expected to remain at the 1956 level. The output of eggs may be greater but prices are likely to be lower. Cash income from dairy products is expected to increase. Total farm operating expenses and depreciation charges may not differ very significantly from the 1956 estimates.

FARM LABOUR

Labour requirements in agriculture will continue to exceed the available supply. Labour shortages will continue the year round in dairying and stock farming while in other parts of agriculture additional workers will be needed only during the spring and late summer months. The necessity for organized labour movements within and between provinces will be greater than ever.

GRAINS AND FEEDS

Generally, good crops were harvested throughout Canada in 1956, although excessive rain and early frosts lowered the quality in many areas. In Western Canada the almost unbroken series of bumper yields again has resulted in a shortage of space in country and terminal elevators. Supplies of grain for livestock feeding are considerably larger than expected requirements, but roughages, although adequate for a normal feeding season, are somewhat below the quality of a year earlier.

World production of wheat in the 1956-57 crop year, which preliminary estimates place at 7.5 billion bushels, is a record. Stocks available for export and carryover held by the four major wheat exporters in the fall of 1956, estimated at 2.3 billion bushels, were only slightly higher than a year earlier. Higher levels of economic activity throughout the world, smaller crops in Europe, and continuing efforts of governments in some countries, to improve nutritional standards should have a sustaining effect on export movements.

Total supplies of Canadian wheat for 1956-57 are estimated at 1,075 million bushels, consisting of the July 31, 1956 carryover of 537 million and the new crop of 538 million. Although the average protein content of the new crop is somewhat lower than a year earlier, the quality of the protein is improved.

Total supplies of Canadian feed grains in 1955-56 are up about 17 per cent over last year's level of about 39 per cent above the ten-year average. The increase in this year's supplies results mainly from a larger carryover and substantially greater outturns of oats and barley. The mixed grains crop is the largest on record and the corn crop, although below last year's, greatly exceeds the ten-year average. Livestock numbers are somewhat below a year earlier and feed requirements may be reduced slightly. The export market is expected to absorb more oats and barley during 1956-57 than last year. However, in view of the substantially greater domestic supplies, and despite the anticipated increase in exports coupled with continued heavy domestic requirements, it is probable that carryover stocks of oats and barley at July 31, 1957 will exceed the July 31, 1956 level by a fair margin.

Given an average barn-feeding season, generally adequate supplies of fodder and the major feed supplements are indicated for the current crop year. Production of tame hay was slightly below a year earlier, and the quality is somewhat below average. Pastures continued to provide feed for an extended period in Eastern Canada which tends to stretch out the available winter feed supplies. In Western Canada, although supplies are generally adequate, the margin of reserves in relation to cattle numbers is considered to be narrow. Supplies of millfeeds and high protein supplements of both vegetable and animal origin will likely be adequate for requirements.

LIVESTOCK

Total meat production in inspected or approved establishments in Canada in 1956 appears to be approaching the record 1.9 billion pounds set in 1944. In 1957 production will probably differ only slightly from 1956 levels, an anticipated reduction in pork production being probably offset by increased beef production.

A continued strong domestic demand for meat, plus an anticipated firm improved United States market should prevent any significant decline in cattle prices, while all the indicators--consumer demand, export possibilities, and the supply position--point to strong hog and pork prices, both in absolute terms and relative to beef prices. The relative price position will likely cause some switching by consumers from pork to beef, thus causing an additional increase in the already high level of domestic disappearance of beef.

A slight increase is looked for in calf slaughter, while sheep and lamb slaughter will probably remain about the same. No marked change in prices of calves, or of sheep and lambs, is expected.

DAIRY PRODUCTS

Milk production in 1957 is estimated at 17.5 billion pounds, about the same as in the previous two years. The fluid milk market expanded by increased population, will probably absorb any small increase in total milk production and perhaps divert some milk from other products to fluid use.

During 1957 consumption of creamery butter is expected to exceed production with the difference made up out of existing stocks. Cheddar cheese production and consumption are likely to be about the same as in 1956 with slightly less cheese available for export in 1957. Output of evaporated whole milk and dry skimmed milk will probably be approximately in balance with consumption, with any increases

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