

# Work of the Cheese Commission in 1917

J. A. Ruddick delivers address at meeting of Eastern Ontario Classification of Cheese

The following address was delivered by Mr. J. A. Ruddick at the annual convention of the Dairymen's Association of Eastern Ontario, which was in session at Perth, Ont., on Friday January 11.

## WORK OF CHEESE COMMISSION.

Before proceeding to deal with the work of the Cheese Commission, it may not be out of place to refer briefly to the situation which made the appointment of a Commission necessary or desirable, and to tell you something of the negotiations which led up to that consummation.

It seems to me, however, that a mere statement of the facts, with regard to the cheese situation, will show that instead of being the means of preventing higher prices, the appointment of the Commission and the handling of the cheese through that channel has placed many millions of dollars in the pockets of Canadian producers in excess of what they would have received if the trade had been allowed to take its own course.

In March last the Imperial Board of Trade, seeing shipping and financial difficulties looming up to stand in the way of the regular export trade, expressed a desire to purchase the entire exportable surplus of Canadian cheese of the season of 1917. With that end in view a representative of the Board in the person of Mr. Jas. McGowan was sent to Canada, and the Canadian Government was requested to nominate two commissioners to act with Mr. McGowan for the purpose of dealing with the whole question. The Minister of Agriculture nominated Mr. Jas. Alexander and myself as the Canadian members of the Commission.

The Board of Trade had purchased the entire output of New Zealand cheese for the season of 1916-17 at 19c f.o.b. steamer, and was not, at first, inclined to pay more for our surplus of 1917. The New Zealand authorities say they were promised that no higher price would be paid. In view of the difference in the market value of Canadian and New Zealand cheese, and the further fact that values in all food products had risen during the interval, it did not seem reasonable that Canadian cheese should be sold at the same price as that paid for New Zealand cheese some months previously.

After negotiation the Imperial authorities finally authorized the Commission to offer 21½c f.o.b. steamer, Montreal, for the exportable surplus of Canadian cheese for the season of 1917. I am not at liberty to divulge all the steps that were taken on this side to secure a fair price for the cheese, or to bring the negotiations, which dragged along with exasperating delays, to a final and satisfactory conclusion. You will have to take my word for it that everything was done that was possible under the circumstances to protect the interests of the Canadian cheese producers. Proof of this assertion is found in the fact that the Ministry of Food has just concluded a further bargain with the New Zealand cheese factories to take their surplus output for the current season of 1917-18 at a price which will net them only between 19c and 19½c per pound. The price named is 20c f.o.b. steamer, but the factories pay the first three months' storage and insurance, receive 90 per cent payment in 28 days, and allow 2½ per cent on marked weights for shrinkage, which latter item alone works out at ½c a pound.

Of course, there is room for difference of opinion as to whether 21½c f.o.b. steamer, Montreal, was a fair price for the cheese, but I think it must be admitted that the purchaser of any article has a right to determine how much he is willing to pay. The British Board of Trade in this case simply took the place of the British merchant, who in normal times imports the cheese, and it will hardly be disputed that the merchant has the right to determine the limit that he will pay in ordinary transactions.

Although reference is constantly being made in the press and elsewhere to what is termed the "fixed" price of cheese during the past season, I want to point out that there has been no "fixed" price for cheese in Canada. The British Food authorities fixed a maximum price for the retail sale of cheese in the United Kingdom, but there has not been, nor is there at this moment, any regulation or other legal obstacle to prevent a Canadian cheese exporter or producer from selling his cheese at a higher price than the Commission is paying if he can get it or from shipping it to the United Kingdom himself if he can secure space.

The commission, having been appointed, proceeded to formulate regulations to govern the acceptance of cheese. These regulations were made with a view of utilizing as far as possible the organization and facilities which already existed for the handling of the cheese trade. It was suggested in some quarters that the buyers should be required to pay not less than a certain price in the country. The commission, however, knowing the history of the cheese trade, relied upon the competition between buyers to secure fair prices to producers, and the experience of the past season proves that their faith in that matter was well founded. As a matter of fact, the price paid on the cheese board was, in many instances, so high that there was not sufficient margin to pay freight, storage, cartage, cooperage, etc., and leave any profit to the dealer. An average of 21c. at country points would have been a fair price for No. 1 grade. Producers can have no complaint on that score, and, if the buyers cannot make any money, it is their own fault.

The commission has recognized three grades of cheese, and probably the principal innovation in the handling of the season's output was the one by which a definite spread in value was fixed between No. 1 and the lower grades. It is, I suppose, generally known that 21½c was paid only for No. 1 grade, the prices for No. 2 and No. 3 being 21¼c and 20¾c respectively.

The buyers were required to grade the cheese themselves, and to offer them to the commission in lots of 500 boxes of one grade and color. When this was done the commission sent its own inspectors to examine them, and if any of the factory lots offered were not up to the grade represented, they were struck off the list and others had to be substituted.

