

IMPERIAL ECONOMIC
COMMITTEE

DAIRY. PRODUCE SUPPLIES

1937

INCLUDING POULTRY AND PIG PRODUCTS

A SUPPLEMENT TO
WEEKLY DAIRY PRODUCE NOTES
PREPARED IN THE INTELLIGENCE BRANCH
OF THE IMPERIAL ECONOMIC COMMITTEE

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APPENDIX I

IMPORT DUTIES ON DAIRY PRODUCTS

The following table gives the duties on dairy and allied products imported into the United Kingdom from foreign countries under the Import Duties Act, 1932, in operation on 1st March, 1932, amended, where applicable, by the Ottawa Agreements Act, 1932, in operation on 17th November, 1932, and by various Import Duties (Substitution) Acts since. The position is as at 1st June, 1938.

Import Duties on Dairy Products

Product	Import Duty
Milk	10 per cent. <i>ad valorem</i>
Cream	10 per cent. <i>ad valorem</i>
Butter	15s. per cwt.
Cheese	15 per cent. <i>ad valorem</i>
Milk, condensed, unsweetened, whole	6s. per cwt.
Milk, condensed, sweetened, whole	5s. per cwt., in addition to any duty payable on sugar content
Milk, condensed, sweetened, separated or skimmed	10 per cent. <i>ad valorem</i> , or the sugar duty, whichever is the greater
Milk powder, unsweetened	6s. per cwt.
Milk powder, sweetened	10 per cent. <i>ad valorem</i> , or the sugar duty, whichever is the greater
Milk, preserved, other kinds, unsweetened	6s. per cwt.
Lactose (sugar of milk)	3d. per lb.
Casein	10 per cent. <i>ad valorem</i>
Eggs in shell :—	
Not exceeding 14 lb. in weight, per great hundred	1s. per great hundred
Over 14 lb. but not exceeding 17 lb.	1s. 6d. per great hundred
Over 17 lb. per great hundred	1s. 9d. per great hundred
Eggs not in shell :—	
Liquid or frozen, including glycerinated (whole, yolk or white)	½d. per lb.
Dried whole	2½d. per lb.
Dried yolk	1½d. per lb.
Dried albumen	2½d. per lb.
Dressed poultry :—	
Fowls, ducks and geese	3d. per lb.
Turkeys	3d. per lb.
Other kinds	10 per cent. <i>ad valorem</i>
Live poultry	10 per cent. <i>ad valorem</i>
Live pigs	Entry forbidden
Bacon and hams	Free*
Fresh pork	Entry forbidden
Frozen and salted pork	Free*
Bacon and hams in air-tight containers	10 per cent. <i>ad valorem</i>
Frozen and salted pork in air-tight containers	10 per cent. <i>ad valorem</i>
Lard	10 per cent. <i>ad valorem</i>

* Subject to Quantitative Regulation, (see Appendices II and VI).

Note.—The Irish Free State (Special Duties) Act, 1932, was repealed as from 19th May, 1938, by the Eire (Confirmation of Agreements) Act of that date. Article I of the United Kingdom—Eire Trade Agreement of 25th April, 1938, states :—

“(1) The Government of the United Kingdom undertake that goods grown, produced or manufactured in, and consigned from Eire, which, on the day on which this Agreement comes into force, are liable to duty under the Import Duties Act, 1932, or under Section I of the Ottawa Agreements Act, 1932, and also such goods which are on that day free of duty, shall enjoy entry free of customs duty into the United Kingdom. This paragraph does not apply to goods which, on the day on which this Agreement comes into force, are liable to duty both under the Import Duties Act, 1932, or the Ottawa Agreements Act, 1932, and under some other enactment.

(2) Provided that as regards eggs, poultry, butter, cheese and other milk products, the undertaking contained in the first paragraph of this Article shall operate only until the 20th August, 1940.”

The Agreement, therefore, gives goods from Eire free entry, except for certain revenue duties not directly affecting agriculture, but as regards eggs, poultry, butter, cheese and other milk products the undertaking expires in August, 1940.

The Ottawa Agreements Act continues, for three years from 15th November, 1932, and subsequently until further arrangements are made, the provisions in the Import Duties Act, 1932, for the free entry into the United Kingdom of eggs, poultry, butter, cheese and other milk products from Australia, New Zealand, Newfoundland and Southern Rhodesia. By the United Kingdom—Canada Trade Agreement of 1937, these provisions were continued, as regards imports from Canada, until August, 1940, the Government of the United Kingdom reserving the right, however, to review the basis of preference for such articles or to impose a preferential duty on Canadian produce while maintaining preferential margins.

APPENDIX II

QUANTITATIVE REGULATION OF IMPORTS INTO THE UNITED KINGDOM

Voluntary Regulation

1. *Processed Milks.*—In 1933, in view of the production of increasing quantities of milk in the United Kingdom surplus to the requirements of the liquid milk market, and in view also of the unusually large stocks of processed milks in the hands of home manufacturers, the United Kingdom Government put forward proposals for the regulation of imports of cream, condensed milk and milk powder. The Governments of the foreign countries mainly concerned agreed to limit their exports of these products to the United Kingdom and from June, 1933, arrangements were made from time to time as to the quantities to be shipped, these agreed quantities being progressively reduced until by 1937 they amounted to only about one-half of those exported in the base year, June, 1932—May, 1933. Since July, 1937, quarterly agreements in respect of shipments have been made with the chief countries concerned. The following table gives the allocations to the Netherlands and Denmark during the four quarters ending June, 1938, supplies from these countries accounting for the bulk of imports from foreign sources :—

Allocations for imports of processed milks

Period	Condensed Skimmed		Condensed Whole		Milk Powder		Cream	
	Netherlands	Denmark	Netherlands	Denmark	Netherlands	Denmark	Netherlands	Denmark
	cwt. per month	cwt. per month	cwt. per month	cwt. per month	cwt. per month	cwt. per month	cwt. per month	cwt. per month
July–September, 1937	85,000	9,460	9,700	3,430	7,000	110	50	10,000
October–December, 1937	100,000	14,420	9,700	3,430	7,000	110	60	3,640
January–March, 1938	110,000	13,550	10,500	3,430	10,500	110	880	6,750
April–June, 1938	85,000	10,470	9,700	3,430	11,500*	110	1,000	11,750

* Including buttermilk and whey powder.

Foreign countries whose exports of processed milks to the United Kingdom were comparatively small undertook in 1933 to ensure as far as possible that their shipments would remain at previous low levels, while the Dominion Governments were asked to co-operate by endeavouring to limit their shipments to the quantities shipped in the corresponding period of 1932–33.

Shipments of processed milks from Eire have been at agreed levels since 1st January, 1934. In 1936 and 1937 it was agreed that imports of condensed whole and condensed skimmed milk should be limited to the quantities imported in the base year 1933. For cream, reductions one-half as great as those applied to imports from foreign sources (but based on imports in the corresponding quarters of 1933) were arranged.

Imports of processed milks during the year 1937, together with the allocations made to foreign exporting countries and Eire, and imports from other Empire countries in the two previous years, are shown in the following table :—

Imports of processed milks in 1937

Source	Condensed skimmed milk	Condensed whole milk	Milk powder	Cream
	cwt.	cwt.	cwt.	cwt.
Foreign countries—				
Allocations	1,185,900	211,100	79,000	34,000
Imports	1,161,900	218,000	123,900	35,800
Eire—				
Allocations	84,000	21,600	350	37,200
Imports	79,900	25,600	7,370	39,000
Other Empire countries—				
Imports, 1935	—	128,800	172,200	—
Imports, 1936	—	97,600	173,300	200
Imports, 1937	—	198,900	161,600	1,000

2. *Eggs.*—In view of the increasing imports of eggs in the early months of 1934, when also home output in the United Kingdom was increasing, the Governments of the exporting countries concerned were requested to endeavour to ensure that their exports to the United Kingdom market during the period March–September, 1934, should not exceed the figures of the corresponding period of the

previous year. During the next four quarterly periods similar requests for limitation, or reduction, of imports of eggs in shell were made to the Governments of foreign exporting countries and the Irish Free State. These arrangements, however, were terminated at the end of 1935.

3. *Pork*.—The following table shows the arrangements made with the Governments of New Zealand and Australia for estimated imports of pork from these countries for the years 1935–38. The figures are exclusive of pork for curing in the United Kingdom, which is dealt with separately under the arrangements for the regulation of supplies of bacon (*see* Appendix VI).

		1935	1936	1937	1938
		cwt.	cwt.	cwt.	cwt.
New Zealand	..	275,300	360,000	320,000	310,000
Australia	.. ..	60,900	126,000	145,000	150,000

4. *Other Dairy Produce*.—Under the United Kingdom—Canada Trade Agreement, 1937, the Government of the United Kingdom reserves the right, in consultation with the Canadian Government, to bring imports of eggs, poultry, butter, cheese and other milk products within any system put into operation for the quantitative regulation of supplies from all sources in the United Kingdom market. The United Kingdom—Eire Trade Agreement, 1938, provides for measures of quantitative regulation of imports of agricultural products from Eire in association with any arrangements made in this country for the promotion of orderly marketing. The quantities of the principal products to be imported from Eire are to be settled from time to time in consultation with the Government of that country.

Compulsory Restrictions

1. *Pork*.—In 1926 a veterinary embargo was placed on the importation of fresh meat from the Continent, but except for this and for the duties imposed on imports from the Irish Free State, imports of pork were free both from duty and from quantitative restrictions until regulated by an Order of the Board of Trade which came into force on 12th March, 1935. Under this Order, imports of pork from foreign countries are permitted only under licence. The quantities allowed to be imported during the first two quarters of 1935 were the averages of imports in the corresponding quarters of the years 1932, 1933 and 1934, and these restrictions were later continued, on the same basis, for the remainder of the year. For 1936 and 1937 imports of frozen pork from foreign countries were regulated on the same quantitative basis as in 1935, being restricted to the average of imports in the corresponding quarters of the three years 1932, 1933 and 1934.

2. *Bacon and Hams*.—(*See* Appendix VI.)

APPENDIX III

UNITED KINGDOM TRADE AGREEMENTS WITH FOREIGN COUNTRIES AFFECTING DAIRY PRODUCTS

During 1933, 1934, and 1935 the United Kingdom Government entered into Trade Agreements with a number of foreign countries and in certain cases the commodities affected included dairy, poultry and pig products. In the following paragraphs extracts have been made of the relevant sections from these agreements in which the aforesaid commodities are specifically mentioned.

The original duration of these agreements was until various dates in 1936, with the possibility of continuance thereafter. The position now is that the agreements continue in force but are terminable after six months' notice except in the case of Denmark, where only four months' notice is required.

Denmark

Commodities affected : Bacon, Hams, Butter, Eggs, Cream.

1. United Kingdom Government undertakes not to regulate imports of aforesaid products from Denmark unless regulation is necessary to secure the effective operation of a marketing scheme for domestic supplies.

2. If regulation is introduced the position of Denmark in recent years as a source of supply for these products is to be considered.

3. If the total quantity of permitted imports from foreign countries is increased, additional quotas shall be given to Denmark ; temporary inability on the part of Denmark to supply the additional quantity shall not prejudice her position.

4. If any other foreign country forfeits or renounces its quota, the Danish quota shall be increased in not less ratio than that of any other foreign country.

5. The control of the aforesaid imports from Denmark to the United Kingdom is entrusted to the Danish Government.

QUOTAS :—

Bacon and Hams.—62 per cent. of the total permitted imports from foreign countries.

Butter.—2,300,000 cwt. in any year ; if total imports of butter exceed 8,100,000 cwt. in any year, Denmark is to be allotted an equitable share of the imports in excess of that amount.

Eggs.—Not less than 5½ million great hundreds in any year. This may be reduced if a reduction of total imports from foreign countries is necessary in order to secure a remunerative price level. In any event, the Danish quota shall not be less than 38 per cent. of total foreign imports.

Cream.—Any necessary reduction in imports from Denmark is to be effected as gradually as possible.

Estonia

Commodities affected : Butter, Bacon, Hams, Eggs, Cream, Milk Powder, Condensed Milk, Cheese, Poultry.

The agreement follows the general line of the agreement with Lithuania with the following special provisions :—

1. The United Kingdom Government undertakes not to impose quantitative restrictions on imports of Estonian butter, bacon, hams, eggs, and cream, so as to affect detrimentally the value of the tariff concessions made. This provision is not to affect any restriction of imports necessary to ensure effective operation of a marketing scheme for domestic supplies.

2. Since in recent years imports into the United Kingdom of eggs, milk powder, condensed milk, cheese and poultry from Estonia have been insignificant in quantity in comparison with imports from other countries, the United Kingdom Government will endeavour to arrange that in the event of quantitative regulation being adopted, it shall not be applied to imports of these products from Estonia.

Finland

Commodities affected : Bacon, Hams, Butter, Cheese, Eggs, Poultry.

1. The United Kingdom Government will not regulate imports of the aforesaid products from Finland unless regulation is necessary to secure effective operation of a marketing scheme for domestic supplies.

2. If regulation is introduced the position of Finland in recent years as a source of supply is to be considered ; allocation to Finland is to be made on the same basis as, and on terms not less favourable than, allocations to any other foreign country. Compulsory regulation will not be enforced without previous discussion with the Finnish Government.

3. If the total quantity of the aforesaid products allowed to be imported into the United Kingdom from foreign countries is increased, additional allocation shall be made to Finland ; temporary inability on the part of Finland to supply the whole or a part of any such additional allocation shall not prejudice her position.

4. If any other foreign country forfeits or renounces in whole or in part its allocation, the allocation to Finland shall be increased in not less ratio than the allocation to any other foreign country.

5. If the United Kingdom Government imposes any quantitative regulation on imports into the United Kingdom of any agricultural product, the imports of which from Finland are insignificant in quantity in comparison with imports from other countries, the British Government will endeavour to

arrange that imports of such products from Finland will remain unregulated unless they increase to such an extent that it is necessary to regulate them quantitatively ; such regulation will not be imposed without previous discussion with the Finnish Government.

6. Control of imports of the aforesaid products from Finland to the United Kingdom shall be entrusted to the Finnish Government.

Butter.—Not less than 198,000 cwt. per annum.

Latvia

Commodities affected : Bacon, Hams, Butter, Cheese, Eggs, Poultry.

The terms of the agreement are practically identical with those of the agreements with Lithuania and Poland, except for the following special provisions :—

1. In any discussion with foreign countries as to the regulation of imports of agricultural produce, the United Kingdom Government will give due consideration to the special importance to Latvia of the butter export trade and the substantial increase of that trade in recent years.

2. In the event of a compulsory regulation of butter imports being imposed, the United Kingdom Government will be prepared to make a supplementary allocation to Latvia, increasing the total Latvian allocation to not more than 3 per cent. of the total allocated to foreign supplying countries, or to 113,000 cwt., whichever is the greater, provided that the other foreign supplying countries are willing to waive their rights to consequential increases in their allocations.

Lithuania

Commodities affected : Bacon, Hams, Butter.

1. The United Kingdom Government undertakes not to regulate imports of the aforesaid products unless regulation is necessary for the operation of a marketing scheme for domestic supplies.

2. If regulation is introduced the position of Lithuania in recent years as a supplier of these products will be considered.

3. If the total quantity of permitted imports from foreign countries is increased, additional allocations shall be made to Lithuania ; temporary inability on the part of Lithuania to supply the additional quantity shall not prejudice her position.

4. If any other foreign country forfeits or renounces its quota, the Lithuanian quota shall be increased in not less ratio than that of any foreign country.

5. The control of the aforesaid imports from Lithuania is entrusted to the Lithuanian Government.

Poland

Commodities affected : Butter, Eggs, Bacon, Hams, Poultry.

The terms of the agreement are practically identical with those of the agreement with Lithuania except for the following special provisions :—

1. The United Kingdom Government undertakes not to impose quantitative restrictions on imports of Polish butter, eggs, bacon, hams and poultry (geese and guinea-fowl) except in so far as such regulation may be necessary to secure the effective operation of a marketing scheme for domestic supplies of these or related products.

2. Should the United Kingdom Government lower the present allocation of licensed imports of bacon from Poland, these imports shall be permitted to the extent of at least 41·4 per cent. of bacon imports from Poland in 1932.

3. Allocation of egg imports shall not be less than 13½ per cent. of total permitted imports from foreign sources.

4. The United Kingdom Government recognises that the exports of Polish butter to the United Kingdom in 1932 and 1933 were unusually low, and that a statistical allocation on a basis which included those years might not adequately represent the actual position of Poland in the United Kingdom butter market. Should a regulation of butter imports be imposed in the United Kingdom at any time during the currency of the Agreement, the Government will use its best endeavours to secure that due weight is given to this consideration.

Norway

Commodities affected : Bacon, Hams, Butter, Cheese, Eggs, Poultry.

1. Because in recent years the imports from Norway into the United Kingdom of the aforesaid products have been insignificant in quantity in comparison with imports from other countries, the United Kingdom Government will endeavour to arrange that in the event of quantitative regulation being adopted, it shall not be applied to imports of these products from Norway.

2. But if the said imports increase to such an extent that it is necessary to regulate them quantitatively the United Kingdom Government will enter into discussions with the Norwegian Government as to the quantities to be allowed.

Sweden

Commodities affected : Bacon, Hams, Butter, Eggs.

1. United Kingdom Government undertakes not to regulate imports of aforesaid products from Sweden unless regulation is necessary to secure the effective operation of a marketing scheme for domestic supplies.

2. If regulation is introduced, Sweden is to have an equitable share of permitted foreign imports, having regard to the proportion supplied by her in recent years. Allocation to Sweden will be made on the same basis, as and on conditions not less favourable than, allocations to other foreign countries. Compulsory regulation of imports of Swedish bacon, hams, or eggs, will not be enforced without previous discussion with the Swedish Government.

3. If the total quantity of permitted imports from foreign countries is increased, additional allocations shall be made to Sweden ; temporary inability on the part of Sweden to supply the additional quantity shall not prejudice her position.

4. If any other foreign country renounces or forfeits its quota in whole or in part, the Swedish quota shall be increased in not less ratio than the quota of any other foreign country.

QUOTA :—

Butter.—Not less than 185,000 cwt. per annum. If total imports of butter exceed 8,100,000 cwt. in any year, Sweden will be allotted an equitable share of the imports in excess of this number.

APPENDIX IV

LEGISLATION AFFECTING DAIRY PRODUCTS IN CERTAIN EXPORTING COUNTRIES

The low level to which prices of butter and other dairy products fell during the agricultural crisis of recent years, accentuated by Government action in importing countries, have called forth Government aid to the industry in exporting countries. This aid has taken different forms, but it has generally been either a direct subsidy or bounty, or a raising of the price to producers by a tax on domestic consumption. In the following section are enumerated the more important of these measures adopted by certain foreign exporting countries within the past few years. The information relates only to dairy produce, generally butter, and does not include references to other forms of aid to agriculture as a whole, or those which might benefit milk producers indirectly. Legislation in importing countries is discussed under the individual countries (see pp. 90-100).

Denmark

No direct aid was granted to the Danish dairy industry as such until near the end of 1933, although the varying prices obtained for butter on different export markets were equalised by means of a pooling arrangement.

A series of Orders, which came into force on 13th December, 1933, provided for the levying of a tax of 35 öre per kg. on butter sold on the home market, so long as the Copenhagen quotation was between 1.75 kr. and 2.15 kr. per kg. When the quotation dropped below 1.75 kr. the tax was increased by the amount by which it dropped below that figure and similarly, if above 2.15 kr., the tax was reduced by the amount by which it was above 2.15 kr., ceasing to operate when the quotation touched 2.50 kr. The levies were to be paid into a special fund and distributed to farmers in proportion to the utilisation of gross fodder production, 90 per cent. being based on milk production. Simultaneously, provision was made for the levying of a tax of 30 öre per kg. on all oils and fatty substances used in the manufacture of margarine (but excluding lard and tallow) and an import duty of a similar amount was imposed on imported fats and oils of this nature. An import duty of 25 öre per kg. was imposed at the same time on imported margarine and margarine cheese. The proceeds of the tax on margarine were to be passed to the Treasury, but a proportion of the sums collected was used for the purpose of purchasing margarine and beef for the poor.

These arrangements were abolished as from 1st December, 1934.

A further scheme to stabilise butter prices was prepared early in 1934. The object was to relieve the market at critical periods of any surplus above ordinary requirements, such quantities of butter being placed in cold store and disposed of on the home market. A fund of 2 million kr. was set up, one half subscribed by the co-operative and private exporters and the other half from the Butter Quota Fund. The scheme operated on comparatively few occasions. Arrangements are also in operation whereby the higher returns occasionally obtained from butter exported to Germany are subject to a tax, fixed when necessary, of which the proceeds are pooled for the benefit of all shippers.

In May, 1937, a temporary plan for the relief of the industry was introduced. This took the form of a guaranteed minimum price to farmers for butter for home consumption, rising from 220 kr. to 250 kr. per 100 kg. and was financed by a Butter Fund, the revenues of which were derived partly from a levy on home sales (the difference between the home price and the export price) and partly from a direct Government subsidy of 25 kr. per 100 kg., provision being made for a reduction in payments when the Copenhagen quotation rose above the fixed figure.

In addition, the Ministry of Agriculture and Fisheries was empowered to lend the Dairy Associations an amount of up to 3 million kr. for market regulation (e.g., storage of butter in the flush period) provided that the Associations furnished 2 million kr.; and a similar amount for the provision of new cold stores, although this appropriation was not used in 1937. Further, a sum of up to 3 million kr. might be allocated by the Treasury to help to provide milk for needy persons during the validity of the law.

A new law, modifying the existing legislation, came into force on 1st January, 1938. The guaranteed price of butter on the home market has been fixed at 260 kr. per 100 kg., and the tax levied on such butter, which is paid into the Butter Fund, is the difference between this price and the Copenhagen quotation. The direct government subsidy has been abolished. Certain other provisions of the previous scheme are continued, including those which provide for loans for market regulation and the erection of cold stores.

In view of the material restriction of Denmark's export markets for cattle and beef and the low prices of dairy products during the crisis years, a scheme has been in force since 1932 for the destruction of cattle at fixed prices, financed by a levy on killings for domestic consumption; a considerable proportion of the number so slaughtered has consisted of old and diseased dairy cows. Approximately 130,000 animals were slaughtered under the scheme in 1933, 150,000 in 1934, 74,000 in 1935, 96,000 in 1936, and 35,000 in 1937.

Estonia

Measures to offset the low prices to which Estonian butter had fallen were contained in a law passed early in 1934. Under this law the price of butter was originally fixed at 1.50 kr. per kg., and in order to maintain this price a fund was created, financed by moneys transferred from various special funds and from general state revenues.

It was provided that if the price of butter fell below the fixed minimum price, the difference between the market price and the fixed minimum would be computed each month by a commission consisting of representatives of the Ministry of Agriculture, the Ministry of Finance, and the State

Audit Department. This sum was to be paid to producers every month, the creameries being obliged to pass on the payment to them. The home price has been maintained at a figure varying from 10 cents to 30 cents per kg. above the export price.

In order to secure and maintain foreign markets the Minister of Agriculture was empowered to fix the amounts which exporters were to sell on each separate market, the Government having the right to withhold export bounties from exporters failing to comply with these conditions. After 1st May, 1936, however, in order to obviate difficulties which had arisen in securing co-operation between exporters, the exclusive right of export was assigned to a semi-governmental board ("Voieexport"). This body was granted a state loan of 300,000 kr. as provisional working capital, and the appointment of the Chairman and one-half of the number of Directors and Commissioners remains in the hands of the Government until the loan is repaid.

The total amount paid in export bounties during the year 1934 was approximately 3,200,000 kr. In 1935-36, bounties paid amounted to only 550,000 kr. but rose in 1936-37 to 1,754,000 kr.

The original guaranteed price of 1.50 kr. on first grade butter for export was gradually reduced to 1.10 kr. during 1934, and in recent years a policy has been followed by which the Government's guaranteed price is high in winter and low in summer, with the aim of securing a more level production of butter throughout the year. In 1936 the guaranteed price varied between 1.30 kr. in summer (when for some time world butter prices were so high that no subsidy was necessary) and 1.80 kr. in winter. Successive reductions then brought it to 1.45 kr. in June, 1937, whence it rose to 1.90 kr. on 1st December. In June, 1938, it was fixed at 1.70 kr.

The law regulating the payment of export bounties on butter was amended in June, 1934, to include bounties on exports of cheese, condensed milk, milk powder and cream. A further decree in February, 1938, introduced a sliding scale of export bounties for cheese, based on the price of butter and designed to discourage creameries from giving up the manufacture of cheese when butter prices are rising.

Finland

Under the law of 21st December, 1932 (which operated as from January, 1933), a price stabilisation bounty, originally fixed at 3 Finnish marks per kg., was paid if the wholesale price of butter did not exceed 20 marks per kg. If the price of butter exceeded 20 marks but was below 23 marks per kg. the bounty paid was to equal the amount by which the wholesale price fell short of 23 marks; this fixed minimum price was later increased by stages, reaching 26 marks in 1937 and 28 marks in 1938. (From 1st November, 1937 to 7th January, 1938, however, payments were temporarily discontinued.) Similar bounties were paid for cheese, a maximum of 2 marks per kg. being paid when the price fell below 11 marks per kg. If the price rose above that level, sufficient was to be paid to bring it up to 13 marks per kg.

The amount of the butter bounty was determined by the Board of Agriculture, which fixed each week a wholesale price for butter calculated on the Copenhagen quotation and adjusted according to the scale of prices in Finland. For cheese the rate of bounty was based on the Kempten quotation. Under an amending law of 25th January, 1935, the sliding scale was abolished and authority was given to the Government, acting through the Ministry of Agriculture, to fix the rates by decree as it thought fit.

During 1934 the export bounty on butter varied between 4.50 and 6.50 marks per kg. and for the greater part of 1935 between 5 and 6.50 marks, although at the end of the year it was reduced by successive steps to 1 mark. In 1936 it varied between 4 and 6 marks, rising at the close of the year to 6.50 marks and remaining at that level until the early autumn of 1937; it was then reduced by successive stages to 1 mark prior to its suspension in November. It was re-introduced in January, 1938, at 4 marks, and rose to 7.50 marks in March, but then declined to 5.50 marks in May.

The export bounty on cheese was 1.50 marks per kg. for the greater part of 1934 and 2.50 marks in 1935. In 1936 it varied between 3 and 4 marks for first quality and 1.50 and 2 marks for second quality cheese, but in 1937 remained constant at 3.25 marks and 2.50 marks, respectively. In January, 1938, there was a reduction to 2.50 marks and 2 marks, but in May the bounty was increased to 3.50 marks and 3.0 marks, according to quality. Since June, 1935, no bounties have been payable on exports of cheese to the United States, but at the end of 1937 cheese exporters came to an agreement to sell their cheese products to the U.S.A. at a uniform price.

Imports of butter into Finland were prohibited on 28th February, 1934, as were also imports of margarine, lard and fat. This decree was, however, replaced by a law of 14th April, 1934, which gave power to the State Council to increase the duties on certain articles up to four times the basic rates, the commodities affected including butter, margarine, raw fat and lard. In pursuance of this law the import duty on butter was raised from 5 to 12 marks per kg. and the duties on margarine, lard and fats also were increased. A further law empowered the Government to impose an excise tax on margarine, margarine cheese, artificial fats and fat mixtures, and feeding stuffs, while in July, the import of fodder was prohibited and the excise duties thereon considerably increased. The Government also concluded an agreement with the local margarine industry under which the output of margarine was voluntarily restricted on condition that no excise tax would be imposed in 1934. In 1935, however, an excise tax on margarine was in operation and this was continued during 1936 and 1937, although at a reduced rate. As from 29th November, 1937, the following excise duties were effective: margarine, 3 marks per kg.; artificial (margarine) cheese, 1 mark per kg.; artificial fat (lard) 1 mark per kg.; fat mixtures, 50 pfg. per kg.

The results of the export bounty system, in artificially stimulating the production of milk, led in 1936 to the appointment of a Committee to investigate the system as a whole. The Government, acting on a preliminary recommendation of the Committee, then decided to raise the customs tariff on imported feeding stuffs, thus discouraging any further increases in milk production and assisting the home fodder industry.

The amounts expended on bounties for butter and cheese have been as follows :—

Butter :—

1933	..	..	..	..	35,552,000 marks.
1934	..	..	..	..	66,966,000 marks.
1935	..	..	..	..	49,700,000 marks.
1936	..	..	..	..	66,300,000 marks.
1937	..	..	..	..	75,120,000 marks.

Cheese :—

1933	..	..	..	..	5,729,000 marks.
1934	..	..	..	..	6,899,000 marks.
1935	..	..	..	..	10,360,000 marks.
1936	..	..	..	..	10,580,000 marks.
1937	..	..	..	..	15,350,000 marks.

A sum of 60 million marks has been set aside in the 1938 budget for the price-stabilisation of various agricultural products, not including meat.

Latvia

By a decree issued in August, 1930, a sum of money was set aside for the payment of bounties to butter producers. Under this plan the Ministry of Agriculture was to award bounties to producers for milk delivered to dairies making butter for export.

From June, 1932, to September, 1935, butter producers were guaranteed a price fixed by the Government for butter sold abroad. This was originally fixed at Ls. 2·50 for first grade, and Ls. 2·40 for second grade butter, but was reduced in 1934 to Ls. 2·25 and Ls. 2·15, respectively. It was further provided that if the world price fell below the guaranteed price, the difference between the two would be paid by the Ministry of Agriculture to those who supplied milk to registered dairies making butter. If, on the other hand, the world price exceeded the guaranteed price, one half of the excess was to be credited to a special fund from which bounties would be paid to milk producers when the price fell. After 1st January, 1935, assistance for the production of cheese and the export of cream and milk might also be provided out of the State funds at the discretion of the Ministry of Agriculture.

Meanwhile, in December, 1934, a Butter Export Central was set up, with power to control the marketing of all Latvian butter produced for sale either at home or abroad. It was also to attempt to gain new markets, to maintain connections with markets abroad, and to ensure the prompt payment of State bounties to the producers. The Bank of Latvia agreed to furnish credits in support of the institution. After 1st July, 1935, the home butter market was controlled by the Butter Export Central with a view to the maintenance of domestic butter prices at a fixed level.

As from 1st September, 1935, a new system was introduced : in place of the former State-guaranteed butter subsidies, State-fixed butter prices were instituted. All dairy produce for export was to be bought from creameries or other producers on behalf of the Ministry of Agriculture by the Butter Export Central, the price of Grade 1A butter, originally fixed at Ls. 2 per kg. during the winter months, varying seasonally, and declining to Ls. 1·60 in the summer. In the period December, 1936—February, 1937, the winter price was increased to Ls. 2·25, and the summer price during 1937 was also higher at Ls. 1·90—2·10. In October, 1937, the winter price was fixed at Ls. 2·40, and it remained at that level until reduced to Ls. 2·30 in May, 1938, and to Ls. 2·00 in June. Export prices for cheese were also fixed as from November, 1935, at Ls. 1·75 per kg. for first quality Emmentaler and Roquefort and Ls. 1·40 for first quality Edam and Zemgal, the latter price varying with the season. Prices were slightly higher in January, 1937, and were again increased in October, 1937. In May, 1938, however, a reduction of Ls. 0·15 per kg. resulted in prices being fixed as follows : Emmentaler and Cheddar, Ls. 1·95 per kg. ; Roquefort, Ls. 1·90 ; Edam, Ls. 1·55 ; Zemgal, Ls. 1·45.

At the end of 1937 the Butter Export Central was amalgamated with the Central Union of the Associated Creameries and various local milk trade associations, the whole forming a new body named the Latvian Central Board of the Milk Industry. The Board holds the monopoly for purchasing and exporting fats, and also supplies the home market. Its activities are limited to the wholesale trade, for which it purchases dairy produce at the fixed prices. The capital of the Board amounts to 1·5 million Ls.

Other measures for the re-organisation of the dairy industry were in general directed towards the replacement of small producers by large well-equipped dairies. In pursuance of this aim the number of small dairies was reduced through amalgamation or through their transformation into collecting and cream separating stations, through the strict enforcement of the Government regulations for the inspection of premises, equipment, output, etc., and by the ordinance of 28th January, 1935, which forbade the opening of new dairies. In order to induce farmers to send their milk to the large co-operative dairies, and to secure a measure of Government control of pig production, a system of " pig cards ", on the Danish model, was instituted in 1935, these cards being distributed to farmers according to the quantity of milk delivered by them to the dairies in the course of the year.

The sums disbursed by the State in giving assistance to producers of export butter averaged about 20 million Ls. annually from 1932 to 1935, but fell to 15,600,000 Ls. in the financial year 1935—36, and to 4,850,000 Ls. in 1936—37. The budget estimates for 1937—38 and 1938—39 allotted 6,000,000 Ls. and 3,000,000 Ls., respectively, for bounties to butter producers. In each year 40,000 Ls. were appropriated for bounties to producers of cheese.

Lithuania

The Lithuanian butter industry has in recent years been controlled by a co-operative organisation, the Central Union of Dairy Farmers (" Pienocentras "), which possesses a practical monopoly of the export trade and also carries on a large proportion of the domestic trade in dairy produce. In form a Co-operative Union, Pienocentras is, for all practical purposes, a State Corporation, in which considerable sums have been invested by the State. In order to maintain production for export a system of minimum prices payable to butter producers was instituted in 1932, these prices being paid to producers by " Pienocentras " but fixed and guaranteed by the Government, which allotted a subsidy to make up the difference between the guaranteed price and the price actually realised on the export market. Prices as fixed for first grade butter for export have fluctuated between Lits. 2.50 and Lits. 3.30 per kg. For 27th June to 1st November, 1938, the price is Lits. 3.05 per kg. This subsidy in 1937 amounted to Lits. 6,700,000 compared with Lits. 8,300,000 in 1936.

Netherlands

The Netherlands is a large net exporter of butter, but imports began to increase in 1931 and control of importation by quota has been in operation since April, 1932.

The Crisis Dairy Act, as from July, 1932, and the Agricultural Crisis Act of August, 1933, contained provisions for granting relief to dairy farmers, the professed aim being to raise prices for manufacturing milk to the cost of production level. The method adopted, under the control of a Dairy Crisis Central, consisted in raising the price of butter (and other dairy produce) on the domestic market by means of (a) a consumption tax, payable to the Agricultural Crisis Fund, supplemented by the levying of special taxes on imports and exports of fats through the compulsory use of " transport permits "; (b) the compulsory admixture of butter with margarine sold on the home market (Margarine " A "), thus reducing the exportable surplus of butter.

The consumption tax was raised by the sale of stamps to be affixed to all butter and other edible fats sold for consumption in the Netherlands (a refund being made on goods exported). The levy on butter (i.e., the cost of the stamps) was originally fixed at 0.42 florins per kg. In 1933, 1934 and 1935, it averaged 0.96 fl., 1.0 fl., and 0.99 fl., respectively, but in 1936, when higher export prices made reductions possible, it was reduced to 0.88½ fl. In 1937, as a consequence of an increase in home consumption of butter and the higher export prices, it fell further to 0.66 fl.

Until November, 1937, the sums raised by the consumption tax and those distributed as a subsidy to producers were not necessarily the same, but after that date they were made equal and the only real disbursements made by the State were the refunds made to exporters of butter on which the consumption tax had been paid. It was originally intended to maintain a winter price to consumers of about 1.45 fl. per kg., and a summer price of 1.35 fl. per kg. In March, 1938, however, after the domestic butter price (excluding the consumption tax) had fallen to 0.80 fl. per kg., a new regulation was issued stating that during the spring and summer the total of the domestic price and the consumption tax together would be maintained at about 1.30 fl. The reduction in the consumption tax thus brought about will lessen considerably the amount to be restored to exporters from the Crisis Funds at a time when exports increase.

A fixed relation was maintained between the price of margarine and that of butter, the cost of the margarine stamp varying with the butter content. The minimum proportion of butter used in Margarine " A " was originally fixed at first at 25 per cent., though it subsequently varied between 40 per cent. and 10 per cent. Margarine for export (Margarine " B ") was not required to contain butter. In August, 1937, the mixing percentage was abolished, and the crisis consumption tax on margarine reduced for the benefit of the consumer. By December, 1937, however, the Dairy Crisis Central had found it necessary to raise the tax to 0.55 fl.

The increased price received by the factory for butter through the operation of the scheme is passed on to the farmer on the basis of the fat content of the milk delivered. For 1933 this premium was fixed at 2.24 fl. per 100 kg. of milk of 3.2 per cent. butter fat content, rising to 2.56 fl. for 1934 and the greater part of 1935. In 1936 there were gradual reductions until, following currency devaluation in September, it was fixed at 2 fl. Shortly afterwards, however, the premium was increased to 2.40 fl. to counteract the increased cost of feeding stuffs. In 1937 it was gradually reduced to 1.52 fl., the upward trend of prices on the export market rendering possible the reduction of both the levy and the premium. In November, 1937, however, subsidies to milk producers were temporarily increased, rising to a figure of 2.48 fl. per 100 kg. in January, 1938, but falling to 1.72 fl. in April. The average price at Leeuwarden (an export market) in 1937 was 78 fl. per 100 kg., as compared with 57fl. in 1936, 49 fl. in 1935 and 44 fl. in 1934.

The amount paid out in the form of assistance to producers totalled 56,660,000 fl.* in 1937 as against 91,041,000 fl. in 1936 and 97,270,000 fl. in 1935. The provisional appropriation for 1938 amounts to 74,890,000 fl. Refund of levies on butter exported amounted to an estimated figure of 35,677,000 fl. in 1937, as against 47,791,000 fl. in 1936 and 41,586,000 fl. in 1935. After 31st July, 1937, such refunds may be made only on butter exported by members of the new Dairy Quality Control Bureau, an officially controlled body instituted to supervise the application of grading requirements.

A plan to limit the number of cows and so aid the market for milk as well as for beef, has been in operation since October, 1933, the intention being to reduce the cow population by 200,000. During the period October, 1933, to March, 1934, over 119,000 cattle were slaughtered, the meat produced being tinned and distributed to the poor. The scheme was then suspended on the ground of the expense involved, but in the autumn of 1934 the Government decided to slaughter another 150,000 head of cattle. Slaughtering was continued until April, 1935, when the desired reduction of the cattle population was achieved. The controlling authority, the Cattle Central, decided also that in order to restrict production, the number of female calves born in 1936 to be retained in the herds would be limited to 350,477. For 1937 the number was fixed at 353,400, and for 1938 at 403,500, including 28,500 added to the original total to allow for losses through disease and other causes.

* Estimated total. The actual amount expended up to 6th November, 1937, when the new system was introduced, was 49,457,000 fl.

Other measures to help the dairying industry included an attempt to increase the consumption of liquid milk by means of propaganda and the distribution of cheap or free margarine and fat to the unemployed, no butter being contained in this margarine. In addition, after 31st March, 1935, it was made compulsory for factories to return to producers in the form of skimmed milk a certain percentage of the milk delivered to them. The Dairy Central was empowered to determine this percentage and fix a maximum price for the skimmed milk which, it was hoped, would be utilised as a cheap feeding-stuff.

In spite of attempts to limit production the volume of milk available has increased, as poor yielding animals have been slaughtered and farmers have tended to retain older cows. The production of creamery butter has risen steadily, amounting to 1,906,000 cwt. in 1937, against 1,899,900 cwt. in 1936.

• Sweden

A Royal Decree of 30th June, 1932, which came into force on 20th September, 1932, contained provisions for improving the organisation of the sale of milk and dairy produce by the imposition of levies.

It was pointed out in a report, which was incorporated in the Law, that the price of the milk utilised in the manufacture of butter for export, although accounting for less than one-fifth of the total Swedish production of milk for sale, had tended to set the price for butter and also for other milk products on the home market. The main purpose of the Decree was to prevent this effect by setting up machinery for establishing a uniform price to the producer for butter, whether exported or not, and for milk, whether sold for consumption or for manufacture. The machinery took the form of a general levy on all milk sold throughout the country or used in the manufacture for sale of butter, cheese, or cream, the proceeds of the levy being used to level up the price of export butter. Local levies were to be collected on milk and cream sold for consumption. The general levy, payment of which was obligatory on all producers, was imposed in the first instance for a period of eight months, from the 1st November, 1932, and was then continued by a further Law containing certain new regulations, including the abolition of local levies and the setting of a maximum charge for the general levy.

The operation of the measure was put in the hands of a State Milk Committee, with the funds (paid into a Milk Equalisation Fund) administered by the Union of Swedish Dairies.

