

Mr. MONET: This is Silverwood Dairies.

Mr. IRVINE: And who is this statement to be presented by?

Mr. MONET: It will be presented by Mr. Silverwood. He is going to read it now.

The CHAIRMAN: Mr. Duplan is the executive vice president. I thought these statements should not be mixed up; that we would deal with Silverwood Dairies first.

Mr. MONET: Now, Mr. Silverwood, will you please proceed with the brief which you have prepared.

Mr. SILVERWOOD:

The Honourable Paul Martin

and

Members of the Special Committee on Prices,
Ottawa, Canada.

Honourable Sir and Gentlemen: In the matter of your butter price inquiry we desire to submit the following information in response to your notice of our company representation.

Our Company—History

The origin or history of our company dates from 1903 with Mr. A. E. Silverwood as Manager for the Western Ontario Branch of Flavelle Bros., General Produce Dealers; in 1909 incorporated as Flavelle Silverwood Limited; in 1912 changed to Silverwood's Limited. On June 14, 1928, Silverwood's Dairies Limited was incorporated as a holding company to acquire the controlling interest of Silverwood's Limited and other Silverwood Companies, with Mr. A. E. Silverwood, President. In 1936 the company name was changed to Silverwood Dairies, Limited, in 1947 Mr. A. E. Silverwood was elected Chairman of the Board of Directors and Mr. E. G. Silverwood, President.

Our Company—Locations

Our company operations extend into fifteen cities and eleven towns and villages in the province of Ontario as detailed on the attached memorandum by locations. Fifteen of these plants manufacture butter and all plants except Sudbury either supply other unit plants or distribute through the retail trade, or by milk route delivery to the consumer direct.

The next paragraph has to do with the basis of churning cream purchases.

As to Butterfat Price.—Our company price for cream is based on No. 1 grade delivered the plant with a premium of one (1c) cent per pound butterfat for special cream and five (5c) cents per lb. butterfat below No. 1 grade for second grade. The market price for No. 1 solids creamery butter is the basic factor that determines the price of cream as well as the factor of competition.

The Storage of Butter

Butter is a commodity of special characteristics. Three-quarters of the annual production in Canada takes place in seven months of the year, namely, April to October inclusive and one-quarter is produced in five months—November to March inclusive. Our company adopted some twelve months ago a definite policy in the storage of butter to meet our sales or consumer requirements. As a general rule in months of April to October inclusive the production of butter in our plant is equal to or in excess of