The following table shows the number of cheese handled by the commission from June 1 to December 31, 1917, by provinces, with the percentage of different grades in each case:

TABLE I.

Classification of Cheese.			
Province of Origin.	No. 1.	No. 2.	No. 3.
Ontario	93.38	6.42	.20
Quebec	70.88	27.13	1.99
P.E.I.	90.85	9.00	.15
The Dominion	84.22	14.85	.93

The standards on which the classification was made are practically the same as those which have been observed in the trade for many years.

The quantities produced in the different districts of Ontario and the relative standing of these districts in the matter of quality is shown in Table II:

TABLE II.

Ontario Cheese by Districts.			
District.	No. 1.	No. 2.	No. 3.
Western Ontario	95.44	4.31	.25
Northern Ontario	44.44	51.15	4.41
Central Ontario	98.07	1.91	.02
Eastern Ontario	91.80	7.96	.24

As a matter of passing interest, and for purposes of reference, I may mention that records of the Commission show that the average weight of cheese for the Dominion, and for the three provinces from which cheese were received, is as follows:

TABLE III, AVERAGE WEIGHT OF CHEESE.

	Lbs.
Dominion	83.67
Ontario	86.31
Quebec	80.13
P.E.I.	73.27

## SIZE OF CHEESE.

The commission has been strongly impressed with the advisability of standardizing the size of cheese made in Canada, particularly in the matter of diameter. The cheese hoops in use in the different factories vary in diameter from 14½ to 16 inches. Either 15 inches or 15½ is a suitable size, but there should be only one size in the country. I would be in favor of legislation prohibiting the use of any hoops except those of a standard size, giving the users of odd sizes a reasonable time to get new ones. The size of the bandage should also be regulated because a cheese expands to the size of the bandage after it is removed from the press.

It was found, in many cases, that the boxes were too large for the cheese. This defect was remedied at Montreal by "chinking" the space between the cheese and the side of the box with pieces of boards, all of which involves unnecessary cost. This slovenly manner of boxing cheese is due largely to lack of foresight and attention to detail in ordering boxes, but it will be increasingly difficult to secure boxes to fit the cheese properly as they are supplied more and more from central distributing points. A standard sized cheese permitting the manufacture of a standard box would help greatly in securing the desired improvement.

## FIBRE CHEESE BOXES.

Several thousand cheese were shipped in the new fibre boxes. In order to get accurate and unbiased reports as to the condition of these boxes on arrival in the United Kingdom, I arranged with the Cheese Commission to notify my office at Ottawa when cheese in fibre boxes were included in any shipment, and the cargo inspectors employed under my direction at ports in the United Kingdom were instructed to be on the lookout for them and to make special reports as to their condition, and to obtain the views of the trade regarding them. These reports do not indicate that this package is a perfect one as manufactured at present. The covers are frequently torn loose, and there is a tendency for the fibre to soften slightly, presumably by absorbing moisture from the cheese, and when this occurs the box is liable to be crushed when it has to stand the weight of a pile of five or six boxes. Quite a percentage of the boxes were reported as torn with the hooks used in handling. They will not stand that sort usage. The patent cheese truck as used for wooden boxes also breaks or tears the fibre band, but this can be, and has been in some warehouses, remedied by an alteration in the truck which prevents the tearing. As I have already said, the fibre box is probably not a perfect one, but I think it is capable of improvement, and even at present it would appear as though it arrives in as good condition, if not better, on the average, than the ordinary wooden box.

I am rather hopeful that the fibre box, possibly with some improvements, will solve the box problem of the future, providing the cheese are all made of one diameter, as already advised. In many cases the fibre boxes were too large for the cheese and the percentage of damaged boxes was much greater in such cases. This lack of management which results in cheese being shipped from the factories in boxes which are either too large in diameter or too low for the cheese, is inexcusable, and it is coming to be recognized every day as a more serious defect. When there is a loss of ½ a cent a pound, or 43 cents per box, on account of these defects—that is, badly fitting boxes in one respect or another—surely it is time to provide a remedy. If a cheesemaker has the ordering of boxes, it would be a much more reasonable thing to charge him with any loss arising out of such a defect than it is to charge him for inferior quality in the cheese itself.

That it would be an advantage to have all factories registered and numbered became very evident in the course of handling the business during the past season. Many factories follow the sensible practice of branding the cheese with the name by which the factory is known, others use certain letters or numbers, or combinations of letters and numbers. In some cases the markings are changed from time to time, and there is more or less duplication of brands and markings. If the cheese from each factory bore a distinctive number, and complete lists of the registrations were published, it would greatly facilitate the tracing of particular lots of cheese to their proper origin.

The Federal law, which was repealed by the Dairy Industry Act of 1914, provided for voluntary registration, but as less than half the factories ever applied for registration, it fell short of the object aimed at and

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