The scope of the milk levy was later extended to cover (a) the payment of price increments on exports of Swedish butter and other dairy produce, including cheese, cream, condensed milk and milk powder; (b) the payment of grants to level up the prices of Swedish milk and cream utilised in the manufacture of butter, cheese or other dairy produce; (c) defraying the cost of any other measures taken by the Government to improve the market for milk and dairy produce generally. The Milk Equalisation Fund is financed from (i) levies on all milk and cream marketed; (ii) a levy on all butter imports; (iii) an excise duty on margarine; (iv) an excise duty on cattle concentrates. It has been administered since July, 1935, in conjunction with other equalisation funds, as part of the Agricultural Price Equalisation Fund, which actually receives the proceeds of the various duties (i.e., excise taxes on feeding stuffs, margarine, etc., import and export duties) devised for the purpose of maintaining agricultural prices and employs them to assist that branch of the industry in whose interest they are imposed. During the year 1937, the revenues of the Agricultural Price Equalisation Fund amounted to 36,800,000 kr. compared with 27,000,000 kr. in 1936.

The total receipts from all sources devoted to price equalisation in the dairy industry (i.e., from the milk levies, and from the Agricultural Price Equalisation Fund) amounted to 69,000,000 kr. in 1934, 76,000,000 kr. in 1935, 77,000,000 kr. in 1936, and 83,000,000 kr. in 1937. Of the 1937 total, 53,750,000 kr. were derived from the milk levies as against 56,000,000 kr. in 1936.

The milk levy remained at 2.0 öre per kg. from February, 1933 to November, 1937, with the exception of the period 1st November, 1936—31st March, 1937, when it was lowered to 1.5 öre per kg. With the aim of securing a reduction in the price of milk, however, it was again reduced to 1.5 öre on 1st November, 1937, and to 1.0 öre on 1st January, 1938.

On 24th July, 1933, the customs duty on margarine imported into Sweden was raised from 15 öre to 35 öre per kg., and concurrently an excise duty of 20 öre per kg. was imposed on margarine manufactured in Sweden. The excise duty varied between 20 öre and 30 öre, and the customs duty between 35 öre and 45 öre per kg., until the period December, 1937—October, 1938, when the excise duty was increased to 45 öre and the customs duty to 60 öre per kg.

During each of the past four years the average export price for Swedish butter and the average price as fixed for the home market have been as follows:—

	<i>Export Price.</i>	<i>Home Price.</i>
	(Kr. per 100 Kg.)	
1934	116	230
1935	154	223
1936	175	221
1937	188	257

Argentina

Under a governmental decree the National Board of Control for the Dairy Industry was set up in April, 1934. Its functions were to secure for the primary producers the full value of export bills for butter and casein and to advise the Government in the preparation of legislation and regulations for the industry, particularly in regard to the establishment of a system of grading and inspection. It guaranteed also a minimum price for milk sold in Buenos Aires and undertook propaganda to increase the consumption of butter in Argentina. The Board organised the transmission through manufacturers to the primary producers of the profits on butter and casein export bills cashed by the banks at the

"pegged" rate and sold to Argentine importers at the "free" rate. Additional funds were derived from a levy on butter manufacturers, who were accordingly required to register with the Board. Firms thus registered were required to furnish the Board, at intervals of ten days, with the prices which they were prepared to pay for the butterfat content of milk and cream for butter manufacture. These prices were then circulated among producers, the Board adding to the price stated a premium varying in amount from time to time. This premium was originally fixed in 1934 at 15c. per kg., but rose to 30c. by the end of the year. In June, 1935 it was reduced to 15c., and in August, in view of the high prices obtainable for cream, the payment of premiums was suspended. In December payments were resumed at the rate of 15c. and were maintained at this rate until July, 1936, when there was an increase to 25c. The premium was reduced to 15c. in January, 1937, and to 12c. in March. In June, owing to the high prices prevailing, the payment of premiums was suspended indefinitely.

As from January 1st, 1938, the Dairy Industry Control Board was liquidated, and its functions taken over in an extended form by the Dairy Industry Board, then created as a dependency of the Ministry of Agriculture. The new Board is given authority "to promote the economic and technical improvement of the production, manufacture and marketing of milk and its derivatives" and to formulate regulations for this purpose. The control of the Board is extended to all concerns dealing with the production, manufacture, marketing or transport of milk and milk products. In February, 1938, it was announced that the system existing since 1934 for regulating the prices paid to the producer had been terminated. Instead, a Milk Arbitration Court has been established as from March, 1938, consisting of a salaried president, representing the Government, and honorary representatives of the producers, manufacturers and distributors. The principal duty of the Court is to fix fair prices for milk and butterfat.

The receipts of the former Dairy Industry Control Board during the years 1935-37 were as follows:—

	1935	1936	1937
From margin on foreign exchange	3,153,000 pesos	3,339,000 pesos	1,268,000 pesos.
From levy on locally consumed butter	2,114,000 "	1,772,000 "	1,403,000 "
Total	<u>5,267,000</u> "	<u>5,111,000</u> "	<u>2,671,000</u> "

In 1935, 4,914,000 pesos, in 1936, 4,310,000 pesos, and in 1937, 2,896,000 pesos were paid to producers as premiums on their sales of butterfat. The sum of 600,000 pesos has been allotted in the Budget for the upkeep of the new Board in 1938.

APPENDIX V

MILK MARKETING SCHEMES AND UTILISATION OF MILK

(i) England and Wales

The Report of the 1932 Reorganisation Commission for Milk and Milk Products contained the draft of a Milk Marketing Scheme for England and Wales, which was utilised as the basis of a scheme submitted to Parliament and which, modified in certain particulars, became finally operative as from 6th October, 1933. The fundamental principle is the equalisation of the proceeds of sales of milk wholesale by registered producers, irrespective of the purpose for which the milk is used. England and Wales is divided into eleven regions, each with a separate pool, and the Scheme provides for inter-regional payment to ensure that pool prices do not vary unduly between different regions. The Scheme is administered by a Milk Marketing Board through which payments for all sales of milk by wholesale are made. Premiums for level deliveries, quality or special services are paid direct to the producer and do not enter the pool. Transport charges are paid by the producer. Producer-retailers also come within the scope of the Scheme and although the proceeds of their sales do not pass through the Board they are required to contribute to the funds of the Board. The Board may prescribe the terms of contract for the sale of milk by registered producers (other than sale by retail).

Wholesale contracts have been prescribed for six periods, the first from 6th October, 1933, to 31st March, 1934, the second from 1st April to 30th September, 1934, and the four following contracts for annual periods from 1st October to 30th September, 1934-1938. The contracts have been on similar lines, the Board being a party to each, and the purchase price being payable to it. Variations have been in respect of prices (shown below), the extent of the premium for level deliveries and the incidence of transit risks. In the case of milk sold by retail, different methods have been adopted, and in the third and subsequent contracts minimum appropriate retail prices were fixed for areas according to population. In addition, the later contracts contained a proviso to the effect that the Board could reduce the minimum appropriate price in any area, on receipt of a resolution from retailers in that area. As from 1st October, 1934, producer-retailers selling less than one gallon per day have been included in the Scheme, and as from 1st October, 1937, producers of tuberculin-tested milk and producers with not more than four cows selling by wholesale were included also. In the fourth, fifth, and sixth contracts it has been provided that milk may be sold retail at the farmhouse door at 4d. per gallon below the appropriate retail price for the area.

On 31st March, 1938, the number of registered producers selling by wholesale was 89,105, and the number of producer-retailers 63,445. The total number of accredited, T.T. and attested herds on the same date was 24,646. The following table gives the number of wholesale contracts and the average annual prices for the period during which the Scheme has been in operation.

Number of Wholesale Contracts and Annual Average Prices, 1933-1938

Year	Number of wholesale contracts	Average prices (all regions)		
		Liquid milk (a)	Regional pool	Milk for manufacture (b)
		Per 12 gallons s. d.	Pence per gallon	Pence per gallon
1933-34(c)	{ 78,181 79,920 83,264 88,510 91,588 96,872 }	13 9(d)	11·83	4·96
1934-35		15 1	11·99	4·81
1935-36		15 3(e)	11·48	4·95
1936-37		15 3	11·99	5·76
1937-38		15 11(f)	(g)	(g)

(a) In May of each year ½d. per gallon extra has been charged, to be used for publicity purposes.

(b) Excluding Government repayable advances.

(c) Including the first two contract periods.

(d) Except the South-Eastern Region where 14s. 4d. was charged.

(e) Reduced from 15s. 6d. on the recommendation of a Committee of Investigation.

(f) The price was subsequently increased by 4d. per gallon for July, 1938.

(g) Not yet available.

The prices payable in respect of milk for manufacture are shown on the following page. Under the Milk Acts, 1934 and 1937, it is provided that advances are to be made to the Board by the Government when manufacturing prices are below 5d. per gallon in winter and 6d. in summer, in order to bring prices up to those levels. During the first years of the operation of the Scheme considerable sums were in fact advanced for this purpose. When, however, prices rise above one penny over the minimum prices stated, the Board is under an obligation to begin repayments to the Treasury. This position was first reached in June, 1937, and the Board therefore incurred a certain net liability for repayment during the financial year 1st April, 1937-31st March, 1938.

Farm Cheese.—The Milk Acts, 1934 and 1937, made provision for milk marketing boards to receive repayable advances in respect of milk manufactured into cheese on farms, as well as in factories. In the second contract period farm cheese makers received the advance accruing to the Board under the Milk Act plus 1d. per lb. for hard cheese and ½d. for soft; in the third they received the advance plus 3d. (2½d. in the last five months) for hard cheese and 1½d. (1¼d.) for soft. Under the fourth contract there

were level payments of 5½d. in winter and 4½d. in summer for hard cheese and 5d. and 6d., respectively, for soft cheese. For 1936-37, however, these payments were reduced by 1d. per gallon as compared with those in the preceding year, and the same grants were made in 1937-38.

During the first two years of the operation of the Milk Marketing Scheme, the monthly price per gallon of milk for manufacture into *butter*, *cheese* and *condensed milk for export* was fixed at the average price per lb. for the previous month of Finest White Canadian Cheese and Finest White New Zealand Cheese, less 1½d. A premium of ½d. per gallon was payable in respect of milk made into butter in Cornwall.

In the year October, 1935-September, 1936, however, on the recommendation of a Committee of Investigation, a different system was adopted.

For milk manufactured into *butter* a formula was adopted fixing the price per gallon at the average price per cwt., weighted according to the previous month's imports of Danish, Australian and New Zealand butter, less 16s., divided by 275 in the six winter months and by 295 in the six summer months, plus a sum of 1½d., the operation of the formula to be subject to a minimum price of 3d. per gallon. The ½d. premium for milk manufactured in Cornwall was continued. This system was maintained from October, 1936, to September, 1937, but the divisors were fixed at 265 and 285 for winter and summer, respectively, with a minimum price of 3½d. per gallon. The system was extended also to Cornwall, with divisors of 225 and 245, respectively, and a minimum price of 3½d. per gallon. From October, 1937, to September, 1938, the divisors are continued at 265 and 285 for milk manufactured outside Cornwall, and to the resultant price is added 1½d., including ½d. allowance for the value of separated milk. For Cornwall, the previous year's formula is maintained.

For milk manufactured into *cheese* the revised formula was the weighted average price (instead of the simple average) of Canadian and New Zealand cheese, less 1½d., and this was continued during 1936-37. For 1937-38 it was agreed that a sum of 1½d. should be deducted from the weighted average price, and ½d. added to the resultant figure. However, in later negotiations it was decided that buyers of cheese-milk (except for Cheddar and Caerphilly) should pay 1d. per gallon more in the months January to April and July to September.

For milk manufactured into *condensed milk for export* the price is the same as that arrived at for cheese in the month during which the milk was delivered, with a minimum for 1937-38 of 5d. per gallon, as against 4d. in 1936-37.

Prices of milk for manufacture into products other than those mentioned above are shown in the following table :—

Milk manufactured into	Price per gallon					
	Oct., 1933, to March, 1934	April to Sept., 1934	Oct., 1934, to Sept., 1935	Oct., 1935, to Sept., 1936	Oct., 1936, to Sept., 1937	Oct., 1937, to Sept., 1938
Condensed milk	6	6	6	6	6(a)	7½
Milk powder	6	4½	4½	4½	5½(a)	7
Fresh cream	9	7½	7½	7½	7½	8½
Tinned cream	6	5	5	6	(b)	(c)
Chocolate	8	8	8	—	—	—
Sterilized milk for export.	—	6	6	6	6	7½
Soft and cream cheese	—	—	7½	7½	7½	8½
Ice cream	—	—	7½	7½	7½	8½
Other milk products	9	9	9	9	9	10

(a) Minimum price, to be increased in each month by the same amount as the average manufacturing price of cheese for the three previous months exceeded 4½d. per gallon.

(b) From 1st October to 31st December, 1936, 6d., and thereafter 6½d.

(c) From 1st October to 31st December, 1937, 7d., and thereafter 7½d.

(ii) Scotland

(a) *Scottish Milk Marketing Scheme*.—This scheme, which applies to that part of Scotland roughly south of the Grampians, came into operation on 1st December, 1933. As in the English scheme, the fundamental principle lies in the equalisation of payments to registered producers of the proceeds from sales of milk in the liquid and manufacturing markets, at prices and on terms regulated by the Scottish Milk Marketing Board. Producers selling not more than three gallons daily to a maximum of six customers are exempt. Partial exemption is granted to producer-wholesalers, producer-retailers and producers of certified milk, all of whom make their own arrangements for sales, but must adhere to the prices fixed by the Board and are required to contribute to the Board a sum equal to nine-tenths of that payable by other producers. The average price payable to the producers for milk sold to or through the agency of the Board is liable to a deduction for haulage, at specified standard rates. The Board has purchased a number of creameries at which various milk products are manufactured. Further, an arrangement was entered into with the English Board whereby the export of milk to England was reduced on payment of compensation in respect of the loss sustained.

For the purpose of negotiating contracts and arranging prices a Permanent Joint Milk Committee was set up, composed of representatives of the Board and of various distributive associations. Contracts were made for the following periods: December, 1933, to March, 1934, April to September, 1934, and subsequently for four twelve monthly periods running from October to September. The Board is a party to contracts and prescribes the terms and conditions of sale and purchase. Producers are required to supply milk attaining a standard of 3·4 per cent. butterfat in February to July and 3·5 per cent. in August to January. The second contract included a provision for payment of premiums for level deliveries and the later contracts, in addition, required the payment of a premium for special services.

The following table gives the annual average standard prices, i.e. prices paid by distributors for milk for the liquid market, together with annual average pool prices, for the period during which the Scheme has been in operation:—

Year	Standard price	Pool price
	(per gallon) s. d.	(per gallon) d.
1933-34(a)	1 2	10·42
1934-35	1 2	10·89
1935-36	1 2	10·83
1936-37	1 2½	11·06
1937-38	1 2½	(b)

(a) Including the first two contract periods.
(b) Not yet available.

The semi-retail prices payable by hotels, restaurants, etc., are fixed on the basis of quantity. The Board has power to determine the retail price, and this was, until the fourth contract period, fixed throughout at 2s. per gallon. In that period the Permanent Joint Committee of representatives of the Board and of distributors was unable to agree on prices. The Board, however, determined the standard price as above and proposed further that in May and June, 1936, the retail price should be reduced to 1s. 8d. per gallon, the cost of lowering the retail price being borne by the distributors. The matter was referred to the Committee of Investigation for Scotland. The Secretary of State for Scotland, however, following consideration of the report of the Committee, decided not to interfere with the scale of prices prescribed by the Board. The retail price was increased in the three months, November, 1937-January, 1938, to 2s. 4d. per gallon.

The prices of milk for manufacture are determined monthly by a Sub-Committee of the Permanent Joint Milk Committee. For manufacture into *cheese* the price in the first period was a sum per gallon equal to the average price per lb. for the previous month of finest New Zealand cheese, less 1½d.; Canadian cheese was included in the second contract, but the price was reduced in certain months. For *butter* the price was approximately similar, except where an outlet existed for buttermilk, when it was raised to 7½d. per gallon. Since 1935-36 the prices for butter and cheese have been based on the average prices realised for these products sold wholesale each month by the Board's creameries, less a manufacturing allowance (for cheese 1½d. per gallon, increased to 1½d. during February-April, 1937, and fixed at 1½d. for the sixth contract; for butter, 1½d. per gallon, increased to 1½d. for 1937-38). The following prices also were fixed by the Sub-Committee, the price of milk for other products being determined from time to time:—

	<i>Fresh Cream</i>	<i>Tinned Cream</i>	<i>Bottled Cream</i>	<i>Margarine</i>	<i>Condensed Milk</i>	<i>Milk Powder</i>
1933-36	7½d.	*	*	9d.	*	*
1936-37	7½d.	{ 6d. (Oct.-Dec.) 6½d. (Jan.-Sept.) }	7½d.	9d.	6d.	5½d.
1937-38	8½d.	{ 7d. (Oct.-Dec.) 7½d. (Jan.-Sept.) }	8½d.	10d.	7½d.	7d.

* Determined from time to time.

Farm Cheese.—Arrangements were made early in 1934 between the Board and farm cheesemakers whereby the latter agreed to manufacture the whole of their production of milk into cheese on the farms. The Board paid an allowance representing the difference between the monthly average price under the Scheme and the market price for cheese, plus 1d. per lb. in respect of manufacturing expenses. Some 7,286,000 gallons were manufactured under this scheme in 1937 as compared with 8,242,000 gallons in the preceding year.

(b) *Aberdeen and District Milk Marketing Scheme.*—This scheme, which became fully operative from 1st August, 1934, covers the counties of Aberdeen and Kincardine. The scheme follows the lines of the Scottish Scheme in that all producers selling up to 2 gallons of milk per day must be registered, with partial exemption granted to producer-retailers and producers of Certified milk. Standard prices are fixed for milk for liquid consumption, for sales to institutions, etc. Provision is, however, made for the determination of a basic quantity for each registered producer selling by wholesale, the basic quantity being related to sales in the preceding November, December and January.

The standard price was 1s. 2d. per gallon for basic-quantity milk during the first five months of the scheme. In 1935 the price was 1s. 3d. except in June, July and August when it was fixed at 1s. 2d. and in 1936 and 1937, 1s. 3d. except from May to July when it was 1s. 2d. The retail price to consumers is 2s. The surplus price has varied between 6d. and 9d. per gallon. Some 11,652,000 gallons were handled during the period August, 1934, to December, 1935, and about 9 per cent. was surplus to liquid requirements and was manufactured mainly into butter, cream and cheese. In 1936 the total turnover was 8,919,540 gallons and the manufacturing percentage 11 per cent., while in 1937 the turnover increased to 9,079,190 gallons, the manufacturing percentage falling to 10 per cent.

(c) *North of Scotland Milk Marketing Scheme.*—The scheme applies to Inverness, Nairn and the Northern Counties and came into operation on 1st October, 1934. It follows the lines of the Aberdeen scheme, providing for basic quantities, fixed on the period September to December, but the basic quantity provision also applies to producer-retailers. The standard price from October to December, 1934, was 1s. 2½d. per gallon, and the retail price 2s. In 1935 the standard price was 1s. 3d., except during the months April to July when it was lowered to 1s. 2d.; in 1936 it was maintained at 1s. 3d. throughout the year. The surplus price has varied between 5d. and 6d. per gallon. The total quantity of milk handled during the first 12 months of the scheme was 1,897,000 gallons, of which 7 per cent. was surplus to liquid requirements. In 1936 and 1937 the total turnover reached 2,010,150 gallons and 2,029,780 gallons, respectively, of which 4·5 per cent. and 5 per cent., respectively, were used for the manufacture of milk products.

Report of the Reorganisation Commission for Great Britain, 1936

The Commission appointed to enquire into the working of the Milk Marketing Schemes put forward in its Report (November, 1936) certain recommendations regarding the future organisation of the milk industry. These included the fixation of milk prices by a permanent independent Milk Commission appointed by the Government, prices to be put at a level sufficient to bring into the market the quantity of milk required. It was proposed also that the liquid milk market should be relieved of the burden of loss sustained on the sale of surplus milk for manufacture and that this burden should be taken over by the State. As regards manufacturing milk, it was recommended that prices should continue to be fixed by reference to the realisation value of the manufactured products, modified if desirable in order to encourage the manufacture of those products yielding the higher returns to producers. It was not suggested that retail prices or distribution margins should, in general, be fixed although maximum retail prices might be prescribed in any area where prices were unduly high. To encourage the consumption of liquid milk it was proposed that financial assistance should be provided by the Government, the money thus allocated being used to relieve the liquid milk market from the burden of surplus milk and to provide supplies at specially low prices for necessitous consumers.

Proposed Government Measures

In a White Paper of July, 1937, the Government put forward the following proposals for assistance to the dairy industry:—

- (a) a price insurance plan under which Exchequer assistance would be given to the Milk Marketing Boards in respect of standard gallonages of milk used in factories for butter and cheese, and milk made into cheese on farms, in the event of the average prices of imported butter and cheese falling, over a period, below 100s. and 56s. per cwt., respectively;
- (b) Exchequer contributions, at diminishing rates for a period of five years, towards the additional costs incurred in the production of quality milks;
- (c) the institution of a permanent Milk Commission to keep under review the production, marketing and consumption of milk (including the effect of prices on demand).

Reference was made to these proposals on December 7th, 1937, by the Minister of Agriculture, who announced that the price levels at which the Government's price insurance scheme would commence to operate had been revised in the producer's favour, and now took into account the seasonal variation in the quantities of milk available and in the costs of production. It was proposed accordingly that the price levels at which the Exchequer payments would begin would be for butter an average of 112s. per cwt. in summer and 120s. in winter and for cheese 62s. 6d. in summer and 67s. 6d. in winter instead of 100s. for butter and 56s. for cheese all the year round, as originally proposed. It was proposed also to fix the standard gallonages of milk manufactured into butter and cheese in Great Britain in respect of which the guarantee would operate at 125,000,000 gallons per annum in each case. The forthcoming legislation would provide for an independent review at three-yearly intervals of both the standard prices and the standard gallonages. A review of the effects of Exchequer assistance might also be accorded, if necessary, in the second year of the operation of the scheme (i.e. before any reduction in the rate of Exchequer contribution took place).

The Minister added that, while the Government regarded the price insurance plan as the main safeguard of the industry, provision would be made to enable the Government to impose quantitative regulation of imports of butter, cheese and other milk products in the event of imports being such as to lead to instability in the market for those products in the United Kingdom.

Pending the introduction of a Bill in accordance with the Government's proposals, the Minister of Agriculture in June, 1938, gave notice of the Government's intention to introduce an Interim Bill extending until 30th September, 1939, the chief provisions of the Milk Acts, 1934 to 1937, and releasing the Milk Marketing Boards from the liability accrued after 30th September, 1937, to repay to the Exchequer the advances made under the Milk Acts in respect of manufacturing milk.

Utilisation of Milk Supplies in 1937

The following table shows the quantities of milk handled by the two chief Boards in 1936 and 1937. In this and following tables the calendar year has been adopted for convenient comparison with import statistics.

	England and Wales Gallons		Scottish Scheme Gallons	
	1936	1937	1936	1937
Sold under wholesale contract	559,468,000	590,147,000	55,952,000	58,058,000
Sold by Producer-retailers	106,000,000	115,000,000 (a)	17,821,000*	17,813,000*
Total liquid sales	665,468,000	705,147,000	73,773,000	75,871,000
Sold for manufacture	341,100,000	269,663,000	41,271,000	36,753,000
Farm Cheesemakers' gallonage	18,387,000	20,332,000	8,242,000	7,286,000
Total gallonage†	1,024,955,000	995,142,000	123,286,000	119,910,000

(a) Provisional

* Including sales by producer-wholesalers and producers of certified milk.

† In addition, the Aberdeen and District Milk Marketing Board handled 9,079,000 gallons in 1937 (including 2,126,000 gallons sold by producer-retailers), of which 900,000 gallons were for manufacture. The North of Scotland Board handled 2,026,900 gallons (including 966,900 sold by producer-retailers), of which 102,400 gallons were for manufacture.

The quantities sold for manufacture were utilised in the different products throughout the year as shown in the following tables, which give separate figures for England and Wales and for the area administered by the Scottish Milk Marketing Board.

Utilisation of Milk for Manufacture in England and Wales in 1937 (thousand gallons)

Month	Butter	Cheese	Cond. Milk	Cond. Milk for Export	Milk Powder	Fresh Cream	Tinned Cream	Other Products	Total Manufactured	Farm Cheese
January	5,603	2,904	2,834	541	341	3,024	409	350	16,006	352
February	5,059	2,546	3,189	366	223	2,947	322	325	14,977	343
March	7,376	3,757	4,175	516	370	3,183	539	366	20,282	547
April	9,213	4,704	4,951	764	876	3,269	839	427	25,043	1,323
May	14,207	7,954	8,322	1,270	1,691	4,305	1,099	504	39,352	2,947
June	12,799	7,989	6,776	1,647	1,727	4,987	1,368	628	37,921	3,107
July	10,008	6,438	5,201	1,465	865	5,163	1,340	547	31,027	2,996
August	8,987	5,577	4,616	1,064	633	4,353	910	508	26,648	2,740
September	5,350	3,996	3,421	503	243	3,392	852	404	18,161	2,302
October	3,001	2,692	4,204	291	765	3,155	907	300	15,315	2,077
November	1,408	1,608	3,893	240	663	2,782	1,131	355	12,080	939
December	823	1,376	4,650	375	601	3,715	911	400	12,851	660
Total	83,834	51,541	56,232	9,042	8,998	44,275	10,627	5,114	269,663	20,333
<i>Per cent.</i>	31	19	21	4	3	16	4	2	100	—

Utilisation of Milk for Manufacture in Scotland in 1937 (thousand gallons)

Month	Butter	Cheese	Fresh Cream	Tinned Cream	Other Products	Total Manufactured	Farm Cheese
January	338	13	998	60	200	1,609	—
February	404	4	1,017	41	271	1,737	—
March	765	170	1,419	119	578	3,051	190
April	807	412	1,419	138	854	3,630	643
May	1,610	1,160	1,170	121	1,012	5,073	1,364
June	1,370	1,610	1,246	98	949	5,273	1,499
July	1,045	1,389	1,569	184	706	4,893	1,416
August	863	749	1,404	189	688	3,893	1,212
September	449	282	1,226	149	502	2,608	817
October	290	184	961	114	511	2,060	145
November	241	57	788	54	409	1,549	—
December	239	5	852	53	228	1,377	—
Total	8,421	6,035	14,069	1,320	6,908	36,753	7,286
<i>Per cent.</i>	23	17	38	3	19	100	—

The following table shows estimates of the actual milk products produced under the Schemes. The figures in most instances are calculated by employing conversion factors and are consequently liable to error. Further, it should be noted that production of farm cheese is excluded from the calculations and is dealt with separately (*see below*). Milk was utilised also in the manufacture of other products, but no attempt has been made to estimate the production of these commodities, which include chocolate, margarine, ice-cream, starter, etc.

Estimated Factory Production of Dairy Products in 1936 and 1937

Product	England and Wales		Scotland†		Total	
	1936	1937	1936	1937	1936	1937
	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.
Butter	431,400	299,400	37,300	29,800	468,700	329,200
Cheese*	780,200	460,200	76,300	51,200	856,500	511,400
Fresh cream	253,700	285,600	95,600	85,600	349,300	371,200
Tinned cream	111,500	147,600	24,900	17,600	136,400	165,200
Condensed whole milk	2,322,400	2,337,100	168,800	207,200	2,491,200	2,544,300
Whole milk powder	153,800	105,900	6,400	4,700	160,200	110,600

* Excluding farmhouse cheese.

† Area covered by Scottish Milk Marketing Board. In addition, the manufacture of *butter* in the areas covered by the Aberdeen and District and the North of Scotland Boards in 1937 was equivalent to over 1,500 cwt., of *cheese* to 40 cwt., and of *cream* to 5,200 cwt.

Farm Cheese.—The total quantity of farm cheese manufactured under the Farmhouse Cheese Schemes in 1937 showed an increase in England and Wales but a decline in the area covered by the Scottish Milk Marketing Board. The estimated figures for 1937 are as follows, with comparative figures for 1936 in brackets: England and Wales, 181,500 cwt. (164,200 cwt.); Scotland, 62,300 cwt. (73,600 cwt.).

It is of interest to observe the proportions by weight of the output represented by the different varieties of farm cheese in each area. These were as follows, with the corresponding figures for last year in brackets:—

England and Wales.—Cheshire, 52.9 per cent. (44.0); Cheddar, 29.9 (36.5); Lancashire, 12.5 (15.9); Stilton, 0.6 (0.4); other, 4.1 (3.2).

Scotland.—White Cheddar, 39.4 per cent. (35.4); Coloured Cheddar, 26.4 (33.8); Dunlop, 18.6 (17.1); Cheshire, 13.4 (11.4); Stilton, 2.2 (2.3).

APPENDIX VI

THE PIGS AND BACON MARKETING SCHEMES AND SUPPLIES OF BACON

The Reorganisation Commission for Pigs and Pig Products (1932) recommended the adoption of Marketing Schemes under the Agricultural Marketing Act of 1931 in order to provide for the more effective regulation of the bacon industry. It was proposed that the schemes should cover all pigs sold for bacon and all bacon and hams produced in Great Britain, pig producers being represented by the Pigs Marketing Board, which was to arrange for supplies of pigs to be delivered on contract to curers, and curers being represented by the Bacon Marketing Board, which was to control the output of bacon by individual curers. The Commission recommended that the United Kingdom's total supplies of bacon and hams should for the time being be stabilised at the average of the six-year period, 1925-30, (10,670,000 cwt.), the home industry being allotted a quota based on the volume of bacon it could undertake to produce and the remainder being allocated among the various exporting countries. Provision was to be made at the expense of foreign supplies for the ordered expansion of the home output and for any increase in the Dominion or Colonial share of imports.

The recommendations of the Commission were accepted by Parliament and the schemes came into operation in September, 1933.

(1) Organisation of the Home Industry

In the *first* contract period (November, 1933-February, 1934), the price paid to producers by curers was fixed at 12s. per score for standard pigs of 140-170 lb. dead weight, with deductions for heavier pigs and pigs of less than the standard quality, and subject to adjustment in the event of changes (above or below 7s. 6d.) in the price of an agreed basic ration of feeding stuffs.

In the *second* contract period (March-December, 1934), the contract price was fixed at 12s. 6d. per score for March and April, while for the remaining months provision was made for an initial basic price of 11s. per score, to prevail so long as the price of the feeding stuffs ration was 7s. 6d. per cwt., the ascertained value of offals from a 7 score 2 lb. pig was 10s. and the "initial" price of bacon (the ascertained selling price to the retailer of sizeable green Wiltshire sides) was 85s. per cwt. Changes in any of these led to an addition to, or deduction from, the price payable per pig.

In the *third* contract period (January-December, 1935) the value of the offals was taken at a fixed figure of 9s. gross per pig and the initial bacon and pig prices were increased to 96s. per cwt. and 11s. 6d. per score, respectively. To encourage more regular deliveries, curers undertook to pay the Pigs Marketing Board 2d. per score on all pigs delivered, the proceeds being distributed as a level delivery bonus to producers who supplied in the first four months of the year a certain percentage of the pigs under contract by them. The curers further undertook to pay producers 1d. per score towards the cost of insurance.

In the *fourth* contract period (January-December, 1936) the basic price was fixed at 11s. 7d. per score with bacon at 96s. per cwt. and feeding stuffs at 7s. 6d. per cwt., and certain alterations were made in the method of determining the allowances for fluctuations in the prices of bacon and feeding stuffs.

In the *fifth* contract period (January-December, 1937) the arbitrator appointed by the Minister of Agriculture fixed the average annual price for a basic pig (under a revised grading system) at 12s. per score, with feeding stuffs at 7s. 6d. per cwt. If 2,400,000 pigs or over were contracted for, this was to be increased by 2d. per score, while provision was made also for additions or deductions in the event of fluctuations in the feeding stuffs ration.

It has not always been possible for the Pigs Marketing Board to secure a sufficiency of pigs on contract and in 1935 and again in 1936, in view of the deficiency in the number of pigs contracted for, compared with the number required by curers, the latter were allowed to buy pigs on the open market. In 1937 it was provided that the Bacon Marketing Board should have the right to terminate all contracts if the total number of pigs offered was less than 2,200,000 and, as this total was not in fact attained, the contracts were declared void. The Schemes were thus to a large extent inoperative during 1937 but although curers bought in the open market whatever pigs they required at prices fixed by mutual agreement with producers, the Pigs Marketing Board made a determination providing for the classification of pigs as in the abortive 1937 contract and, on the same scale as in that contract, for additions to, or deductions from, the agreed price for other than Grade B pigs.

The following table shows the number of pigs contracted for in each of the years under review and the contract price paid for standard pigs. For purposes of comparison, the average prices during these years of first quality bacon pigs at representative markets in England and Wales are added.

Bacon Pig Contracts and Prices, 1934-37

Year	Number of Pigs contracted for	Average Pig Prices (per score)	
		Contract Price (a)	Open Market Price (b)
		s. d.	s. d.
1934	1,605,514	11 11	12 3
1935	1,854,513	11 2	11 3
1936	2,040,076	11 5	12 5
1937	1,886,194(c)	—	13 2

(a) Class 1, Grade C pigs.

(b) For first quality bacon pigs at representative markets in England and Wales.

(c) Contracts declared void as the number of pigs contracted for was below 2,200,000.

The production of bacon by registered curers during these years was as follows :—

Production of Bacon in Great Britain (a)
(cwt.)

Year	From Home Pigs	From Imported Pigs	Total
1934	1,485,701	250,551	1,736,252
1935	2,028,862	348,029	2,376,891
1936	2,323,269	433,439	2,756,808
1937	1,943,748	504,438	2,448,186

(a) Including hams ; excluding the output of unregistered curers.

In 1936 the Bacon Marketing Board introduced a system under which each registered curer was allotted a " sales quota " for bacon of his own production from home-produced pigs. The total quantity which might be sold by such curers was 2,957,462 cwt. in 1937, and 1,497,338 cwt. in the period January 1st to June 30th, 1938.

The Bacon Industry Bill, introduced in March, 1938, is designed to provide a long-term policy for the bacon industry. In an attempt to overcome the difficulties presented by the high cost of pig feeding stuffs and of bacon manufacture, it is proposed that in return for re-organisation and rationalisation of bacon factories the Government should render the industry financial assistance when necessary over a three-year period. A basic price of 12s. 6d. per score is contemplated in the first year with " notional " prices for feeding stuffs at 8s. 6d. per cwt. and for bacon at 9s. 9d. per cwt. Producers and curers are to be compensated from the Exchequer in the event of a rise in the cost of feeding stuffs or a fall in bacon prices, respectively. In the second and third years the basic pig and notional bacon prices are to be reduced, and if during the three-year period the price of feeding stuffs should decline or bacon prices increase, there is to be a corresponding recoupment by the Exchequer.

The *Bacon Development Scheme*, which came into force on 7th September, 1935, completed the structure of organisation for the pig industry which was recommended by the Lane-Fox Commission. The Bacon Development Board, set up under this Scheme, is intended to carry out plans for rationalising bacon production and to perform services in which both sides of the industry are jointly interested. The Scheme provides that as from the appointed day (1st January, 1936) no person (unless he is exempt from registration under the Bacon Marketing Scheme) may produce bacon in Great Britain in any premises except such as are licensed by the Development Board. The Board may attach to a licence such conditions as they think fit for promoting the efficient production of bacon or reducing excessive production, and may exempt from the licensing provisions of the Scheme such classes or descriptions of curers or the production of such descriptions of bacon, as they may determine. Licences may be refused to applicants on the following grounds : (a) that the curing establishment is redundant, having regard to the existing and prospective consumption and sources of supply of bacon ; (b) that the premises concerned are unsuitably situated in relation to pig supplies or consuming areas ; (c) that the premises are not suitably equipped for efficient production of bacon ; (d) that a previous licence has been revoked or the holder convicted under the Agricultural Marketing Act of 1933. During a period of two years from the inception of the Scheme, however, a licence could not be refused in respect of any premises in which bacon was being produced at any time during the six months preceding 17th May, 1935 ; since the expiration of that period, existing curers are on the same footing as other curers, except that a licence cannot be refused on the ground of (a) above, i.e. redundancy. The two-year period during which licences under the Board were valid expired in September, 1937, but in view of the proposed reorganisation of the industry licences were renewed as from January 1st, 1938. The general policy of the Board, which is undertaking a comprehensive survey of the nature and extent of existing curing facilities, has been to refuse licences for new bacon factories in view of the existing pig supply position. It has, however, been decided to grant a certain number of licences for new factories where such a course was warranted by particular circumstances and also in certain cases where curers decided to transfer their licences to new and improved premises and the new premises represented no increase in production capacity. The Board later added new conditions, to operate from 1st January, 1937, to licences held by bacon curers. These new conditions related mainly to the general hygiene of bacon factories and covered such matters as drainage, cleanliness and repair of premises and equipment, ventilation, lighting, and facilities for ensuring cleanliness of workers.

The Board is further empowered to purchase and dispose of redundant factories, to promote research in connexion with the production and marketing of bacon and pigs, and to exercise certain of the powers of the Pigs and Bacon Marketing Boards if such powers are delegated to it by either of these Boards. The Pigs Marketing Board, for example, may at present delegate the terms of sale of pigs to curers and the Bacon Board may delegate the power to regulate the quantity of bacon which may be sold by registered curers. It is proposed, under the Bacon Industry Bill to reconstitute the Board, increasing the number of independent members, and to give it wider powers of co-ordination and of control of policy than it has hitherto possessed.

(2) **Imported Supplies**

Imports of bacon and hams into the United Kingdom were not restricted by the Ottawa Agreements, but quantitative regulation of such imports was contemplated after the report of the Re-organisation Commission for Pigs and Pig Products had been received. In the Canadian Agreement, therefore, Canada was granted free entry for imports of bacon and hams into the United Kingdom up to a total of 2½ million cwt. per annum.

It was, however, found desirable to make emergency arrangements for the voluntary restriction of shipments of bacon and hams from the chief foreign exporting countries and these operated as from November, 1932. The restrictions were extended from time to time and further reductions in imports were effected during 1933. Towards the end of that year, however, the large number of pigs contracted for in Great Britain, combined with increased estimates of Dominion supplies, made it necessary to seek a much more substantial reduction in imports from foreign sources. It was not found possible to reach a voluntary agreement and the required reduction was therefore effected by the Bacon (Import Regulation) Order, 1933, which operated from 1st December, 1933. This order prohibited the importation into the United Kingdom (except under licence) of any bacon produced in the following countries, viz., Argentina, Estonia, Finland, Latvia, Lithuania, Netherlands, Poland, Sweden, U.S.A. and the U.S.S.R. (For the purposes of the Order, bacon is defined as including hams). A similar prohibition applied in the case of any other foreign country whose rate of exportation to the United Kingdom exceeded 400 cwt. per week; this latter provision was amended as from 1st January, 1936, by an Order which reduced to (a) 225 cwt. per week, or, (b) nine-sixteenths of the imports during 1934 or 1935 (whichever is the greater), the previous maximum of 400 cwt. per week for unlicensed imports from any unscheduled foreign country.

The allocations (given as a weekly average) for imports from foreign countries in the different quota periods are shown hereunder :—

		cwt.			cwt.
1934	March-Dec.	138,302	1937	Jan.-March	105,245
1935	Jan.-April	114,784		April-8th Sept.	104,088
	May-June	112,903		9th-30th Sept.	103,293
	July-Sept.	116,322		1st-14th Oct.	95,598
	Oct.-Dec.	101,371		15th Oct.-Dec.	103,691
1936	Jan.-April	101,711	1938	Jan.-April	102,361
	May-August	105,702		May-July	103,512*
	Sept.-Dec.	94,150		August-Sept.	101,842*

* The quota for each of the months July, August and September, 1938, was increased by a supplementary allocation of 10,000 cwt.

Since the cancellation of the 1937 pig contracts, imports have continued to be regulated with due regard to the supply situation while the position of the Pigs and Bacon Marketing Schemes is under examination.

The following table shows the estimated rate of shipment arranged for pork for curing from New Zealand and Australia since 1936 :—

	1936	1937	1938
	cwt.	cwt.	cwt.
New Zealand	350,000	460,000	380,000
Australia	130,000	200,000	(a)

(a) Not yet available.

