

The Commercial

WINNIPEG, OCTOBER 8, 1891.

BUTTER AND CHEESE.

The present season has proved a satisfactory one for the dairy interests in Manitoba. The season has been a long one, and in spite of dry weather the pasture has been fairly good. There has been some increase in the number of factories in operation this year, probably about half a dozen new butter or cheese factories having been established. This with the favorable season makes quite an increase in the product.

The sparse settlement of the country is the principal obstacle in the way of a more rapid expansion of the dairy interests, but this will be overcome in time. If settlement is sparse, there is more room for individual farmers to keep a larger number of cows, and with the disposition shown by farmers during the last year to go more into stock, there will doubtless be a considerable increase in dairying in the near future. The efforts put forth this season to educate the settlers in proper methods of dairying, will no doubt have its effects in increasing the importance of the dairy interests.

The creamery butter made in Manitoba nearly all finds a market in British Columbia. A portion of the output is used at home, but the bulk is shipped to the Pacific province. Even then the demand is not fully met, for in addition to the supply received from Manitoba, British Columbia merchant bring butter from Eastern Canada, and a quantity is also imported from the states to the south, Australia also sends its quota to our Pacific coast cities. It will thus be seen that there is room for a further expansion of the industry to supply the western country, though a removal of the duty on butter would put Manitoba at a disadvantage in the coast markets, owing to the higher freight rates which goods sent from here would be subject to, in comparison with the cheap water rates from the Pacific coast states to British Columbia.

In dairy butter Manitoba produces a considerable surplus, and this year the make promises to be fairly large. The better qualities of dairy butter are consumed at home, or shipped both east and west out of the province. Winnipeg is the principal consuming market for Manitoba dairy. Eastward, the north shore and northwestern towns of Ontario, such as Rat Portage, Keewatin, etc., take quite a quantity of Manitoba butter. Westward there are some towns in the territories, such as the mining town of Lethbridge, for instance, which take considerable Manitoba butter. British Columbia also takes a good deal. This demand is nearly all for the better qualities, suitable for table use. There is a considerable quantity of medium and off-flavor goods, however, which has to be disposed of somewhere, and this has to be sent to the larger cities of Eastern Canada, as it cannot be disposed of in the west. A good deal

of this off-flavor butter is due to its being held too long by country merchants who buy it from the farmers. Few of the country merchants have proper facilities for holding butter any length of time, and it does not take a very long time for even good butter to lose its flavor and become degraded to a medium or off-flavor quality. If country merchants would follow the practice of shipping frequently instead of accumulating large stocks, the trade would soon become more satisfactory.

In cheese the product of Manitoba factories is all used at home or shipped to the territories and British Columbia points. Unlike Manitoba creamery butter, our cheese does not enjoy a very good reputation. A considerable portion of the make is of secondary or medium quality. This is no fault of the climate or country, but is due to unskilled makers and indifferent facilities. There are a few factories which turn out a good article, which proves that all could do so if the same care and skill were used. Manitoba will have to advance considerably, however, before our cheese comes up to the Ontario standard. The indifferent quality of much of our cheese here tends to keep down the price, and this is why the price here for most cheese marketed rules about one cent per pound lower than in Ontario. Though we are 1,200 miles or so nearer British Columbia than Ontario cheese centres, the freight rate from Eastern Canada to the Pacific coast is practically the same as from Winnipeg. We therefore have no advantage over Eastern Canada in the matter of freight rates, in shipping dairy goods to the coast. British Columbia buyers can therefore go to Ontario for their cheese, and knowing the quality of the average Manitoba commodity, they will not buy here unless they can secure the goods at much lower prices than are current in Ontario.

Both cheese and butter goes through from Ontario to the Pacific coast. It would materially help the Manitoba dairy interests if a rate could be secured to the coast to correspond with the rate from Ontario in proportion to distance. British Columbia is a more natural market for Manitoba, but as it is, our producers here have no advantage in that market over Ontario shippers, in the matter of freight. The eastern producers have a cheap outlet to Great Britain for their dairy products, which Manitoba is not in a position to compete for, and it hardly seems fair that they should be placed on equal terms with Manitoba in the coast markets.

EXPORT VALUE OF WHEAT.

Last week The Commercial editorially referred to the proposal of the Manitoba Patrons of Industry to ship 1,000,000 bushels of wheat to Great Britain. One object to be gained by such shipments, according to the projectors, would be to determine the cost of exporting. It would show what margin the shippers are making, and indicate whether or not they are paying the farmers a fair price in proportion to export value. It is not necessary, however, to actually export grain to arrive at a close estimate of the cost of exporting.

It was a frequent cry in the states to the south, as it has been in Manitoba, that the shippers were making big profits, and not paying the producers fair prices in proportion to export values. In Minnesota they have a Railroad and Warehouse Commission—an official body appointed principally in the interests of farmers. This commission has been issuing statements from time to time, showing the relative price of wheat in Duluth and Liverpool. These statements show that there is scarcely any difference between Duluth and Liverpool or London in the relative value of wheat. The margin is usually less than one cent. The following is the last statement issued by the Minnesota commission:

The following statement shows the price of No. 1 hard wheat at Duluth on Sept. 10, 1891, compared with the actual sale of 8,000 bushels of Duluth No. 1 hard at Liverpool, made that day for London delivery, cost including freight and insurance.

Sept. 10—	
Price per bushel No. 1 hard in Duluth	0.738
Duluth elevator charges, weighing inspection	0.0085
Lake freight and insurance, Duluth to Buffalo	0.400
Buffalo elevator charges, commission, etc.	0.0200
Canal freight and insurance Buffalo to New York	0.3000
New York elevator charges, viz., weighing, demurrage, transferring, towing, tripping, etc.	0.1500
Ocean freight and insurance, New York to London	0.1615
Loss in weight, Duluth to London	0.0930
Cost, delivered in London c. i. f.	0.6948
Sept. 10—	
1,000 qrs. (8,000 bushels) sold in Liverpool for London delivery, "c. i. f." (cost including freight and insurance) at 28s 7½d per qr. of 480 lbs. (or 70½c per bushel)	0.7075
Profit on the transaction (a trifle over 1½c per bushel)	0.0127

This statement shows a margin of about 1½ cents per bushel between Duluth and Liverpool prices. The statement issued previous to the one given above, showed a loss of 2c, and another statement issued a little earlier, showed a gain in the transaction of ½c. These statements have rather taken the wind out of the sails of those agitators, of whom there are always a number, who try to make themselves solid with the farmers by representing that they are being robbed by business men whom they may have dealings with. There was no denying the accuracy of the statements published by the commission, and so the agitation had to cease.

It is of course as easy to determine the margin between Fort William (our Lake Superior port) and Liverpool or London as it is to show the difference in values between Duluth and the British markets named. Exports from Fort William take the same route via Buffalo and New York and are subject to about the same charges as shipments from Duluth. As quotations at Fort William, (given each week in The Commercial) are based closely on values at Duluth, it may be accepted that there has not been a very wide margin to work upon of late. Duluth or Fort William quotations do not show the prices paid to farmers, but it is only necessary to add freight to Fort William and elevating charges and cost of buying to the price paid farmers, to get the margin between prices paid to producers and Fort William quotations.

An interesting feature of the statement given above by the Minnesota Warehouse Commission, is the low cost of freight between