

extension of the creamery system and the general instruction in the manufacture of dairy butter have resulted in completely changing the character of the Canadian product as a whole during the last ten years; and further more, the facilities for the shipping and handling of butter have been greatly improved, with the result that the butter is better preserved than it formerly was. Fifteen or twenty years ago practically all the butter which was consumed in the winter months consisted of stock held over from the summer production, and which was generally more or less out of condition. Since the adoption of winter dairying, a fresh-made article is available at all seasons of the year, and the surplus

which is manufactured in the summer months is available for export instead of being stored to supply the demand of the winter months. All these things have an important effect on the consumption of butter.

The expansion of the condensed milk industry, the total output of which will probably exceed \$1,000,000 in value for the season of 1908, makes it necessary to take this branch of dairying into account in the future, because the milk which is turned into this channel is so much taken from cheese or butter.

The export of dairy produce from Canada reached the maximum in the year 1903. Since that year the exports have decreased, as the following table will show:

#### Exports of Dairy Products in 1908, Compared with 1903.

	1903.		1908.	
	Lbs.	Value.	Lbs.	Value.
Cheese .....	229,099,925	\$24,712,943	189,987,365	\$22,887,237
Butter .....	34,128,944	6,954,618	4,858,276	1,068,703
Condensed milk .....	3,083,810	242,539	472,824	43,874
Total values .....		\$31,910,100		\$23,999,814
		23,999,814		
Decrease .....		\$ 7,910,286		

Owing to the habit of estimating the progress of the dairy industry on the annual export figures, it has been assumed by many that this decrease in exports is a sign of decline in the dairy industry. The exports were a fairly accurate guide in those years when the home consumption was practically stationary, but under present day conditions we must look more deeply into the matter in order to get a grasp of the situation. It is well to bear in mind in this connection that we do not export one-third of the value of our total production of dairy produce, as

we shall show later. As against the decline in exports, a conservative estimate places the increase in consumption of milk, butter, cheese and condensed milk, due to increased population since 1903, as follows:

Milk .....	\$4,500,000
Butter .....	4,000,000
Cheese .....	200,000
Condensed milk ...	300,000
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	\$9,000,000

This estimate of the increased consumption does not take into account the increased purchasing power of the