The United Kingdom-Canada Trade Agreement of February, 1937 (superseding the Ottawa Agreement of 1932) continued free entry of Canadian bacon but modified the earlier Agreement by giving the United Kingdom the right to regulate imports from Canada should they expand towards the 2.5 million cwt. maximum at an abnormal rate so as to endanger the effective working of supply regulation. The total estimated shipments from 1st February, 1938, to 31st January, 1939, are 1,670,000 cwt. By arrangement with the Government of Eire, shipments of bacon from that country were to be at the rate of 551,400 cwt. in 1936 and 579,000 cwt. in 1937. For 1938 they have been increased to 595,000 cwt. The United Kingdom-Eire Trade Agreement of April, 1938, provides for measures of quantitative regulation of imports of bacon from Eire if necessary for the promotion of orderly marketing in the United Kingdom.

(3) Consumption

The larger home production has not yet been altogether sufficient to offset the reduction in imports, and, on these figures, supplies available for consumption in the United Kingdom have remained slightly below the figure of 10,670,000 cwt. recommended by the Lane-Fox Commission. The following table shows the quantity of bacon (including salted pork and tinned hams) available for consumption in the United Kingdom in the past four years (excluding the output of small curers) :—

Consumption of Bacon in the United Kingdom
(cwt.)

Year	Output in Great Britain (a)	Output in Northern Ireland	Net Imports	Total
1934	1,736,252	488,104	8,379,102	10,603,458
1935	2,376,891	583,507	7,604,003	10,564,401
1936	2,756,808	725,200	7,161,400	10,643,408
1937	2,448,186	662,579	7,518,322	10,629,087

(a) Excluding the output of unregistered curers.

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PREFACE

THE present volume, "Dairy Produce Supplies in 1938", reviews the trade in imported dairy produce, poultry and pig products for the past year and follows similar lines to previous volumes.

In addition to the comprehensive figures given for the United Kingdom, certain of the more important statistics of the external trade in dairy produce of other countries have also been included, together with short summaries of the trend of international trade. Recent legislative measures affecting the trade in dairy produce and allied commodities, both in this and other countries, have been added, as being of special significance at this time.

Most of the statistics given in this volume have already appeared in the Weekly Dairy Produce Notes, but here they have been brought together for convenience of reference. The trade figures for 1938 are in all cases provisional and subject to revision, but the amendments made when the Annual Statement of Trade of the United Kingdom is issued (generally towards the end of the year) are not, as a rule, important.

INTELLIGENCE BRANCH,
IMPERIAL ECONOMIC COMMITTEE.

July, 1939

United Kingdom Imports in 1938

International trade in butter and cheese was well maintained in 1938, while an increase was reported for eggs and pig products; the United Kingdom receives the greater part of the exports of these commodities. The total cost of all the items listed in Table 2 was about £124 millions during 1938, representing 29 per cent. of the value of imports of food, drink and tobacco into the United Kingdom in that year, compared with 27 per cent. in 1937 and 28 per cent. in the two preceding years. During 1938 imports of poultry and the chief pig products, except frozen and salted pork, declined, but imports of poultry products and butter increased, while receipts of cheese and processed milk totalled about the same as in 1937. On the basis of value, imports of butter last year regained from wheat the position of the chief single item of food imported into the United Kingdom.

The trade in dairy produce during 1938 was affected on the supply side by (1) heavy output in Australia, after two unfavourable seasons, and a consequent increase in exports of butter; (2) an appreciable reduction in New Zealand exports of butter, following a long-term expansion; (3) very favourable production conditions in European countries, exports from which increased considerably; (4) heavy output in both the United States and Canada, accompanied by the accumulation of very large stocks and (5) a further increase in imports into Germany. The policy of planned control of imports adopted in some degree by most importing countries was continued in 1938.

On the demand side, purchasing power, which had suffered a set-back towards the end of 1937, was probably further reduced last year. Prices for butter during the greater part of 1938 were exceptionally high and consumption in the first half of the year was the lowest since 1933, while even later consumption remained low in spite of reduced prices. With large imports and a decline in consumption, stocks were at a high level throughout the greater part of the year.

The check to the increase in the share of Empire countries in the United Kingdom's imports of dairy produce and allied products recorded for some of the chief commodities in 1936 and 1937 was last year extended to all except processed milk and live poultry. Production in the United Kingdom has accounted for an increasing proportion of supplies of many of these commodities, the reduction in the output of butter, cheese, eggs and bacon in 1937 having been followed by a recovery last year for all except eggs.

During 1934-36 prices of dairy produce rose to a greater extent than those of food products in general but in 1937 the increase was relatively less pronounced and last year, while food prices generally declined, dairy produce prices showed a further advance.

On the basis of declared values (which exclude duties), with 1911-13 equalling 100, the average price index for imported milk products and for pig products has been as follows:—

<i>Year</i>	<i>Milk products</i>	<i>Pig products</i>
1911-13	100	100
1930-32	99	107
1935	77	124
1936	87	127
1937	95	132
1938	101	135

The Board of Trade general wholesale price index fell by 1.4 per cent. between 1937 and 1938, while the food and tobacco group fell by 12.1 per cent.

Table 1 shows, by quantity, the total imports of each of the principal dairy, pig and poultry products during the six years 1933 to 1938, compared with the averages for 1911-13 and 1930-32. The figures for the 1911-13 period include imports into what is now Eire and exclude imports into Great Britain and Northern Ireland from Eire, and are therefore not strictly comparable with figures for the later years.

TABLE 1—Imports by quantity of dairy produce, poultry and pig products into the United Kingdom

Commodity	Average		1933	1934	1935	1936	1937	1938
	1911-13 (a)	1930-32						
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Butter	4,149	7,749	8,832	9,695	9,608	9,741	9,418	9,509
Cheese	2,318	3,000	3,040	2,989	2,714	2,676	2,936	2,928
Milk, fresh	6	63	69	78	36	27	16	4
Cream	9	151	111	85	75	77	76	53
Condensed milk	1,210	2,714	2,443	2,093	1,786	1,685	1,686	1,634
Milk powder (b)	46	322	287	256	225	245	306	359
	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.
Eggs	19,908	24,154	18,373	18,734	19,767	24,609	24,745	27,697
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Egg products	(c)	818	645	840	815	922	881	974
Poultry (dead)	(d) 262 000's.	583 000's.	500 000's.	452 000's.	423 000's.	422 000's.	506 000's.	445 000's.
Poultry (live)	(d) 878	1,038	429	384	411	650	903	747
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Bacon	4,787	10,572	9,084	7,598	6,927	6,570	6,926	6,868
Hams	903	879	869	728	677	672	674	664
Pork, fresh	391	311	195	144	143	116	54	37
Pork, frozen and salted	259	415	644	1,143	939	1,039	1,068	1,192
Tinned and canned								
Bacon and hams	(c)	(e)	(e)	98	80	80	76	77
Pork tongues	(c)	100	103	107	80	78	75	82
All other	(c)	54	72	11	10	11	10	11
Lard	1,627 000's.	2,494 000's.	2,885 000's.	2,809 000's.	1,531 000's.	1,521 000's.	1,471 000's.	1,443 000's.
Live pigs for food	—	399	144	134	128	121	43	48

(a) Figures for 1911-13 include imports into Eire from foreign countries and exclude imports into Great Britain and Northern Ireland from Eire.

(b) Including preserved milk, other kinds. (c) Not available.

(d) Average for 1912 and 1913 only. (e) Included in "Tinned and canned all other".

Table 2 gives details of the imports of these products by value for the same periods. The qualifications attached to Table 1 also apply to Table 2.

TABLE 2—Imports by value of dairy produce, poultry and pig products into the United Kingdom

Commodity	Average		1933	1934	1935	1936	1937	1938
	1911-13 (a)	1930-32						
	£000	£000	£000	£000	£000	£000	£000	£000
Butter	24,346	44,741	34,340	33,272	39,328	44,385	47,363	50,835
Cheese	7,196	10,252	7,612	7,015	6,649	7,784	9,253	9,684
Milk, fresh	3	40	28	26	15	13	8	1
Cream	35	636	327	248	229	255	276	252
Condensed milk	2,140	4,087	3,080	2,808	2,046	1,977	2,229	2,453
Milk powder (b)	87	706	498	478	414	444	619	720
Eggs	8,651	13,071	7,306	7,053	7,771	9,889	10,447	12,374
Egg products	(c)	3,017	1,883	1,947	1,935	2,483	2,515	3,404

(a) Figures for 1911-13 include imports into Eire from foreign countries and exclude imports into Great Britain and Northern Ireland from Eire.

(b) Including preserved milk, other kinds. (c) Not available.

TABLE 2—Imports by value of dairy produce, poultry and pig products into the United Kingdom—continued

Commodity	Average		1933	1934	1935	1936	1937	1938
	1911-13 (a)	1930-32						
Poultry (dead)	£000 (b) 881	£000 2,753	£000 1,961	£000 1,613	£000 1,690	£000 1,659	£000 1,981	£000 1,747
Poultry (live)	(b) 38	164	41	36	97	118	117	130
Bacon	15,483	34,824	29,928	30,047	27,394	27,258	29,287	30,921
Hams	2,905	3,634	3,066	3,125	3,068	2,989	3,154	3,016
Pork, fresh	1,044	1,069	499	379	343	290	149	129
Pork, frozen and salted	349	1,302	1,620	3,025	2,577	2,824	3,285	3,716
Tinned and canned								
Bacon and hams	(c)	(d)	(d)	521	471	471	467	484
Pork tongues	(c)	834	626	839	654	591	581	697
All other	(c)	323	322	31	31	35	30	35
Lard	4,142	5,859	4,953	3,856	4,291	3,940	4,148	3,138
Live pigs for food	—	1,956	301	385	474	403	180	225

(a) Figures for 1911-13 include imports into Eire from foreign countries and exclude imports into Great Britain and Northern Ireland from Eire.

(b) Average for 1912-13 only. (c) Not available. (d) Included in "Tinned and canned all other".

THE EMPIRE'S SHARE OF TOTAL IMPORTS

It is of interest to compare the proportion which imports of dairy produce and allied products from Empire countries bore to total imports of these commodities in 1938 with that for other recent years.

Milk products from the Empire had for a number of years to 1935 or 1936 formed an increasing share of the United Kingdom's imports of these commodities, but by 1937 it had become evident that this movement had been checked, although there has been no marked reversal of the trend. Recent years have witnessed also a rapid expansion of the Empire's contribution of pig products, but this was checked last year, while the decline in that of poultry (dead) and eggs continued. The Empire retained last year a virtual monopoly in fresh milk, fresh pork and live pigs for food, and it supplied the bulk of the cheese, live poultry, and frozen and salted pork, about one-half of the butter, cream and milk powder, but little more than one-quarter of the bacon and one-third of the hams. Contributions of condensed milk are growing and accounted for one-fifth last year, but those of eggs and tinned and canned pig products remain relatively small.

In comparison with the years 1930-32, the Empire's share of all these products, with the exception of eggs, live poultry and tinned and canned pig products, showed an increase in 1938, this being especially marked in respect of most pig products and condensed milk.

Table 3 shows for 1930-32, and annually for 1933 to 1938, the proportions of the total imports by weight of dairy produce, poultry and pig products into the United Kingdom which were contributed by Empire countries.

TABLE 3—Imports of dairy, poultry and pig products from Empire Countries as a proportion of total imports into the United Kingdom, 1930-32 to 1938

Commodity	Average 1930 -32	1933	1934	1935	1936	1937	1938
	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.
Butter	49	53	54	57	53	52	51
Cheese	88	92	92	88	90	89	89
Milk, fresh	90	100	100	100	100	100	100
Cream	49	45	46	46	55	53	50
Condensed milk	5	10	10	12	12	18	20
Milk powder	49	69	70	79	72	57	58
Eggs	25	33	31	24	19	15	13
Egg products	1	3	—	—	1	—	1
Poultry (dead)	20	23	35	31	31	29	26
Poultry (live)	89	68	47	70	73	60	83
Bacon	4	8	17	20	24	27	26
Hams	13	23	27	31	45	49	37
Pork, fresh	100	100	100	100	100	100	100
Pork, frozen and salted	47	58	47	70	79	78	73
Live pigs for food	100	100	100	100	100	100	100
Tinned and canned							
Bacon and hams	(a)	(a)	7	5	5	12	11
Pork tongues	4	1	1	1	2	2	1
All other	6	7	20	17	15	22	19
Lard	9	3	2	15	25	28	15

(a) Included in "Tinned and canned all other".

Imports of Fresh Milk

The total production of milk in the United Kingdom, excluding whole milk fed to livestock, was estimated at 1,583 million gallons in 1937-38, compared with 1,600 million gallons in 1936-37, and 1,597 million gallons at the 1935-36 census. The greater part of the home output is consumed as liquid milk; taking into consideration sales off farms, quantities consumed by farm households and imports, the consumption of liquid milk in the United Kingdom in recent years has probably been about one thousand million gallons. Total sales of milk for liquid consumption through the Milk Marketing Boards of Great Britain in the calendar year 1938 are estimated at 845 million gallons, compared with 787 million gallons in 1937 and 753 million gallons in 1936 (*see Appendix V, p. 119*). In comparison with home production, imports of liquid milk, which have been declining, are negligible.

Imports of fresh milk into the United Kingdom during 1938 were 74 per cent. less than in 1937, about 84 per cent. smaller than in 1936 and by far the lowest since the figures for Eire were separately distinguished. All supplies came from Eire. The bulk of the trade consists of a movement across the land boundary into Northern Ireland and the quantity imported direct into Great Britain is usually very small. Imports into Great Britain during 1938 amounted to only 171 cwt., as against 1,575 cwt. in 1937 and 1,066 cwt. in 1936.

The total imports in 1938, amounting to 4,226 cwt., were equivalent to 47,300 gallons.

Total imports of fresh milk from 1928 to 1938 were as follows:—

TABLE 4—Imports of fresh milk, 1928-38

Year	From Eire	From other countries	Total
	cwt.	cwt.	cwt.
1928	90,140	9,623	99,763
1929	56,054	—	56,054
1930	49,259	—	49,259
1931	69,653	13,457	83,110
1932	50,589	4,717	55,306
1933	69,075	114	69,189
1934	78,026	—	78,026
1935	35,630	88	35,718
1936	27,066	30	27,096
1937	16,385	71	16,456
1938	4,226	—	4,226

Imports are normally at their maximum in June or July, when production in Eire is at its peak. In 1938, however, output in Eire was low during the first few months of the year owing to unfavourable weather conditions and the lack of growth on pastures, and imports did not reach their maximum until August. Supplies in each of the first eight months of 1938 were much smaller than a year earlier, but from September to December exceeded the previous year's low figures.

Table 5 gives the imports during each month of the past six years.

TABLE 5—Monthly imports of fresh milk into the United Kingdom

Month	1933	1934	1935	1936	1937	1938
	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.
January	3,772	4,485	2,044	1,846	1,915	63
February	3,398	3,792	1,908	1,794	1,823	73
March	3,845	4,242	2,230	2,075	2,164	54
April	3,747	4,883	2,384	2,308	1,908	59
May	6,375	7,681	3,118	3,163	2,045	142
June	7,951	12,526	3,666	3,730	2,173	255
July	8,651	11,967	4,026	2,047	2,050	713
August	8,313	9,593	3,600	2,261	1,763	967
September	7,323	7,012	3,192	2,151	244	780
October	6,595	5,101	3,208	2,133	185	597
November	5,330	3,719	3,496	1,749	118	334
December	3,889	3,025	2,846	1,839	68	189
Total	69,189	78,026	35,718	27,096	16,456	4,226

Imports of Cream

The latest figure available for the production of cream on farms in Great Britain relates to the census year 1935-36, when it was estimated at 1,484,300 gallons (132,000 cwt). The output of fresh cream from creameries in the area of the Milk Boards in Great Britain was approximately 378,700 cwt. in 1938, compared with 376,500 cwt. in 1937, while the output of tinned cream was about 135,800 cwt. as against 165,200 cwt. in 1937. In addition, the production of cream by Northern Ireland creameries totalled 472,600 gallons in 1938, as compared with 833,400 gallons in 1937.

Under the voluntary agreement of June, 1933,* imports of cream have been reduced from the high level of the immediately preceding years and home supplies now account for nearly all the cream consumed in the United Kingdom.

Imports of cream into the United Kingdom during 1938 were 30 per cent. lighter than in 1937 and smaller than in any year since 1923; entries from Empire countries comprised 50 per cent. of total imports in 1938, compared with 53 per cent. in the preceding year. Receipts of *fresh cream*, almost all from Eire, declined by 38 per cent. and comprised only 47 per cent. of the total last year, as against 54 per cent. in 1937. Imports of *other sorts* (including tinned) were reduced by 20 per cent.; supplies from Denmark declined by 18 per cent. and those from the Netherlands by 73 per cent., but shipments from New Zealand were 42 per cent. greater than a year earlier.

Table 6 gives details of the imports of cream in the six years 1933 to 1938.

In addition there is a considerable trade in bulk cream from Northern Ireland to Great Britain, which is, of course, excluded from these figures. Complete details are not available, but according to figures supplied by the Ministry of Commerce, shipments of cream from Northern Ireland ports in 1938 totalled 34,415 cwt., as compared with 62,002 cwt. in 1937. Actual shipments of fresh cream from Northern Ireland creameries comprised 308,069 gallons in 1938, against 571,265 gallons in 1937.

TABLE 6—Imports of cream into the United Kingdom

Country whence consigned	1933	1934	1935	1936	1937	1938
Eire	cwt. 49,482	cwt. 38,297	cwt. 34,093	cwt. 41,801	cwt. 38,946	cwt. 25,192
Other Empire countries	7	1,073	1	217	957	1,366
Denmark	58,566	44,764	40,229	33,160	33,425	25,690
Netherlands	2,153	1,242	288	1,460	2,309	693
Norway	26	9	53	26	30	10
Germany	263	—	—	—	—	—
Other foreign countries	119	13	6	4	24	36
Total Empire countries	49,489	39,370	34,094	42,018	39,903	26,558
Total foreign countries	61,127	46,028	40,576	34,650	35,788	26,429
Total all countries	110,616	85,398	74,670	76,668	75,691	52,987
<i>Re-exports</i>	509	228	74	64	46	38
Net Imports	110,107	85,170	74,596	76,614	75,645	52,951

* Since June, 1939, replaced by the Processed Milk (Import Regulation) Order, 1939, under which quotas for imports of processed milks are fixed annually (see Appendix II, p. 104).

Imports of cream tend to be heaviest in summer and lightest at the beginning of the year; imports in 1938, as in 1937, were heaviest in July and lightest in February. Supplies in each month of last year were considerably smaller than in the corresponding months of the preceding year, owing to the general decline in receipts from Eire and the Continent.

Table 7 gives the monthly imports of cream into the United Kingdom during the past six years, excluding imports from Eire across the land boundary.

TABLE 7—*Monthly imports of cream into the United Kingdom (a)*

Month	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	5.1	4.7	2.9	3.7	5.3	3.3
February	6.4	4.1	3.2	3.8	3.8	2.9
March	8.7	4.6	4.4	4.9	5.6	4.6
April	9.0	5.8	5.1	5.9	5.7	4.2
May	11.5	7.7	6.2	5.9	5.5	4.3
June	13.7	11.1	8.9	8.1	8.6	5.1
July	15.5	16.5	11.7	11.3	10.7	7.5
August	11.6	11.2	8.5	6.5	7.0	4.6
September	11.0	5.4	5.5	6.6	7.0	4.0
October	7.8	5.3	6.1	5.9	5.7	4.1
November	5.1	3.8	5.2	6.2	4.9	3.2
December	5.1	5.2	7.0	7.8	5.9	5.2
Total	110.5	85.4	74.7	76.6	75.7	53.0

(a) Excluding imports from Eire across the land boundary; these are now negligible.

Table 8 gives details of the monthly imports of cream from the chief sources in 1937 and 1938, with separate figures for "fresh" cream and "other kinds".

TABLE 8—*Monthly imports of cream into the United Kingdom during 1938*

Month	Eire				Denmark		Total*			
	Fresh cream		Other kinds		Other kinds		Fresh cream		Other kinds	
	1938	1937	1938	1937	1938	1937	1938	1937	1938	1937
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	1.4	2.3	0.1	0.1	1.4	1.7	1.4	2.5	1.9	2.8
February	1.3	1.3	—	0.1	1.3	1.2	1.3	2.3	1.6	1.5
March	1.7	1.5	—	—	2.5	3.0	1.7	2.3	2.9	3.3
April	1.4	2.0	—	—	2.3	3.1	1.4	2.0	2.8	3.7
May	2.0	2.5	0.1	0.1	2.2	2.7	2.0	2.5	2.3	3.0
June	2.8	3.7	0.1	0.2	2.1	4.5	2.9	3.7	2.2	4.9
July	2.6	4.8	—	0.1	4.9	5.2	2.6	5.1	4.9	5.6
August	2.2	4.3	0.1	0.1	2.3	2.6	2.3	4.3	2.3	2.7
September	2.2	4.4	—	—	1.7	2.5	2.3	4.4	1.7	2.6
October	2.0	3.2	—	—	2.0	2.4	2.0	3.3	2.1	2.4
November	1.8	3.4	—	—	1.4	1.4	1.8	3.4	1.4	1.5
December	3.4	4.9	—	—	1.5	1.0	3.4	4.9	1.8	1.0
Total	24.8	38.3	0.4	0.7	25.6	31.3	25.1	40.7	27.9	35.0

* Including "Other countries".

The Butter Market

The quantity of butter entering international trade increased up to 1935, and has since remained fairly stable.

Total imports of butter into the United Kingdom in the year 1938 were slightly greater than in 1937, but 2 per cent. below the record figure for 1936; re-exports declined and the increase in actual net exports amounted to 1 per cent.

Trade in butter in 1938 was marked by several features, of which the following were of particular significance:—(1) A marked recovery in Australian production, following two unfavourable seasons, with a consequent increase in exports; (2) an appreciable reduction in New Zealand output, with a reversal of the long-term upward trend in exports; (3) very favourable production conditions in European countries, exports from which expanded considerably; (4) the absence of exports from the U.S.S.R.; (5) a further increase in imports into Germany; (6) heavy output in the United States and Canada and the accumulation of abnormally large stocks in these countries; (7) a continuance of the upward trend in butter prices apparent since 1935 and a marked net increase in storage stocks in the United Kingdom, so that apparent consumption of imported butter fell away and the consumption of margarine increased considerably.

Towards the end of the year Australian production was severely curtailed by adverse weather conditions and shipments were rapidly declining, but by the end of the first quarter of 1939 a considerable improvement was recorded, while New Zealand production was severely reduced through the development of drought conditions. Cold weather during the winter of 1938-39 and the widespread incidence of foot-and-mouth disease affected exports from some European countries. Production and stocks in the United States and Canada remained unusually high in the early months of 1939 and relatively large quantities were shipped from the latter country to the United Kingdom.

Home production and consumption.—The production of creamery butter in Great Britain increased rapidly during the first three years of the Milk Marketing Schemes but declined heavily in 1937; some recovery was recorded in 1938, when output in the areas administered by the Milk Boards was 3 per cent. greater than in 1937, but remained lighter than in 1936 and 1935. Creamery butter production in Northern Ireland has shown somewhat similar movements to those in Great Britain during recent years but the recovery last year was much more pronounced, output being 31 per cent. heavier than in 1937. Figures for the production of creamery butter in recent years are as follows:—

<i>Year</i>	<i>Great Britain</i> cwt.	<i>Northern Ireland</i> cwt.	<i>Total</i> cwt.
1930*	94,400	38,000	132,400
1934	182,900	48,400	231,300
1935	357,200	63,700	420,900
1936	469,900	65,600	535,500
1937	330,700	48,900	379,600
1938	340,300	63,900	404,200

The latest available figures for farm butter production in Great Britain relate to the census year 1935-36, when output was estimated at only 436,800 cwt., as against 702,800 cwt. in 1930-31; a further decline may since have taken place. A similar though less drastic movement has occurred in Northern Ireland, where farm output declined from 125,000 cwt. in 1930-31 to 84,800 cwt. in 1936-37.

Total production in the United Kingdom in 1935-36 was slightly over one million cwt. as compared with 950,000 cwt. in 1930-31. It is believed that in 1938 the total may have been in the neighbourhood of 925,000 cwt. At this figure, and taking the apparent consumption of imported butter in 1938 at 9·290,000 cwt., obtained on the basis of net imports and the Committee's figures for stocks in cold storage (*see* page 24), the consumption of all butter in the United Kingdom showed a further decline in 1938 and was equivalent to no more than 24·1 lb. per head of the population, as against 24·8 lb. per head in 1937; this was the lowest figure recorded since 1933.

* Census figure.

While butter consumption has tended to decline during the past few years, the consumption of margarine has been increasing. According to the Committee's figures, the apparent consumption of margarine in the United Kingdom in 1938 was in the region of 211,400 tons, compared with 186,800 tons in 1937, an increase of 13 per cent. On this basis, the consumption per head of the population last year was 10 lb., as against 8.9 lb. in 1937, and was greater than in any year since 1931.

The trend of consumption of butter and margarine per head in the United Kingdom in recent years, from the available data, may be seen in the following figures :—

<i>Year</i>	<i>Butter</i> lb.	<i>Margarine*</i> lb.
1930	18.7	11.8
1931	20.9	10.3
1932	21.6	9.2
1933	23.5	8.4
1934	25.2	7.9
1935	25.2	8.4
1936	25.0	8.6
1937	24.8	8.9
1938	24.1	10.0

Sources of supply.—Imports from Empire countries declined further during 1938 and accounted for 51 per cent. of gross imports, as against 52 per cent. in 1937 and 53 per cent. in 1936. Supplies from foreign sources, however, increased by 4 per cent. and were greater than in any previous year.

New Zealand was again the principal source of supply last year but sent 13 per cent. less than in 1937 and accounted for only 27 per cent. of total imports, as compared with 31 per cent. in the preceding year. Imports from Denmark, the second most important source of supply, increased by 5 per cent. and comprised 25 per cent. of the total, against 24 per cent. in 1937. The recent decline in imports from Australia was checked last year, when receipts from that country were 21 per cent. heavier than a year earlier and accounted for 19 per cent. of the total, as compared with 16 per cent. in 1937. Entries from the Netherlands amounted to about the same in both years. There was a remarkable expansion in supplies from Baltic and Scandinavian sources but receipts from central European countries, with the exception of Czechoslovakia, were reduced. Shipments from Eire increased by 2 per cent. Imports from Argentina declined by 31 per cent. and for the first time since 1922 supplies from the U.S.S.R. were entirely absent.

Among smaller Empire sources of supply, imports from the Union of South Africa were 64 per cent. lighter than in 1937, while supplies from Kenya also were reduced but those from South West Africa totalled about the same as in 1937. Shipments from Canada last year were 6 per cent. smaller than a year earlier.

Table 9 gives details of the imports of butter in 1913, and the six years 1933 to 1938.

In this and subsequent tables of a similar type the particulars refer to the country from which the goods were consigned (i.e. the place from which they were procured by the importer), and not necessarily to the country of origin. But from an inquiry conducted by the Board of Trade during 1931, it is apparent that, in the case of butter, the country whence consigned is nearly always also the country of origin.

*Figures for 1930-33 from Chairman's Speech, 6th Annual Report of Unilever, Ltd., April, 1934. Figures for 1934-38 based on special returns furnished by manufacturers to the Imperial Economic Committee.

TABLE 9—Imports of butter into the United Kingdom

Country whence consigned	1913	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
New Zealand	252	2,512	2,677	2,638	2,792	2,951	2,582
Australia	594	1,692	2,104	2,113	1,694	1,491	1,798
Eire	(a)	379	468	488	468	320	327
Canada	1	33	—	63	40	32	30
Union of South Africa	—	25	21	82	75	69	25
South West Africa	—	6	3	33	38	25	26
Territory							
Kenya	(b)	5	8	13	21	20	14
Other Empire countries	1	2	3	5	1	2	1
Denmark	1,707	2,519	2,486	2,186	2,172	2,258	2,365
Netherlands	153	146	301	464	745	717	712
U.S.S.R.	751	563	491	503	412	273	—
Latvia	(c)	146	156	193	196	217	340
Sweden	332	227	302	184	149	205	300
Lithuania	(c)	104	141	181	211	205	228
Finland	(c)	134	151	116	160	158	210
Poland	(d)	—	50	99	189	105	199
Estonia	(c)	84	123	119	116	160	183
Hungary	—	32	40	18	35	42	21
Austria	—	8	25	19	36	26	15
Norway	20	3	—	—	—	—	13
Czechoslovakia	(e)	—	—	—	—	4	11
Belgium	(e)	2	14	—	16	1	5
France	249	1	15	7	29	6	—
Germany	—	4	4	—	—	1	—
Argentina	73	202	111	69	143	130	90
Uruguay	(e)	—	—	—	1	—	6
Japan	(e)	—	—	—	1	—	8
Other foreign countries	6	3	1	15	1	—	—
Total Empire countries	848	4,654	5,284	5,435	5,129	4,910	4,803
Total foreign countries	3,291	4,178	4,411	4,173	4,612	4,508	4,706
Total all countries	4,139	8,832	9,695	9,608	9,741	9,418	9,509

(a) Not separately distinguished before April, 1923.

(b) Included in "Other Empire countries". (c) Included in Russia.

(d) Included in Russia, Germany and Austria-Hungary.

(e) Included in "Other foreign countries".

Seasonal variation.—Imports of butter into the United Kingdom are normally greater in the first half of the year than the second. In the first six months of 1938 imports were 2 per cent. heavier than in the same period of 1937, but in the last six months totalled about the same as a year earlier. Compared with 1937, lighter imports in January, May and December were due to much smaller supplies from New Zealand, while the absence of shipments from the U.S.S.R. also reduced imports in June, August and October.

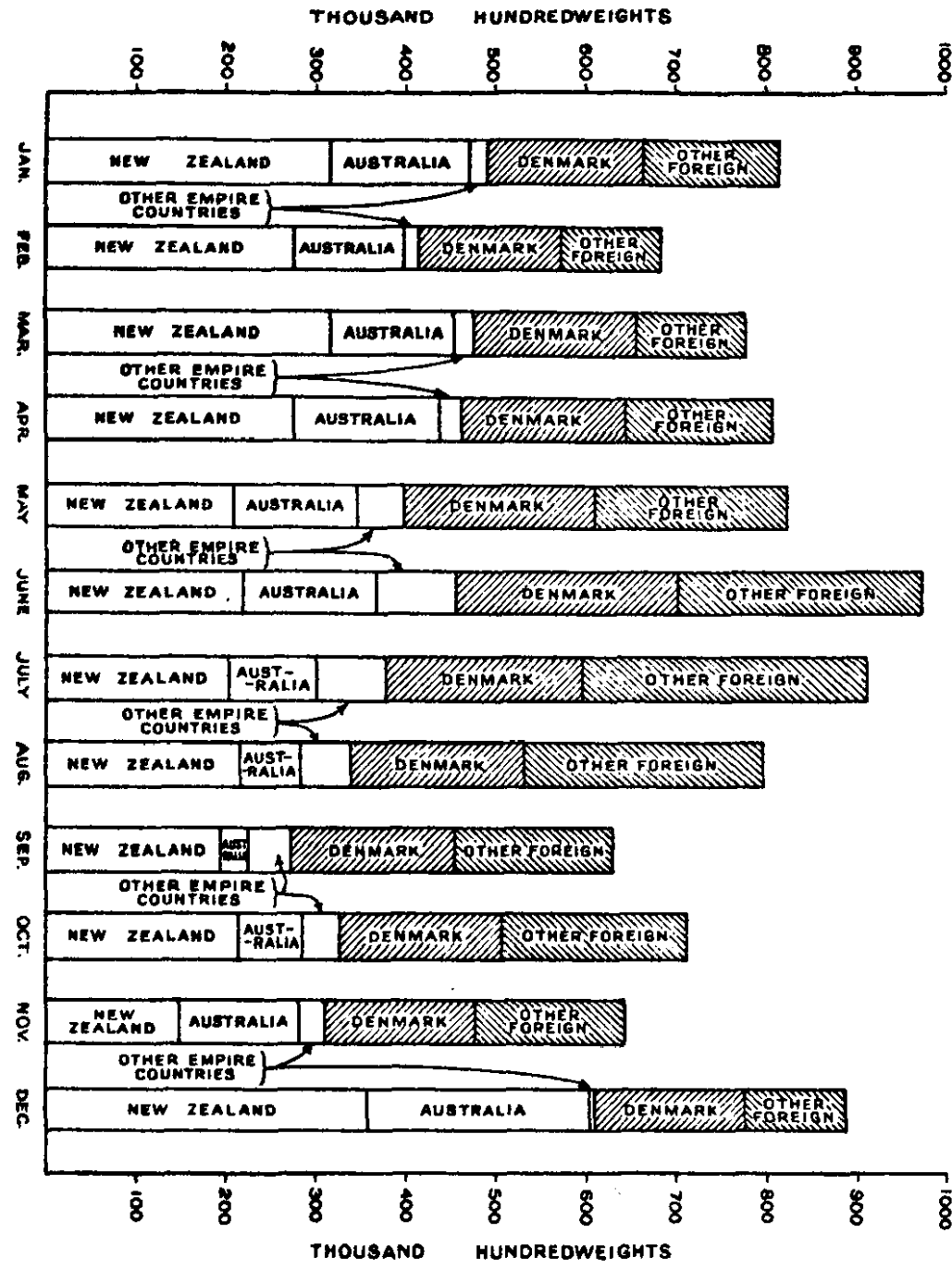
Table 10 shows the monthly imports of butter in 1913 and in the six years 1933 to 1938.

TABLE 10—Monthly imports of butter into the United Kingdom

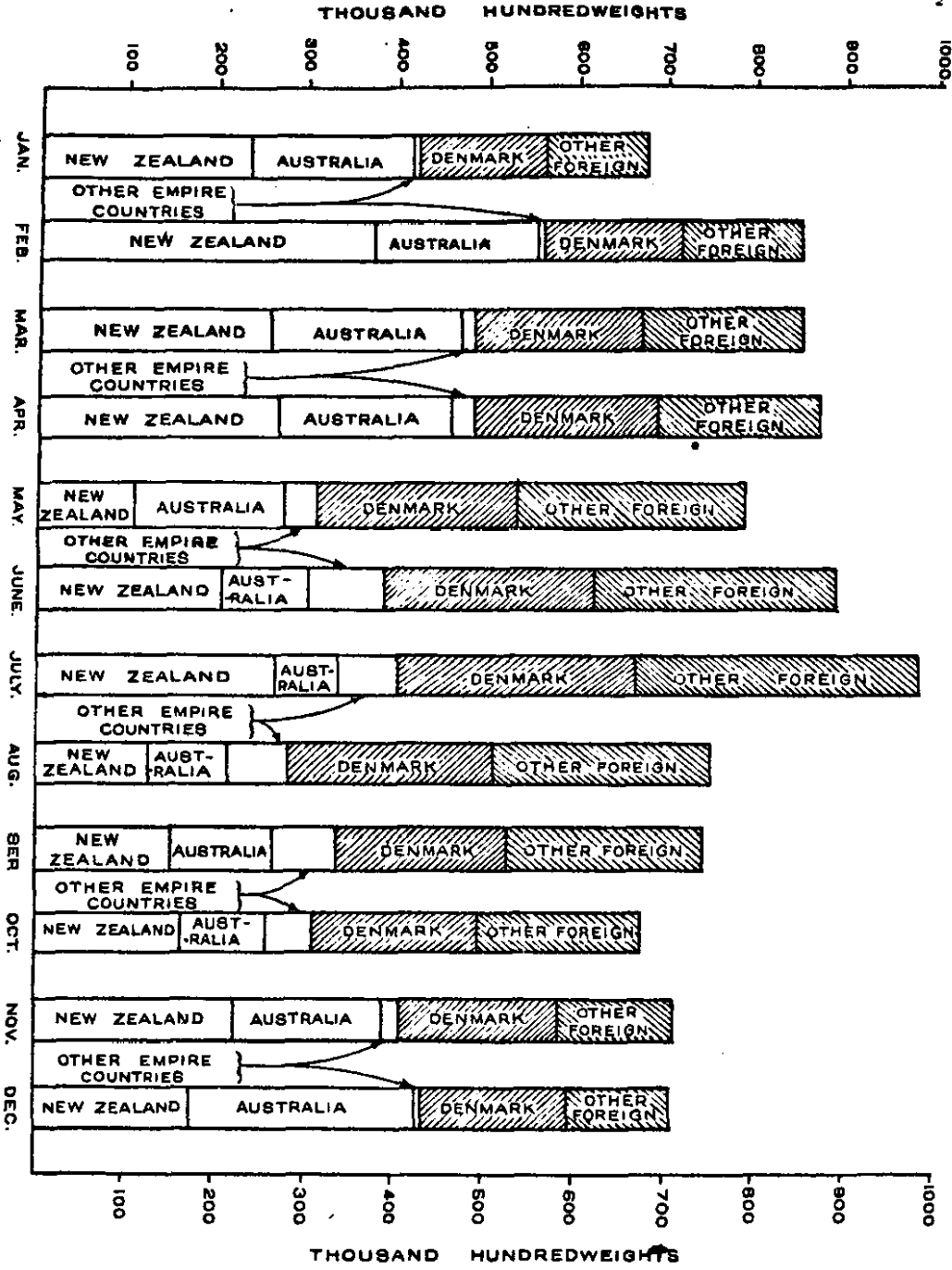
Month	1913 (a)	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	365	745	900	778	781	811	679
February	350	626	790	672	720	677	849
March	303	829	938	894	748	773	851
April	371	765	734	892	860	803	872
May	326	767	988	959	912	820	789
June	364	853	991	850	876	964	892
July	462	732	958	914	929	910	984
August	335	818	806	858	735	794	753
September	328	642	562	670	851	629	742
October	270	600	729	715	771	708	679
November	307	641	592	596	713	641	710
December	358	814	707	810	845	888	709
Total	4,139	8,832	9,695	9,608	9,741	9,418	9,509

(a) Excluding imports from Eire.

17



1937.



1938.

FIGURE 1. MONTHLY IMPORTS OF BUTTER FROM EMPIRE AND FOREIGN COUNTRIES IN 1937 AND 1938.

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Table II shows the monthly imports of butter from each principal country or group of countries during 1938. It indicates the complementary nature of Southern Hemisphere and European supplies, but also shows the extent to which seasonal fluctuations in imports from Denmark, New Zealand and Australia have been overcome. Seasonal variation is most pronounced in Irish and Eastern European supplies. Compared with 1937, there was a tendency for fluctuations in arrivals from most of the principal sources to be less pronounced, an improvement in the regularity of Australian shipments being especially noticeable.

TABLE II—*Monthly imports of butter from chief countries of consignment in 1938*

Month	Australia	New Zealand	Eire	Denmark	Netherlands	Sweden, Finland	Baltic Countries ^(a)	Argentina	Other Countries	Total
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	184	234	1	144	31	24	44	8	9	679
February	177	378	1	156	28	37	57	3	12	849
March	211	259	1	195	51	52	63	—	19	851
April	192	268	1	213	70	46	65	—	17	872
May	166	112	29	221	90	67	84	7	13	789
June	100	207	75	230	96	51	98	21	14	892
July	65	270	64	266	82	63	158	9	7	984
August	86	128	55	227	80	45	109	6	17	753
September	113	155	45	192	62	40	101	8	26	742
October	94	166	36	183	51	36	88	1	24	679
November	160	227	18	175	33	24	50	10	13	710
December	250	178	1	163	38	25	33	17	4	709
Total	1,798	2,582	327	2,365	712	510	950	90	175	9,509

(a) Estonia, Latvia, Lithuania and Poland.

Figure 1 shows diagrammatically the monthly imports of butter in 1937 and 1938 from Empire and foreign sources.

EXPORTS OF IMPORTED BUTTER

Details of the exports of imported butter in 1913 and 1933 to 1938 are given in Table 12.

