

JANUARY 16, 1919

Prevailing Bulk-Prices Paid for Standard Milk in U. S.

Market Centre	State	Market	To Producer by City Distributor			To City Distributor (Delivered)			Fat test of milk sold to consumers (%)
			F.o.b. city (Per 100 lbs.)	Butter-fat standard (%)	Butter-fat allowance per lb. (cts.)	By restaurants (Per 100 lbs.)	By stores (Per 100 lbs.)	By Family trade. (Bottled. Cents per quart)	
Colorado		Denver	3.48	—	1.00	4.04	—	13	3.7
Connecticut		New Haven	4.69	3.0	40	5.81	—	16	3.8
		Hartford	4.83	3.0	40	6.27	—	17	4.0
Dist. of Col.		Washington	4.65	3.5	46.5	6.51	6.97	17	4.0
Georgia		Atlanta	5.81	Flat	—	7.53	7.53	20	3.6
Illinois		Chicago	4.23	3.5	40	4.88	6.04	14	3.5
		Rockford	3.76	3.5	30	5.20	—	12	3.7
Indiana		Indianapolis	3.15	—	90	5.11	5.11	14	3.6
		South Bend	3.58	Flat	—	4.41	—	13	3.7
Iowa		Des Moines	3.62	3.5	50	5.20	—	15	3.5
Louisiana		New Orleans	4.41	3.5	23	5.20	—	16	4.0
Maryland		Baltimore	4.88	Flat	—	7.30	—	17	4.0
Massachusetts		Boston	4.51	3.5	40	6.27	6.27	16.5	3.6
		Springfield	4.51	—	—	6.04	—	16	3.6
Michigan		Grand Rapids	3.48	3.5	30	4.65	4.65	14	3.7
Minnesota		Minneapolis	4.18	3.5	50	4.65	4.65	13-14	3.5
		St. Paul	4.18	3.5	50	4.65	4.65	13-14	3.5
Nebraska		Lincoln	3.81	4.0	—	5.11	—	14	—
New Jersey		Newark	4.69	3.6	40	6.27	—	17	3.7
		Trenton	4.74	4.0	40	5.58	—	14	3.8
New York		New York	4.46	3.0	40	6.27	6.27	17	3.5
		Buffalo	4.27	3.0	40	5.11	—	15	3.6
		Albany	4.41	3.0	40	5.11	—	15	3.6
		Rochester	4.32	3.7	—	5.58	5.58	15	3.6
		Syracuse	4.27	3.0	40	5.11	—	15	3.6
Ohio		Cincinnati	4.09	—	—	5.11	—	14	3.8
		Toledo	3.90	3.5	60	5.11	5.81	15	3.0
		Dayton	3.67	4.0	50	—	—	14	4.0
		Columbus	4.23	4.0	50	5.20	5.20	15	3.2
Oregon		Portland	3.85	3.8	50	—	—	14 1/2-15	3.8
Pennsylvania		Philadelphia	4.74	4.0	40	5.58	5.58	14	3.7
Rhode Island		Providence	4.51	3.5	40	6.27	6.27	16.5	3.6
Tennessee		Nashville	4.18	4.0	90	6.97	6.97	20	4.0
Texas		El Paso	4.60	4.0	40	5.81	—	19-21	3.5
Virginia		Richmond	4.65	Flat	—	6.04	6.04	15	3.8
Wisconsin		Milwaukee	4.18	Flat	—	4.88	—	13	3.6
Vermont		Burlington	3.99	Flat	—	—	5.58	15	—

In those markets where the price of milk is based solely upon its butter-fat content the given quotation per pound of butter-fat includes payment for the non-fat content of natural milk, as well as for its butter-fat content; and for that reason the butter-fat allowances on such markets are generally much higher than those quoted for other centres in which the allowances refer only to premiums or deductions per point of butter-fat above or below the given standard. In some cases, as in the case of Denver, Colorado, there is no basic butter-fat standard other than the minimum legal standard. In these cases, however, milk is paid for on the basis of its butter-fat content at a definite price per point, or per pound, of butter-fat. In the case of Minne-

apolis and St. Paul, the price of milk delivered to the city is based on the average price of cheese, as established by the Plymouth-Wisconsin Cheese Board. The price of ten pounds of cheese plus 70 cents transportation and marketing expenses is the price paid by Minneapolis and St. Paul dealers for a hundred pounds of 3.5 per cent. milk.

