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THE DIRECT AND INDIRECT EFFECTS OF RECIPROCIITY UPON DAIRYING

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Higher Prices for Dairy Products Prevail in the United States than in Canada. A Softer Cheese—meaning More Profit to us—will suit the trade. How the Butter Market will be Affected. A great demand and Good Prices for Cream in the United States. All in Favor of our Dairymen

TO predict with absolute certainty the future of dairying in Canada and the United States is an impossibility whether reciprocity becomes law or not. No man can predict the future, but persons who are familiar with all the details and history of an industry can usually estimate with considerable accuracy the probable course that that industry is likely to follow for some time in the future. It is this faculty commonly called "foresightedness," which so often determines a prosperous career for men of active business life. In attempting therefore, to predict the future effects of reciprocity in dairy products, should it become law, we must simply depend on a knowledge of the conditions surrounding the dairy industry in Canada, the United States and the other countries, which would be indirectly affected by the change.

DAIRY CONDITIONS IN CANADA

Let us start with our own country, Canada. Here the dairy industry is one of our greatest assets. Ontario and Quebec produce large quantities of cheese and butter, Ontario leading in cheese and Quebec in butter. Prince Edward Island produces a limited quantity of cheese and the western provinces very little cheese, but a fair quantity of gathe.ed cream butter. Besides these we have that part of the industry in all the provinces made up by the milk supply of the towns and cities. In the United States we find the great bulk of cheese being made in the States of New York, Wisconsin, and Michigan; the greatest amount of butter is made in the Western States.

ENGLISH DEALERS SET THE PRICE

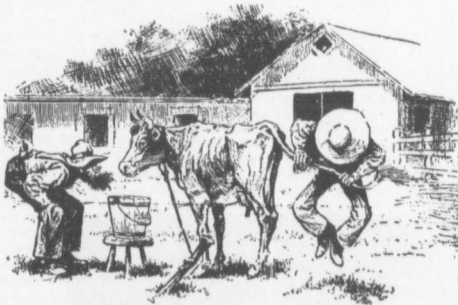
In Canada, outside of home consumption, the great majority of the cheese are exported to England, where the price is more or less uniform, being controlled by the European merchants and dealers. We often speak about controlling the cheese market of England, but as a matter of fact the English dealers actually control the markets for Canadian cheese.

In the United States practically all cheese is consumed by the American people, a few being exported annually for foreign use, but these are almost entirely of an inferior grade, unsuited for the home markets. In reporting on these exports for the past week the New York Produce Review says: "Most of the cheese exported have been cheese unsuitable for local use, being slightly acid or otherwise defective." We seldom hear of Americans exporting good cheese. They are too scarce for home use, the demand being so

great that it is possible to sell cheese made from milk from which half the fat has been removed for almost as much as the highest quotations for finest whole milk cheese.

COUNTRIES THAT MAKE CHEDDAR CHEESE

Very few countries other than Canada make cheese of the cheddar type. England and Scotland make quite a number and New Zealand quite a large amount at the opposite season of the year to ours. A number of other countries, however, make excellent butter, including Denmark and Sicaria. Both these countries secure prices for their butter in England higher than



Not the Kind They Were Familiar With

City Milkman—(Who has prospered and bought a cow, to avoid the middleman's profit): Pump harder, Jimmy! Day ain't a drop coms yet.

North Western Agriculturist.

the prices offered for Canadian butter, but lower than the average prices paid for butter in the United States. The supply of both is readily saleable in England.

Now, if the reciprocity agreement should go into effect there are a number of changes which could occur, but it seems to the writer that as a result the dairy products from all countries favored directly or indirectly by the agreement would tend to reach the markets most easily reached, and where the highest prices were obtainable. With cheese, about the only possible course of events would be for a large number of Canadian cheddar cheese to go into American markets where the market prices at present are about three cents a pound in advance of Canadian quotations.

CHEESE WOULD BE HIGHER IN ENGLAND

With the increased shipments to the States we would expect a scarcity in England with consequent higher prices. England must have a

large number of Canadian cheese, because she cannot purchase cheese enough from any other country during the Canadian manufacturing season. The probable shipments of Canadian cheese to the United States, therefore, might not be very large, and as the editor of the New York Produce Review states in a recent issue, "the resulting decrease in American quotations would be slight, so that the American dairymen would not be materially injured."

As a partial proof of this we have the new departure of shipping Canadian cream to the States. During the past year large quantities of this crossed the border, but the price of butter did not rise or fall much on either side of the line. We cannot understand then why Canadian cheese factory owners and patrons should not profit considerably by a realization of the proposed agreement.

THE EFFECT ON BUTTER

In regard to the butter industry the effects should not be much different. Prices should soon become equalized, and most of the influx would be from Canada to the States in the Eastern districts at least, while in the extreme west, where the Canadian prices for butter are usually very high, some American butter would probably cross the line, reducing the cost of living in one product to the Canadian western consumer. Canada, by cutting down the shipments of butter to England, makes way for more Danish butter in England, so that the prices there would be maintained or increased, and it would not be profitable to ship Danish butter to Canada. In fact, it would seem that everything would soon conform to nature's law by advancing to the point of least resistance.

One of the greatest scarcities in dairy products in the United States is cream for home use and for ice cream purposes. The ice cream in-

dustry of the United States has increased almost beyond belief in recent years, and much of our Canadian cream is certainly destined for this outlet, whether tariff reductions are made or not. The increased consumption of milk and cream in the populous American cities naturally decreases the make of butter annually, and the increasing population at the same time demands an increased make of butter. Where these are to come from our Americans are trying to solve by removing the tariff to Canada.

GREATER YIELD OF CHEESE

If Canadian cheese go to the United States duty free, the increased price to us would not be our only gain. We would also reap an equal or greater benefit from the increased yield of cheese we would obtain from milk through making the softer style of cheese desired in American markets. This alone should mean a gain of at least 10 cents on each 100 pounds of milk.

Cheesemakers in Canada, too, would be bene-

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