TABLE 12—*Re-exports of butter from the United Kingdom*

Destination	1913	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Channel Islands	(a)	12.0	15.8	16.1	16.1	16.1	15.4
Eire	(b)	0.2	0.5	—	—	10.9	3.6
Canada	6.6	3.0	25.1	1.2	1.0	1.0	11.1
Bermudas	(a)	4.0	5.4	5.2	5.9	6.0	4.5
Malta and Gozo	(a)	5.4	5.8	7.2	6.2	7.1	4.0
Other Empire countries	25.9	17.7	12.4	15.5	15.6	31.8(c)	18.1
Germany	2.1	13.5	2.7	8.9	1.1	17.1	15.3
Italy	3.7	—	0.5	—	—	5.2	0.4
Belgium	18.9	8.9	9.2	5.5	4.4	5.4	0.2
Netherlands	21.5	2.9	3.6	1.4	0.5	0.8	0.2
France	7.0	8.8	6.3	0.4	1.0	0.1	—
Switzerland	(d)	0.4	0.1	0.1	0.9	1.1	—
Canary Islands	(d)	1.8	2.0	2.8	1.7	0.1	0.1
Egypt	(d)	3.4	2.5	3.0	3.7	3.6	4.0
United States of America	13.1	1.4	1.5	57.0	8.9	6.1	1.0
Other foreign countries	6.9	2.3	5.8	3.1	4.4	1.8	1.1
Total Empire countries	32.5	42.3	65.0	45.2	44.8	72.9	56.7
Total foreign countries	73.2	43.4	34.2	82.2	26.6	41.3	22.3
Total all countries	105.7	85.7	99.2	127.4	71.4	114.2	79.0

(a) Included in "Other Empire countries". (b) Not separately recorded.

(c) Including 16,103 cwt. to the Union of South Africa.

(d) Included in "Other foreign countries".

Re-exports of butter from the United Kingdom in 1938 were 31 per cent. lighter than in 1937 and below the figure recorded for any recent year except 1936, when they were unusually small. Shipments to Empire countries were 22 per cent. lighter than in the preceding year but heavier than in either 1935 or 1936, while supplies to foreign countries fell well below those in other recent years.

Prices

During the past few years butter prices on the United Kingdom market have recovered to a very large extent from the severe decline experienced between 1929 and 1934. Annual average prices for box butter in 1938 were above those recorded for 1931, but still appreciably below the 1930 level; prices for the chief varieties of cask butter last year were at approximately the same level as in 1931.

The year 1938 opened with stocks in store the lowest since 1931 and box butter prices appreciably above those of a year earlier. The margin narrowed rapidly from May to September, and in the last quarter quotations fell below the 1937 figures. A sharp recession in prices occurred in June, but the decline in the next three months was slight, owing to smaller prospective and actual arrivals from New Zealand. Later, the high level of stocks and the knowledge of favourable production conditions in Australia, together with the continuance of large supplies from European sources, caused prices to fall sharply in October and November, but quotations in December were firmer, as a result of a prospective reduction in Southern Hemisphere shipments.

Prices for Danish butter were above those of a year earlier during the first nine months of 1938, with the exception of March; the margin, however, contracted rapidly during the summer and quotations in the last quarter of the year fell below the 1937 figures. Prices were declining in the first quarter of 1938, as a result of rapidly increasing supplies, but recovered in April and May and thereafter were, on the whole, fairly stable until October; there was a marked upward movement in the last two months of the year.

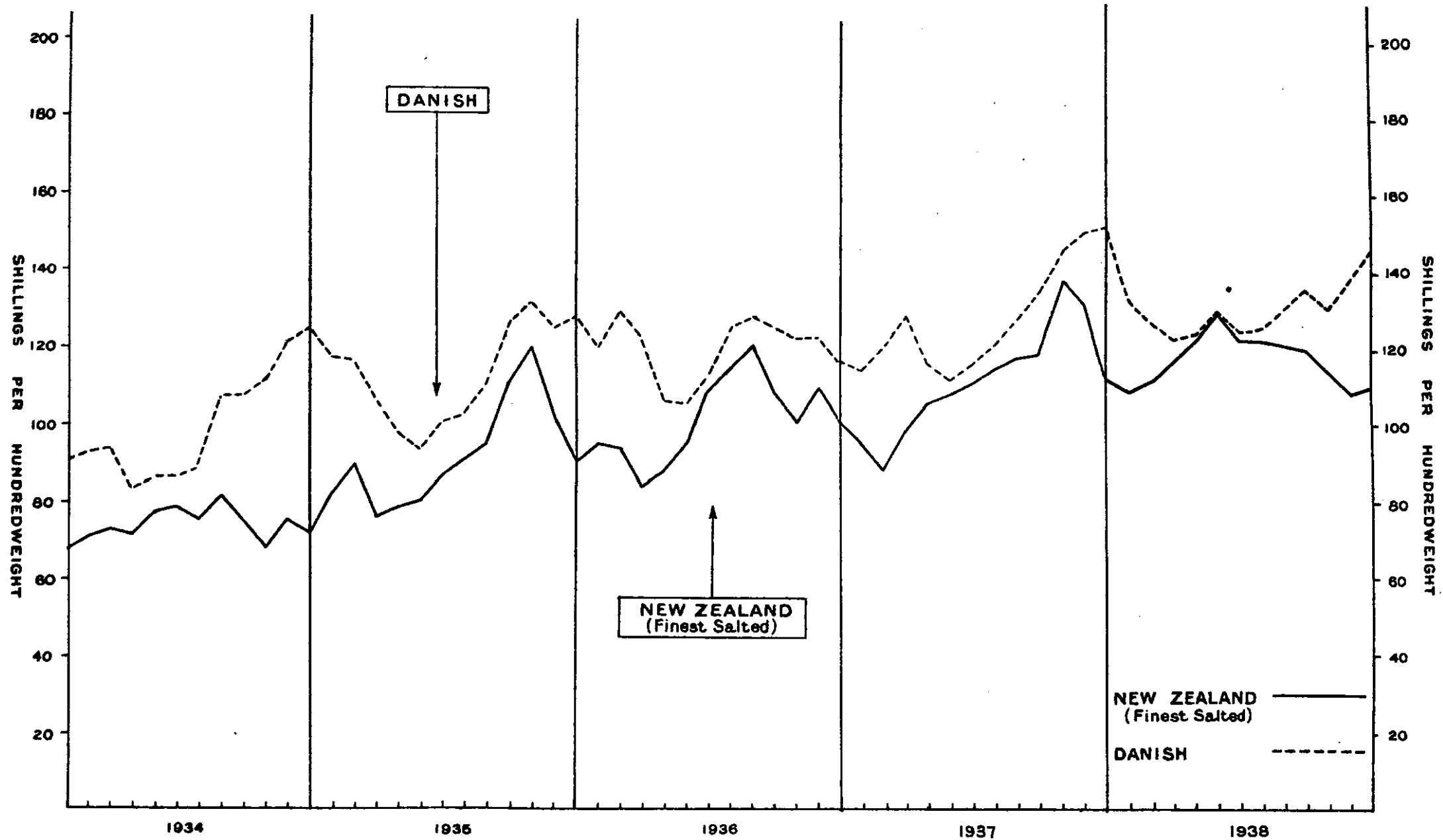
For the year as a whole New Zealand finest salted and Australian choicest salted butter averaged 6 per cent. and 5 per cent., respectively, more than in 1937, compared with an advance of 9 per cent. for each between 1936 and 1937; quotations for Danish rose by 2 per cent., following an increase of 6.5 per cent. between 1936 and 1937. The spread between quotations for Danish and New Zealand butter was thus further reduced last year, averaging only 11 per cent., as compared with 15 per cent. in 1937.

Monthly prices of these three classes at London in 1936, 1937 and 1938 are given in Table 13, the figures being taken from the weekly quotations of the London Provision Exchange and representing the average of top quotations of a range.

TABLE 13—Average monthly prices of butter at London

Month	New Zealand finest salted			Australian choicest salted			Danish											
	1936	1937	1938	1936	1937	1938	1936	1937	1938									
	Per cwt.		Per cwt.		Per cwt.		Per cwt.		Per cwt.									
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.								
January	95	0	94	6	110	0	94	3	109	3	119	6	113	0	132	3		
February	93	9	86	6	112	0	92	6	86	6	111	9	129	0	119	6	127	0
March	84	3	96	3	117	3	84	0	96	6	117	3	122	6	126	9	122	6
April	88	3	105	0	122	6	87	9	104	6	122	3	106	0	115	0	123	6
May	94	6	107	0	129	6	93	3	106	0	126	6	104	6	110	6	129	6
June	108	3	110	0	122	0	107	0	108	6	119	3	115	6	114	9	124	3
July	114	9	114	0	122	0	113	6	112	9	120	3	124	6	120	3	125	0
August	119	6	116	6	121	0	118	3	115	9	118	0	127	6	126	6	130	3
September	107	9	117	6	120	0	107	6	117	3	116	0	125	3	134	6	135	9
October	99	9	137	0	114	6	100	0	136	9	111	0	122	6	145	0	130	9
November	109	0	131	6	108	3	107	9	130	0	103	9	122	6	150	0	138	9
December	100	6	113	3	109	6	98	9	111	6	107	3	114	9	151	9	144	6
Average	101	3	110	9	117	6	100	6	110	0	115	3	119	6	127	3	130	3

FIGURE 2. PRICES OF NEW ZEALAND AND DANISH BUTTER AT LONDON 1934 TO 1938.



The trend of prices for New Zealand and Danish butter from 1934 to 1938 is shown graphically in Figure 2.

Average monthly prices for certain other types of imported butter in 1938 are given in Table 14, the prices being from the weekly quotations of the London Provision Exchange, except for Irish, where quotations at Liverpool have been taken, and Swedish and Finnish, for which the prices issued by the Manchester Wholesale Provision Association have been adopted. All of these descriptions averaged more than in the previous year.

TABLE 14—Average monthly prices of butter during 1938

Month	New Zealand finest unsalted	Australian choicest unsalted	Irish Creamery salted *	Swedish †	Finnish †	Argentine finest unsalted	Dutch creamery unsalted	Lithuanian unsalted
	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.
January	113 3	110 9	139 0	132 0	132 0	108 0(a)	112 6	115 9
February	114 6	114 0	133 0	118 6	118 6	—	113 9	115 0
March	120 3	119 3	132 0	118 9	118 9	—	115 9	118 0(a)
April	124 6	123 6	127 0	122 9	122 9	—	120 3	122 0
May	131 3	128 3	131 0	128 0	128 0	—	123 3	127 9(a)
June	124 0	121 6	117 0	122 3	122 3	—	113 0	115 9
July	123 3	121 6	120 0	120 0	120 0	—	113 3	114 9
August	122 0	118 9	119 0(a)	122 9	122 6	—	109 3	111 3
September	120 9	116 9	—	126 0	125 6	109 9(a)	111 6	—
October	116 0	112 9	113 0	121 9	121 9	—	109 0	110 6
November	111 6	105 6	111 0	129 3	129 3	—	108 9	—
December	113 3(a)	109 9	112 0	134 0	134 0	105 0	121 9	111 6
Average 1938	119 6	116 9	123 0(b)	124 9	124 6	—	114 3	116 3(c)
Average 1937	110 9(b)	111 3	119 0	122 9	122 9	—	110 3	—

* At Liverpool.

† Official quotations of the Manchester Wholesale Provision Association.

(a) Three quotations.

(b) Eleven months.

(c) Ten months.

Home-produced butter.—The price of home-produced farm butter tends to vary seasonally with production rather than with the price of imported butter. The average price of English farm butter at about 20 country markets reporting to the Ministry of Agriculture rose appreciably between 1934 and 1937, but there was only a slight increase, equal to no more than 3 per cent., in 1938. Prices were higher than a year earlier except in August and the last quarter of the year. The lowest weekly average of 1s. 3½d. occurred in June and the highest of 1s. 6¼d. in January; prices at the end of the year, although showing the usual seasonal advance, did not, as in other recent years, rise above those at the beginning of the year.

Prices of creamery butter are more closely related to those of imported descriptions. The average price of first quality in 1938, according to the weekly quotations of the English Butter Makers and Butter Packers Association, increased by 2 per cent. between 1937 and 1938, a much smaller advance than in the preceding year.

Table 15 shows the average monthly prices of first quality English butter during the past three years.

TABLE 15—Average monthly prices of first quality English butter

Month	First quality farm butter*			Finest quality creamery butter†		
	1936	1937	1938	1936	1937	1938
	Per lb. s. d.	Per lb. s. d.	Per lb. s. d.	Per lb. s. d.	Per lb. s. d.	Per lb. s. d.
January	1 3 $\frac{1}{2}$	1 4 $\frac{1}{2}$	1 6	1 1 $\frac{1}{2}$	1 2	1 6
February	1 3 $\frac{1}{2}$	1 4 $\frac{1}{2}$	1 5 $\frac{1}{2}$	1 1 $\frac{1}{2}$	1 2	1 4 $\frac{1}{2}$
March	1 3 $\frac{1}{2}$	1 4 $\frac{1}{2}$	1 5 $\frac{1}{2}$	1 0 $\frac{1}{2}$	1 2	1 4
April	1 2 $\frac{1}{2}$	1 4	1 5	1 0 $\frac{1}{2}$	1 2	1 3
May	1 1 $\frac{1}{2}$	1 2 $\frac{1}{2}$	1 4 $\frac{1}{2}$	1 0 $\frac{1}{2}$	1 2 $\frac{1}{2}$	1 3 $\frac{1}{2}$
June	1 0 $\frac{1}{2}$	1 2	1 4	1 1 $\frac{1}{2}$	1 2 $\frac{1}{2}$	1 3 $\frac{1}{2}$
July	1 2	1 3 $\frac{1}{2}$	1 4 $\frac{1}{2}$	1 2 $\frac{1}{2}$	1 2 $\frac{1}{2}$	1 3 $\frac{1}{2}$
August	1 2 $\frac{1}{2}$	1 4 $\frac{1}{2}$	1 4 $\frac{1}{2}$	1 3	1 3 $\frac{1}{2}$	1 3 $\frac{1}{2}$
September	1 3 $\frac{1}{2}$	1 4 $\frac{1}{2}$	1 4 $\frac{1}{2}$	1 2 $\frac{1}{2}$	1 3 $\frac{1}{2}$	1 3 $\frac{1}{2}$
October	1 3 $\frac{1}{2}$	1 5 $\frac{1}{2}$	1 5	1 2	1 5	1 3
November	1 4	1 6 $\frac{1}{2}$	1 5 $\frac{1}{2}$	1 2 $\frac{1}{2}$	1 6 $\frac{1}{2}$	1 2 $\frac{1}{2}$
December	1 4 $\frac{1}{2}$	1 6 $\frac{1}{2}$	1 5 $\frac{1}{2}$	1 2 $\frac{1}{2}$	1 6	1 2 $\frac{1}{2}$
Average for Year	1 3	1 4 $\frac{1}{2}$	1 5	1 1 $\frac{1}{2}$	1 3 $\frac{1}{2}$	1 3 $\frac{1}{2}$

* At Country Markets in England and Wales.

† From the weekly quotations of the English Butter Makers and Butter Packers Association.

IMPORTS OF BUTTER INTO UNITED KINGDOM PORTS

From the special weekly returns of imports into all ports received by the Committee, it is possible to present a picture showing the distribution of butter imports among the various ports in the United Kingdom for an approximate twelve months period. Total imports recorded in this connection from 30th December, 1937, to 28th December, 1938, amounted to 9,524,000 cwt., compared with 9,508,500 cwt. in the calendar year 1938 (see Table I). The figures represent the port of arrival of the butter and not the final destination, i.e., they exclude movements by rail, road or by coastal steamers to other areas.

In general, the ports of arrival for butter are those most conveniently situated for the exporting country. London, however, occupies the predominant position, owing to the heavy concentration of Southern Hemisphere shipments at this port; it handles also most, if not all, of the butter from the minor European exporting countries. During the period under review some 48 per cent. of the total imports of butter for which details are available arrived at London, compared with 51 per cent. in 1937. Hull displaced Grimsby, which receives only Danish butter, as the second largest port of entry; it took 10 per cent. of the total, against 8 per cent. in the preceding period, largely owing to increased supplies from Scandinavian and Baltic countries. Grimsby received 9 per cent. of the total and was followed by Leith, Newcastle and Liverpool with 7 per cent., 6 per cent. and 5 per cent. respectively. An appreciable amount of the quantity landed at Liverpool was destined for Manchester. (See footnote to Table 16.)

Supplies of butter from Eire entered the United Kingdom mainly through west coast ports, Fishguard taking 34 per cent. of the total, Liverpool 27 per cent. and Glasgow 21 per cent. Some 64 per cent. of the New Zealand shipments of butter arrived at London, while the west coast ports took 31 per cent., Liverpool being the most important. Of the Australian exports to the United Kingdom, 94 per cent. entered through London, but most of the South African supplies came to Southampton. Danish butter was shipped to a number of east coast ports, Grimsby taking 38 per cent., Newcastle 20 per cent. and Leith 18 per cent. Of the Dutch supplies London received 43 per cent. and Leith next in importance, 24 per cent., the rest being distributed among other east coast ports, although small quantities were also sent to the west coast. London took 79 per cent. of the imports from Latvia as well as the greater part of the supplies from the other Baltic states, with the exception of Estonia. Most of the Scandinavian shipments, excluding those from Denmark, arrived at Hull, which also took 57 per cent. of the Estonian supplies.

Details of the imports of butter into ports in the United Kingdom in the period 30th December, 1937, to 28th December, 1938, are given in Table 16.

TABLE 16—Imports of butter into ports in the United Kingdom, 30th December, 1937, to 28th December, 1938
(thousand cwt.)

Country whence consigned	London	Southampton	Bristol	Fishguard	Liverpool	Manchester	Glasgow	Leith	Newcastle	Hull	Coole	Grimaby	Harwich	Other ports	Total	Total, 31st Dec., 1936 to 28th Dec., 1937
Eire	—	—	—	112	89	—	68	—	—	—	—	—	—	57*	326	319
New Zealand	1,664	50	211	—	325	49	169	—	44	26	—	—	—	55†	2,593	2,926
Australia	1,700	1	5	—	41	8	21	—	1	24	—	—	—	3**	1,804	1,454
Canada	14	—	—	—	13	1	—	—	—	—	—	—	—	—	28	30
South Africa	1	24	—	—	—	—	—	—	—	—	—	—	—	—	25	69
S.W. Africa Territory	5	20	—	—	—	—	—	—	—	—	—	—	—	—	25	25
Other Empire countries	16	—	—	—	—	—	—	—	—	—	—	—	—	—	16	22
Denmark	5	—	2	—	—	—	—	431	475	141	105	896	295	—	2,350	2,236
Netherlands	296	—	1	—	24	9	1	166	30	84	21	—	16	41‡	689	702
Latvia	267	—	—	—	—	—	—	6	10	56	—	—	—	—	339	207
Sweden	36	—	—	—	—	—	—	—	—	—	—	—	—	6§	302	198
Lithuania	157	—	—	—	—	—	—	—	—	71	—	—	—	1	229	204
Finland	—	—	—	—	—	—	—	—	—	210	—	—	—	—	210	157
Poland	173	—	—	—	—	—	—	—	—	35	—	—	—	—	208	104
Estonia	80	—	—	—	—	—	—	—	—	104	—	—	—	—	184	158
Hungary	21	—	—	—	—	—	—	—	—	—	—	—	—	—	21	42
Austria	15	—	—	—	—	—	—	—	—	—	—	—	—	—	15	27
Norway	11	—	—	—	—	—	—	—	—	—	—	—	—	1	12	—
Czechoslovakia	11	—	—	—	—	—	—	—	—	—	—	—	—	—	11	2
Belgium	5	—	—	—	—	—	—	—	—	—	—	—	—	—	5	1
Germany	—	—	—	—	—	—	—	—	—	1	—	—	—	—	1	1
France	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	6
Yugoslavia	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1
U.S.S.R.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	275
Argentina	65	25	—	—	—	—	—	—	—	—	—	—	—	—	90	129
Uruguay	4	2	—	—	—	—	—	—	—	—	—	—	—	—	6	—
Japan	7	—	—	—	—	—	—	—	—	—	—	—	—	—	7	—
Other countries	—	—	—	—	—	—	—	—	—	—	—	—	—	28¶	28	25
Total	4,553	122	219	112	492	68	259	638	612	924	126	896	311	192	9,524	—
Total, 1937	4,757	156	206	96	484	67	258	618	564	732	155	829	283	124	—	9,318

* Eire: including 53,000 cwt. through Irish Land Stations, 1,400 cwt. to Douglas, 1,200 cwt. to Holyhead and 2,100 cwt. to Belfast.

† New Zealand: including 55,000 cwt. to Cardiff.

** Australia: including 3,000 cwt. to Cardiff.

‡ Netherlands: including 4,000 cwt. to Sunderland, 25,000 cwt. to Yarmouth, 5,000 cwt. to Belfast, 1,000 cwt. to Dundee, 1,000 cwt. to Aberdeen, 1,000 cwt. to Middlesbrough and 3,000 cwt. to King's Lynn.

§ Sweden: including 6,000 cwt. to Belfast.

¶ Details not available.

Note.—A large proportion of the quantity from New Zealand shown under Liverpool was on through bill of lading for Manchester. Actual shipments to Manchester in the period under review totalled 210,000 cwt.

Cold Storage Holdings and Apparent Consumption of Imported Butter

With the co-operation of traders and cold-store proprietors, figures for stocks of butter in cold storage have been collected and published in "Weekly Dairy Produce Notes" by the Committee (originally by the Empire Marketing Board) at fortnightly intervals since December, 1929. Returns as furnished are estimated to include approximately 95 per cent. of all the butter in cold storage in Great Britain and are thus capable of affording a sufficiently reliable indication of the movement of stocks as a whole. It should be noted that the figures do not include stocks on steamers in process of discharging, nor stocks in ordinary storage; it is not considered that the omission of these latter "invisible" stocks seriously affects the figures over a fairly long period.

Imports of butter are normally heavier in the first half of the year than in the second six months. In consequence there is a movement into storage until the summer, followed by a gradual depletion of stocks to the end of the year. The spring and summer into-storage movement in 1938 started much earlier and was considerably greater than in 1937 and although there was a rapid and continuous out-of-storage movement from August onwards, at the end of the year stocks were at a much higher level than at the end of 1937.

The movement of cold storage stocks of butter in 1935, 1936, 1937 and 1938 is shown in Table 17 in fortnightly periods. Figure 3 gives similar details in diagrammatic form for box, cask and all butter.

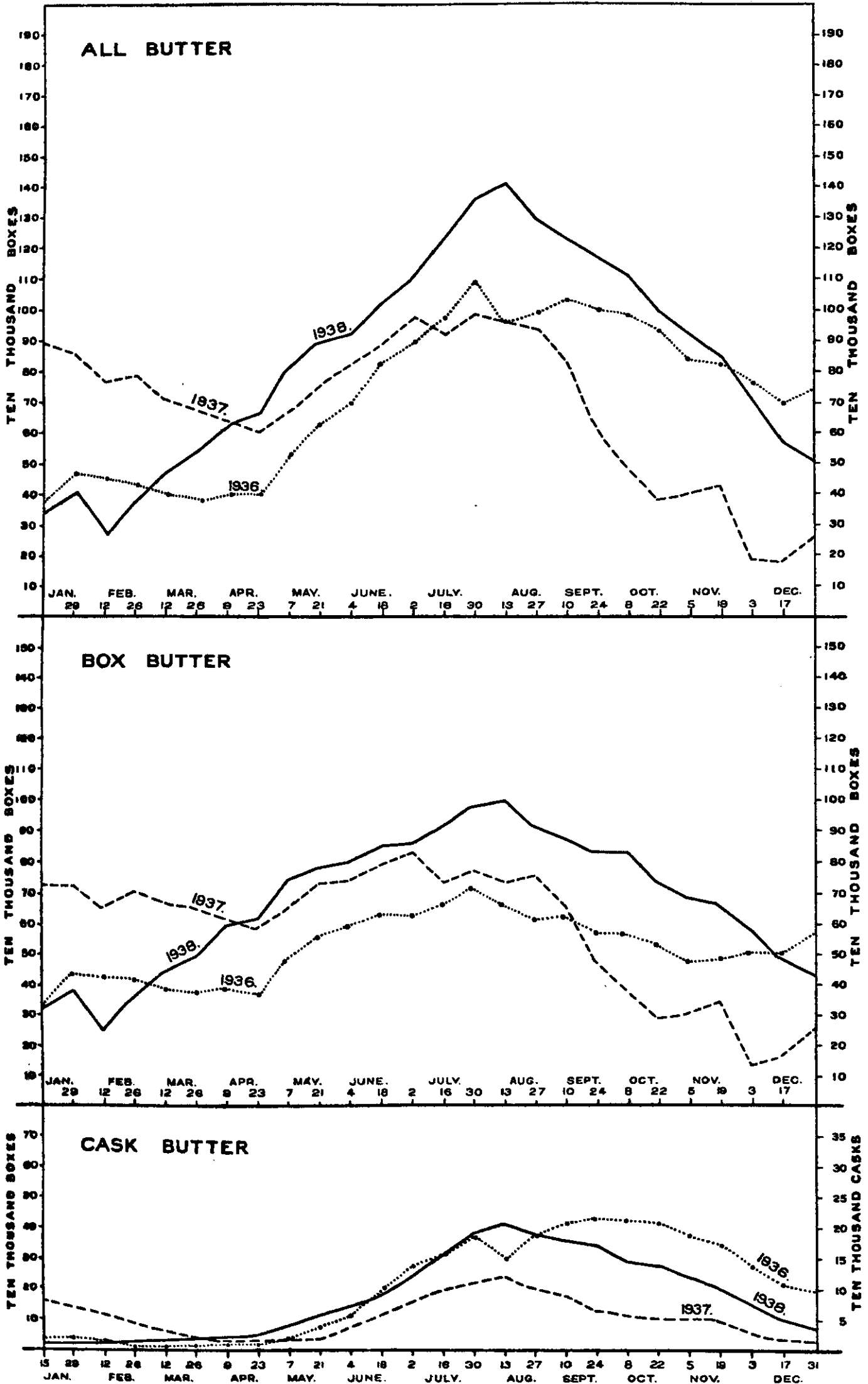
TABLE 17—Stocks of butter in cold storage in Great Britain

Date (1938)	1935			1936			1937			1938		
	Boxes ($\frac{1}{2}$ cwt.)	Casks (1 cwt.)	Total (a) (as boxes)	Boxes ($\frac{1}{2}$ cwt.)	Casks (1 cwt.)	Total (a) (as boxes)	Boxes ($\frac{1}{2}$ cwt.)	Casks (1 cwt.)	Total (a) (as boxes)	Boxes ($\frac{1}{2}$ cwt.)	Casks (1 cwt.)	Total (a) (as boxes)
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
January 15th	431	19	470	328	22	375	715	84	885	322	9	342
January 29th	354	16	388	429	17	465	717	71	861	383	9	405
February 12th	451	7	466	417	13	446	653	58	770	245	10	268
February 26th	408	6	421	411	9	430	702	45	794*	360	11	384
March 12th	441	4	452	382	7	397	657	27	714	444	15	475
March 26th	464	4	474	367	8	384	640	17	676	494	20	536
April 9th	486	4	496	378	11	402	603	15	635	588	20	629
April 23rd	541	7	556	374	12	400	575	15	606	610	23	657
May 7th	787	18	826	488	22	535	647	17	683	740	38	819
May 21st	857	30	920	557	41	642	725	22	771	778	60	900
June 4th	894	49	993	589	61	714	741	42	827	795	69	934
June 18th	876	85	1,048	634	104	844	787	57	903	849	91	1,033
July 2nd	956	138	1,233	623	139	902	828	78	986	857	125	1,110
July 16th	943	155	1,255	660	161	982	728	98	927	906	167	1,243
July 30th	823	181	1,186	711	194	1,102	766	109	987	979	195	1,370
August 13th	752	212	1,179	660	154	969	730	121	974	995	211	1,419
August 27th	622	220	1,065	609	192	996	748	102	954	911	193	1,299
September 10th	456	206	871	617	209	1,036	658	88	836	878	182	1,244
September 24th	430	199	831	570	220	1,011	474	65	606	832	171	1,175
October 8th	369	161	694	557	214	987	370	56	484	833	144	1,122
October 22nd	339	134	609	530	206	943	292	49	393	727	137	1,003
November 5th	336	99	536	473	187	850	304	53	412	688	120	930
November 19th	306	67	443	479	175	831	340	51	443	658	100	859
December 3rd	282	54	393	500	140	783	137	31	200	583	74	732
December 17th	276	30	338	500	107	714	160	16	194	479	48	576
December 31st	299	25	351	562	100	763	241	13	269	442	33	509

(a) Including other packages.

* Additional stores, formerly not recorded, have been included as from this date.

FIGURE 3. STOCKS OF BUTTER IN COLD STORAGE IN GREAT BRITAIN.



Stocks at the beginning of 1938 were the equivalent of about 493,000 boxes lighter than a year earlier. The seasonal increase started early and was unusually prolonged, stocks reaching a peak only in the middle of August. At their highest point total stocks were equivalent to 1.4 million boxes (including cask butter), or 35,500 tons, an increase of 432,000 boxes compared with the 1937 peak and 317,000 boxes above the highest figure attained in 1936.

The bulk of the butter placed in cold storage is box butter, mainly of Southern Hemisphere origin; cask butter, which is chiefly European, is not stored to the same extent. At the same time, it may be noted that there has been a tendency in the past few years for a growing proportion of foreign butter, particularly Russian, and to a less extent butter from certain Baltic countries, to be packed in boxes; this may have some significance when the relative quantities of box and cask butter in storage over a period of years are compared, although in taking account of the high figures for 1938 it should be noted that no Russian butter was imported during that year. Stocks of cask butter in the first quarter of 1938 were less than in the same period of 1937, but during the remainder of the year were above the level of a year earlier; the peak in stocks was reached in the middle of August, or about the same date as in the previous year, and at that point cask butter accounted for about 30 per cent. of the total stocks of butter in storage, compared with 22 per cent. at the peak in 1937. From then until the end of the year the quantity of cask butter in storage represented a proportion of total stocks little different from the average of recent years.

By means of fortnightly cold storage holdings and the recorded imports of butter into the United Kingdom, it is possible to obtain a fairly reliable indication of the trend of consumption of imported butter. Owing to the lag between arrival of the steamers and entry of the goods, the Committee's figures of weekly imports are not sufficiently accurate to be utilised for short period movements of consumption; the same defects apply, although to a smaller extent, in the case of the official monthly imports. Nevertheless, the figures are sufficiently reliable to portray the trend of consumption over longer periods, namely, every three months, when the error is likely to be of minor significance.

The apparent consumption of imported butter (including re-exports) was equal to about 9,010 tons per week during 1938. Excluding re-exports, the apparent consumption averaged 8,900 tons per week, compared with 9,180 tons per week in 1937 and 9,030 tons per week in 1936*. A study of seasonal variations in consumption in the few years for which data are available indicates that consumption is higher in the second half of the year than in the first six months. Seasonal conditions, including weather and price, are important factors. Generally speaking, consumption appears to be high during the summer months and has usually been heaviest in the July to September quarter; at this period the disappearance of butter is supplemented by its use for other than table requirements, e.g. in the manufacture of ice-cream and reconstituted cream, and by wastage as a result of hot weather. Consumption is high in the last quarter also, when prices for many descriptions are falling, thus helping to maintain the high summer rate; in both 1931 and 1936 the fourth quarter showed the greatest apparent consumption of imported butter, prices having shown marked reductions in the last couple of months in those years. During 1938 prices for the greater part of the year were exceptionally high, and consumption during each of the first two quarters was the lowest since 1933; even later, when prices were tending to decline, consumption remained until the December quarter below the level attained in other recent years. A quarterly index of apparent consumption for the five-year period 1933-37, with the average for all quarters taken as 100, shows the following movement:—1st quarter = 95; 2nd quarter = 99; 3rd quarter = 106; 4th quarter = 101. A similarly constructed index for 1938 gives the following result:—1st quarter = 95; 2nd quarter = 97; 3rd quarter = 105; 4th quarter = 104.

Table 18 shows the apparent consumption of imported butter in the United Kingdom during each of the six years 1933 to 1938 and in Table 19 quarterly estimates of consumption, on a weekly basis, are recorded. To determine stocks at the beginning and end of each period, when the date fails to coincide with that for which figures are available, the average of stocks at the two nearest dates is taken.

* Estimates of total and per *caput* consumption are given on p. 14.

TABLE 18—*Apparent consumption of imported butter in the United Kingdom*

	1933	1934	1935	1936	1937	1938
	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.
Gross Imports	8,831,686	9,695,394	9,608,016	9,740,735	9,417,669	9,508,511
Net Imports	8,746,007	9,596,174	9,480,598	9,669,349	9,303,493	9,429,515
Net Increase (+) or Decrease (—) in Stocks ^(a)	—67,213	+57,242	—113,567	+224,563	—265,350	+139,481
Apparent Consumption	8,813,220	9,538,932	9,594,165	9,444,786	9,568,843	9,290,034
Apparent Consumption per week	169,021	182,938	183,998	180,638	183,512	178,165

(a) Corrected to allow for small quantities not covered by the Committee's returns and including Northern Ireland.

TABLE 19—*Average weekly consumption of imported butter in quarterly periods*

Year	January— March	April— June	July— September	October— December
	cwt.	cwt.	cwt.	cwt.
1931	130,000	143,100	152,300	161,300
1932	136,000	143,000	169,300	163,900
1933	155,200	165,100	183,800	173,900
1934	176,300	180,300	189,000	188,100
1935	179,900	177,700	199,300	181,200
1936	169,400	182,600	186,400	188,400
1937	176,200	185,700	193,700	180,500
1938	168,800	173,200	187,500	185,200

The Cheese Market

Imports of cheese into the United Kingdom declined between 1933 and 1936, but showed a considerable recovery in 1937; gross imports in 1938 totalled about the same as in the previous year and, although 9 per cent. heavier than in 1936, were still 4 per cent. less than in 1933. The proportion of world imports taken by the United Kingdom remained about the same as in 1937.

Home production and consumption.—Prior to the institution of the Milk Marketing Schemes, the greater part of the output of cheese in the United Kingdom was produced on farms. The introduction of the schemes was at first followed by a marked expansion in factory output, while production on farms declined heavily, the latter in the census year 1935–36 being estimated at only 252,100 cwt., as compared with 689,800 cwt. in 1930–31. In 1936–37, however, factory production declined appreciably, but there was some recovery in 1938, when factory output was 18 per cent. greater than in the previous year although smaller than in 1936 and 1935 by 30 per cent. and 36 per cent., respectively. Production on farms has shown a marked and continuous recovery since 1935 and last year was very little below the 1934 figures.

The total output of cheese in Great Britain (output in Northern Ireland is negligible) during 1938 was thus 15 per cent. greater than in 1937 but appreciably less than in other recent years for which figures are available. The following table gives details (excluding the output of producers outside the Milk Marketing Schemes):

Year	Factory (cwt.)	Farm (cwt.)	Total (cwt.)
1930†	460,000	689,800(a)	1,149,800
1934	726,000	276,000	1,002,000
1935	933,800	209,000	1,142,800
1936	856,500	237,800	1,094,300
1937	511,400	243,800	755,200
1938	600,900	266,700	867,600

On the basis of net imports and estimated home production (but excluding changes in stocks in store) the apparent consumption of cheese in the United Kingdom is estimated to have been equivalent to about 8·9 lb. per head in 1938, as against 8·6 lb. in 1937 and 8·8 lb. in 1936.

Particulars of the output of the chief varieties of cheese packed under the National Mark in England and Wales in 1936, 1937 and 1938 are given in the following table; it will be noted, of course, that these figures do not represent the total output, particulars of which will be found in Appendix V, p. 120.

		1936 cwt.	1937 cwt.	1938 cwt.
Cheshire	{ Farm	52,252	58,116	74,223
	{ Factory	38,681	17,445	16,188
Caerphilly		20,078	20,742	23,753
Lancashire		12,740‡	14,645	20,067
Cheddar		4,524	3,529	2,419
Stilton	{ Blue	1,378	1,116	797
	{ White	2,824	1,879	2,352

Sources of supply.—Imports of cheese from Empire countries, which had reached a peak in 1933, have since been on a smaller scale; supplies last year were little different from those of the preceding year and again accounted for 89 per cent. of the total. Imports from foreign sources also were at about the high level reached in the preceding year.

† Census figures. (a) 1930–31.

‡ Scheme in operation for part of year only.

Shipments from New Zealand, by far the most important source of supply, declined by 5 per cent. last year and comprised only 56 per cent. of the total, as against 59 per cent. in 1937; the figure recorded for New Zealand was the smallest since 1928. Supplies from Canada, which in 1936-37 had appeared to be recovering from their long downward trend during earlier years, were 6 per cent. lighter than in 1937 and accounted for 23 per cent. of the total, as compared with 25 per cent. in the previous year. Perhaps the most notable feature of the trade during the year was the rapid expansion in Australian shipments, which brought imports from that country during 1938 above those from the Netherlands, formerly the third most important source of supply; entries from Australia were almost doubled between 1937 and 1938, while those from the Netherlands declined by 7 per cent. Shipments from Italy have recovered considerably since the withdrawal of sanctions and last year were 15 per cent. heavier than in 1937. Imports from South Africa and Eire continued to expand and, although receipts from Denmark were slightly reduced, entries from Switzerland showed a further increase.

Table 20 gives details of the imports of cheese into the United Kingdom in 1913 and from 1933 to 1938.

TABLE 20—Imports of cheese into the United Kingdom

Country whence consigned	1913	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
New Zealand	547	2,059	2,092	1,763	1,681	1,731	1,639
Canada	1,294	630	520	470	603	722	678
Australia	8	93	115	134	91	119	238
Union of South Africa and South- West Africa Territory	—	13	3	22	12	15	23
Eire	(a)	1	5	9	17	16	20
Other Empire countries	—	—	—	—	1	1	—
Netherlands	292	122	128	199	182	217	202
Italy	102	90	94	80	14	62	71
Denmark	(b)	6	6	10	29	20	19
Switzerland	12	14	14	15	17	17	18
France	15	7	7	8	23	10	12
Finland	(b)	2	2	2	1	4	3
Norway	(b)	1	2	1	1	1	1
Belgium	2	1	—	—	1	—	—
United States of America	22	—	—	—	1	—	—
Other foreign countries	3	1	1	1	2	1	4
Total Empire countries	1,849	2,796	2,735	2,398	2,405	2,604	2,598
Total foreign countries	448	244	254	316	271	332	330
Total all countries	2,297	3,040	2,989	2,714	2,676	2,936	2,928
Re-exports							
To Empire countries	32	17	16	16	14	13	} (c)
To foreign countries	33	7	14	13	10	8	
Total	65	24	30	29	24	21	17
Net Imports	2,232	3,016	2,959	2,685	2,652	2,915	2,911

(a) Not separately distinguished before April, 1923. (b) Included in "Other foreign countries."

(c) Not available.

Exports and re-exports.—There has been a moderate export trade in cheese of United Kingdom manufacture since 1924; this had shown an upward tendency in recent years but was reduced last year. Details of the types shipped are not available, but a large proportion is believed to consist of processed cheese, which is manufactured mainly from imported bulk cheese. Total exports in 1938 amounted to 26,216 cwt., against 31,977 cwt. in 1937 and 29,059 cwt. in 1936. Details of the distribution are not available for 1938, but Germany and Belgium have been the principal foreign outlets and the Channel Islands, India and Burma

the chief Empire markets in other recent years. Re-exports in 1938 totalled 17,105 cwt., compared with 21,111 cwt. in 1937 and 24,457 cwt. in 1936; these go mainly to the Channel Islands, Malta, France and Egypt.

Seasonal variation.—Imports of cheese show no marked seasonal variation, owing to the spreading of shipments from New Zealand and the incidence of Canadian supplies. Imports in February, April and June last year were considerably heavier than in 1937, larger quantities being entered from New Zealand, Australia and the Netherlands. The increase over the preceding year's figures in September was the result of heavier supplies from Australia, Canada and the Netherlands, while that in November was due to larger supplies from Empire sources generally. Imports during the other months of the year fell below those of 1937, owing mainly to the reduction in shipments from New Zealand and Canada, although the unusually large supplies from Australia prevented entries in most months from falling greatly below the corresponding figures for 1937.

Table 21 shows the monthly imports of cheese into the United Kingdom in 1913 and in the six years 1933 to 1938.

TABLE 21—*Monthly imports of cheese into the United Kingdom*

Month	1913	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	137	263	302	271	190	238	185
February	147	231	242	239	218	202	272
March	150	310	295	236	206	251	204
April	136	268	214	257	210	215	224
May	156	192	258	226	236	215	210
June	175	305	234	179	250	194	267
July	281	219	251	207	208	299	276
August	242	272	237	186	174	267	243
September	265	238	212	237	211	268	274
October	227	248	239	274	250	281	261
November	241	238	286	177	255	236	308
December	140	256	219	225	268	270	204
Total	2,297	3,040	2,989	2,714	2,676	2,936	2,928

Table 22 shows the monthly imports of cheese from the principal sources of supply in 1938.