The price per cwt. as given in the first column will, of course, net the producer varying amounts, since this is the price delivered at the city. If it costs 20 cents a can, for instance, to ship milk from a point a hundred miles outside the city, the producer at that station necessarily must receive 20 cents less than the man who can draw his milk each morning to the distributing

plant. These prices show a range of from \$3.48 to \$5.81 per hundred pounds. This compares with a price of \$2.80 per can, or \$3.39 per cwt., agreed upon between the distributors and producers of Ontario for the months of January, February, March and April, and a price of \$3 per can, or \$3.63 per cwt., received by some Ontario shippers for the month of December. It is interesting to note that the range of prices reported to the United States Department of Agriculture from thirty-five market centres in the New England States is from \$3.86 to \$4.53 per 100 pounds, an average of \$4.09 per cwt. November prices averaged \$4.06 per cwt.

The next three columns need little comment, except to say that they show the price per cwt. received by the distributor from restaurants and stores, and the price per quart received from the ordinary consumer for bottled milk delivered. An interesting point is brought out in connection with the last column of this table in comparison with the second. In the city of Washington, for instance, producers supply milk testing 3.5 per cent. of butter-fat, but the consumer is supplied with milk testing 4 per cent. butter-fat. The difference is even greater in the case of New Haven, Conn., where the variation is from 3 per cent. to 3.8 per cent. This matter also works the other way around, as in the case of Columbus, Ohio, where the producer supplies milk testing 4 per cent. and the consumer is supplied with milk testing only 3.2 per cent., for which the distributor secures 15 cents a quart, or approximately the price charged by Toronto distributors. There is a difference, however, in the price paid the producer, which in the case of Columbus is \$4.23 per cwt. In some cities, such as Syracuse, for instance, the quantities of milk that dealers have obligated themselves to accept at the price stated, "may not exceed a definitely stipulated percentage of increase over a low production month of the year." In other cities the price given in the table does not apply to surplus quantities of milk that are converted into manufactured dairy products.

A consideration of these prices paid to producers in the United States should afford food for careful thought on the part of the Canadian producer. To secure anything like these prices, and there is no reason why it would not be fair, organization is absolutely necessary; and for reasons pointed out previously any organization of milk producers which aims to better the milk situation by the equalization of prices must include the milk producer of every type. Not only is this true, but the milk producer who, temporarily or otherwise, sends his milk to one branch of the industry, owes a duty to others engaged in producing for the same purpose and perhaps deriving their sole income from the production of milk for that branch of dairying. The men who will undersell, for the purpose of giving a temporary market, another class of producers who cater to that market permanently, possibly at considerable expense, have not their own nor the other fellow's interest at heart. Some day their chickens will "come home to roost." Organization will bring strength and the ability to adjust the conflicting circumstances which at present are causing such confusion and dissatisfaction among producers.

## Eastern Dairymen Hold Forty-Second Annual Convention.

Splendid Attendance — Program Well Executed — Largest and Best Cheese Exhibit Ever Seen in Canada

The first session of the Forty-Second Annual Convention of the Dairymen's Association of Eastern Ontario was exceptionally well attended. The convention was held at Belleville, on Thursday and Friday, January 9 and 10. The first session was a practical dairy session and most profitable. The president of the Association, R. G. Leggett, Newboro, consumed little time with the presidential address. He said, in part:

"On account of several unavoidable circumstances, our milk production has been greatly reduced in the past year. The late, cold spring greatly damaged the clover, leaving pastures in some places practically barren; also hindering the planting and growth of corn. The hot, dry spell in July and August dried up the pastures, while September and October were unusually cold and rainy, which resulted in an immature corn crop.

"There has been in Canada for years a wide spread desire for some form of National organization that would unite the various branches of the dairy industry in one strong central organization capable of controlling the whole. Recognizing this fact, last November The Hon. T. A. Crerar called a meeting, at Ottawa, of representatives from the different dairy organizations in Canada. These men after a three days discussion formed what is now known as the National Dairy Council, its object being the safeguarding of dairy interests in every form. Later you will hear this thoroughly discussed by the President, E. H. Stonehouse."

