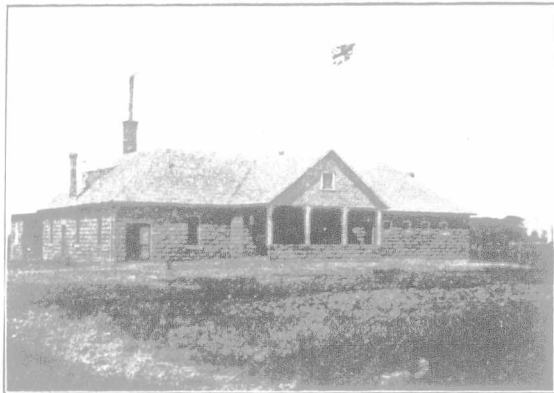


Exports to the United States.

The exports of dairy products to the United States have risen to some importance during the past 3 or 4 years, and in view of the recent changes in the United States tariff, by which the duty on cheese and butter is reduced from 6 cents to 2½ cents per pound, and milk and cream are included in the free list, for the avowed purpose of encouraging the importation of these articles, it may be out of place to refer briefly to our trade with that country. There has been some movement of dairy produce across the line, in both directions, for many



A Cheese Factory at Finch, Ont.

years, but the quantity was not large enough to attract much attention until the Payne-Aldrich tariff, went into effect on August 5, 1909. In this tariff the duty on cream was reduced from 20 cents per gallon to 5 cents per gallon, while the duty on butter remained 6 cents per pound. A thick cream will yield about 4 pounds of butter to the gallon, so that by importing cream the United States dealer was getting in butter at an equivalent of 1½ cents a pound duty. Creameries were established, just across the border in many places, to handle Canadian cream, and shipments were made to points many miles inland. The shipments of cream reached the maximum in the fiscal year ended March 31, 1911. The disastrous slump in the dairy markets of the United States early in 1912 gave a check to this trade from which it has never fully recovered.

Exports to the United States (Values Only.)

	1913	1912	1911	1910	1909	1908
	\$	\$	\$	\$	\$	\$
Cheese....	41,366	31,653	36,034	23,995	19,428	17,732
Butter....	75,192	103,819	91,313	199,854	18,246	38,899
Cream....	751,123	792,595	1,714,528			
Condensed						
Milk....	5,107	3,983	11,474	220,446	8,256	2,737
Casein....	15,342	38,302	37,009			
Sweet Milk	1,412	975	3,257			

889,542 971,327 1,893,615 445,295 45,930 59,368

NOTE.—Previous to March 31, 1910, the values of milk, cream and condensed milk were not reported separately.

The writer is not prepared to express a very definite opinion as to what effect the new United States tariff will have on the Canadian dairy trade. Of course, it requires no argument to show that butter may be exported to the United States under a 2½ cent duty with less difference in values in the two countries than under the old tariff of 6 cents per pound. It is possible that there may be some inducement at times to export cheese, but it is not likely that there will ever be any very large amount of Canadian cheese shipped to the United

States. The removal of the duty of 5 cents per gallon on cream, which as has already been stated is equal to about 1½ cents per pound on butter, is a much smaller reduction than the 3½ cents which has been taken off the duty on butter and it would seem on the face of it that the present tariff would not be as favorable to the export of cream as the old tariff was, because the saving of duty by exporting cream will be much less now than it was before. It costs much more to ship cream than it does to ship butter. There may be an extension of the trade in sweet cream for table use, in close proximity to large markets like Buffalo and Detroit and possibly to some extent along the St. Lawrence and Quebec borders. It seems quite probable also that there may be a considerable increase in the quantity of fresh milk exported under the new tariff. At the present time, American buyers are picking up cows in considerable numbers in Eastern Ontario for shipment to the United States. Farmers in this section, who are short of feed, are tempted by the high prices offered, but in some cases they are simply discarding the unprofitable cows which have been discovered through the system of cow testing. One thing is certain that if there is any large movement of cows or dairy produce across the line, the tendency will be to equalize prices in the two countries.

The New Zealand Competition.

Previous to the period when the Canadian cheese exports began to fall off in quantity, there was very little progress in the growth of the cheese industry in New Zealand. When the writer resigned the position of Dairy Commissioner in that country and returned to Canada in 1900, there was no evidence that the output of cheese would ever be very much larger than it was at that time. In 1904 the total export was only about 9,000,000 pounds. Following the decrease in the exports from Canada, the price of cheese advanced and became relatively higher than for butter, with the result that the New Zealand factories gave the preference to cheese in the rapid expansion of milk production which was then in progress. For the year ending June 30th, 1913, the total import of New Zealand cheese into the United Kingdom was 66,055,360 pounds. New Zealand is also a large shipper of butter, but the exports of that commodity have not increased permanently in the last ten



Quebec Seminary "Little Farm," St. Joachim, P.Q.

years. The growth of the industry is confined entirely to cheesemaking for the present. It is not correct, as often asserted, that New Zealand cheese is driving Canadian out of the market. The facts are that New Zealand is simply supplying the shortage in the Canadian shipments. Had the shipments of Canadian cheese continued to be as large as they were in 1904, there would have been little or no increase in the shipments from New Zealand. There are large blocks of excellent grazing land in New Zealand now carrying sheep which will eventually be cut up into smaller areas for dairy farms. Land values have risen during the past few years to