TABLE 22—*Monthly imports of cheese from chief countries of consignment in 1938*

Month	New Zealand	Australia	Canada	Netherlands	Other Countries	Total
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	122	33	1	17	12	185
February	220	21	2	19	10	272
March	146	22	5	18	13	204
April	169	23	3	18	11	224
May	117	17	37	21	18	210
June	174	16	45	19	13	267
July	151	11	84	16	14	276
August	100	11	99	15	18	243
September	110	11	121	16	16	274
October	117	17	98	15	14	261
November	121	25	133	13	16	308
December	92	31	50	15	16	204
Total	1,639	238	678	202	171	2,928

Prices

The marked upward trend in New Zealand cheese prices, which has been in evidence since 1935, was continued during 1938. The market during the year was characterised by a high annual average price with quotations fluctuating within a rather narrow range. Supplies in most months were on a smaller scale than a year earlier and prices, except for a slight setback in June and July, tended to move upwards from March until the arrival of Canadian "new" cheese on the market in September, after which a slight decline was recorded. Average monthly prices were higher than a year earlier except from May to July and in November.

Quotations for "old" Canadian cheese showed the usual upward movement in the early months of the year and remained until June consistently above the 1937 level. Prices for "new" cheese, which came on the market rather later than usual, were at first higher than a year earlier, but in November and December fell below the corresponding figures for 1937.

For the year as a whole New Zealand finest white and finest coloured cheese averaged 4 per cent. and 5 per cent., respectively, higher than in the previous year, following an advance of 10 per cent. and 9 per cent. between 1936 and 1937. Canadian finest white and coloured cheese, quotations for which had risen by 10 per cent. between 1936 and 1937, advanced by a further 2 per cent. in 1938.

Table 23 gives average monthly prices for New Zealand and Canadian finest white and coloured cheese at London in 1938, as compared with 1937. The figures are taken from the weekly quotations of the London Provision Exchange and represent the average of top prices of a series.

TABLE 23—Average monthly cheese prices at London

Month	New Zealand finest white		Canadian finest white		New Zealand finest coloured		Canadian finest coloured									
	1938	1937	1938	1937	1938	1937	1938	1937								
	Per cwt.		Per cwt.		Per cwt.		Per cwt.									
	s.	d.	s.	d.	s.	d.	s.	d.								
January	67	9	55	6	73	9	72	0	68	6	55	3	74	0	72	0
February	67	6	53	0	74	9	72	0	68	3	52	6	75	6	72	0
March	69	3	60	6	77	3	73	0	69	3	60	9	77	9	73	0
April	69	6	68	3	78	0	75	6	70	0	68	3	78	0	76	0
May	70	0	72	6	78	3	78	3	70	3	72	6	78	9	78	0
June	68	9	74	3	80	0	80	0	68	9	73	9	80	0	80	0
July	69	0	73	0	80	0	80 3* 75 6†		69	0	70	9	80	0	80 0* 74 3†	
August	71	6	70	3	80	0	71	3	71	6	68	6	80	0	71	3
September	72	6	68	6	80 0* 72 0†		70	3	72	6	69	6	80 0* 72 0†		70	3
October	71	6	71	0	72	9	71	6	71	6	70	0	72	9	72	0
November	68	9	71	9	72	6	73	6	68	9	70	9	72	6	74	0
December	69	3	66	0	72	3	73	6	69	6	65	6	72	9	74	0
Average for Year	69	6	67	0	76 0§		74 3‡		69	9	66	6	76 3§		74	6

* Old. † New.

‡ Calculated on prices of "old" cheese for the period January to July, and on "new" cheese from August to December.

§ Calculated on prices of "old" cheese for the period January to August and on "new" cheese from September to December.

Prices for Dutch cheese also continued to rise during 1938, when imports of all the chief varieties sent from the Netherlands were on a smaller scale than in the preceding year. The average for full cream Gouda was 5 per cent. above the previous year's figure, while those for 40 per cent. and 20 per cent. Edam increased by 4 per cent. and 6 per cent., respectively.

Average top prices of these descriptions in 1937 and 1938, as quoted on the London Provision Exchange, are given in Table 24.

TABLE 24—Average monthly prices of Dutch cheese at London

Month	Dutch Gouda Full cream		Dutch Edam Factory 40 per cent.		Dutch Edam Factory 20 per cent.	
	1938	1937	1938	1937	1938	1937
	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.
January	83 3	63 9	69 0	54 9	45 6	35 3
February	81 6	67 9	69 6	57 3	45 3	35 3
March	78 9	67 3	66 9	56 3	43 0	34 6
April	71 9	62 3	57 6	51 0	38 6	31 6
May	75 3	62 3	60 0	51 9	37 6	31 9
June	73 6	64 9	58 0	54 9	33 3	31 0
July	70 0	68 9	55 3	58 9	32 3	34 3
August	72 9	77 6	56 0	67 6	35 0	41 0
September	73 0	75 6	59 3	66 0	37 6	38 6
October	75 0	90 6	64 0	71 9	40 3	45 6
November	77 6	87 0	70 9	69 0	43 9	45 0
December	79 9	83 0	69 3	69 0	45 9	45 9
Average for year	76 0	72 6	63 0	60 9	39 9	37 6

Home-produced cheese.—No accurate comparison of prices for home-produced Cheddar for 1937 and 1938 can be made owing to the lack of regular weekly quotations. From the information available, however, it seems that prices for factory Cheddar declined slightly as compared with the previous year, but those for farm Cheddar rose by 2 per cent. Quotations for Cheshire cheese at the beginning of 1938 were appreciably higher than in 1937, but the margin narrowed towards summer and quotations fell below the previous year's level in the last five months of the year; average prices were from 2 per cent. to 8 per cent. above those for 1937. The quantity of cheese pitched at Chester, Nantwich and Whitchurch fairs during 1938 totalled 1,878 tons, as against 1,363 tons a year earlier.

Supplies of Caerphilly cheese at Highbridge during 1938 amounted to 739 tons, as against 615 tons in 1937; the average price of first quality was 72s. per cwt., compared with 60s. 9d. per cwt. in the preceding year.

IMPORTS OF CHEESE INTO UNITED KINGDOM PORTS

Imports of cheese into the United Kingdom from 30th December, 1937, to 28th December, 1938, according to the Committee's weekly returns in respect of the individual ports, totalled 2,945,000 cwt., against 2,928,000 cwt. in the calendar year 1938; from these returns it is possible to assess the relative importance of the various ports of entry.

London remained predominantly the chief port for cheese imports, and in the period under review handled 64 per cent. of total receipts, although in 1937 the proportion reached 68 per cent. Entries into Liverpool, which took the second largest quantity, increased during 1938 and accounted for 10 per cent. of the total, compared with 8 per cent. a year ago; a part of this amount, however, was ultimately destined for Manchester. The ports next in importance were Bristol, with 6 per cent. of the total, against 7 per cent. in 1937, and Glasgow, with 5 per cent., compared with 4 per cent. in the previous period.

The significance of London as a port of entry is due to its receiving nearly all the imports from New Zealand and Australia, which form a large proportion of total arrivals. In 1938, 66 per cent. of New Zealand cheese and 97 per cent. of Australian passed through London, while it also took 59 per cent. of the imports from Canada. The remainder of the shipments from these countries went mainly to west coast ports, in particular to Liverpool, Bristol and Glasgow. Of the imports from foreign

sources, London took 57 per cent. of the Dutch supplies and the major portion of those from most other countries, although Harwich took the bulk of the Danish cheese, which was in all probability destined for the London market, and a large proportion of Italian shipments. Most of the remaining foreign supplies came to various east coast ports.

Details of the imports of cheese into ports in the United Kingdom from 30th December, 1937, to 28th December, 1938, are given in Table 25. The figures represent the port of arrival and not the final destination, i.e., they exclude movements by rail, road or coastal steamer.

TABLE 25—Imports of cheese into ports in the United Kingdom, 30th December, 1937, to 28th December, 1938
(thousand cwt.)

Country whence consigned	London	Dover	Southampton	Bristol	Cardiff	Liverpool	Manchester	Glasgow	Leith	Newcastle	Hull	Goole	Harwich	Other Ports	Total	Total 1936 to 29th Dec. 1937
New Zealand	1,089	—	26	144	28	206	19	103	—	28	18	—	—	—	1,661	1,690
Canada	396	—	1	45	29	70	19	32	22	24	11	—	—	23†	672	706
Australia	230	—	—	—	—	2	—	—	—	—	5	—	—	—	237	133
South Africa	—	—	21	—	—	—	—	—	—	—	—	—	—	—	21	16
Eire	—	—	—	—	—	6	—	1	—	—	—	—	—	13*	20	17
S.W. Africa terr.	—	—	1	—	—	—	—	—	—	—	—	—	—	—	1	—
Netherlands	115	—	1	—	—	—	—	—	13	12	16	36	2	7‡	202	215
Italy	43	4	—	—	—	—	—	—	—	—	—	—	23	—	70	62
Denmark	6	—	—	—	—	—	—	—	1	1	—	—	10	1	19	20
Switzerland	9	4	—	—	—	1	—	1	—	—	—	—	3	—	18	17
France	—	—	3	—	—	—	—	—	—	—	—	—	—	8§	11	10
Finland	3	—	—	—	—	—	—	—	—	—	—	—	—	—	3	3
Norway	1	—	—	—	—	—	—	—	—	—	—	—	—	—	1	1
Sweden	1	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—
Argentina	2	—	—	—	—	—	—	—	—	—	—	—	—	—	2	—
Other countries	—	—	—	—	—	—	—	—	—	1	—	—	—	5||	6	17
Total	1,895	8	53	189	57	285	38	137	36	66	50	36	38	57	2,945	—
Total, 1937	1,964	—	27	201	27	228	49	124	39	47	34	45	36	84	—	2,905

* Eire : including 12,500 cwt. to Fishguard.

† Canada : including 9,000 cwt. to Belfast, 5,000 cwt. to Swansea and 9,000 cwt. to Aberdeen.

‡ Netherlands : including 4,000 cwt. to Dundee and 2,000 cwt. to Yarmouth.

§ France : including 8,000 cwt. to Newhaven. || Details not available.

Note.—A large proportion of the quantity from New Zealand shown under Liverpool was on through bill of lading for Manchester. Actual shipments to Manchester in the period under review totalled approximately 111,000 cwt.

Imports of Condensed Milk and Milk Powder

The voluntary agreement for the progressive reduction of imports of preserved milk into the United Kingdom from the chief foreign sources was continued during 1938,* when receipts of condensed milk were 3 per cent. lighter than in 1937 and 42 per cent. smaller than in the peak year, 1931. Imports of unsweetened milk powder, however, increased by 21 per cent. during the year.

There has been a considerable increase in the output of processed milk since the Milk Marketing schemes came into operation in 1933, production being trebled between that year and 1936. In 1937 the increase was less pronounced, but in 1938 output again expanded and the quantity of condensed whole milk produced in the area covered by the Boards is estimated at 2,623,400 cwt., as against 2,544,300 cwt. in the preceding year. The production of whole milk powder also increased appreciably and totalled 169,200 cwt., as compared with 110,600 cwt. in 1937, and 160,000 cwt. in 1936. These figures exclude the output of skimmed condensed milk, which does not come within the schemes, but it is believed that production has increased similarly to the other varieties and that output last year totalled perhaps 1,300,000 cwt.

Note.—The latest official figures of production of processed milk in the United Kingdom relate to the year 1935, when the output of firms employing more than ten persons amounted to 1,392,100 cwt. of *sweetened whole condensed milk*, 560,800 cwt. of *unsweetened whole condensed*, 1,039,200 cwt. of *sweetened skimmed condensed*, 181,400 cwt. of *unsweetened whole milk powder*, 160,300 cwt. of *unsweetened skimmed milk powder*, 7,200 cwt. of *sweetened milk powder* and 46,700 cwt. of milk powder which was not separately distinguished.

Table 26 shows the imports of condensed milk, etc., into the United Kingdom in 1913 and during the past eleven years. The figures for 1913 include imports into Eire and exclude exports from Eire.

TABLE 26—Imports of condensed milk and milk powder into the United Kingdom

Year	Sweetened whole	Sweetened skimmed	Unsweetened whole	Milk Powder		Preserved milk, other kinds (unsweetened)
				Unsweetened	Sweetened	
	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.
1913	481,435	720,772	50,008	46,572	7	15,870
1928	297,015	1,951,025	425,406	199,706	63	34,073
1929	258,421	1,986,893	405,387	263,048(a)	16,475(a)	4,912(a)
1930	226,666	1,972,432	402,967	250,440	14,364	2,360
1931	229,646	2,085,535	483,579	352,652	8,106	5,100
1932	205,413	2,138,756	397,229	320,312	6,216	6,054
1933	144,606	1,917,789	380,851	280,082	5,698	1,359
1934	122,564	1,628,200	342,001	251,913	3,760	3
1935	87,709	1,404,697	293,978	219,144	5,583	8
1936	89,471	1,363,013	232,336	241,809	3,666	—
1937	114,644	1,243,245	328,133	292,291*	4,408	8,901
1938	100,128	1,217,532	316,404	355,054†	2,252	1,752

* Whole, 143,452 cwt.; skimmed, 148,839 cwt. † Whole, 92,050 cwt.; skimmed, 263,004 cwt.

(a) As a result of changes in methods of classification, the figures for milk powder and preserved milk, other kinds, for 1929 onwards are not strictly comparable with those for previous years.

Imports of *sweetened whole condensed milk* in 1938 were 13 per cent. smaller than in 1937, but 12 per cent. heavier than in 1936. Supplies from Empire sources declined by 3 per cent., shipments from Eire remaining at the same level as in 1937, but those from Canada being 5 per cent. lighter. Receipts from the Netherlands, the chief foreign source, increased very slightly, but supplies from Denmark declined by 9 per cent., and considerably smaller quantities came from Belgium.

* For details of this agreement and of the arrangements now in force see Appendix II, p. 104.

Table 27 gives details of the gross imports of *sweetened whole condensed milk* in each of the six years 1933 to 1938. Re-exports are practically negligible.

TABLE 27—Imports of *sweetened whole condensed milk* into the United Kingdom

Country whence consigned	1933	1934	1935	1936	1937	1938
	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.
Canada	20,112	3,604	3,101	2,760	3,562	3,375
Eire	6,972	10,632	8,252	9,230	11,747	11,736
New Zealand	250	—	170	7	325	56
Other Empire countries	—	—	—	—	38	—
Netherlands	91,675	83,318	55,230	57,427	64,268	64,590
Denmark	21,886	20,879	17,749	16,781	17,138	15,555
Belgium	717	1,018	481	430	14,643	1,487
Switzerland	2,886	3,064	2,676	2,834	2,923	3,155
Other foreign countries	108	49	50	2	—	174
Total Empire countries	27,334	14,236	11,523	11,997	15,672	15,167
Total foreign countries	117,272	108,328	76,186	77,474	98,972	84,961
Total all countries	144,606	122,564	87,709	89,471	114,644	100,128

Imports of *sweetened skimmed*, the chief variety of processed milk imported, were last year 2 per cent. less than in 1937, thus continuing the steady downward trend apparent since 1933. Eire remained the sole Empire source of supply and accounted for 7 per cent. of the total, as compared with 6 per cent. in 1937. There was a slight decline in supplies from the Netherlands, which comprised 82 per cent. of all imports, as against 83 per cent. in the preceding year, but receipts from Denmark showed an increase of 12 per cent. Only negligible quantities, however, were received from Belgium and Italy.

Imports of *sweetened skimmed condensed milk* in the six years 1933 to 1938 are given in Table 28. Re-exports are insignificant.

TABLE 28—Imports of *sweetened skimmed condensed milk* into the United Kingdom

Country whence consigned	1933	1934	1935	1936	1937	1938
	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.
Eire	84,010	68,386	66,516	82,024	80,006	81,982
Other Empire countries	652	—	—	—	—	—
Netherlands	1,623,226	1,376,205	1,190,611	1,136,154	1,029,935	1,000,545
Denmark	200,871	174,172	145,567	144,835	120,301	134,345
Belgium	2,084	363	—	—	10,505	25
Italy	6,335	6,468	2,002	—	2,498	288
Other foreign countries	611	2,606	1	—	—	347
Total Empire countries	84,662	68,386	66,516	82,024	80,006	81,982
Total foreign countries	1,833,127	1,559,814	1,338,181	1,280,989	1,163,239	1,135,550
Total all countries	1,917,789	1,628,200	1,404,697	1,363,013	1,243,245	1,217,532

Imports of *unsweetened whole condensed* in 1938 were 4 per cent. lighter than in the previous year, but 36 per cent. above the figure for 1936. Shipments from Empire sources increased by 6 per cent. on the year, the increase in supplies from Canada more than offsetting the reduction in those from both New Zealand and Eire. Imports from the Netherlands continued to decline, being 17 per cent. less than in 1937, while those from Denmark and Belgium were 18 per cent. and 86 per cent., respectively, smaller than in the previous year. Shipments from the United States, however, increased, while entries from Estonia also were heavier than in 1937.

There is a small re-export trade in *unsweetened condensed milk*, but shipments have declined. The total quantity re-exported in 1938 amounted to 1,135 cwt., as compared with 1,214 cwt. in 1937 and 1,253 cwt. in 1936. Table 29 gives details of the gross and net imports in the six years 1933 to 1938.

TABLE 29—Imports of unsweetened condensed milk into the United Kingdom

Country whence consigned	1933	1934	1935	1936	1937	1938
	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.
Canada	104,334	104,093	95,755	65,070	155,164	179,288
New Zealand	14,587	11,610	29,642	29,753	39,608	34,643
Eire	14,593	12,820	12,631	9,149	13,799	8,157
Australia	—	500	107	—	300	—
Other Empire countries	—	—	—	3	—	—
Netherlands	128,150	114,237	102,836	97,412	62,162	51,710
Denmark	50,713	43,851	38,438	29,458	32,998	26,998
Belgium	55,459	37,659	7,863	403	12,707	1,820
Estonia	—	1,730	—	—	3,726	4,417
Switzerland	620	642	545	402	363	410
Germany	6,360	5,419	2,512	29	—	—
United States of America	5,556	8,914	3,499	524	7,288	8,700
Other foreign countries	479	526	150	133	18	261
Total Empire countries	133,514	129,023	138,135	103,975	208,871	222,088
Total foreign countries	247,337	212,978	155,843	128,361	119,262	94,316
Total all countries	380,851	342,001	293,978	232,336	328,133	316,404
Re-exports	1,587	1,625	2,303	1,253	1,214	1,135
Net imports	379,264	340,376	291,675	231,083	326,919	315,269

Table 30 shows the gross and net imports of *milk powder (unsweetened)* in the six years 1933 to 1938.

TABLE 30—Imports of milk powder (unsweetened) into the United Kingdom

Country whence consigned	1933	1934	1935	1936	1937		1938	
					Whole	Skimmed	Whole	Skimmed
	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.
New Zealand	128,106	129,407	130,763	137,760	22,534	101,697	26,690	105,093
Canada	37,344	28,359	30,911	23,122	15,154	3,011	8,761	8,662
Australia	27,208	14,274	10,397	12,524	14,625	4,000	22,582	21,741
Eire	123	3,002	562	266	6,097	1,275	8,739	2,499
British India	184	—	—	—	—	—	—	—
Channel Islands	—	10	—	—	—	—	—	—
Netherlands	81,650	67,379	45,065	67,107	58,533	19,385	22,916	67,266
Denmark	863	783	24	20	865	40	1,236	67
Switzerland	451	486	37	860	10	591	27	1,294
Belgium	169	10	—	—	25,607	12,088	5	81
France	19	—	—	1	—	—	—	2
Germany	2	422	3	2	—	245	—	360
Hungary	—	—	—	—	7	1,046	701	491
U.S.A.	1,718	6,383	1,199	146	—	5,461	105	55,413
Chile	1,396	493	—	—	—	—	—	—
Other foreign	849	905	183	1	20	—	288	35
Total Empire	192,965	175,052	172,633	173,672	58,410	109,983	66,772	137,995
Total foreign	87,117	76,861	46,511	68,137	85,042	38,856	25,278	125,009
Total all countries	280,082	251,913	219,144	241,809	143,452	148,839	92,050	263,004
Re-exports	7,403	3,764	3,931	2,604	1,429	1,353	1,274	1,685
Net imports	272,679	248,149	215,213	239,205	142,023	147,486	90,776	261,319

Imports of *milk powder (unsweetened)* increased by 21 per cent. during 1938 ; whole milk powder accounted for only 26 per cent. of the total, as compared with 49 per cent. in 1937. Shipments from Empire countries were 22 per cent. heavier than a year earlier, and comprised 58 per cent. of all imports, or the same proportion

as in 1937. Shipments from Canada declined, but supplies from New Zealand increased by 6 per cent., and those from Australia were more than doubled, while Eire also sent larger quantities. Entries from the Netherlands, the chief foreign source, were 16 per cent. heavier than in 1937, and were principally of the skimmed variety, although previously whole milk powder had been predominant. Supplies from Denmark and Switzerland also increased, but Belgium sent much smaller quantities. Shipments from the United States were more than 10 times as great as a year earlier, and that country regained its place as one of the principal sources of supply.

Re-exports of *milk powder (unsweetened)*, although still small, have shown a further recovery. The total quantity re-exported in 1938 amounted to 2,959 cwt., as compared with 2,782 cwt. in 1937, and 2,604 cwt. in 1936.

Seasonal variation.—Imports of condensed milk normally attain their maximum during the summer, but in both 1937 and 1938 the seasonal trend formerly observable was affected by the operation of agreements for the regulation of imported supplies.

Imports of condensed milk in the first quarter of 1938 were, as in the closing months of 1937, on an exceptionally large scale and were considerably above the corresponding figures a year earlier; for the remainder of the year, supplies each month, except May, were much lighter than in the earlier months, and were appreciably less than in 1937, the margin being particularly extensive towards the close of the year. Imports of milk powder also were at their heaviest during the three months January–March, and during the first and last quarters exceeded the previous year's figures, but from April to June were considerably smaller than in the same months in 1937.

Table 31 gives monthly imports of condensed milk, etc., in 1937 and 1938.

TABLE 31—*Monthly imports of condensed milk and milk powder into the United Kingdom during 1937 and 1938*

Month	Sweetened, whole		Sweetened, skimmed		Unsweetened		Milk powder (unsweetened)	
	1938	1937	1938	1937	1938	1937	1938	1937
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	8.8	8.2	128.0	85.4	25.1	14.4	33.2	17.0
February	6.2	7.3	120.3	76.8	25.2	13.9	36.4	18.6
March	10.1	14.9	140.6	101.6	22.1	17.4	36.5	20.7
April	8.7	13.9	94.3	89.8	11.5	17.4	26.5	30.6
May	13.0	9.6	115.6	86.6	35.5	24.9	26.4	32.1
June	7.2	13.6	94.7	112.3	40.1	36.4	25.0	37.2
July	7.1	7.0	90.9	100.4	29.8	31.5	34.3	19.7
August	9.1	10.3	98.1	112.2	29.8	31.7	29.5	14.0
September	8.4	6.9	82.4	98.5	27.9	37.1	22.5	14.5
October	7.6	7.9	94.1	100.1	24.7	33.8	24.9	17.5
November	6.8	8.2	84.0	144.3	31.4	39.1	31.1	31.4
December	7.1	6.5	74.5	135.2	13.3	30.7	28.8	39.6
Total	100.1	114.3*	1,217.5	1,243.2	316.4	328.3*	355.1	292.9*

* Details of slight amendments not available; for corrected totals see Tables 27, 29 and 30.

No official prices are available for condensed milk, or milk powder, but table 32 shows the average value declared for customs purposes of each of the different types during the past seven years. These values shared to some extent in the declining trend common to dairy produce prices in the years immediately preceding 1933, but since then have not in all cases recovered to the same extent as the prices of other milk products. In 1938, however, values for certain varieties advanced considerably, the averages for both sweetened whole and sweetened skimmed condensed milk returning to about the 1931 level. The figures for unsweetened milk powder were unchanged but that for sweetened milk powder showed a partial recovery from the low level to which it had fallen in 1937.

It should be noted that the following figures are exclusive of Customs duties.

TABLE 32—Average declared value of condensed milk and milk powder imported into the United Kingdom

Year	Sweetened, whole	Sweetened, skimmed	Unsweetened, whole	Milk powder	
				Unsweetened	Sweetened
	Per cwt. £	Per cwt. £	Per cwt. £	Per cwt. £	Per cwt. £
1932	1.7	1.1	2.1	1.9	5.1
1933	1.6	1.1	2.0	1.7	4.5
1934	1.6	1.2	1.8	1.8	4.4
1935	1.7	1.0	1.8	1.8	4.3
1936	1.7	1.1	1.6	1.8	3.8
1937	1.6	1.2	1.7	2.0	3.1
1938	1.9	1.3	2.0	2.0	3.3

Table 33 gives the declared values of the imports of the principal descriptions of condensed milk and milk powder from the main supplying countries during the past three years.

TABLE 33—Declared values of imports of condensed milk and milk powder

Country whence consigned	Sweetened whole			Sweetened skimmed		
	1936	1937	1938	1936	1937	1938
	£	£	£	£	£	£
Canada	4,980	6,815	7,130	—	—	—
Eire	16,438	20,710	26,180	93,812	98,017	124,054
Other Empire countries	11	610	101	—	—	—
Netherlands	90,594	100,793	113,600	1,223,894	1,249,977	1,340,688
Denmark	27,823	28,280	32,149	146,039	139,428	175,472
Switzerland	7,685	7,857	8,656	—	2	—
Belgium	932	16,980	2,958	—	9,849	34
Other foreign countries	5	1	325	—	2,594	801
Total Empire countries	21,429	28,135	33,411	93,812	98,017	124,054
Total foreign countries	127,039	153,911	157,688	1,369,933	1,401,850	1,516,995
Total all countries	148,468	182,046	191,099	1,463,745	1,499,867	1,641,049
—	Unsweetened condensed (whole)			Milk powder (unsweetened)		
	1936	1937	1938	1936	1937	1938
	£	£	£	£	£	£
New Zealand	52,897	67,000	73,359	260,206	191,562	271,575
Australia	—	600	—	21,428	54,338	101,290
Canada	112,930	272,354	362,441	39,847	64,124	56,075
Eire	12,773	21,451	15,836	220	19,167	29,117
Other Empire countries	5	—	—	—	—	—
Netherlands	139,608	96,773	90,917	104,073	167,991	169,624
Belgium	691	21,300	3,382	—	79,570	148
Denmark	43,564	51,394	50,436	41	3,159	4,661
United States of America	893	10,495	14,299	459	6,810	69,143
Other foreign countries	1,192	6,214	9,926	3,988	2,892	6,965
Total Empire countries	178,605	361,405	451,636	321,701	329,191	458,057
Total foreign countries	185,948	186,176	168,960	108,561	260,422	250,541
Total all countries	364,553	547,581	620,596	430,262	589,613	708,598

Table 34 gives exports of the different descriptions during the period 1933 to 1938.

Description	1933	1934	1935	1936	1937	1938
	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.
Sweetened whole condensed	124,944	189,077	241,863	333,732	253,986	235,365
Sweetened skimmed condensed	23,042	12,944	39,409	33,912	7,492	777
Unsweetened whole condensed	25,834	32,806	44,428	52,883	59,754	43,987
Unsweetened skimmed condensed	264	107	671	2,944	382	123
Sweetened milk powder	4,877	3,277	3,105	2,557	2,533	2,674
Unsweetened milk powder	3,210	3,690	5,012	6,591	8,273	8,690
Other preserved milk (unsweetened)	4,187	4,860	3,576	4,593	5,383	2,027

EXPORTS OF CONDENSED MILK OF UNITED KINGDOM MANUFACTURE

An export trade of fairly considerable dimensions in condensed milk of United Kingdom manufacture has existed for a number of years. Exports, which had shown a downward tendency prior to the introduction of the Milk Marketing Schemes, expanded rapidly up to 1936, but thereafter declined, shipments of sweetened and unsweetened skimmed falling more sharply than the corresponding whole condensed varieties. The trade in milk powder is relatively small, but exports of the unsweetened variety have increased steadily since 1934, while those of sweetened milk powder, which had declined up to 1937, showed some improvement in 1938.

The chief variety of condensed milk which enters into the export trade of the United Kingdom is *sweetened whole*, and from 1934 onwards the exports of this commodity have been substantially in excess of the quantity imported. In 1938 shipments from the United Kingdom declined by 7 per cent. as compared with the previous year and were 29 per cent. less than in the peak year of 1936.

Empire countries, chiefly in the tropics, are the main markets for these exports, and in 1938 accounted for 96 per cent. of the total. Shipments to British Malaya increased by 2 per cent. during the year, while those to South Africa were very substantially heavier than in 1937. Supplies to other Empire outlets declined. All the foreign markets, with the exception of Peru, took considerably lighter quantities than in the preceding year.

Details of the exports of sweetened whole condensed milk in the period 1933 to 1938 are given in Table 35.

TABLE 35—Exports of sweetened whole condensed milk from the United Kingdom

Destination	1933	1934	1935	1936	1937	1938
	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.
British Malaya—						
Malay States	29,208	50,210	65,910	84,173	92,285	94,971
Straits Settlements and Dependencies	45,228	65,695	67,356	84,919	91,908	93,641
British West India Islands	13,895	18,501	33,484	65,819	24,286	12,196
British India	13,266	35,367	43,191	37,107	14,337	932
Ceylon and Dependencies	994	4,317	4,265	11,728	1,477	718
British West Africa	769	893	1,410	1,896	3,773	668
Union of South Africa and South-West Africa Territory	7,979	175	600	12,041	1,160	14,032
Other Empire countries	3,951	7,270	8,894	15,396	11,021	8,345
Philippines	(a)	(a)	(a)	1,989	3,797	3,380
Siam	2,105	228	4,190	2,627	2,357	101
Peru	756	952	1,777	2,219	1,762	3,066
Panama	1,225	1,661	1,955	1,503	1,451	99
Portuguese East Africa	1,394	278	1,371	4,553	359	112
France	(a)	(a)	79	4,197	118	78
Canary Islands	1,549	1,448	1,300	821	87	3
Other foreign countries	2,625	2,082	6,081	2,744	3,808	3,023
Total Empire countries	115,290	182,428	225,110	313,079	240,247	225,503
Total foreign countries	9,654	6,649	16,753	20,653	13,739	9,862
Total all countries	124,944	189,077	241,863	333,732	253,986	235,365

(a) Included in "Other foreign countries".

The Egg Market

The volume of eggs entering world trade declined for a number of years prior to 1936, but has since increased, and in 1938 was the highest for several years. Gross imports of eggs into the United Kingdom have been increasing since 1933 and in 1938 were 12 per cent. greater than in the previous year; the United Kingdom's share of world imports increased considerably between 1932 and 1936 and although reduced in 1937 recovered last year.

The chief features of the trade in 1938 were (1) a check to the expansion in imports from Denmark, (2) a substantial increase in supplies from other European countries, particularly the Netherlands, although there was (3) a continuance of heavy importation by Germany, (4) a marked expansion in shipments from South American countries, and (5) a check to the long downward movement in receipts from Empire countries, but (6) a considerable reduction in supplies from China.

Home production and consumption.—Egg production in the United Kingdom reached a post-war peak in 1934, but has since declined. Total fowl numbers in the United Kingdom as returned at June, 1938, were about the same as a year earlier, but old fowls showed a reduction of 5 per cent. and production was in the region of 35·5 million great hundreds, against 36·8 million great hundreds in 1937. Net imports, however, were much greater than a year earlier and the consumption of eggs increased from 156 per head of the population in 1937 to about 159 in 1938.

The output of eggs under the National Mark in England and Wales increased steadily from the inception of the scheme in 1929 until 1935; a decline occurred in 1936, but there was a slight increase in 1937, when the quantity packed was 424 millions (3·53 million great hundreds), and this expansion was carried further last year, when output was provisionally estimated at 435 millions (3·63 million great hundreds).

Sources of supply.—The upward trend in egg imports has been confined to supplies from foreign sources; shipments from Empire countries were declining between 1931 and 1937, but this movement was checked last year when, however, they accounted for only 13 per cent. of the total, as against 15 per cent. in 1937.

Imports from Denmark were 5 per cent. less than a year earlier and comprised 34 per cent. of the total, as compared with 40 per cent. in 1937. Receipts from the Netherlands, the second most important source of supply, showed a further heavy increase, amounting to 38 per cent., and those from Poland and Eire increased by 16 per cent. and 14 per cent., respectively. Supplies from Roumania were more than doubled and that country displaced Australia as the next most important source of supply; shipments from Australia have been declining since 1934 and last year were 20 per cent. less than in 1937. Imports from all the other chief European and Empire countries (with the exception of Belgium) increased substantially, the expansion being most marked in the case of entries from Baltic countries and Hungary. Shipments from North Africa and South American countries also were considerably greater than a year earlier, but those from China declined by 73 per cent.

In addition to the imports into the United Kingdom, shown in Table 36, there is a considerable trade in eggs imported into Great Britain from Northern Ireland, although exact figures are not available. Exports of eggs from Northern Ireland, including trade with Eire across the land boundary, totalled 3,442,500 great hundreds during 1938, as compared with 3,405,000 great hundreds in 1937 and 3,497,000 great hundreds in 1936. It is not known what proportion of these, if any, was originally imported into Northern Ireland from Eire.

There is a small re-export trade in eggs from the United Kingdom, the bulk normally going to the Channel Islands. Re-exports in 1938 totalled 54,000 great hundreds, as against 105,000 great hundreds in 1937 and 147,000 great hundreds in 1936.

Details of the imports of eggs in 1913 and in the six years 1933 to 1938 are given in Table 36.

TABLE 36—Imports of eggs (in shell) into the United Kingdom

Country whence consigned	1913	1933	1934	1935	1936	1937	1938
	000 Gt. hds. (a)	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.
Eire		3,437	3,194	2,395	2,563	1,949	2,218
Australia		1,899	2,099	1,921	1,635	1,263	1,010
Union of South Africa (f)	4	455	300	361	372	257	271
Canada		183	177	98	99	140	150
New Zealand		38	32	38	34	7	23
Other Empire countries		—	1	3	5	5	2
Denmark	4,265	6,234	6,383	6,564	7,989	10,000*	9,511
Netherlands	977	1,003	944	2,678	3,800	4,310	5,933
Poland	(c)	1,681	1,942	2,015	2,564	2,257	2,621
Roumania	226	33	151	441	1,169	615	1,374
Belgium	73	450	49	256	540	436	107
Lithuania	(d)	19	87	147	447	444	479
Finland	(d)	478	889	641	372	502	518
Sweden	385	202	258	273	186	333	485
Norway	(b)	196	139	81	151	118	163
Estonia	(d)	49	129	174	138	48	135
Yugoslavia	(e)	31	15	5	128	191	311
Latvia	(d)	7	1	16	66	89	110
Germany	514	88	73	43	39	57	—
France	702	—	—	—	1	2	99
U.S.S.R.	11,453	55	105	16	—	—	—
Bulgaria	(b)	8	—	1	—	63	78
Austria	884	1	1	—	—	—	—
Hungary		9	35	12	—	39	489
Italy		846	1	—	—	—	—
Turkey in Europe	—	2	5	3	—	—	—
Turkey in Asia	—	—	61		—	—	—
Egypt	1,097	101	9	58	257	50	246
Morocco	114	—	—	—	—	3	34
Argentina	(b)	96	41	111	382	297	728
Uruguay	(b)	160	161	165	237	135	261
Brazil	(b)	7	31	30	83	16	21
Chile	(b)	16	6	—	21	8	—
United States of America	6	14	—	—	1	19	—
China	3	1,397	1,415	1,220	1,329	1,091	298
Japan	(b)	20	—	—	—	1	21
Other foreign countries	31	3	1	1	1	—	1
Total Empire countries	4	6,012	5,803	4,816	4,708	3,621	3,674
Total foreign countries	21,576	12,361	12,931	14,951	19,901	21,124	24,023
Total all countries	21,580	18,373	18,734	19,767	24,609	24,745*	27,697
Re-exports	181	19	32	50	147	105	54
Net imports	21,399	18,354	18,702	19,717	24,462	24,640	27,643

(a) Not separately distinguished before 1st April, 1923.

(b) Included in "Other foreign countries".

(c) Included in Russia, Germany, Austria and Hungary.

(d) Included in Russia.

(e) Included in Austria, Hungary and "Other foreign countries".

(f) Including South West Africa Territory.

* Includes about 3,400 great hundreds of eggs other than those of domestic poultry.

Imports by Weight Classification

Returns of imports of eggs have been given under three special weight classifications since 1934. About 57 per cent. of total imports of eggs in shell during 1938 fell within the category over 14 lb. but not exceeding 17 lb. in weight per 120; imports of eggs weighing less than 14 lb. per 120 accounted for 38 per cent. of the total, while the remainder exceeded 17 lb. per 120. The bulk of receipts from Empire countries falls in the medium weight grade, the remainder, with the exception of small quantities from Eire and Australia, being light-weight eggs. The greater part of the imports from Northern and Western Europe also are of the

medium variety, Polish supplies, which are mainly light-weight eggs, being a notable exception. Practically all entries from Central and Eastern Europe and North Africa are of the under 14 lb. variety.

TABLE 37—Imports of eggs into the United Kingdom in 1938 and 1937, according to weight classification

Country whence consigned	Over 17 lb. in weight per 120		Over 14 lb. but not exceeding 17 lb. in weight per 120		Not exceeding 14 lb. in weight per 120		Total	
	1938	1937	1938	1937	1938	1937	1938	1937
	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.
Eire	57	43	1,922	1,777	239	129	2,218	1,949
Australia	25	16	718	911	267	336	1,010	1,263
Union of South Africa	—	—	198	188	73	69	271	257
Canada	—	—	118	113	32	27	150	140
New Zealand	—	—	18	6	5	1	23	7
Other Empire countries	—	—	—	1	2	4	2	5
Denmark	350	260	6,689	6,993	2,472	2,744	9,511	9,997*
Netherlands	653	499	3,601	2,915	1,679	896	5,933	4,310
Poland	—	—	147	97	2,474	2,160	2,621	2,257
Roumania	1	—	125	14	1,248	601	1,374	615
Belgium	2	4	94	393	11	39	107	438
Lithuania	22	17	318	264	139	163	479	444
Finland	16	13	304	261	198	228	518	502
Sweden	11	8	262	185	212	140	485	333
Norway	—	—	42	37	121	81	163	118
Estonia	11	1	89	27	35	20	135	48
Yugoslavia	—	—	21	29	290	162	311	191
Latvia	9	2	78	44	23	43	110	89
France	15	—	36	—	48	2	99	2
Germany	—	2	—	25	—	30	—	57
U.S.A.	—	—	—	19	—	—	—	19
Hungary	—	—	31	—	458	39	489	39
Bulgaria	—	—	58	44	20	19	78	63
Morocco	—	—	—	—	34	3	34	3
Egypt	—	—	—	—	246	50	246	50
Argentina	5	—	687	264	36	33	728	297
Uruguay	4	—	214	112	43	23	261	135
Brazil	1	—	15	11	5	5	21	16
Chile	—	—	—	6	—	2	—	8
China	—	1	113	243	185	847	298	1,091
Japan	—	—	17	—	4	1	21	1
Other foreign countries	—	—	—	—	1	—	1	—
Total Empire countries	82	59	2,974	2,996	618	566	3,674	3,621
Total foreign countries	1100	807	12,941	11,983	9,982	8,331	24,023	21,121
Total all countries	1182	866	15,915	14,979	1,0600	8,897	27,697	24,742*

* Excludes about 3,400 great hundreds of eggs other than those of domestic poultry.

Seasonal variation.—There is no marked seasonal variation in imports of eggs, although two distinct peaks, the one in early summer and the other in winter, are noticeable; there has been a growing tendency for imports to be greater in the second half of the year than in the first six months. Imports in each month of 1938, except January, were greater than in the corresponding month of 1937. Entries were smaller than a year earlier in January because of a reduction in supplies from Denmark, which were below the previous year's level in most other months also. Larger imports from practically all the other chief foreign sources, particularly the Netherlands and Poland, maintained supplies above the 1937 figures during the remainder of 1938, in spite of the smaller shipments from Australia in the last quarter of the year.

Table 38 shows the monthly imports of eggs in the seven years 1932 to 1938.

