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WEEK'S EVENTS IN REVIEW

U.K. FOOD CONTRACTS: The following joint announcement by the Governments of Canada and the United Kingdom was made in Canada on December 8 by the Minister of Agriculture, Mr. Gardiner:

Negotiations between the British Government and the Canadian Government, which have been taking place over the past few weeks, ended on December 7 in agreement by the British Government to purchase in 1949, subject in the case of bacon and cheese to the approval of E.C.A., and by the Canadian Government to supply, the following quantities of livestock products:

<u>Bacon:</u>	160 million pounds
<u>Cheese:</u>	50 million pounds
<u>Eggs:</u>	1,533,000 cases of shell eggs, or the equivalent in the form of dried whole egg or frozen whole egg.

Prices for the first two commodities are the same as those stipulated in the relative 1948 Agreements. For eggs, the prices are slightly lower.

At the December 8 session of the Federal-Provincial Agricultural Conference, Mr. Gardiner gave additional particulars of these three new food contracts.

In the Calendar year 1949, the U.K. will buy 160,000,000 pounds of Canadian bacon at the rate of \$36.00 per hundred pounds for A Number One Sizeable Wiltshire sides. This

price is unchanged from that of the contract negotiated a year ago for delivery of 195,000,000 pounds in 1948. Next year's contract quantity will probably absorb all bacon available for export, he estimated. To make as sure as possible that the U.K. gets this bacon, export controls on pork products will be maintained with the provision that the U.K. will take delivery when it is available.

The new cheese contract is for an unchanged 50,000,000 pounds, at the same price as in 1948, which has been on the basis of 30 cents per pound, f.o.b. factory. There will be no requisitioning of cheese from factories in 1949, said Mr. Gardiner.

The 1949 egg agreement is for the equivalent of forty-six million dozen covering the eleven months period from February 1 to December 31. The adjusted volume figure of the previous agreement, covering the twelve months from February 1, 1948 to January 31, 1949, was for seventy-four million dozen.

Shipments in 1949 will be 19½ million dozen storage eggs, three thousand tons of dried egg and four thousand tons of frozen egg.

While the new contract volume is below that of 1948 it is considered that with some opening of other export markets in 1949 the quantity should be reasonably adequate to absorb the probable production in that year.

The 1949 prices will be 52½ cents per dozen for storage eggs; \$1.36 per pound for dried egg and 32½ cents per pound for frozen egg.