A. Leitch, O. A. C. Director of Farm Surveys for the Ontario Department of Agriculture, was to have addressed the convention on the subject of, "Feeding Dairy Cattle," but the results of the recent farm survey in Oxford County having just been tabulated, the speaker analysed this data instead. "The average labor income of 450 dairy farmers in the County of Oxford, including the labor of the women and the younger members of the family was a little less than \$1,200 for the year ending April 1, 1918," said the speaker, "and for this income the dairy farmer, during six months of the year, works an average of 13 hours per day, seven days a week and for the other six months, he works an average of 11 hours per day for seven days of the week." The broad

analysis of the survey are shown in the large table given herewith. Mr. Leitch stated that 118 of the 450 farms included in the survey gave their owners a labor income of less than \$750 per year. This includes farms up to 75 acres in size. "Under present conditions," said Mr. Leitch, "it is almost impossible for a man engaged in dairying in Oxford County, to make more than 6 or 7 dollars per day for his labor. Not one dairyman made a labor income, over \$4,000 and some, through force of circumstances, made nothing. Great stress was laid on the disadvantage of small farms when the capital tied up in buildings and machinery are considered. "A man must be wonderfully efficient to make a large labor income on the farms in the these smaller groups," said the speaker, "and there are no farms in Oxford County that are too large so far as we have found. About one quarter of the farms had under 66 per cent. of tillable land. We decided to see if it would pay to clear additional land at considerable expense in order to increase the size of the farm business and found that it did, where the increase was made up to 85 per cent. of the total land. In the case of smaller percentage of tilled land that now exist, we found that the selling value would be increased by as much as \$1,100 and farms where the cropped area is 52 acres, spend about the same for labor as where 60 acres are cropped. The labor income increases also, when additional tillable acres are added to the large farms; but to a lesser extent, until, when the tillable area is increased from 85 to 95 per cent. an additional \$150 is added, but there is no appreciable increase in the value of the farm. Nearly one-third of the farms we dealt with would yield an increase in labor income by clearing more land instead of buying more."

The cost of milk production was also dealt with and careful investigation showed that it cost \$2.17 per 100 lbs. to produce milk on these farms for the year under consideration, including the sum of \$500 in each case for the labor of the owner. The actual price received was \$2.19 1/2; a profit of only 2 1/2 cents per 100 lbs. If they had secured a profit at the rate of 2 per cent. above cost, they would have received an additional

30 cents per 100 lbs. The advantage in labor income was decidedly with the men who were not engaged solely in dairying. A decrease of 22 cents per 100 lbs. was secured where only 50 to 60 per cent. of the revenue was derived from milk, a decrease sufficient to provide for depreciation on all buildings. Very many more points of practical importance were brought out, which will be discussed more fully for our dairy readers in later issues. The large table accompanying is worth careful study in the meantime.

M. N. Empey, one of the delegation sent to Saskatchewan relative to the profound Co-operative Dairy Company for Ontario, reported very favorably on the investigation into the success of the Saskatchewan Co-operative Creameries Ltd. The profits of this company, which includes 19 creameries, were \$75,540.31 for the year ending November 2, 1918. The company is capitalized at \$500,000, of which about \$180,000 is paid up, \$125,000 representing shares in local creameries taken over. There are about 2,500 shareholders, each local creamery appointing one delegate to the annual meeting of the central. The Saskatchewan Government loans 75 per cent. of the cost of new buildings to be erected and takes a mortgage for this amount. It also guarantees the company's trading account, last year to the extent of \$350,000. The dairymen are satisfied in Saskatchewan," said Mr. Empey, "and I cannot see why the Ontario project cannot be successful."

Dr. J. H. Grisdale, Acting Deputy Minister of Agriculture, Ottawa, addressed the afternoon session, and commented on the very few changes that have taken place in the dairy industry in Canada during the past twenty years. "Dairying is the industry which will put Canada in her proper place among the nations," said the speaker. "The development has been almost beyond comprehension and there are very great tracts of soil just as fertile as can be found in Ontario, lying in the North, and it is dairying that I look to, for the impetus that will open up this great country—dairying and beef cattle raising.

"At present Europe finds herself short by something over 150,000,000 head of live stock. We certainly have