TABLE 38—*Monthly imports of eggs into the United Kingdom*

Month	1932	1933	1934	1935	1936	1937	1938
	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.
January	1,373	1,151	1,274	1,604	1,891	1,907	1,876
February	1,486	965	1,310	1,016	1,730	1,278	2,052
March	1,472	1,515	1,383	1,237	1,746	1,911	2,381
April	2,094	1,671	1,302	1,570	1,726	2,066	2,095
May	1,791	1,837	2,021	1,707	2,371	2,194	2,533
June	1,748	1,691	1,519	1,839	2,141	2,171	2,356
July	1,776	1,539	1,485	1,635	2,077	1,984	2,253
August	1,755	1,418	1,705	1,694	1,898	2,219	2,236
September	1,612	1,437	1,490	1,816	1,979	2,266	2,443
October	1,751	1,793	1,836	2,006	2,143	2,206	2,487
November	1,785	1,799	1,640	1,886	2,229	2,234	2,495
December	1,352	1,557	1,820	1,757	2,678	2,306	2,490
Total	19,995	18,373	18,785*	19,767	24,609	24,742†	27,697

* Sum of monthly figures as given in Monthly Trade Returns. Revised annual total is given in Table 36.

† Excluding about 3,400 great hundreds of eggs other than those of domestic poultry.

Table 39 shows the monthly imports from the chief countries or groups of countries in 1938. It shows the seasonal nature of Irish supplies and the complementary nature of imports from the Southern Hemisphere. The groupings adopted are largely arbitrary, but to some extent they are in accordance with similarities in the class of egg.

TABLE 39—*Monthly imports of eggs into the United Kingdom during 1938*

Month	Eire	Australia, New Zealand and South Africa	Denmark	Nether- lands and Belgium	Poland, Egypt and China	Other Countries	Total
	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.
January	57	94	708	483	273	261	1,876
February	154	—	714	584	113	487	2,052
March	342	—	977	400	171	491	2,381
April	451	—	639	334	260	411	2,095
May	288	—	865	402	459	519	2,533
June	319	—	890	444	351	352	2,356
July	218	—	879	452	352	352	2,253
August	171	—	888	491	360	326	2,236
September	107	100	798	573	320	545	2,443
October	64	334	645	554	241	649	2,487
November	24	409	720	558	160	624	2,495
December	23	367	788	765	105	442	2,490
Total	2,218	1,304	9,511	6,040	3,165	5,459	27,697

Cold-Stored and Preserved Eggs

The United Kingdom Trade Returns do not differentiate between fresh and preserved eggs, the latter term relating to eggs which have been preserved in spring, in cold storage, or by some method of pickling, for sale in the period of scarcity. The proportion of home-produced eggs preserved by consumers in the United Kingdom is probably considerable but, while no exact particulars are available, the quantity of home-produced eggs which is preserved commercially is estimated to form only a small proportion of the total supply. An appreciable proportion,

however, of the imports in the winter months consists of preserved eggs. Few countries make the differentiation in their official trade statistics, but amongst those which do are some of the principal countries of supply of preserved eggs. Table 40 shows the exports of fresh and preserved eggs (including cold-stored) to the United Kingdom from the Netherlands, Denmark and Eire during the four months October, 1938, to January, 1939, aggregate figures for the corresponding period of the two preceding years being given also (the months October to January cover the period when practically all the preserved eggs are imported). Figures for Eire relate to exports to all destinations; the United Kingdom formerly took the bulk of the shipments of preserved eggs but in some recent years large amounts have been sent to Spain. **

Imports of preserved eggs from these countries were declining, both absolutely and relatively, for a number of years to 1935-36, a movement due largely, no doubt, to the development of the trade in Southern Hemisphere eggs, while a further cause may have been the incidence of the United Kingdom tariff, which bore relatively heavily on the lower-priced preserved eggs. Imports of preserved eggs, although increasing absolutely from 1935-36 until last year, have continued to decline relatively to total imports. Supplies come mainly from Denmark, but shipments of cold-stored and preserved eggs in 1938-39 accounted for only 22 per cent. of the total Danish egg shipments to the United Kingdom, as against 29 per cent. in 1937-38 and 31 per cent. in 1936-37. Exports of eggs in shell other than fresh eggs from the Netherlands comprised 18 per cent. of Dutch egg shipments to the United Kingdom in 1938-39, as compared with 33 per cent. in 1937-38 and 18 per cent. in 1936-37. Exports of cold-stored and preserved eggs from Eire normally account for a very small proportion of the total egg exports from that country and were negligible last winter.

TABLE 40—Exports of fresh, cold-stored and preserved eggs to the United Kingdom from certain countries

	October, 1938	November, 1938	December, 1938	January, 1939	Total, 4 months	Corres- ponding Period, 1937-38	Corres- ponding Period, 1936-37
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
<i>Netherlands</i>							
Fresh	73·7	72·7	106·6	105·3	358·3	200·4	182·0
Cold-stored	22·7	20·7	22·0	9·5	74·9	87·7	35·7
Preserved	1·0	1·4	2·1	0·6	5·1	10·6	5·0
Total	97·4	94·8	130·7	115·4	438·3	298·7	222·7
	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.
<i>Denmark</i>							
Fresh	521·2	469·3	631·1	755·4	2,377·0	2,345·9	2,134·6
Cold-stored	202·7	232·7	190·8	45·2	671·4	944·1	981·1
Preserved							
Total	723·9	702·0	821·9	800·6	3,048·4	3,290·0	3,115·7
<i>Eire (a)</i>							
Fresh	62·5	21·2	22·6	72·1	178·4	133·6	159·1
Cold-stored	0·7	1·3	0·6	0·6	3·2	3·0	6·3
Preserved							
Total	63·2	22·5	23·2	72·7	181·6	136·6	165·4

(a) Total exports.

Preserved eggs are imported also from other countries, including Poland, China, Belgium and Roumania, while imports from Canada are mainly cold-stored. The greater part of the imports of preserved eggs are received in the early part

of the season, when prices are normally rising. Quotations are too infrequent to permit of detailed comparisons between 1938-39 and 1937-38 or between prices for preserved and fresh eggs.

Prices

Egg prices have shown slight annual advances since 1935.

There is a pronounced seasonal variation in egg prices, quotations declining to a minimum in the spring and then rising to a peak about October–November. At the beginning of 1938 prices were appreciably higher than a year earlier, but they rapidly fell below the previous year's level in February and March, when imports were the heaviest for many years. From April until September, however, quotations were above those of a year earlier, although imports were heavy and home production was only slightly smaller than in the preceding year, but prices fell below the corresponding 1937 figures in the last quarter of the year. The seasonal low point was reached in March, nearly a month earlier than in 1937, and the peak was attained at the end of October, three weeks earlier than in the previous year.

For the year as a whole, the unweighted average of National Mark specials and standards was higher than in 1937 by 3 per cent. and 2 per cent., respectively. The increase was rather more marked for imported eggs, the average for Danish 15½ lb. being about 5 per cent. above that for 1937. (Prices for Southern Hemisphere eggs are discussed on page 80 *et seq.*)

Table 41 gives average monthly top prices of English National Mark specials in 1937 and 1938, with corresponding prices for approximately comparable imported descriptions, Danish 18 lb. and Dutch 18 lb. The prices are from the weekly quotations of the London Egg Exchange.

TABLE 41—Average monthly prices of eggs at London

Month	English N.M. specials		Danish 18 lb.		Dutch 18 lb.	
	1938	1937	1938	1937	1938	1937
	Per 120 s. d.	Per 120 s. d.	Per 120 s. d.	Per 120 s. d.	Per 120 s. d.	Per 120 s. d.
January	18 0	15 2	—	11 6	15 6	14 9(a)
February	15 3	15 6	—	—	13 5	14 8
March	11 8	12 10	9 7	12 6	11 5(a)	13 2
April	11 9	10 10	10 5(a)	—	11 11	—
May	13 1	11 2	—	9 4(a)	12 7	—
June	14 8	13 11	11 10(a)	10 3(a)	12 11	12 4
July	17 4	16 9	12 6(a)	—	13 8	13 6
August	19 1	18 4	13 5	—	14 4	14 1
September	21 6	21 0	—	—	15 8	15 11
October	23 11	22 5	16 0(a)	15 4(a)	17 0	16 8
November	24 5	25 6	—	16 11	18 1	18 0
December	22 2	23 9	—	—	17 6(a)	18 5
Average	17 9	17 3	—	—	14 6	—

(a) Three quotations.

Table 42 shows average monthly prices for certain other descriptions of eggs in 1937 and 1938, also taken from the weekly quotations of the London Egg Exchange, except Irish eggs, the quotations for which represent prices at Liverpool. It will be seen that the general tendencies and the comparison between the two years are similar to those shown by Table 41. The trend of prices for National Mark standards and Danish 15½ lb. from 1934 to 1938 is shown graphically in figure 4.

FIGURE 4. PRICES OF ENGLISH NATIONAL MARK, DANISH AND AUSTRALIAN EGGS AT LONDON.

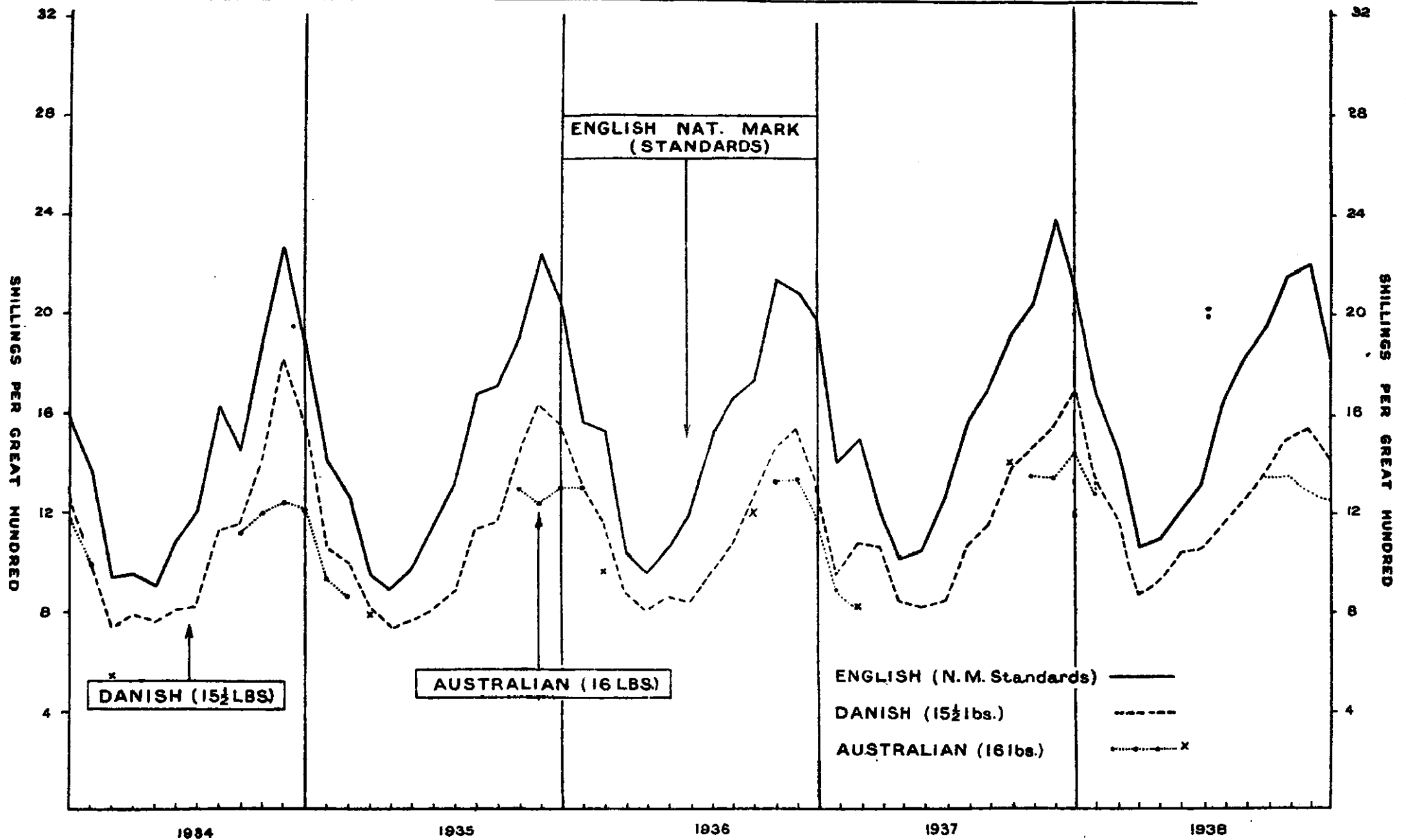


TABLE 42—Average monthly prices of eggs at London

Month	National Mark Standards		Irish extra selected*		Danish 15½ lb.		Dutch Mixed 15½ lb.		Polish 14 lb.	
	1938	1937	1938	1937	1938	1937	1938	1937	1938†	1937†
	Per 120	Per 120	Per 120	Per 120	Per 120	Per 120	Per 120	Per 120	Per 120	Per 102
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
January	16 11	13 11	14 9	11 11	13 3	9 5	12 8	9 3	—	—
February	14 4	14 11	12 6	12 7	11 9	10 9	11 2	10 4	8 10(a)	—
March	10 8	12 1	8 7	11 0	8 8	10 7	8 6	10 1	6 6	7 10(a)
April	11 0	10 2	8 9	8 2	9 3	8 5	8 11	8 3	6 9(a)	6 4
May	12 1	10 5	10 5	8 2	10 4	8 2	9 11	7 9	8 1(a)	6 3
June	13 6	12 9	11 1	8 9	10 6	8 5	10 1	8 0	8 4	6 5
July	16 8	15 9	11 10	11 6	11 5	10 9	11 1	10 5	8 9	8 2
August	18 2	17 1	13 4	13 0	12 5	11 6	11 11	11 0	8 8	7 10
September	19 9	19 3	14 11	13 11	13 10	13 10	13 3	13 8	9 3	8 8
October	21 5	20 6	16 1	16 3	15 1	14 8	14 4	14 5	9 2	8 10
November	21 11	23 10	19 8(a)	19 3	15 5(a)	15 7	14 2	15 2	9 2	8 9(a)
December	18 1	21 0	18 1	19 9	14 4(a)	17 0	13 1(a)	16 1	—	—
Average for year	16 3	16 0	13 4	12 10	12 2	11 7	11 8	11 2	—	—

* At Liverpool. (a) 3 quotations. † January to June 51/52 kg.; July to December 52/53 kg.
 ‡ January to April 52/53 kg.; May to December 14 lb.

Home-produced eggs at country markets shared in the upward price movement during 1938. The average price at about twenty-five centres in England and Wales reporting weekly to the Ministry of Agriculture was 1s. 7½d. per dozen, as against 1s. 7d. in 1937; average weekly prices ranged from a minimum of 11½d. in March to 2s. 4½d. in October, whereas in 1937 the range was from 11½d. to 2s. 5½d. The average price at Kilmarnock, a consuming centre in Scotland, was 1s. 4½d., or the same as a year earlier; while at Aberdeen, a producing centre, the average quotation was 1s. 8d. as against 1s. 7d. in 1937.

Table 43 shows the average monthly prices of first quality English eggs at about twenty-five country provision markets in England and Wales in 1937 and 1938. Similar figures are given for Scottish eggs at Kilmarnock, a consuming centre, and Aberdeen, a producing centre. It is not suggested that these figures are at all comparable, but the price movements broadly correspond.

TABLE 43—Average monthly prices of first quality English and Scottish eggs

Month	English farm Eggs (a)		Scottish farm eggs			
			Aberdeen		Kilmarnock	
	1938	1937	1938	1937	1938	1937
	Per dozen	Per dozen	Per dozen	Per dozen	Per dozen	Per dozen
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
January	1 8½	1 4½	1 5½	1 2½	1 9½	1 6½
February	1 6½	1 5½	1 4½	1 4½	1 7	1 6½
March	1 1	1 1½	0 11½	1 0½	1 1	1 2
April	1 1	0 11½	0 11	0 10½	1 1	0 11½
May	1 2½	1 0½	1 0½	0 10½	1 2½	1 0½
June	1 3½	1 3	1 0½	1 0	1 3½	1 2½
July	1 7½	1 6½	1 4	1 3	1 6½	1 5½
August	1 9½	1 8½	1 5½	1 3½	1 9	1 6½
September	1 11½	1 10½	1 7½	1 6½	2 0½	1 10½
October	2 1½	2 1½	1 8½	1 9	2 2½	2 1½
November	2 3½	2 5½	2 0	2 2	1 4½	2 5
December	1 10½	2 2½	1 7½	2 0	2 0½	2 1½
Average for year	1 7½	1 7	1 4½	1 4½	1 8	1 7

(a) At representative country provision markets.

IMPORTS OF EGGS INTO UNITED KINGDOM PORTS

Imports of eggs into United Kingdom ports in the period 30th December, 1937, to 28th December, 1938, totalled 27,668,000 great hundreds, according to the Committee's weekly returns, as compared with the official import figure of 27,697,000 great hundreds in the calendar year 1938; the discrepancy is easily accounted for by the slight difference in the periods covered.

As in the case of other commodities covered, London is the chief port of entry for eggs, taking 49 per cent. of the total in 1938, as against 48 per cent. in 1937. Other ports account for much smaller quantities, the proportions handled in 1938 being as follows, with the previous year's figures in parentheses:—Harwich, 10 per cent. (11); Hull, 9 per cent. (8); Leith, 8 per cent. (8); Newcastle, 6 per cent. (7); Grimsby and Liverpool, 4 per cent. (4); Glasgow, 3 per cent. (3).

In contrast to the butter position, London is the chief port of entry for Danish eggs, handling 31 per cent. of the total in 1938, while Harwich took 27 per cent., the latter being no doubt mainly destined for London; Leith and Newcastle each took 13 per cent., and Grimsby 11 per cent. About 79 per cent. of the Dutch and 57 per cent. of the Polish eggs were discharged at London, with Hull and Leith sharing the bulk of the remainder from these countries. Eggs from Australia also arrive mainly at London, the balance being shared by Liverpool and Glasgow. Supplies from Eire were to a very large extent received across the land boundary but Glasgow and Liverpool also took large proportions. All the South African shipments arrived at Southampton, and most of those from Finland and Estonia were received by Hull, but in nearly every other instance London was the chief port of entry.

Details of the imports of eggs into the chief ports in the United Kingdom during the period 30th December, 1937, to 28th December, 1938, are given in Table 44. The figures represent the port of arrival and not the final destination, i.e. they exclude further carriage by rail, road or coastal steamer.

TABLE 44—Imports of eggs into ports in the United Kingdom, 30th December, 1937, to 28th December, 1938
(thousand great hundreds)

Country whence consigned	London	Southampton	Fishguard	Liverpool	Manchester	Glasgow	Leith	Newcastle	Hull	Goole	Grimsby	Harwich	Irish Land Stations	Other Ports	Total	Total, 1938, 31st Dec. to 28th Dec., 1937.
Eire	—	—	100	533	—	662	—	—	—	—	—	—	822	94*	2,211	1,944
Australia	700	—	—	126	11	154	—	—	—	—	—	—	—	—	991	1,221
South Africa	—	271	—	—	—	—	—	—	—	—	—	—	—	—	271	267
Canada	56	—	—	25	—	62	—	—	—	—	—	—	—	—	145	116
New Zealand	20	—	—	—	—	—	—	2	—	—	—	—	—	—	20	7
Nigeria	—	—	—	2	—	—	—	—	—	—	—	—	—	—	2	4
Denmark	2,976	—	—	3	—	8	1,254	1,211	307	164	1,033	2,532	—	—	9,488	9,903
Netherlands	4,671	17	—	28	4	—	379	238	413	18	1	112	—	29†	5,910	4,224
Poland	1,504	—	—	—	—	—	346	—	787	—	—	1	—	9‡	2,647	2,227
Roumania	891	—	—	41	—	10	52	188	181	—	—	—	—	4	1,367	601
Finland	3	—	—	—	—	—	145	—	369	—	—	—	—	—	517	482
Hungary	446	—	—	—	—	—	—	12	23	—	—	4	—	4	489	36
Lithuania	312	—	—	—	—	—	—	—	167	—	—	—	—	—	479	444
Sweden	256	—	—	—	3	1	47	110	55	—	—	—	—	1	473	327
Yugoslavia	222	—	—	—	—	—	2	—	8	—	—	73	—	1	306	189
Norway	2	—	—	—	—	—	—	3	1	—	—	—	—	149‡	155	123
Estonia	29	—	—	—	—	—	—	—	106	—	—	—	—	—	135	48
Belgium	71	—	—	—	—	5	29	5	6	1	—	12	—	5§	134	414
Latvia	84	—	—	—	—	—	—	—	26	—	—	—	—	—	110	90
France	6	33	—	—	—	—	—	—	—	—	—	—	—	59	98	—
Bulgaria	37	—	—	1	—	—	20	2	16	—	—	—	—	—	76	63
Germany	6	—	—	—	—	—	1	—	—	—	—	—	—	—	7	62
Egypt	138	—	—	58	46	—	—	1	3	—	—	—	—	—	246	40
Morocco	22	—	—	—	—	—	—	—	—	—	—	—	—	11	33	—
United States	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	19
Argentina	558	31	—	145	—	2	—	—	—	—	—	—	—	—	736	300
Uruguay	190	1	—	56	—	—	—	—	—	—	—	—	—	—	247	187
Chile	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	8
Brazil	19	—	—	—	—	—	—	—	—	—	—	—	—	—	19	19
China	262	—	—	21	—	30	2	4	—	—	—	—	—	—	319	1,001
Japan	19	—	—	—	—	—	—	—	—	—	—	—	—	—	19	—
Other countries	2	—	—	—	—	—	—	—	—	—	—	—	—	16||	18	130
Total	13,502	353	100	1039	64	934	2,277	1,776	2,468	183	1,034	2,734	822	382	27,668	—
<i>Total, 1937</i>	<i>11,845</i>	<i>283</i>	<i>88</i>	<i>887</i>	<i>18</i>	<i>833</i>	<i>2,055</i>	<i>1,675</i>	<i>1,862</i>	<i>174</i>	<i>960</i>	<i>2,741</i>	<i>732</i>	<i>343</i>	<i>—</i>	<i>24,488</i>

* Eire: including Holyhead 39,300 great hundreds, Douglas 36,800 great hundreds and Belfast 17,500 great hundreds.

† Netherlands: including Bristol 10,000 great hundreds and Middlesbrough 17,600 great hundreds.

‡ Norway: including North Shields 149,000 great hundreds. § Belgium: including Grangemouth 5,000 great hundreds.

|| Including 16,200 great hundreds for which no details are available. ¶ Poland: including Bristol 9,000 great hundreds.

Imports of Egg Products

Imports of eggs not-in-shell into the United Kingdom during 1938 reached a record figure, and were 11 per cent. greater than in 1937 and 6 per cent. above the 1936 level, the highest previously recorded. The bulk of the trade is in *liquid or frozen eggs*, imports of which in 1938 were 11 per cent. larger than in 1937. Shipments from China, by far the most important source, declined by 3 per cent. and accounted for only 84 per cent. of the total, against 97 per cent. in 1937, but considerable supplies were received from a number of sources which had not previously figured in the trade to any extent.

Re-exports of eggs not-in-shell, which were declining between 1930 and 1934, have since been on a larger scale; re-exports in 1938 totalled 48,000 cwt., as against 49,000 cwt. in 1937 and 45,000 cwt. in 1936.

Table 45 shows the imports and re-exports of liquid and frozen eggs in each of the years 1932 to 1938.

TABLE 45—Imports of liquid and frozen eggs (whole, yolk or white) into the United Kingdom

Country whence consigned	1932	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Australia	24	17	1	2	7	1	6
Other Empire countries	2	—	—	—	—	2	1
China	738	579	801	768	859	822	794
Germany	4	1	9	—	—	—	—
U.S.S.R.	3	12	—	2	—	—	—
Denmark	—	—	—	—	2	2	3
United States	—	—	—	—	—	1	8
Hungary	—	—	—	—	—	—	36
Roumania	—	—	—	—	—	—	24
Poland	—	—	—	—	—	—	12
Yugoslavia	—	—	—	—	—	—	17
Netherlands	1	—	—	—	—	1	5
Latvia	—	—	—	—	—	—	4
Egypt	—	8	7	13	16	11	12
Japan	1	2	—	—	2	6	19
Other foreign countries	2	1	—	2	1	1	3
Total Empire countries	26	17	1	2	7	3	7
Total foreign countries	749	603	817	785	880	844	937
Total all countries	775	620	818	787	887	847	944
Re-exports	39	27	18	23	45	49	48
Net imports	736	593	800	764	842	798	896

Imports of *albumen* in 1938, again almost entirely from China, were 9 per cent. lighter than in 1937.

Imports of *dried eggs (except albumen)* in 1938 were 18 per cent. less than in 1937, receipts of both dried whole and dried yolk declining. As with imports of albumen, China remained the chief and almost the sole source of supply.

Tables 46 and 47 show details of the imports of albumen and dried eggs (except albumen) respectively, during each of the past seven years.

TABLE 46—Imports of albumen into the United Kingdom

Country whence consigned	1932	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
China	18.7	18.8	16.6	16.8	22.7	20.5	17.5
Other countries	0.2	0.4	0.1	0.2	0.2	0.9	2.0
Total	18.9	19.2	16.7	17.0	22.9	21.4	19.5
Re-exports	1.7	1.3	1.8	1.0	1.6	2.4	1.2
Net imports	17.2	17.9	14.9	16.0	21.3	19.0	18.3

TABLE 47—Imports of dried eggs (except albumen) into the United Kingdom

Country whence consigned	1932	1933	1934	1935		1936		1937		1938	
				Whole	Yolk	Whole	Yolk	Whole	Yolk	Whole	Yolk
China	4.5	5.8	4.0	4.8	5.5	6.2	5.2	7.4	3.3	6.1	3.1
Other countries	2.4	0.3	1.7	—	0.3	—	0.1	—	1.6	0.3	0.6
Total	6.9	6.1	5.7	4.8	5.8	6.2	5.3	7.4	4.9	6.4	3.7
Re-exports	0.4	0.1	0.8	0.3	0.8	0.3	1.4	1.7	0.8	0.7	0.8
Net imports	6.5	6.0	4.9	4.5	5.0	5.9	3.9	5.7	4.1	5.7	2.9

Imports of egg products as a rule are greater in the second half of the year than in the first six months, varying usually with arrivals from China, which are at their maximum in the autumn. Entries last year were 30 per cent. heavier in the second half than in the first, but the peak did not occur until November; April was again the month of smallest importation. Imports in each of the first six months of 1938, except March, were above those of a year earlier, but thereafter were below the previous years level in each month, except in July and November.

Aggregate monthly imports of all classes of egg products in each of the seven years 1932 to 1938 are given in Table 48.

TABLE 48—Monthly imports of egg products

Month	1932	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	60	38	65	39	36	91	112
February	111	27	37	29	46	51	56
March	16	51	50	43	40	79	49
April	33	19	33	26	48	31	40
May	76	30	60	61	64	51	76
June	86	74	68	60	94	69	90
July	76	45	74	70	135	93	104
August	104	53	42	78	63	126	97
September	130	170	106	136	210	100	63
October	30	70	203	176	69	68	61
November	41	55	40	42	44	58	182
December	38	25	62	55	73	64	44
Total	801	657*	840	815	922	881	974

* Aggregate of monthly imports as furnished by H.M. Customs and Excise. The revised total figure for 1933 is 645,000 cwt.

Prices

No official market quotations for egg products are available. The average declared values of the imports of liquid and frozen eggs from China declined for a number of years to 1934, but have since increased, and last year were again at the 1932 level. Values of albumen increased by 38 per cent. between 1931 and 1934, but between that year and 1937 declined by 15 per cent.; in 1938, however, they rose again to the 1934 level. Values of dried eggs were falling prior to 1934, but have since increased considerably and by last year were little lower than in 1932.

Average values of the different classes of egg products imported from China, as declared to the Customs (and excluding Customs duties), are given in Table 49 for the seven years 1932 to 1938. It may be noted that the 10 per cent. *ad valorem* duty on these products was in 1934 replaced by a series of specific duties which were maintained until January, 1939, when the general *ad valorem* duty was reimposed.

TABLE 49—Average declared value of egg products imported from China into the United Kingdom

Year	Frozen or liquid (whole, yolk or white)	Albumen	Dried (except albumen)
	Per cwt. £	Per cwt. £	Per cwt. £
1932	3.2	10.6	10.6
1933	2.5	12.1	9.9
1934	2.1*	12.4	6.4
1935	2.1	12.0	6.6*
1936	2.4	10.7	7.5†
1937	2.6	10.6	8.9‡
1938	3.2	12.4	10.2§

* Whole £9.7 per cwt. and yolk £3.9 per cwt. † Whole £10.4 per cwt. and yolk £4.0 per cwt.

‡ Whole £10.7 per cwt. and yolk £6.2 per cwt. § Whole £11.1 per cwt. and yolk £8.7 per cwt.

Table 50 gives in detail the declared value of the imports of liquid or frozen eggs in the three years 1936 to 1938 according to country of origin and, taken in conjunction with Table 45, shows that imports in 1938 experienced an increase in value as well as in weight.

TABLE 50—Imports of liquid or frozen eggs* into the United Kingdom by declared value

Country whence consigned	1936	1937	1938
	£000	£000	£000
Australia	21	3	23
Canada	—	4	4
China	2,076	2,113	2,569
Hungary	—	—	118
Roumania	—	1	69
Japan	4	13	57
Yugoslavia	—	—	55
Poland	—	—	41
United States	—	4	38
Egypt	42	31	35
Netherlands	—	2	16
Latvia	—	—	14
Denmark	6	7	11
Germany	1	1	1
Other foreign countries	2	1	7
Total Empire countries	21	7	27
Total foreign countries	2,131	2,173	3,031
Total all countries	2,152	2,180	3,058

* Whole, yolk or white.

Imports of Poultry

Imports of poultry (dead) into the United Kingdom during 1938 were 12 per cent. lighter than in 1937, but 6 per cent. heavier than in 1936 or 1935.

Details by classes show that, in 1938, imports of *chickens* and *turkeys* declined by 18 per cent. and 7 per cent. respectively, while those of *ducks and geese* decreased by 24 per cent. Smaller supplies of *tinned* poultry also were entered, but *other kinds* totalled about the same as in 1937. Imports of turkeys accounted for 49 per cent. of the total, as against 47 per cent. in 1937, while supplies of chickens comprised 40 per cent. as compared with 43 per cent. in the previous year. Receipts of all other kinds accounted for 11 per cent. of total entries, against 10 per cent. in 1937.

The latest available figure for the output of poultry in the United Kingdom relates to the year 1937, when it was estimated at 1,559,000 cwt. comprising 1,272,000 cwt. of fowls and chickens, 108,000 cwt. of turkeys and 179,000 cwt. of other kinds. Thus about three-quarters of the total supplies of poultry in the United Kingdom are home-produced, but, while home production accounts for the bulk of total supplies of fowls and chickens, and ducks and geese, it comprises only about one-third of the turkeys. *Per caput* consumption of all poultry in the United Kingdom may be estimated at slightly under 5 lb. per annum.

Sources of supply.—Imports of poultry from Empire sources declined by 19 per cent. during 1938 when they were lower than in any year since 1933, and accounted for only 26 per cent. of the total, as against 29 per cent. in 1937; entries from foreign sources also declined, being 9 per cent. lighter than in the previous year. Hungary remained the chief source of supply but sent 4 per cent. less than in 1937, and accounted for only 39 per cent. of the total, as compared with 36 per cent. in 1937. Supplies from Eire have been declining during the past two or three years and last year were again slightly smaller than in the previous year, but Irish entries comprised 23 per cent. of the whole, as against 20 per cent. a year earlier. Receipts from Yugoslavia also have tended to decline and in 1938 were 4 per cent. less than in 1937. Shipments from the Netherlands and Roumania increased very considerably last year and entries from Lithuania and France were again larger but those from the other chief European sources declined, receipts from Poland and the U.S.S.R. being reduced by 48 per cent. and 81 per cent., respectively. Shipments from Argentina declined by 14 per cent. and those from Uruguay were slightly reduced. Supplies from Canada, which had been increasing rapidly, declined by 64 per cent. last year. Imports from China were negligible in comparison with those of former years.

Apart from the countries listed, there is an important trade in poultry from Northern Ireland to Great Britain. No particulars of these imports are available, but returns issued by the Ministry of Commerce indicate that 187,970 cwt. of poultry (dead) were exported from Northern Ireland during 1938, compared with 196,721 cwt. in 1937. No doubt the greater part of these exports was shipped to Great Britain.

The bulk of the imports from Yugoslavia, France and South America consisted of turkeys, which made up also a large proportion of supplies from Hungary, Eire and Lithuania. Chickens constituted the largest part of the imports from the Netherlands, Canada, U.S.S.R. and Roumania, while supplies of ducks and geese came mainly from Eire, Hungary and the United States. The small quantities of tinned poultry are imported almost entirely from Poland and Canada.

Table 51 gives details of the imports of poultry (dead) into the United Kingdom in 1913 and in the six years 1933 to 1938.

TABLE 51—Imports of poultry (dead) into the United Kingdom

Country whence consigned	1913	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Eire	(a)	102.6	138.5	105.1	104.2	103.1	102.0
Canada	0.3	10.8	16.0	21.6	21.7	37.6	13.6
Australia	(b)	3.1	2.4	6.3	4.6	3.9	1.6
Union of South Africa	(b)	0.3	—	—	—	0.2	—
Other Empire countries	0.4	—	—	—	—	—	—
Hungary	26.7	171.2	128.0	119.3	105.3	181.0	173.9
Yugoslavia	(g)	39.1	56.3	72.8	66.8	45.0	43.3
Poland	(e)	18.5	28.2	18.3	30.8	20.2	10.5
U.S.S.R.	119.9	43.5	9.6	14.0	17.5	29.9	5.6
Lithuania	(f)	3.6	2.6	6.0	10.2	11.0	13.0
Netherlands	(c)	24.9	10.1	7.2	7.7	10.2	24.4
France	31.2	8.8	1.5	2.2	6.2	7.2	8.5
Denmark	(c)	2.7	2.4	3.0	5.0	3.4	1.5
Bulgaria	(c)	1.1	2.7	2.4	3.6	2.2	1.1
Italy	19.7	4.4	1.9	1.8	2.0	1.3	0.5
Austria	(d)	5.6	4.1	3.9	1.7	0.4	0.4
Roumania	(c)	2.7	1.6	3.1	1.4	1.5	7.6
Belgium	1.9	1.4	0.7	1.6	0.6	0.8	0.6
Norway	(c)	5.7	0.1	0.1	0.1	—	—
Czechoslovakia	(d)	—	0.5	0.5	—	0.1	—
Germany	(c)	7.8	0.6	—	—	0.2	—
Argentina	(c)	19.5	22.4	17.7	17.0	26.4	22.8
Uruguay	(c)	6.6	8.3	8.1	10.3	10.4	10.3
United States of America	54.2	11.7	8.7	3.4	2.5	2.3	3.0
China	20.0	3.2	4.3	3.9	1.9	5.6	0.2
Other foreign countries	4.1	1.6	0.7	0.2	0.6	2.0	1.1
Total Empire countries	0.7	116.8	156.9	133.0	130.5	144.8	117.2
Total foreign countries	277.7	383.6	295.3	289.5	291.2	361.1	328.3
Total all countries	278.4	500.4	452.2	422.5	421.7	505.9	445.5
Re-exports	9.9	5.0	3.3	4.3	5.7	10.1	6.2
Net Imports	268.5	495.4	448.9	418.2	416.0	495.8	439.3

- (a) Not separately distinguished before April, 1923. (b) Included in "Other Empire countries".
(c) Included in "Other foreign countries." (d) Included in the total for Hungary.
(e) Included in Russia, Hungary and Germany. (f) Included in Russia.
(g) Included in Hungary and "Other foreign countries".

Seasonal variation.—Imports of poultry are low in summer, but increase to a maximum in December, as a result of the Christmas demand for turkeys. Imports are usually high in January also but then decline gradually during the next few months. Of the total imports of turkeys in 1938, about 67 per cent. were received during December, as against 69 per cent. in 1937; in most months supplies were below the corresponding figures for the previous year.

Imports of chickens are at their maximum in winter and show a similar trend to those of turkeys, although imports in December do not show such a marked expansion. Except from May to July, receipts each month in 1938 were less than a year earlier.

Imports of ducks and geese show a trend similar to that of turkeys, December being by far the month of heaviest importation, while imports of other kinds of poultry vary in the same seasonal manner as those of chickens.

Table 52 shows the relative importance of the different classes of imports in 1937 and 1938.

TABLE 52—Imports of poultry (dead) by classes in 1937 and 1938

Country whence consigned	Chickens*		Turkeys		Ducks and Geese		Tinned		Other kinds	
	1938	1937	1938	1937	1938	1937	1938	1937	1938	1937
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Eire	48	45	48	61	6	7	—	—	—	—
Canada	9	28	3	8	—	1	1	1	—	—
Australia	—	—	2	4	—	—	—	—	—	—
Hungary	67	83	81	75	3	1	—	—	23	22
Yugoslavia	1	1	39	41	1	—	—	—	2	3
Poland	6	14	3	4	—	—	2	2	—	—
Netherlands	24	10	—	—	—	—	—	—	—	—
U.S.S.R.	6	30	—	—	—	—	—	—	—	—
Austria	—	—	—	—	—	—	—	—	—	—
Bulgaria	—	—	1	2	—	—	—	—	—	—
Lithuania	6	2	7	8	—	1	—	—	—	—
Denmark	—	1	1	3	—	—	—	—	—	—
Italy	—	—	—	1	—	—	—	—	—	—
Roumania	6	1	1	1	1	—	—	—	—	—
France	1	—	7	7	—	—	—	—	—	—
Argentina	4	2	17	21	2	3	—	—	—	—
Uruguay	1	—	10	10	—	—	—	—	—	—
United States of America	—	—	—	—	3	2	—	—	—	—
China	—	—	—	—	—	6	—	—	—	—
Other foreign countries	—	1	—	—	—	—	1	2	1	1
Total Empire countries	57	73	53	63	6	8	1	1	—	—
Total foreign countries	122	145	167	173	10	13	3	4	26	26
Total	179	218	220	236	16	21	4	5	26	26

* Including fowls and old hens.

Aggregate monthly imports of poultry in 1913 and in the seven years 1932 to 1938 are shown in Table 53.

TABLE 53—Monthly imports of poultry (dead) into the United Kingdom

Month	1913 (a)	1932	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	44	49	56	44	55	39	49	42
February	65	78	40	28	30	36	31	31
March	42	30	31	30	30	22	44	25
April	11	35	28	13	19	18	27	16
May	4	22	16	13	12	14	13	14
June	2	8	8	8	7	10	7	10
July	1	5	12	11	10	10	12	13
August	8	8	22	17	14	11	18	18
September	6	23	20	20	14	15	27	25
October	2	22	23	30	26	20	36	27
November	5	41	53	61	50	40	43	45
December	88	193	191	177	156	187	199	180
Total	278	514	500	452	423	422	506	446

(a) Excluding imports from Eire.

Table 54 shows the monthly imports of the main classes in 1937 and 1938.

TABLE 54—*Monthly imports of poultry (dead) by classes in 1937 and 1938*

Month	Chickens*		Turkeys		Ducks and geese		Tinned		Other kinds	
	1938	1937	1938	1937	1938	1937	1938	1937	1938	1937
	000 cwt.	000 cwt.	000 cwt. *	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	23	29	12	13	1	1	1	1	5	5
February	21	21	5	4	1	2	—	—	4	4
March	17	35	2	3	2	2	—	1	4	3
April	11	21	2	1	1	3	1	—	1	2
May	10	9	1	3	1	1	—	—	2	—
June	9	5	—	1	—	—	—	1	1	—
July	8	6	4	4	1	1	—	1	—	—
August	10	11	7	6	—	1	1	—	—	—
September	15	18	9	8	1	1	—	—	—	—
October	16	19	8	14	1	1	—	—	2	2
November	16	21	23	15	1	1	1	1	4	5
December	23	23	147	164	6	7	1	—	3	5
Total	179	218	220	236	16	21	5	5	26	26

* Including fowls and old hens.

In Table 55 the imports are classified monthly according to the main country or group of countries of despatch.

