparent willingness on the part of the British buyer to pay prices for dairy produce 50 per cent above normal, we must turn our attention to conditions in the markets of the United Kingdom. As is invariably the case, the higher price levels are the outcome of an altered relationship between available supplies and the demand to be met. In spite of every effort to obtain butter and cheese from the foreign sources, stocks in Great Britain have been less than in

JAPAN EXPORTS WHEAT AND FLOUR.

A strange situation is being created in the wheat market in Japan, owing to the bad wheat crop in the United States this year. Japan, which has been importing no small amount of wheat and wheat flour every year thus far, is about to export her produce to America.

Japan used to import 10,000,000 yen worth of wheat and flour every year from the United States up to the outbreak of the present war in Europe, and even after the import on a wholesale scale was stopped some amount of trade has been continued. But now the tables have been turned.

Naturally this change in the situation has brought about a great boom in wheat in Japan. At Kobe, which is now the principal wheat exporting port, 14.20 yen is the standard price for Japanese wheat, which is 4 yen above the last highest recorded between the old and the new season this year. However, South Manchuria wheat is still comparatively cheap and available for exporters and, it is believed, in the latter goods some more business may be arranged.

A most beneficial effect has been produced by the bad wheat crop in the United States on Japan's flour market. Since last month over 160,000 sacks of wheat flour have already been exported from Kobe to London, with British agents still buying actively.

GOODS FOR NEW ZEALAND MARKED "BRITISH MADE."

Canadian exporters should heed the oft-repeated importance of marking their goods destined for the New Zealand market "British Made." In such a market as New Zealand, where there is a keen desire to purchase British goods wherever possible, such a description would have a strong selling force. At the present time this description would be even more effective as a selling point, partly as a result of the quickened interest in British goods, and partly because many firms are now making goods so much like goods which formerly came from Germany that the buyer is not sure that he is not being deceived when he is informed that the goods he is now offered are British.