

current account to storage on the same basis. Likewise when storage butter comes out of storage it is transferred back into current account on that same basis once more, on the Toronto solids price less  $\frac{3}{4}$  of a cent at the date it comes out. We show in column J on page 1 a profit of 11.41 cents for the eleven months, which is the average profit for that period on the butter in storage.

Mr. MONET: If you do not mind, we will come to that later.

Mr. HOMUTH: I think it would be well if Mr. Silverwood would clear up one point which is not clear in my mind. He says that when they buy butter and put it in storage they deduct  $\frac{3}{4}$  of a cent under the solids market?

Mr. SILVERWOOD: No.

Mr. HOMUTH: You do not do that on purchased butter?

Mr. SILVERWOOD: No, that is right.

Mr. HOMUTH: I understood you did.

Mr. MONET: Not on purchased butter?

Mr. SILVERWOOD: No.

Mr. MONET: On stored butter?

Mr. SILVERWOOD: On our own butter.

Mr. MONET: Would you explain the term "milk wagon butter" which we see on page 2 of statement 6.

Mr. SILVERWOOD: Milk wagon butter is transferred from current account to milk wagons, likewise at a price based on the Toronto solids market. Of course, in the case of the milk wagon butter it is in the form of prints, and prints are worth 2 cents more than solids, so it is transferred at a price based on the Toronto solids market. Actually it is  $1\frac{1}{4}$  cents above the Toronto solids price, the transfer price to milk wagon butter account.

Mr. HOMUTH: Do you sell any butter in other than pound prints?

Mr. SILVERWOOD: Not off the milk wagons.

Mr. HOMUTH: Do you to the general trade?

Mr. SILVERWOOD: The butter sold to the general trade is in 56-pound boxes, to stores and restaurants.

Mr. HOMUTH: They cut their own?

Mr. SILVERWOOD: No, it is not in solids. Most of our butter is sold in prints in 56-pound boxes. We do sell some solids but a very very small amount.

Mr. MONET: In column N you have your total sales. Will that include all sales under storage butter and milk wagon butter?

Mr. SILVERWOOD: Yes, that is the total of all our sales. You will find that the total in column N is the total of column E plus column K. In other words, it is the total of current butter sales plus milk wagon butter sales, and that is the total of our sales of butter. In other words, storage butter is eliminated.

Mr. MONET: Goes back into current?

Mr. SILVERWOOD: Goes back into current.

Mr. MONET: And the creamery department goes into the—

Mr. SILVERWOOD: Inter-department transfers are wiped out that way.

Mr. MONET: I understand your butter from the creameries is transferred under your current butter account, and the storage butter is also transferred?

Mr. SILVERWOOD: That is quite right.

Mr. MONET: So that the total sales as listed under column N are made up from the current butter sales under column E—

Mr. SILVERWOOD: Plus K.

Mr. MONET: Plus K, which is milk wagon butter?