TABLE 55—*Monthly imports of poultry (dead) by classes from the principal countries of consignment in 1938*

Month	Eire			Canada			Austria, Hungary and Yugoslavia			U.S.S.R. and Poland			United States of America, Argentina and Uruguay		
	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)
January	6	—	—	1	—	—	10	11	5	4	—	—	—	—	1
February	5	—	—	3	—	—	8	5	4	3	—	—	—	—	—
March	5	—	—	2	1	—	7	2	4	1	—	—	—	—	1
April	3	—	—	1	—	—	5	1	2	—	—	1	—	—	1
May	2	—	—	—	—	—	4	—	2	—	—	—	1	—	1
June	3	—	—	—	—	—	3	—	1	—	—	—	1	—	—
July	3	—	—	—	—	—	1	1	—	—	—	—	1	3	1
August	3	—	—	—	—	—	4	—	—	—	—	—	1	6	—
September	4	—	1	—	—	—	5	—	—	1	—	—	1	8	—
October	5	1	1	—	—	—	5	2	2	1	—	—	—	6	—
November	5	3	1	—	—	1	6	16	4	1	—	1	—	3	—
December	4	44	3	2	2	1	10	82	5	—	2	—	—	1	—
Total	48	48	6	9	3	2	68	120	29	11	2	2	5	27	5

(a) Chickens, including fowls and old hens.

(b) Turkeys.

(c) Other kinds.

Live Poultry

In addition to the trade in dead poultry, the United Kingdom imports a certain number of live poultry intended for food. These imports were at the rate of over one million head per annum up to 1931, but were reduced to little more than one-third of that figure by 1934. Since that year, however, receipts have been steadily increasing.

Imports in 1938 were 12 per cent. greater than in 1937 and nearly twice as large as in 1934. This increase has been mainly due to an increase in shipment from Eire, which rose by 15 per cent. last year and accounted for 83 per cent. of the total, against 81 per cent. in 1937. The balance of supplies in 1938 came from Belgium.

Table 56 shows the imports into the United Kingdom of live poultry from the principal sources in the eleven years 1928 to 1938.

TABLE 56—Imports of live poultry into the United Kingdom

Year	Country whence consigned					
	Eire	Belgium	Italy	Egypt	Other countries	Total
	000's.	000's.	000's.	000's.	000's.	000's.
1928	1,021	128	25	(a)	8	1,182
1929	1,073	109	6	(a)	16	1,204
1930	971	105	3	(a)	13	1,092
1931	1,055	75	3	(a)	12	1,145
1932	733	125	2	(a)	16	876
1933	291	126	(a)	(a)	12	429
1934	182	124	19	58	1	384
1935	288	120	1	—	2	411
1936	472	137	—	38	3	650
1937	540	126	—	—	2	668
1938	623	124	—	—	—	747

(a) Included, if any, in "Other Countries".

Prices

The decline in prices for poultry was less marked than for many other agricultural commodities during the depression, but the downward trend persisted until 1936. A recovery took place in 1937, and a further slight rise occurred last year.

Owing to the differences in types of poultry marketed throughout the year it is difficult to make an exact price comparison between one period and another or between poultry from different sources. There is a well-defined seasonal movement in prices for chickens and fowls, quotations rising to a peak in late spring and early summer and declining to a low point in the autumn, with a recovery in December. Home-produced chicken last year were above the 1937 level in each month except from August to November, inclusive; for the year as a whole average prices were about 5 per cent. higher than in 1937. Irish chicken showed a similar movement, except that quotations in December also were below the previous year's figures, and the average price for 1938 was only 4 per cent. above that for 1937. Home-produced duckling, as in 1937 and 1936, failed to show the usual pronounced seasonal movement, prices from May until November remaining very steady; the average price for this variety in 1938 was the same as in the preceding year.

Table 57 gives average monthly wholesale prices of certain descriptions of first quality chicken and duck during 1937 and 1938, the figures being taken from the weekly quotations of the Ministry of Agriculture.

TABLE 57—Average monthly prices of certain classes of poultry

Month	British chicken at London (1st quality)		Irish chicken at Liverpool (1st quality)		British duckling at London (1st quality)	
	1938	1937	1938	1937	1938	1937
	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
January	1 5½	1 2¾	1 2	1 0½	1 1½	1 0½
February	1 4½	1 3	1 2½	1 1	1 2	1 0½
March	1 5	1 4½	1 3	1 1½	1 0½	1 1½
April	1 5½	1 4½	1 4	1 2	1 0½	1 2
May	1 5½	1 4½	1 3	1 1½	0 11½	1 1½
June	1 5	1 3¾	1 1½	1 0	0 11½	1 0
July	1 4	1 3¾	0 11½	0 11½	0 11½	0 11½
August	1 3	1 3½	0 10½	1 0	0 11½	0 11½
September	1 2	1 3	0 10½	0 11½	0 11½	0 11
October	1 2½	1 3	0 10½	0 11½	0 11½	0 10½
November	1 2½	1 3½	0 10½	0 11½	0 11½	0 11½
December	1 5½	1 3½	1 0½	1 1½	1 1½	1 2
Average for year	1 4½	1 3½	1 1	1 0½	1 0½	1 0½

Table 58 shows the top prices for certain descriptions of poultry as quoted at London Central Markets on the three Wednesdays before, and that following, Christmas, 1938, in comparison with prices for the corresponding days in 1937. The figures are intended merely to serve as an indication of the trade when supplies are greatest. Supplies of poultry during the first three weeks of December were lighter than in the same period a year earlier, largely owing to smaller imports of turkeys, but demand was slow and prices generally were below the high level ruling a year earlier. Later in the month, however, prices for chickens approximated to the 1937 level, while quotations for certain varieties of turkeys and ducks exceeded the previous year's figures.

TABLE 58—Representative Smithfield quotations for first quality poultry during December

Date	Chicken								
	English Surrey		Country white		Dutch white		Hungarian		
	1938	Same day 1937	1938	Same day 1937	1938	Same day 1937	1938	Same day 1937	
<i>Wednesday</i>	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
7th December	1 4	1 6	1 2	1 3	1 2	1 2½	0 11½	0 11½	0 11½
14th December	1 5	1 6	1 3	1 5	1 2½	1 2½	0 11½	1 0	1 0
21st December	1 8	1 9	1 4	1 6	1 2½	1 4	1 0	1 0	1 0
28th December	1 8	1 6	1 4	1 4	1 2½	1 4	1 0	1 0	1 0

Date	Turkeys								Ducks	
	English		Irish		Hungarian*		Argentine		Aylesbury	
	1938	Same day 1937	1938	Same day 1937	1938	Same day 1937	1938	Same day 1937	1938	Same day 1937
<i>Wednesday</i>	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
7th December	—	—	1 1	1 4	0 10½	1 1	1 0½	1 2	1 2	1 3
14th December	—	—	1 1	1 3	0 10½	1 1	1 0½	1 2	1 2	1 3
21st December	1 8†	1 9	1 6†	1 4	1 5	1 1	1 0½	1 2	1 4	1 3
28th December	1 8§	1 9	1 6||	1 4	1 4	1 1	1 0½	1 2	1 4	1 3

* Central European

† Lightweight ; price of heavyweight 1s. 3d. to 1s. 6d.

‡ Lightweight ; price of heavyweight 1s. 1d. to 1s. 3d.

§ Lightweight ; price of heavyweight 1s. 2d. to 1s. 4d.

|| Lightweight ; price of heavyweight 1s. 0d. to 1s. 2d.

The Bacon Market

Imports of bacon were materially reduced from 1932 to 1936, following the introduction of quota regulation of foreign supplies. Allocations in 1937 were at a higher level than in 1936 and, with a continuance of the expansion in supplies from Empire countries, total imports increased accordingly; in 1938, however, although quota allocations were further enlarged, total imports were slightly less than a year earlier, owing to a reduction in shipments from Empire countries. Gross imports in 1938 were 40 per cent., or 4.5 million cwt., lighter than in the peak year, 1932.

Home production.*—Reduced imports in recent years have been accompanied by a substantial expansion in the home output of bacon, production in the United Kingdom increasing by over 1¼ million cwt., or 57 per cent., between 1934 and 1936. The contract system for bacon pigs in Great Britain broke down at the end of 1936, owing to an insufficient number of pigs being offered on contract for 1937, when, with a marked reduction in pig numbers, bacon production declined considerably. Output last year increased to 3,235,600 cwt., but was still 7 per cent. less than in 1936.

The downward trend in pig numbers in the United Kingdom during the past two or three years has continued, but a similar movement in Empire countries and many important European pig-producing countries has been reversed. Among foreign exporting countries to show a recovery in pig numbers at the end of 1938 were the Netherlands, Denmark and Sweden, while in other Scandinavian and Baltic countries the upward trend continues. Among importing countries, the downward swing in Germany continued last year but there were signs of a recovery in output. The increase in pig numbers in the United States has continued and it is expected that marketings for the year 1938–39 will be greater than in the previous twelve months, while marketings in 1939–40 should show a further expansion.

Sources of supply.—Imports of bacon from Empire countries, which had increased nearly six-fold between 1931 and 1937, tended to decline in 1938, being 5 per cent. smaller than a year earlier and accounting for only 26 per cent. of the total, as against 27 per cent. in the previous year. Imports from foreign sources were heavily reduced after 1931 but increased to some extent in 1937, and showed a further slight expansion in 1938.

The increase in supplies from Denmark in 1937 was not maintained during 1938, imports from that country being 1 per cent. lighter than in the earlier year, although slightly greater than in 1936; Denmark accounted for 49 per cent. of the total imports, as compared with 50 per cent. in 1937. Shipments from Canada had been steadily increasing since 1932, but in 1938 a downward movement was recorded, receipts from that country being 8 per cent. less than a year earlier. Eire, which in 1936 had displaced the Netherlands as the third most important source of supply, sent last year 5 per cent. more than in 1937, while entries from the Netherlands increased by 7 per cent. Supplies from Poland, Sweden and Lithuania all increased slightly. Considerably heavier imports came from the United States, the total from this source being the highest since 1933, while greater quantities were received from Argentina also.

In addition to these imports, there is an important trade in bacon between Northern Ireland and Great Britain; this has expanded since the institution of the Northern Ireland Pigs Marketing Scheme, although with a reduced output in 1937, exports from Northern Ireland declined. In 1938, however, shipments again expanded, total exports for the year (which may include some for destinations other than Great Britain) amounting to 429,897 cwt., as against 397,250 cwt. in 1937 and 404,316 cwt. in 1936.

* Figures for the production and consumption of bacon in the United Kingdom during the years 1934–38 will be found in Appendix VI, p. 123.

Re-exports of bacon from the United Kingdom increased between 1928 and 1932, but since then have declined substantially. Most of these re-exports were destined for Eire prior to 1932 but after that date this trade ceased. Total exports of imported bacon in 1938 amounted to 39,238 cwt., as compared with 41,265 cwt. in 1937 and 53,271 cwt. in 1936.

Table 59 gives details of the gross and net imports of bacon into the United Kingdom in 1913, and the six years 1933 to 1938.

TABLE 59—*Imports of bacon into the United Kingdom*

Country whence consigned	1913	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Canada	244	507	894	919	1,092	1,388	1,275
Eire	(a)	204	368	458	505	510	537
Australia	(d)	—	—	—	1	—	—
Other Empire countries	6	—	1	1	—	—	—
Denmark	2,335	5,524	4,288	3,826	3,373	3,429	3,389
Netherlands	186	872	608	509	485	481	515
Poland	(b)	784	463	430	408	442	456
Sweden	62	403	297	257	242	250	251
Lithuania	(c)	416	252	165	193	188	190
Estonia	(c)	63	51	46	43	41	42
U.S.S.R.	212	44	49	47	42	27	10
Latvia	(c)	46	43	33	36	37	37
Yugoslavia	(e)	—	16	21	21	11	11
Finland	(c)	51	24	22	21	21	22
Roumania	(e)	—	20	21	12	12	12
Norway	(e)	26	25	20	11	12	12
Bulgaria	(e)	—	—	17	10	10	9
Belgium	(e)	5	22	13	10	10	5
Luxemburg	(e)	—	—	6	—	—	—
Hungary	(e)	2	21	21	12	12	12
Switzerland	(e)	—	7	12	2	—	—
Czechoslovakia	(e)	—	7	4	1	3	2
France	(e)	—	—	9	1	—	—
Germany	(e)	27	51	—	—	—	—
Austria	(e)	—	12	1	—	—	—
United States of America	1,803	63	39	20	17	7	43
Argentina	(e)	43	27	28	26	28	30
Brazil	(e)	3	13	21	6	7	8
Other foreign countries	11	1	—	—	—	—	—
Total Empire countries	250	711	1,263	1,378	1,598	1,898	1,812
Total foreign countries	4,609	8,373	6,335	5,549	4,972	5,028	5,056
Total all countries	4,859	9,084	7,598	6,927	6,570	6,926	6,868
<i>Re-exports—</i>							
<i>Empire countries</i>	38	39	45	57	31	26	26
<i>Foreign countries</i>	71	37	20	37	22	15	13
Total re-exports	109	76	65	94	53	41	39
Net imports	4,750	9,008	7,533	6,833	6,517	6,885	6,829

(a) Not separately distinguished before April, 1923. (d) Included in "Other Empire countries".
 (b) Included in Russia and "Other foreign countries". (e) Included in "Other foreign countries".
 (c) Included in Russia.

Seasonal variation.—There is no marked seasonal movement in supplies of imported bacon. The quota allocations fixed from time to time in 1938 were slightly above those for 1937, although during the first six months of the year they were less. Monthly imports were lighter than in the preceding year, except during January and the four months August–November.

Table 60 shows the monthly imports of bacon into the United Kingdom in the seven years 1932 to 1938.

TABLE 60—*Monthly imports of bacon into the United Kingdom*

Month	1932	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	903	855	646	631	532	570	626
February	1,005	689	611	539	509	546	528
March	1,123	836	645	561	560	622	597
April	966	748	675	595	548	589	554
May	795	826	705	600	536	623	601
June	989	812	628	554	541	557	524
July	915	777	681	612	571	557	550
August	932	744	630	619	580	574	588
September	907	740	579	574	510	530	550
October	1,020	742	585	520	539	566	571
November	1,022	723	603	546	558	591	592
December	814	592	610	576	586	601	587
Total	11,391	9,084	7,598	6,927	6,570	6,926	6,868

Table 61 shows the monthly imports of bacon from the principal sources during 1938.

TABLE 61—*Monthly imports of bacon into the United Kingdom during 1938*

Month	Canada	Eire	Denmark	Nether-lands and Sweden	U.S.S.R. and Baltic countries (a)	Other countries	Total
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	149	39	295	56	76	11	626
February	112	36	258	56	55	11	528
March	118	42	293	66	65	13	597
April	110	40	261	70	59	14	554
May	122	42	295	70	57	15	601
June	90	40	270	61	53	10	524
July	78	44	297	61	57	13	550
August	89	54	306	69	56	14	588
September	73	56	286	65	58	12	550
October	98	53	271	66	66	17	571
November	122	50	282	58	62	18	592
December	114	41	275	68	71	18	587
Total	1,275	537	3,389	766	735	166	6,868

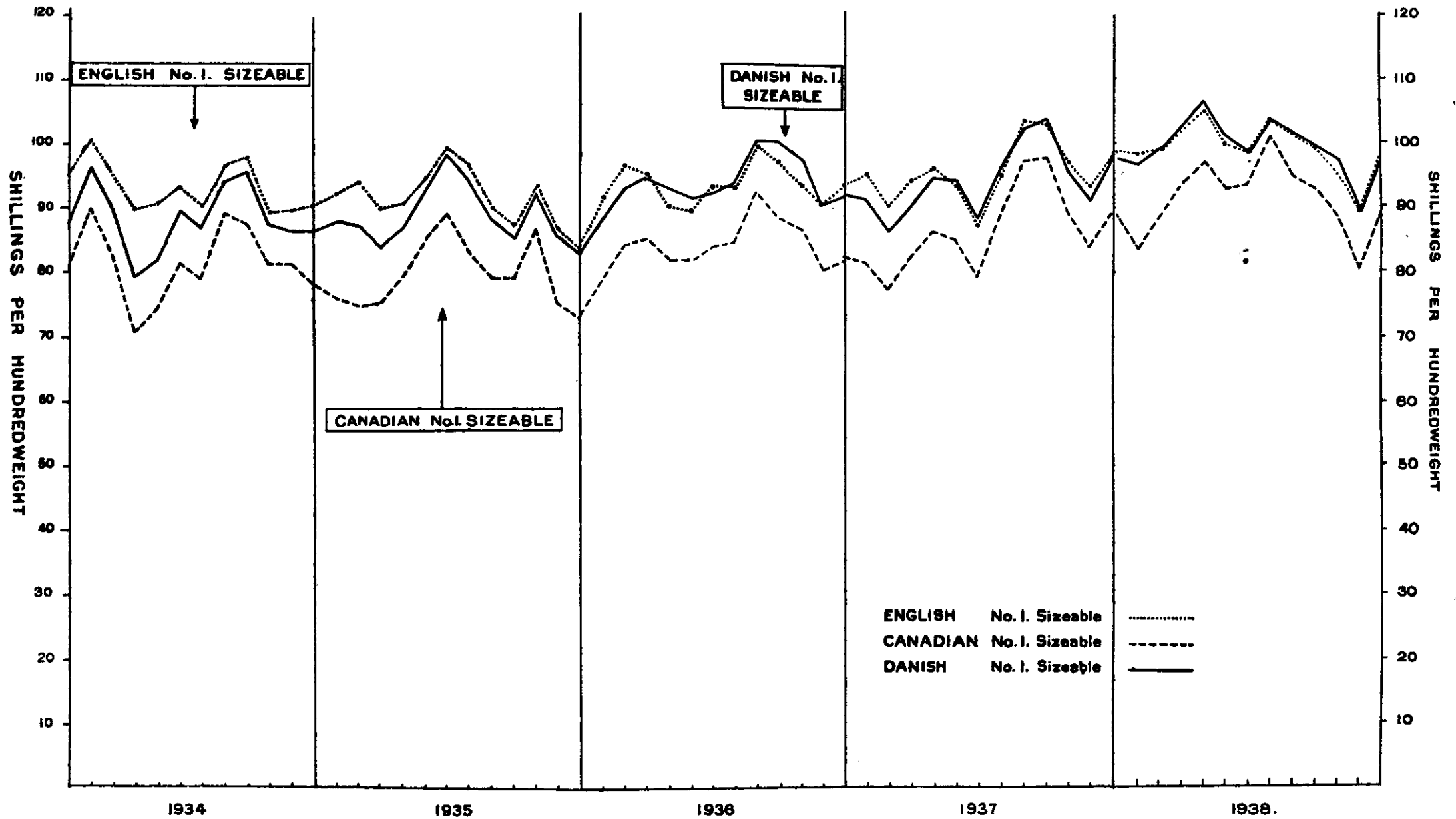
(a) Poland, Estonia, Latvia, Lithuania.

Prices

Bacon prices rose from the very low levels of 1932 in the two succeeding years but then remained relatively stable until 1937, when they increased slightly; a further and more marked advance was recorded last year. Figure 5 shows in diagrammatic form the trend of prices of English, Canadian and Danish bacon from 1934 to 1938.

The bacon market was fairly firm throughout 1938. Prices advanced in the first four months of the year, but trade in May was slow and irregular and quotations declined sharply. Following a further slight reduction in June, the market strengthened and prices rose steeply in July, but from then until November declined. Trade was firm in December and prices showed their normal advance. Quotations during 1938 were above the level of the previous year in each of the first seven months, but during the last five months prices, except for foreign supplies in October, fell below the 1937 figures.

FIGURE 5. PRICES OF ENGLISH, CANADIAN AND DANISH BACON AT LONDON.



For the year as a whole English No. 1 sizeable at London averaged 4 per cent. higher than in 1937; Irish increased by 3 per cent. and Canadian by 5 per cent. Danish No. 1 sizeable, which for most months of the year was quoted above the home-produced bacon, showed an increase of 5 per cent. on 1937.

Average monthly prices of certain descriptions of bacon in 1937 and 1938 are shown in Table 62. The figures are taken from the weekly quotations of the London Provision Exchange and represent the average of top prices of a series. The range of quotations within each grade is comparatively small, except for Irish No. 1 Sizeable.

TABLE 62—Average monthly prices of bacon at London

Month	English No. 1 sizeable		Irish No. 1 sizeable		Canadian No. 1 sizeable	
	1938	1937	1938	1937	1938	1937
	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.
January	98 0	94 9	98 6	95 9	84 0	81 0
February	99 0	90 0	100 9	91 0	88 9	77 0
March	102 0	94 0	104 0	93 6	93 6	82 3
April	104 6	96 0	106 0	96 3	97 0	86 3
May	99 6	93 6	98 6	97 3	92 9	84 6
June	98 3	87 0	97 3	91 6	93 6	79 3
July	103 6	95 0	105 3	98 3	100 6	89 3
August	100 9	103 6	101 6	105 6	94 9	97 0
September	99 0	103 0	98 3	105 0	92 9	97 6
October	95 3	96 6	94 6	94 6	88 6	89 3
November	89 9	93 6	89 9	91 0	79 9	84 0
December	98 0	98 3	98 0	98 3	89 0	89 3
Average for year	99 0	95 6	99 3	96 6	91 3	86 6

Month	Danish No. 1 sizeable		Polish No. 1 sizeable		Dutch No. 1 sizeable	
	1938	1937	1938	1937	1938	1937
	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.
January	96 6	90 9	86 0	84 0	93 0	86 9
February	99 0	86 0	89 3	80 0	95 6	82 0
March	102 3	90 0	93 6	84 0	99 3	86 6
April	106 0	94 6	97 0	87 3	101 6	91 6
May	100 6	94 3	92 9	86 0	95 0	91 3
June	98 3	88 0	93 6	80 3	95 9	84 6
July	103 6	95 6	100 6	89 3	102 6	94 6
August	101 0	102 6	94 6	97 0	97 6	101 6
September	99 0	103 6	92 9	97 6	95 9	102 6
October	97 0	96 0	89 6	89 3	94 0	92 6
November	89 6	91 0	80 6	84 3	86 6	87 3
December	97 3	97 9	89 0	90 6	95 0	95 0
Average for year	99 3	94 3	91 6	87 6	96 0	91 3

IMPORTS OF BACON INTO UNITED KINGDOM PORTS

According to the Committee's weekly returns, imports of bacon into United Kingdom ports in the period 30th December, 1937, to 28th December, 1938, amounted to 6,924,000 cwt., as compared with 6,868,000 cwt. during the calendar year.

London is the chief port of entry for bacon, but it does not occupy the same dominating position as for butter and cheese, since supplies from Southern Hemisphere countries are unimportant, while those from Northern Europe, which enter by the East Coast ports, make up the greater portion of the imports. Imports of bacon into London in 1938 were 3 per cent. less than a year earlier, and comprised 37 per cent. of the total, as against 38 per cent. in 1937. Entries into Harwich, the next most important port, increased by 9 per cent. during the year and accounted for 17 per cent. of all imports as compared with 16 per cent. in the previous year, but Grimsby and Hull each handled slightly smaller quantities, although the proportions of the total attributable to each remained at 13 per cent. and 10 per cent., respectively. Liverpool took 9 per cent. in 1938, as compared with 8 per cent. a year earlier.

Of the Danish supply, Harwich took 34 per cent., Grimsby 26 per cent. and London 20 per cent. London, however, received most of the Swedish shipments and those from Baltic countries, as well as 72 per cent. of the Canadian supplies, 22 per cent. of the latter going to Liverpool. The remaining Scandinavian supplies, with the exception of Norwegian shipments, which went to North Shields, arrived at Hull. Imports from Eire were distributed among Liverpool (39 per cent.), Fishguard (25 per cent.) and Holyhead (24 per cent.). Liverpool took 57 per cent. of the bacon from the United States and London 36 per cent. Nearly all the imports from Central and South-East Europe, which, however, are of only minor importance, arrived at London.

Details of the imports of bacon into ports in the United Kingdom from 30th December, 1937 to 28th December, 1938, are given in Table 63. The figures represent the port of arrival and not the final destination, i.e., they exclude movement by rail, road or coastal steamer.

TABLE 63—Imports of bacon into ports in the United Kingdom, 30th December, 1937, to 28th December, 1938
(thousand cwt.)

Country whence consigned	London	Fishguard	Holyhead	Liverpool	Manchester	Glasgow	Leith	North Shields	Newcastle	Hull	Goole	Grimsby	Harwich	Other Ports	Total	Total 31st Dec. 1936 to 29th Dec. 1937
Eire	—	129	125	205	—	23	—	—	—	—	—	—	—	44*	526	486
Canada	933	—	—	290	42	7	—	—	15	—	—	—	—	3†	1,290	1,366
Denmark	682	—	—	—	—	—	107	—	202	312	79	882	1,162	—	3,426	3,418
Netherlands	185	—	—	82	5	—	15	—	91	52	8	—	24	51‡	513	474
Poland	317	—	—	—	—	—	—	—	—	141	—	—	—	—	458	445
Sweden	146	—	—	—	—	—	2	—	8	99	—	—	—	—	255	249
Lithuania	154	—	—	—	—	—	—	—	—	36	—	—	—	—	190	193
Estonia	41	—	—	—	—	—	—	—	—	—	—	—	—	—	41	40
U.S.S.R.	12	—	—	—	—	—	—	—	—	—	—	—	—	—	12	26
Latvia	21	—	—	—	—	—	—	—	3	15	—	—	—	—	39	37
Finland	—	—	—	—	—	—	—	—	—	22	—	—	—	—	22	21
Roumania	7	—	—	—	—	—	—	—	—	5	—	—	—	—	12	12
Yugoslavia	5	—	—	—	—	—	—	—	—	—	—	—	6	—	11	11
Hungary	6	—	—	—	—	—	—	—	—	6	—	—	—	—	12	12
Norway	—	—	—	—	—	—	—	12	—	—	—	—	—	—	12	11
Czechoslovakia	2	—	—	—	—	—	—	—	—	—	—	—	—	—	2	—
Bulgaria	9	—	—	—	—	—	—	—	—	—	—	—	—	—	9	10
Belgium	3	—	—	—	—	—	—	—	—	—	—	—	2	—	5	10
U.S.A.	16	—	—	25	2	—	—	—	1	—	—	—	—	—	44	8
Argentina	19	—	—	9	—	—	—	—	—	—	—	—	—	—	28	20
Brazil	5	—	—	2	—	—	—	—	—	—	—	—	—	—	7	7
Other countries	—	—	—	—	—	—	—	—	—	—	—	—	—	10§	10	32
Total	2,563	129	125	613	49	30	124	12	320	688	87	882	1,194	108	6,924	—
<i>Total, 1937</i>	<i>2,649</i>	<i>140</i>	<i>136</i>	<i>541</i>	<i>81</i>	<i>35</i>	<i>128</i>	<i>11</i>	<i>324</i>	<i>693</i>	<i>86</i>	<i>893</i>	<i>1,092</i>	<i>99</i>	<i>—</i>	<i>6,906</i>

* Eire : including 33,000 cwt. over land boundary, 8,400 cwt. to Douglas, I.O.M., and 1,100 cwt. to Plymouth.

† Canada : including 3,000 cwt. to Southampton.

‡ Netherlands : including 21,100 cwt. to Bristol, 10,200 cwt. to Middlesbrough, 5,800 cwt. to Cardiff and 13,400 cwt. to Sunderland.

§ Including 9,954 cwt. for which details are not available.

Imports of Hams

Hams were included with bacon under the Bacon (Import Regulation) Order, 1933, and thus came under the operation of the quota restrictions on imports of bacon.* The general downward trend in imports of hams, which was checked in 1937, was resumed in 1938, when imports were the lowest recorded for any of the post-war years, with the exception of the abnormally low level of 1920.

Sources of supply.—The import of hams from Empire sources, which had increased steadily since the institution of quota regulations, was considerably reduced in 1938, when Empire supplies declined by 25 per cent., and comprised only 37 per cent. of total imports, as against 49 per cent. in 1937; the decline was due almost entirely to a reduction of 26 per cent. in shipments from Canada, from which most of the Empire supplies are obtained. Imports from the United States, which in 1938 regained its place as the most important source of supply, increased by 27 per cent. and were larger than in any year since 1935. Supplies from Argentina were 39 per cent. smaller than in 1937, and those from Poland were again substantially reduced, but the Irish trade was maintained at about the level of the preceding year.

In addition to these imports there is a substantial export trade in hams from Northern Ireland to Great Britain. These shipments increased steadily until checked in 1937, but the following year witnessed a recovery, exports amounting to 149,650 cwt. as compared with 125,783 cwt. in 1937 and 149,287 cwt. in 1936.

The re-export trade in hams of United Kingdom origin, never very large, has declined to negligible proportions; some 1,490 cwt. were re-exported in 1938 as against 738 cwt. in 1937 and 1,323 cwt. in 1936.

Table 64 gives details of the gross and net imports of hams in the years 1913 and 1938 to 1938.

TABLE 64—Imports of hams into the United Kingdom

Country whence consigned	1913	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Canada	90·1	179·7	180·7	190·7	277·7	313·9	232·1
Eire	(a)	20·2	13·1	20·2	22·5	15·6	15·5
Australia	(b)	—	—	—	0·2	—	—
Other Empire countries	0·1	—	—	—	—	—	—
Poland	(c)	74·0	33·1	21·9	12·4	2·8	0·8
Netherlands	(c)	—	0·1	0·3	0·2	0·2	1·0
Denmark	1·2	0·3	—	0·1	0·1	—	—
United States of America	760·6	564·2	477·5	419·2	332·8	311·6	395·3
Argentina	(c)	30·0	21·0	20·2	24·5	29·2	17·9
Brazil	(c)	—	2·2	3·5	0·8	0·3	1·1
Other foreign countries	3·0	0·4	0·6	0·7	0·5	0·5	0·8
Total Empire countries	90·2	199·9	193·8	210·9	300·4	329·5	247·6
Total foreign countries	764·8	668·9	534·5	465·9	371·3	344·6	416·9
Total all countries	855·0	868·8	728·3	676·8	671·7	674·1	664·5
Re-exports	29·9	9·2	2·4	1·4	1·3	0·7	1·5
Net imports	825·1	859·6	725·9	675·4	670·4	673·4	663·0

(a) Not separately distinguished before April, 1923. (b) Included in "Other Empire countries".
(c) Included in "Other foreign countries".

Seasonal variation.—Imports of hams are normally heaviest in the summer, the period of most active demand. Although total imports in 1938 were less than in the previous year, receipts in most months were above those for the corresponding

* Since January, 1939 a separate allocation for imports of hams from foreign countries has been made.

months of 1937, a decline in shipments from Canada being offset by a substantial increase in those from the United States, but in November and December there was a heavy reduction as against a year earlier. Imports were heaviest in July and lightest in September, whereas in 1937 they were heaviest in May and lightest in September.

Monthly imports of hams in 1913 and from 1932 to 1938 are given in Table 65.

TABLE 65—*Monthly imports of hams into the United Kingdom*

Month	1913	1932	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	68	41	61	42	45	43	48	54
February	70	46	48	38	46	45	43	44
March	59	58	52	65	50	49	58	61
April	85	52	69	67	63	43	54	56
May	66	86	94	64	66	64	70	67
June	64	76	82	63	75	78	64	63
July	90	104	120	107	77	84	68	72
August	84	81	75	84	54	74	64	60
September	74	62	82	44	47	37	35	36
October	64	67	62	48	43	36	42	42
November	68	71	71	53	45	53	67	55
December	63	57	53	53	66	66	61	54
Total	855	801	869	728	677	672	674	664

Monthly imports of hams from the chief sources of supply in 1938 are given in Table 66.

TABLE 66—*Monthly imports of hams into the United Kingdom in 1938*

Month	Canada	Eire	United States of America	Argentina	Other countries	Total
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	27	2	24	1	—	54
February	19	1	21	2	1	44
March	18	2	39	2	—	61
April	19	1	34	1	1	56
May	21	1	43	2	—	67
June	19	1	42	1	—	63
July	20	1	49	2	—	72
August	18	1	40	1	—	60
September	13	1	21	1	—	36
October	18	1	22	1	—	42
November	20	2	30	3	—	55
December	20	2	30	1	1	54
Total	232	16	395	18	3	664

Prices

Prices for high quality home-produced hams, which for some years had tended to increase, declined in 1938, but maintained an increase over the corresponding figures for 1936. Quotations were at a higher level than in 1937 during the first three months of the year but thereafter declined and in all months except July were below the previous year's corresponding figures, the margin increasing rapidly in the autumn. Prices for American hams also showed, on average, a reduction for the year, being in the first ten months of 1938 below the levels for 1937, although in the early summer quotations were little less than in the preceding year; in November and December, however, average quotations were higher than in the same months a year earlier.

Average prices for Canadian hams showed little change on the year, although in late summer and early autumn quotations were much lower than a year earlier.

Table 67 shows the average monthly prices during 1937 and 1938 of English Pale Dried and Canadian and American Short Cut 12/14s as quoted on the London Provision Exchange. It should be noted that the home and imported descriptions are not comparable; neither is it suggested that the figures represent a price at which the bulk of sales took place. At the same time, the figures give some idea of the change in prices in the past two years.

TABLE 67—Average prices of hams at London

Month	English—Pale dried 14/16s. * *		United States (a) 12/14s.		Canadian (a) 12/14s.	
	1938	1937	1938	1937	1938	1937
	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.	Per cwt. s. d.
January	165 0	157 0	84 0	93 6	88 6	91 3
February	160 0	155 0	87 0	95 6	91 0	94 0
March	160 0	155 0	90 3	95 0	97 6	94 9
April	150 0	155 0	92 3	94 6	98 0	96 6
May	150 0	155 0	93 3	94 9	99 0	97 0
June	150 0	151 3	96 0	96 0	102 0	97 0
July	150 0	150 0	100 6	104 6	105 6	104 3
August	150 0	160 0	98 6	108 6	106 6	109 6
September	152 0	160 0	92 6	106 9	98 9	108 3
October	160 0	180 0	96 6	107 3	100 0	107 9
November	160 0	180 0	93 0*	92 6	97 0	97 0
December	160 0	180 0	97 3	86 6	98 9	90 0
Average for year	155 6	161 6	93 6	98 0	98 6	99 0

(a) Short Cut, green.

* 3 quotations.

Imports of Tinned and Canned Pig Products

Bacon and Hams

Imports of tinned and canned bacon and hams were not separately distinguished prior to 1934. From 1934 to 1937 imports declined steadily but in 1938 they showed a slight recovery. These products come within the scope of the Bacon (Import Regulation) Orders.

Total imports during 1938 were slightly heavier than in the preceding year. Supplies from Poland increased by 66 per cent. on the year and accounted for 47 per cent. of the total, as compared with 29 per cent. in 1937. Shipments from Denmark declined by 10 per cent., while those from Germany were less than half the figure for the previous year. Imports from most other European sources were on a smaller scale than in 1937.

Table 68 shows the imports of tinned and canned bacon and hams into the United Kingdom in the five years for which they have been separately distinguished, 1934 to 1938.

TABLE 68—Imports of tinned and canned bacon and hams into the United Kingdom*

Country whence consigned	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Canada	6.4	4.2	4.0	9.0	7.4
Other Empire countries	0.2	0.1	—	0.1	1.3
Poland	33.1	20.6	20.0	21.7	36.0
Denmark	17.5	11.9	11.9	16.2	14.5
Germany	31.7	17.6	10.0	6.4	3.1
Netherlands	4.2	4.9	4.5	3.0	3.1
Belgium	1.0	2.1	4.5	3.6	1.9
France	0.3	14.4	10.0	5.0	1.8
Switzerland	1.9	2.1	0.9	0.2	1.1
Austria	—	0.2	7.7	7.4	3.2
Czechoslovakia		0.1	3.8	1.3	0.3
Other foreign countries	} 2.0	{ 2.0	2.5	1.9	2.9
Total Empire countries	6.6	4.3	4.0	9.1	8.7
Total foreign countries	91.7	75.9	75.8	66.7	67.9
Total all countries	98.3	80.2	79.8	75.8	76.6
Re-exports	2.4	3.4	3.4	1.9	1.4
Net imports	95.9	76.8	76.4	73.9	75.2

* Not separately distinguished before 1934.

Pork Tongues

Imports of tinned and canned pork tongues declined steadily up to 1937, but in 1938 increased by 10 per cent., and were greater than in any year since 1934. Shipments from the United States were 20 per cent. heavier than in the preceding year, but those from Denmark declined by 19 per cent.

Table 69 gives details of imports of tinned and canned pork tongues into the United Kingdom in the past seven years.

TABLE 69—Imports of tinned and canned pork tongues into the United Kingdom

Country whence consigned	1932	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Canada	2.0	1.0	0.7	0.6	1.1	1.3	0.9
Other Empire countries	0.2	0.2	0.2	0.3	0.1	0.1	—
Denmark	21.6	19.3	14.2	11.8	14.1	14.0	11.4
United States of America	63.4	80.0	88.4	62.9	58.0	54.6	65.5
Other foreign countries	2.6	2.6	3.4	4.4	4.6	4.6	4.6
Total Empire countries	2.2	1.2	0.9	0.9	1.2	1.4	0.9
Total foreign countries	87.6	101.9	106.0	79.1	76.7	73.2	81.5
Total all countries	89.8	103.1	106.9	80.0	77.9	74.6	82.4
Re-exports	0.1	0.1	0.2	0.1	0.2	0.3	0.1
Net imports	89.7	103.0	106.7	79.9	77.7	74.3	82.3

Other Products

Table 70 gives details of all other tinned and canned pig products imported into the United Kingdom in the past seven years. Figures prior to 1934 include tinned and canned bacon and hams, which were not separately distinguished until that year.

TABLE 70—Imports of other tinned and canned pig products into the United Kingdom

Country whence consigned	1932*	1933*	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Canada	3.4	4.7	2.1	1.7	1.7	1.9	1.2
Other Empire countries	0.1	0.1	—	—	—	0.3	0.1
Denmark	27.4	21.7	6.7	4.1	3.3	4.2	2.7
Poland	0.9	8.9	—	0.2	0.4	0.1	0.2
Germany	9.8	29.3	0.1	—	—	—	—
Netherlands	8.3	4.2	0.1	0.3	0.3	0.1	—
United States of America	5.1	1.9	1.3	1.2	1.3	0.6	0.2
Other foreign countries	1.5	1.2	0.2	2.6	4.4	3.0	6.4 †
Total Empire countries	3.5	4.8	2.1	1.7	1.7	2.2	1.3
Total foreign countries	53.0	67.2	8.4	8.4	9.7	8.0	9.5
Total all countries	56.5	72.0	10.5	10.1	11.4	10.2	10.8
Re-exports	2.6	1.0	0.2	0.1	0.4	0.1	0.1
Net imports	53.9	71.0	10.3	10.0	11.0	10.1	10.7

* Includes tinned and canned bacon and hams.

† All from Brazil.

Imports of Fresh Pork

No information is available regarding the quantity of pig meat marketed as fresh pork in the United Kingdom, but it is known that the greater part of the home production of pig meat is marketed in that form. According to the Ministry of Agriculture, the total output of pig meat (excluding offals) in Great Britain in 1937-38 was 7,568,000 cwt., as compared with 8,072,000 cwt. in 1936-37 and 8,207,000 cwt. in 1935-36. Supplies of pork of Great Britain origin at the London Central Markets increased steadily every year from 1934 to 1937 but declined in 1938, totalling only 536,620 cwt., as compared with 566,580 cwt. in 1937 and 556,140 cwt. in 1936. Total supplies of fat pigs (baconers and porkers) at representative markets in Great Britain had been increasing up to 1937 but declined during 1938, amounting to 1,071,000, as against 1,122,200 in the preceding year and 1,042,100 in 1936. It should be remembered that no contract system for bacon pigs was in operation in either 1937 or 1938 (until December) and, therefore, these figures are not exactly comparable with those for the immediately preceding years.

Since the embargo placed on Continental fresh meat in 1926, imports of fresh pork into the United Kingdom have been almost exclusively from Eire. These, however, have declined continuously since 1931 and in 1938 they were 31 per cent. less than in 1937 and 90 per cent. smaller than the quantity imported in 1931. The decline has been largely in the trade across the land boundary into Northern Ireland, which accounted for 60 per cent. of the total in the years immediately prior to 1932, but which amounted to only 1,292 cwt. in 1938, or 4 per cent. of total imports.

Table 71 shows the imports of fresh pork into the United Kingdom, all from Eire, in the ten years 1929 to 1938.

TABLE 71—*Imports of fresh pork from Eire into the United Kingdom*

Year	Imports	Year	Imports
	000 cwt.		000 cwt.
1929	296	1934	144
1930	289	1935	143
1931	383	1936	116
1932	262	1937	54
1933	195	1938	37

Imports of fresh pork are heaviest in the winter months, the period of greatest demand. Receipts in 1938 were well below the level of 1937 during the first part of the year, but in the last four months were greater than a year earlier.

Monthly imports of pork in the six years 1933 to 1938 are shown in Table 72.

TABLE 72—*Monthly imports of fresh pork*

Month	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	26	18	18	19	11	4
February	22	14	14	12	10	3
March	21	16	15	13	8	3
April	12	9	10	10	5	2
May	7	5	6	5	1	—
June	5	2	3	2	—	—
July	2	1	1	2	—	—
August	5	2	2	2	—	—
September	12	6	9	5	1	2
October	26	18	16	12	3	5
November	29	27	23	16	6	7
December	28	26	26	18	9	11
Total	195	144	143	116	54	37

In addition to the importation from Eire, there is also an export trade in pork from Northern Ireland to Great Britain. Complete details are not available, but exports of pork from Northern Ireland in 1938 totalled 34,097 cwt., as compared with 34,613 cwt. in 1937.

Imports of Chilled, Frozen and Salted Pork

(i) Chilled or Frozen Pork

Imports of chilled or frozen pork into the United Kingdom increased by 12 per cent. during 1938 and reached a new record figure, being 7 per cent. heavier than in 1934, the previous maximum. Imports are subject to quantitative regulation.

Supplies from Empire sources continued to increase during the year but at a slower rate than those from foreign countries, and comprised only 74 per cent. of the total, as compared with 79 per cent. in 1937. The rapid increase in New Zealand shipments, which had been apparent for several years, was checked in 1938, imports declining by 3 per cent., but shipments from Australia increased further and were 21 per cent. greater than in the preceding year. Supplies from Argentina were 23 per cent. heavier than a year earlier, while considerably larger quantities came from the United States.

Table 73 gives details of the imports of frozen or chilled pork into the United Kingdom in 1913 and in each of the six years from 1933 to 1938.

TABLE 73—Imports of chilled or frozen pork into the United Kingdom

Country whence consigned	1913	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
New Zealand	(a)	278	414	490	579	593	578
Australia	(a)	66	83	147	233	234	284
Canada	(a)	19	27	8	5	7	8
Other Empire countries	3	—	—	—	—	—	—
United States of America	12	83	290	77	11	22	62
Argentina	—	166	277	187	190	194	239
Brazil	—	11	13	6	7	7	9
Uruguay	(b)	—	1	—	—	—	1
Other foreign countries	1	—	—	—	—	—	—
Total Empire countries	3	363	524	645	817	834	870
Total foreign countries	13	260	581	270	208	223	311
Total all countries	16	623	1,105	915	1,025	1,057	1,181
Re-exports	—	3	1	2	2	2	2
Net imports	16	620	1,104	913	1,023	1,055	1,179

(a) Included in "Other Empire countries".

(b) Included in "Other foreign countries".

Seasonal variation.—Imports last year were heaviest during the summer months, when they were well above the preceding year's level. The small imports at the beginning and end of the year tended to be below those for 1937, except for February and March, when they were much higher than usual, heavy shipments being received from New Zealand and Argentina.

Monthly imports in 1924 and from 1933 to 1938 are given in Table 74.

TABLE 74—*Monthly imports of chilled or frozen pork into the United Kingdom*

Month	1924	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	38	30	96	86	67	85	83
February	41	44	96	92	75	85	103
March	14	50	107	67	117	107	124
April	3	42	70	71	107	104	98
May	4	44	86	94	89	85	92
June	7	43	84	85	105	124	117
July	3	43	77	68	69	42	134
August	11	54	79	85	90	103	114
September	11	75	118	89	111	86	117
October	10	49	109	62	72	89	59
November	16	72	94	53	57	59	65
December	43	77	89	63	66	88	75
Total	201	623	1,105	915	1,025	1,057	1,181

Table 75 shows the monthly imports from each of the principal sources during 1938.

TABLE 75—*Monthly imports of chilled or frozen pork into the United Kingdom during 1938*

Month	New Zealand	Australia	United States of America	Argentina	Other Countries	Total
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	36	27	8	9	3	83
February	58	22	12	8	3	103
March	77	20	9	15	3	124
April	50	29	4	13	2	98
May	47	21	3	21	—	92
June	49	35	3	30	—	117
July	64	45	—	24	1	134
August	44	33	—	37	—	114
September	70	17	—	29	1	117
October	27	15	—	16	1	59
November	25	9	6	22	3	65
December	31	11	17	15	1	75
Total	578	284	62	239	18	1,181

Prices

Prices of New Zealand frozen pork at London showed a further increase during 1938, quotations being higher than in 1937 during the first seven months of the year, but later falling below the level of the preceding year.

Average monthly prices of New Zealand pork at London during 1937 and 1938 are given in the following table, the figures being from the weekly quotations of the Imported Meat Trade Association.

TABLE 76—Average monthly prices of New Zealand pork at London

Month.	1937			1938		
	60/80 lb.	81/100 lb.	101/120 lb.	60/80 lb.	81/100 lb.	101/120 lb.
	per lb. d.	per lb. d.	per lb. d.	per lb. d.	per lb. d.	per lb. d.
January	7½	7	(a)	7½	7½	6½
February	7½	6½	(a)	7½	6½	6½
March	6½	6½	6	6½	6½	6½
April	6½	6½	6½	6½	6½	6½
May	6½	6½	6½	6½	6½	6½
June	6½	6½	6½	6½	6½	6½
July	6½	6½	6½	6½	6½	6½
August	7	7	7	6½	6½	6½
September	7½	7½	7½	7	6½	6½
October	7½	7½	7½	7½	7½	6½
November	7½	7½	7	7½	7	6½
December	7½	7½	7½	7½	7½	6½
Yearly average	6½	6½	—	7½	6½	6½

(a) Not quoted.

(ii) Salted Pork

Salted pork was imported in fairly large quantities in pre-war years, but imports have since declined and are now very small. This commodity is included with bacon under the Bacon Marketing Scheme and comes within the quota regulations.

Total imports in 1938 were 4 per cent. greater than in 1937, but much less than in any other recent year. Brazil and the United States were the chief sources of supply, imports from the latter country being larger than for several years. Imports from Eire, until recently one of the most important sources of supply, were negligible.

A fairly large proportion of the imports was re-exported prior to 1936, but since that date re-exports have been negligible.

Details of the imports of salted pork in 1913 and from 1933 to 1938 are given in Table 77.

TABLE 77—Imports of salted pork into the United Kingdom

Country whence consigned	1913	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Eire	(b)	0·4	11·2	8·3	5·4	2·4	0·2
Brazil	(a)	0·2	16·4	6·8	5·6	4·2	4·3
Argentina	(a)	11·5	4·6	6·4	2·5	3·1	1·5
United States of America	42·3	4·7	5·4	2·2	0·5	0·1	4·0
Denmark	187·5	3·2	—	—	—	—	—
Other countries	10·8	1·0	0·5	0·5	0·2	0·5	0·7
Total	240·6	21·0	38·1	24·2	14·2	10·3	10·7
Re-exports	7·2	6·3	6·7	4·3	0·4	0·6	0·6
Net imports	233·4	14·7	32·4	19·9	13·8	9·8	10·2

(a) Included in "Other countries".

(b) Not separately distinguished before April, 1923.

Imports of Live Pigs

In addition to the trade in pork and cured pigmeat there are considerable imports of live pigs (for food) into the United Kingdom, all of which come from Eire. This trade was severely reduced after 1931, and although the number of pigs imported in 1938 was 12 per cent. greater than in the preceding year, it was well below the total for 1936.

The United Kingdom Trade Returns do not differentiate between fat and store pigs, but details of exports from Eire show that the trade includes both the shipment of fat pigs to Great Britain and the export of store pigs to Northern Ireland for further feeding. The trade in fat pigs was heavily reduced after 1931, recovered to a large extent in 1935-36, but subsequently declined, although a slight improvement was noticeable in 1938. Exports of store pigs, on the other hand, although showing appreciable fluctuations from year to year, were fairly well maintained up to 1934; in the succeeding years, however, much smaller numbers were exported, until 1938, when some increase was recorded.

Fat pigs accounted, on an average, for 80 per cent. of live pig exports from Eire for the years 1929-32 but for only 38 per cent. in 1933; for the years 1935-37 the corresponding proportion rose to 86 per cent., but in 1938 it declined to 82 per cent.

Imports of live pigs are heaviest in the winter months and at a minimum during the summer. In 1938 imports were greater than in the preceding year during each of the six months May to October, but during the remainder of the year were in each month on a smaller scale than in 1937.

Monthly imports of live pigs for food into the United Kingdom in the seven years 1932 to 1938 are shown in Table 78.

TABLE 78—*Monthly imports of live pigs (for food) from Eire*

Month	1932	1933	1934	1935	1936	1937	1938
	000's.	000's.	000's.	000's.	000's.	000's.	000's.
January	34	13	13	9	19	7	4
February	34	15	14	10	14	5	2
March	31	21	22	10	9	3	2
April	26	16	16	5	6	2	2
May	25	12	10	7	6	1	3
June	25	11	11	4	7	1	3
July	20	5	4	5	6	1	3
August	16	8	4	8	6	1	2
September	15	9	6	12	9	4	7
October	27	9	8	18	13	6	8
November	29	11	12	19	11	6	6
December	21	14	14	21	15	6	6
Total	303	144	134	128	121	43	48

Imports of Lard

The greater proportion of lard utilised in the United Kingdom is imported. According to the Board of Trade Census of Production in 1935, some 930,000 cwt. of lard were produced by firms in the bacon curing and sausage trade in the United Kingdom, but this quantity included 610,000 cwt. of imported lard which was refined in the United Kingdom. The total output of home-produced lard may perhaps be in the region of half a million cwt. International trade in lard seems to have shown some recovery in the past few years but there was a slight reduction in imports into the United Kingdom in 1938 when they accounted for less than half the total world's imports.

Imports of lard into the United Kingdom have been declining since 1934, and in 1938 were 2 per cent. smaller than a year earlier. Receipts from Empire countries, which in recent years had been increasing, showed a sharp reduction, shipments from Canada declining by 40 per cent. and those from Hong Kong by 81 per cent.; heavier quantities, however, were imported from Eire. Entries from the United States, which declined very sharply in 1935 and remained at a low level up to 1937, increased by 66 per cent. last year, but were still considerably lighter than in 1934. Supplies from Argentina were heavily reduced, but those from Brazil increased. Shipments from the main European sources, with the exception of Lithuania, showed a substantial fall on the year, supplies from Poland and Denmark declining by 55 per cent. and 89 per cent., respectively. Imports from the Netherlands were 59 per cent. lighter than in 1937, while nothing was received from Yugoslavia. Entries from Hungary have declined very sharply since 1935, and in 1938 were practically negligible.

Exports of imported lard in 1938 totalled 2,758 cwt., as against 3,579 cwt. in 1937 and 4,573 cwt. in 1936.

Details of the imports of lard into the United Kingdom in 1913 and the six years 1933 to 1938 are given in Table 79.

TABLE 79—Imports of lard into the United Kingdom

Country whence consigned	1913	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Canada	83·1	44·8	14·0	123·6	259·4	260·9	155·3
Eire	(a)	25·4	26·7	33·8	32·3	25·9	29·0
Hong Kong	—	22·7	18·7	70·0	80·9	112·9	21·4
Australia	(b)	(b)	(b)	5·0	3·1	3·3	1·9
Other Empire countries	1·4	1·0	2·9	1·0	2·3	4·0	3·2
Poland	(c)	(c)	(c)	62·4	98·4	47·3	21·5
Denmark	17·5	88·5	5·1	37·8	29·4	39·2	4·4
Netherlands	28·8	26·2	14·3	123·2	26·7	24·4	10·1
Yugoslavia	(c)	(c)	(c)	—	—	20·4	—
Hungary	(c)	(c)	(c)	95·5	59·9	10·0	1·6
Lithuania	(c)	(c)	(c)	37·1	26·2	11·6	11·7
Sweden	—	10·6	9·9	1·7	3·7	10·8	7·0
Belgium	(c)	(c)	(c)	15·9	1·6	4·2	0·9
United States of America	1,869·0	2,505·9	2,601·8	584·7	588·9	664·4	1,101·7
Argentina	—	34·1	36·8	110·5	188·1	218·8	59·4
Brazil	—	124·6	75·8	221·8	112·6	5·2	10·3
Other foreign countries	5·5	1·5	3·0	7·1	7·1	7·8	3·4
Total Empire countries	84·5	93·9	62·3	233·4	378·0	407·0	210·8
Total foreign countries	1,920·8	2,791·4	2,746·7	1,297·7	1,142·6	1,064·1	1,232·0
Total	2,005·3	2,885·3	2,809·0	1,531·1	1,520·6	1,471·1	1,442·8
Re-exports	304·8	7·8	7·4	5·0	4·6	3·6	2·8
Net imports	1,700·5	2,877·5	2,801·6	1,526·1	1,516·0	1,467·5	1,440·0

(a) Not separately recorded before 1st April, 1923. (b) Included in "Other Empire countries".
(c) Included in "Other foreign countries".

Imports in the first seven months of 1938, with the exception of April, were heavier than in the corresponding months of 1937, but rather lighter supplies were received in the remaining five months of the year. Imports from the United States were considerably greater than a year earlier in each month, except November and December, when shipments were retarded pending the removal of the import duty at the beginning of 1939; receipts from other sources were throughout the year considerably lighter than a year earlier. Details of the total monthly imports of lard, and of imports from the United States, are given in Table 80 for each of the past three years.

TABLE 80—Monthly imports of lard into the United Kingdom

Month	1936			1937			1938		
	United States of America	Other countries	Total Imports	United States of America	Other countries	Total Imports	United States of America	Other countries	Total Imports
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	62.9	76.6	139.5	45.2	85.3	130.5	124.4	40.4	164.8
February	53.1	92.5	145.6	34.2	72.6	106.8	81.4	27.1	108.5
March	36.7	76.6	113.3	19.7	92.5	112.2	127.1	23.7	150.8
April	80.2	78.4	158.6	50.4	70.9	121.3	79.1	18.3	97.4
May	43.1	66.4	109.5	62.0	69.7	131.7	126.3	28.0	154.3
June	56.1	84.2	140.3	57.7	71.5	129.2	116.9	23.4	140.3
July	53.2	82.1	135.3	32.3	61.1	93.4	83.6	29.5	113.1
August	22.9	85.7	108.6	34.0	69.1	103.1	54.8	36.7	91.5
September	35.0	65.6	100.6	32.9	68.8	101.7	53.1	37.3	90.4
October	39.7	74.9	114.6	70.8	52.6	123.4	91.3	30.5	121.8
November	55.0	64.0	119.0	129.9	42.2	172.1	106.9	28.7	135.6
December	45.7	89.5	135.2	95.4	50.3	145.7	57.4	17.9	75.3
Total	583.6*	936.5	1,520.1*	664.5	806.6	1,471.1	1,102.3*	341.5	1,443.8*

* Sum of monthly figures as given in Monthly Trade and Navigation Accounts. Revised annual figures are given in Table 79.

Prices

The decline in production in the United States caused a rise in prices for lard between the middle of 1934 and the autumn of 1935. A downward movement in the first half of 1936 was reversed in the closing months of the year and prices

TABLE 81—Average monthly prices of lard at London

Month	Irish		Canadian		Argentine		American	
	Bladders		2/28-lb. boxes		2/28-lb. boxes		2/28-lb. boxes	
	1938	1937	1938	1937	1938	1937	1938	1937
	Per cwt.	Per cwt.	Per cwt.	Per cwt.	Per cwt.	Per cwt.	Per cwt.	Per cwt.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
January	70 0	80 0	54 0	74 0	51 3	70 9	54 0	74 0
February	70 0	80 0	53 9	63 9	50 9	64 0	53 9	66 6
March	74 0	80 0	54 6	70 9	—	67 0	54 6	69 0
April	71 6	80 0	50 3	69 0	—	67 0	50 6	68 6
May	62 0	78 6	49 3	68 3	—	67 0	49 3	68 6
June	62 0	74 0	49 9	67 9	47 3†	65 9	49 9	68 0
July	62 0	74 0	51 6	67 9	48 0	65 9	51 6	67 9
August	62 0	72 0	49 3	65 6	45 6	63 0	49 3	66 3
September	56 0	72 0	47 9	67 6	46 6	64 3	50 0	67 6
October	56 0	75 0	49 3	66 9	47 3	65 6	50 0	67 0
November	56 0	75 0	48 6	61 3	—	60 3	48 6	61 3
December	56 0	75 0	47 3	53 9	44 3*	52 3	47 3	53 9
Average	63 3	76 3	50 6	66 3	—	64 6	50 9	66 6

* Three quotations.

† Two quotations.

were maintained at a fairly steady level during the first six months of 1937 ; since that date, however, quotations have tended downwards and this movement was continued throughout 1938, prices in December falling to the lowest level since 1934. Average quotations for American and Canadian lard for the year were 24 per cent. lower in each case than in 1937, while Irish bladders declined by 17 per cent. Average prices for Irish, Canadian, Argentine and American lard at London in 1937 and 1938 are given in Table 81. The figures are taken from the weekly quotations of the London Provision Exchange and represent the average of top prices of a range.

Shipments of Butter and Cheese from New Zealand and Australia

(i) New Zealand

The dairy industry in New Zealand experienced a remarkable development during the post-war years, the number of dairy cows increasing rapidly while at the same time heavier yields of butter-fat per cow were obtained and pastures more intensively cultivated; thus the number of dairy cows rose from little more than 750,000 in 1916 to nearly 2,000,000 in 1935, while the average yield of butter-fat per cow, which in 1916-17 was estimated at 164 lb., had by 1936-37 reached 229 lb. Within the past two or three years, however, this expansion seems to have been checked; dairy cow numbers have been declining from the peak reached in 1935, and the yield of butter-fat per cow in 1937-38 was smaller than in the preceding year. As a result, the production of butter in factories (farm output is very small), which attained a record figure of 3,605,000 cwt. in 1936-37, declined to 3,358,000 cwt. in 1937-38, and during the current season a further considerable reduction has been recorded. The trend of cheese production has been rather different from that of butter, output rising to a peak in 1933-34, but being on a much smaller scale in subsequent years; production in 1937-38 amounted to 1,768,000 cwt., as compared with 1,831,700 cwt. in the previous year and 2,135,600 cwt. in 1933-34; the current season has witnessed a further decline in output but this has not been so marked as for butter.

More than four-fifths of New Zealand butter and 95 per cent. of the cheese is normally intended for export and consequently gradings for export show a movement corresponding to the trend of output. Figures for gradings in recent years are given in Table 82. Of the butter graded in the 1937-38 season 95 per cent. was salted and 5 per cent. unsalted. White cheese constituted 66 per cent. of total cheese gradings and coloured cheese 34 per cent.

TABLE 82—*Gradings of butter and cheese in New Zealand*

Season	Butter	Cheese
	Tons	Tons
1928-29	81,656	86,605
1929-30	95,343	87,252
1930-31	97,031	89,229
1931-32	104,211	88,194
1932-33	127,799	100,818
1933-34	140,225	103,682
1934-35	136,217	92,673
1935-36	146,687	85,555
1936-37	154,564	88,222
1937-38	142,835	85,470
1938-39 (August to June)	121,389	81,345
1937-38 (August to June)	141,308	85,312

Full State control of the New Zealand dairy industry was introduced by the Primary Products Marketing Act, 1936, by virtue of which the Minister of Marketing, through the Primary Products Marketing Department, took over the main functions of the New Zealand Dairy Board as from 1st August, 1936. Under the Act the Government acquires at fixed prices all dairy produce intended for export and fixes wholesale prices for butter for consumption in the Dominion. For the first season in which the new scheme was in operation, export prices were fixed after taking into consideration those realised in the eight to ten preceding years; subsequently, account has been taken not only of the prices fixed for 1936-37 but of additional considerations such as the necessity of maintaining the dairy industry, costs of production and marketing, and the standard of living of producers. The

following table shows the guaranteed f.o.b. purchase prices fixed in respect of finest grade butter and first grade cheese for export, with the equivalent (in sterling) on the London market.

Season	Butter		Cheese	
	Guaranteed price (per lb.)	Sterling equivalent (per cwt.)	Guaranteed price (per lb.)	Sterling equivalent (per cwt.)
1936-37	d. 12.5625	s. d. 106 6	d. 7.0625	s. d. 63 3
1937-38*	13.66	115 0	7.75	68 8
1938-39	14.89	124 0	8.42	73 6

* Including additional payments announced at the end of the season.

Practically all the butter exported from New Zealand is for the United Kingdom market, which took 96 per cent. of the total in 1937-38, as against 98 per cent. in 1936-37. In several years up to 1930-31 Canada took moderate quantities, but this trade had declined to negligible proportions by 1936-37; in 1937-38, however, appreciable supplies were again shipped to that country. The United States last season, as in 1936-37, received very little. Among lesser outlets, small quantities have been taken by Honolulu, Panama and the West Indies.

Supplies to the United Kingdom are handled mainly at London, but direct shipments to West Coast ports continue to account for a growing proportion of the total, comprising 27 per cent. in 1937-38, as against 25 per cent. in 1936-37; in 1937-38 considerable quantities were shipped to East Coast ports also.

Shipments of butter to the principal destinations during each of the past six seasons are shown in the following table:—

TABLE 83—Shipments of butter from New Zealand
(August to July)

Destination	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
	Tons	Tons	Tons	Tons	Tons	Tons
London	94,331	102,962	95,242	105,628	107,988	94,388
U.K. West Coast Ports	29,622	33,978*	30,115†	31,982	37,847	42,200||
Vancouver	306	87	37	38	11	689
Halifax	309	255	20	42	—	775
New York	25	—	2,018	1,301	71	105
Panama	674	683	808	941	922	689
Other	806	1,037	1,464‡	1,516§	2,164	2,898
Total	126,073	139,002	129,704	141,448	149,003	141,744

* Including 116 tons for Hull.

† Including 501 tons for Jamaica.

‡ Including 4,012 tons for Hull and Newcastle.

§ Including 146 tons for Hull.

¶ Including 465 tons for Australia.

Nearly the whole of New Zealand's exports of cheese comes to the United Kingdom and the bulk is handled at London. Direct shipments to West Coast ports, as with butter, continue to form an increasing proportion of the total shipments to the United Kingdom and accounted for 27 per cent in 1937-38, against 23 per cent in 1936-37; shipments to East Coast ports also were appreciable during the 1937-38 season.

Table 84 shows the shipments of cheese during the past seven seasons.

TABLE 84—Shipments of cheese from New Zealand
(August to July)

Destination	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
London	Tons 65,967	Tons 78,862	Tons 79,537	Tons 70,143	Tons 66,324	Tons 65,408	Tons 59,873
U.K. West Coast Ports	17,755	20,891	21,770*	19,509†	17,335	19,581	24,783‡
Other	72	123	93	160	269	180	127
Total	83,794	99,876	101,400	89,812	83,928	85,169	84,783

* Including 39 tons for Hull.

† Including 88 tons for Hull.

‡ Including 1,893 tons for Hull and Newcastle.

Details of the shipments of butter and cheese from New Zealand in the first five months of the 1938-39 season are shown in Table 85 and indicate an appreciable reduction in butter shipments and a less pronounced decline in those of cheese.

TABLE 85—Shipments of butter and cheese from New Zealand
(August to December)

Destination	Butter		Cheese	
	1st Aug., 1938 to 31st Dec., 1938	1st Aug., 1937 to 31st Dec., 1937	1st Aug., 1938 to 31st Dec., 1938	1st Aug., 1937 to 31st Dec., 1937
London	Tons 30,781	Tons 52,868	Tons 19,411	Tons 27,541
U.K. West Coast Ports	22,704	9,862	12,232	5,923
Other	968	1,897	15	46
Total	54,453	64,627	31,658	33,510

(ii) Australia

The dairy industry in Australia showed a marked development in the first decade of the present century and again between 1930 and 1935, but the increase was not so marked nor so regular as in New Zealand, owing to the important part played by climatic factors. Development between January, 1926, and May, 1934, was assisted by a voluntary scheme for ensuring a more remunerative price for butter sold in Australia. This scheme, known as the Paterson Plan, was superseded by one introduced under State and Commonwealth legislation, but by a decision of the Privy Council part of this legislation was declared unconstitutional and the scheme reverted to one of a voluntary nature in February, 1937. The main features of the scheme consist in the equalising of returns to producers from sales of butter on the export market and on the protected home market. The Equalisation Committee have equalised the returns in recent years as follows:—

						<i>per cwt.</i>	
						<i>s.</i>	<i>d.</i>
1934-35	..	..	..	..	..	105	0
1935-36	..	..	..	..	..	120	11
1936-37	..	..	..	..	..	126	8
1937-38	..	..	..	..	..	140	4

Under the stabilisation scheme the wholesale price of butter in Australia was fixed at 140s. per cwt. in May, 1934, and remained at that figure until 28th June, 1937, when it was increased to 149s. 4d. per cwt.

The total production of butter in Australia increased by 16 per cent. between 1929-30 and 1934-35, when it amounted to a record figure of 4,195,500 cwt., but declined in the next two seasons, totalling only 3,521,800 cwt. in 1936-37; better conditions then brought about a recovery and production in 1937-38 totalled 3,853,000 cwt., while in the following season production showed a further advance and probably exceeded even the record figures of 1934-35. The relatively much less important cheese output has continued to increase since 1931-32, although a set-back was recorded in 1935-36; output totalled 396,700 cwt. in 1936-37 and since then a further considerable expansion is believed to have occurred.

Exports of butter have shown a greater relative advance than production, accounting for 36 per cent. of the total output in 1929-30 and 56 per cent. in 1934-35; in the next three seasons, however, the proportion exported declined to under one-half of the total output, even in 1937-38, when, as a result of a more favourable season, exports of butter were 12 per cent. greater than in 1936-37. Home consumption formerly accounted for the bulk of the cheese produced but this is no longer the case, since exports have increased rapidly in recent years; the increase was particularly marked last season, when exports reached a new record level, 58 per cent. higher than the previous maximum in 1934-35 and nearly twice as high as in 1936-37. In the first nine months of 1938-39 exports of butter and cheese were 5 per cent. and 33 per cent., respectively, heavier than in the same period of 1937-38.

Table 86 below shows the trend of exports of butter and cheese from Australia in each of the past ten seasons and preliminary figures for the current season.

TABLE 86—Exports of butter and cheese from Australia (July to June)

Season	Butter	Cheese
	Tons	Tons
1928-29	45,821	3,938
1929-30	48,091	1,659
1930-31	73,951	4,220
1931-32	91,086	3,378
1932-33	100,546	5,411
1933-34	109,314	4,368
1934-35	118,084	7,818
1935-36	94,982	6,066
1936-37	78,021	6,271
1937-38	87,671	12,357
1938-39 (July to March)	76,267*	12,843*
1937-38 (July to March)	72,784	9,690

* Provisional.

The United Kingdom is by far the most important external market for Australian butter and took 93 per cent. of the exports in the 1937-38 season; shipments to various Eastern countries, chiefly the Dutch East Indies, British Malaya and India, account for the bulk of the remainder. Details of the distribution of the exports in the past six seasons are given in Table 87.

TABLE 87—Distribution of shipments of butter from Australia (July to June)

Destination	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
	Tons	Tons	Tons	Tons	Tons	Tons
United Kingdom	93,382	101,808	110,713	88,104	71,938	81,918
Eastern Ports	5,894	6,024	5,710	5,464	5,037	4,109
Other	1,270	1,482	1,661	1,414	1,046	1,644*
Total	100,546	109,314	118,084	94,982	78,021	87,671

* Including 625 tons to Canada.

Queensland regained during 1937-38 the position of the chief butter exporting State, from which, as a result of drought, she had been displaced by Victoria in the two preceding seasons. The latter was the only State to export less in 1937-38 than in the previous year, the decline amounting to 15 per cent. Shipments from Queensland and New South Wales increased by 38 per cent. and 65 per cent., respectively, on the year.

Table 88 gives details of the shipments of butter to the United Kingdom from each State of the Commonwealth during each of the past six seasons.

TABLE 88—*Shipments of Australian butter to United Kingdom from various States (July to June)*

State	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
	Tons	Tons	Tons	Tons	Tons	Tons
Queensland	32,807	42,421	44,006	32,870	23,343	32,120
Victoria	35,752	28,753	36,157	35,425	35,239	29,893
New South Wales	17,184	24,521	24,287	12,957	7,178	11,848
South Australia	4,143	3,704	2,883	3,502	3,216	3,929
Tasmania	2,478	1,479	2,363	2,336	2,223	2,518
Western Australia	1,018	930	1,017	1,014	739	1,610
Total to U.K.	93,382	101,808	110,713	88,104	71,938	81,918

Exports of cheese to the United Kingdom from South Australia accounted for only 43 per cent. of the total in 1937-38, as against 59 per cent. in 1936-37, while Queensland, which prior to 1936-37 supplied the bulk of the exports, accounted for only 13 per cent. in that season and 21 per cent. in 1937-38. The proportion attributable to Victoria rose from 18 per cent. in 1936-37 to 24 per cent. in the following season.

Exports to the United Kingdom in 1937-38 were as follows, with the previous season's figures in parentheses:—Queensland, 2,499 tons (702); Victoria, 2,813 tons (986); South Australia, 5,049 tons (3,276); Western Australia, nil (17); New South Wales, 232 tons (47); Tasmania, 1,077 tons (571).

Exports of butter during the period 1st July to 31st December, 1938, totalled 53,047 tons, as against 39,279 tons in the corresponding period of 1937. Shipments to the United Kingdom amounted to 50,443 tons, as compared with 37,000 tons a year earlier. Exports of cheese during the same period totalled 8,669 tons, of which 8,396 tons went to the United Kingdom, while of the total of 5,134 tons exported during the same period of 1937, shipments to the United Kingdom amounted to 4,872 tons.

Canadian Cheese Production and Trade

The output of milk on farms in Canada has shown a remarkable expansion since the beginning of the present century, but the production of cheese, which is mainly for export, reached a peak in 1904 and has since declined. The reduction in cheese exports is to be attributed to a greater home consumption by an increasing urban population of the available milk either in liquid form or as butter; there has also been a marked expansion in the production of concentrated milk within recent years. The total output of cheese declined by 55 per cent. between 1900 and 1934, when it amounted to 896,100 cwt., but recovered to some extent during the next three years; in 1938, however, output amounted to only 1,093,000 cwt., against 1,177,300 cwt. in 1937.

Practically the whole of the cheese is factory produced; farm output, which at the census for 1930 was returned at 7,550 cwt., was estimated at 11,000 cwt. in 1937 and 9,800 cwt. in 1938.

Since 1923 grading of cheese has been compulsory and thus grading figures in subsequent years reflect changes in production for sale. Apart from 1928 and 1932, there was a downward trend in gradings until 1934, but in the following three years this movement was reversed. Gradings in 1938, however, were 10 per cent. smaller than in 1937, although greater than in any other year since 1932.

Details of the gradings in the past twelve years are shown in Table 89.

TABLE 89—*Gradings of cheese in Canada*

Year	Boxes Graded	Year	Boxes Graded
1927	1,472,333	1933	1,171,034
1928	1,567,182	1934	1,023,273
1929	1,273,874	1935	1,028,489
1930	1,267,609	1936	1,212,456
1931	1,205,113	1937	1,360,111
1932	1,296,444	1938	1,228,781

Ontario is by far the most important cheese-producing province, and in 1938 accounted for 72 per cent. of total gradings, the actual quantity graded being 12 per cent. less than in 1937. Gradings in Quebec, which provides the bulk of the remainder, showed a reduction of 7 per cent. on the year. In the less important cheese-producing provinces, with the exception of Saskatchewan and British Columbia, larger quantities than in 1937 were graded last year, the increase being particularly marked in Alberta.

Details of cheese gradings by Provinces in the five years 1934 to 1938 are given in the following table:—

TABLE 90—*Cheese gradings by provinces*

Province	1934	1935	1936	1937	1938
	Boxes	Boxes	Boxes	Boxes	Boxes
Prince Edward Island	3,096	1,824	886	954	2,454
New Brunswick	85	—	35	—	—
Quebec	223,856	199,761	263,523	321,441	297,383
Ontario	784,659	807,697	928,043	1,000,051	878,838
Manitoba	5,821	11,015	16,932	25,678	29,481
Saskatchewan	5,107	4,919	1,560	2,761	2,607
Alberta	—	3,198	1,436	8,815	18,018
British Columbia	649	75	41	411	—
Total	1,023,273	1,028,489	1,212,456	1,360,111	1,228,781

With declining production and the growing requirements of the home market, exports have experienced an even greater reduction than output, falling by more than one-half between 1928 and 1935; there was a marked recovery during the next two years, but this was not maintained during 1938, when exports were 9 per cent. lighter than in the preceding year and slightly less than in 1936.

Exports during the past ten calendar years are shown in the following table :—

TABLE 91—*Exports of cheese from Canada*

Year	Exports	Year	Exports
	cwt.		cwt.
1929	829,876	1934	546,141
1930	715,747	1935	497,488
1931	757,039	1936	731,163
1932	776,249	1937	794,244
1933	662,220	1938	723,117

The bulk of the cheese is shipped from Montreal, with smaller quantities from Quebec. Exports from Quebec in 1938 totalled 13,211 boxes, compared with 19,288 boxes in 1937.

The United Kingdom is the principal outlet for Canadian cheese. Exports to this country declined by 6 per cent. in 1938 but comprised 94 per cent. of total exports, as against 91 per cent. in 1937. Supplies to the United States, which had shown a very large expansion in 1936, declined heavily in 1937 and last year were reduced by a further 63 per cent.

Details of the exports in the five years 1934 to 1938 are as follows :—

TABLE 92—*Distribution of exports of cheese from Canada*

Destination	1934	1935	1936	1937	1938
	cwt.	cwt.	cwt.	cwt.	cwt.
United Kingdom	518,541	470,711	605,372	724,835	679,001
United States	7,136	4,240	102,289	42,231	15,674
West Indies	12,585	13,654	13,918	15,294	15,242
Other countries	7,879	8,883	9,584	11,884	13,200
Total	546,141	497,488	731,163	794,244	723,117

More than half the Canadian cheese shipped to the United Kingdom is handled at London. The proportionate distribution of these shipments in the 1938 season was as follows, with corresponding figures for 1937 in parentheses :—To London, 58 per cent. (56); to Liverpool, 11 per cent. (10); to Bristol, 7 per cent. (9); to Manchester, 3 per cent. (4); to South Wales ports, 5 per cent. (5); to Scottish East Coast ports, 5 per cent. (5), to Glasgow, 5 per cent. (4); to English East Coast ports, 5 per cent. (6); to Northern Ireland ports, 1 per cent. (1).

The 1938-39 Season for Australian and South African Eggs

(i) Australia

A rapid increase in the export trade in Australian eggs occurred between 1928-29 and 1934-35, but this movement has been reversed during the past four seasons. Details of the total exports in 1938-39 are not yet available, but in the first nine months of the season, when the bulk of the shipments are made, exports amounted to 1,012,300 great hundreds, against 1,128,600 great hundreds in the same period of 1937-38, a decline of 10 per cent. ; shipments to the United Kingdom accounted for practically all exports. Supplies commenced to arrive in the United Kingdom about the middle of September and were spread over a period of 22 weeks, or four weeks longer than in the preceding season.

The different states contributed to the exports to the United Kingdom in the following proportions, with figures for 1937-38 in parentheses :—New South Wales, 34 per cent. (39) ; Victoria, 31 per cent. (33) ; Queensland, 14 per cent. (11) ; South Australia, 14 per cent. (10) ; Western Australia, 7 per cent. (7) ; Tasmania, under 1 per cent. in both seasons.

London handled 71 per cent. of total supplies imported into the United Kingdom, compared with 69 per cent. in 1937-38, while the proportion at West Coast ports declined. Direct shipments were approximately as follows, with figures for the previous season in parentheses :—London 720,400 gt. hds. (767,100) ; Glasgow, 156,500 gt. hds. (178,500) ; Liverpool, 123,400 gt. hds. (158,800) ; Manchester, 6,600 gt. hds. (4,400) ; Hull, nil (2,400) ; Southampton, 600 gt. hds. (nil).

Prices at the opening of the past season were below those in the preceding season, but the margin was reduced in October ; during the next three months, however, prices were declining continuously and thus, prices for the season as a whole averaged considerably less than in 1937-38. The average of top prices of the 16 lb. pack at London was 12s. 6d. per great hundred, and of the 15 lb. pack 11s. 10d., as compared with 13s. 6d. and 13s. 1d., respectively, in 1937-38. Prices were at their highest at the beginning of the season and were fairly well maintained until the end of October, when a gradual decline commenced and lasted until the end of the season.

The following table shows the monthly recorded imports of Australian eggs into the United Kingdom and average prices of two representative grades. It should be noted that these figures, which represent the average of top quotations on the London Egg Exchange, do not necessarily reflect figures at which the maximum volume of sales took place, but are merely given to afford an appropriate basis of comparison between the two past seasons and between different periods of each season.

TABLE 93—Supplies and prices of Australian eggs

Month	1937-38			1938-39		
	Imports	Prices		Imports	Prices	
		16 lb.	15 lb.		16 lb.	15 lb.
	ooo Gt. hds.	Per 120 s. d.	Per 120 s. d.	ooo Gt. hds.	Per 120 s. d.	Per 120 s. d.
September	59	14 0*	13 9*	72	13 4†	13 0†
October	280	13 6	13 2	216	13 4	12 10
November	314	13 5	12 10	315	12 8	11 11
December	384	14 5	13 11	312	12 6	11 1
January	94	12 9	12 4	90	10 9	10 2
February	—	—	—	5	—	—

* One week's quotation.

† Three weeks' quotations.

(ii) South Africa

The downward trend in exports of eggs from South Africa appeared to have been checked in 1935-36 and 1936-37, but a further reduction in exports occurred in 1937-38; there was some slight recovery last season. The total exported amounted to 269,940 great hundreds, as compared with 253,040 great hundreds in 1937-38, an increase of 7 per cent., but was 28 per cent. less than in 1936-37.

Practically all exports are sent to the United Kingdom, these amounting to 266,130 great hundreds in 1938-39 as against 253,000 great hundreds in 1937-38. Shipments commenced to arrive about the middle of September and ceased before the end of December, a slightly shorter season than even in 1937-38; supplies each month with the exception of November, were larger than a year earlier. The proportions shipped through the different ports were as follows, with the corresponding figures for 1937-38 in parentheses:—Cape Town, 36 per cent. (39); Durban, 44 per cent. (38); Port Elizabeth, 13 per cent. (15); East London, 7 per cent. (8).

Quotations for South African eggs during 1938-39 were steadily below those of a year earlier and fluctuated within much narrower limits. For the season as a whole the average top price of the 16 lb. pack was 13s. 6d. per great hundred, and of the 15 lb. pack 13s. 1d. per great hundred, as against 14s. 3d. and 13s. 10d., respectively, in 1937-38.

The following table shows the monthly recorded imports of South African eggs and average top prices of two representative grades. The reservations attaching to Table 93 apply with equal force to the following table.

TABLE 94—Supplies and prices of South African eggs

Month	1937-38			1938-39		
	Imports	Prices		Imports	Prices	
		16 lb.	15 lb.		16 lb.	15 lb.
	ooo Gt. hds.	Per 120 s. d.	Per 120 s. d.	ooo Gt. hds.	Per 120 s. d.	Per 120 s. d.
September	13	14 6*	14 0†	29	13 5†	13 3‡
October	103	13 8	13 4	110	13 7	13 2
November	109	13 9	13 5	81	13 5	12 11
December	28	15 5	15 0	50	13 8	13 0

* One week's quotation.
† Two weeks' quotations.

‡ Three weeks' quotations.

World Trade in Butter

International trade in butter increased considerably in the post-war years, reaching a peak in 1935 ; world exports have since been fairly well maintained.

The main features of world trade in butter in the past few years have been the post-war peak for European exports in 1931, followed by their rapid reduction in 1932 and 1933 in consequence of low prices and increased tariffs in importing countries and their subsequent recovery, the remarkable expansion in shipments from the Southern Hemisphere until 1935, and the recent virtual cessation of exports from the U.S.S.R.

The growth of Southern Hemisphere exports was retarded in 1936 and 1937 owing to unfavourable production conditions in Australia and a consequent reduction in exports from that country ; during 1938, however, in spite of an increase of 25 per cent. in shipments from Australia, exports from Southern Hemisphere countries amounted to only about the same quantity as in the previous year, since there was a reduction of 12 per cent. in New Zealand shipments. Exports from most European countries last year, when climatic conditions were exceptionally favourable, were on an unusually large scale, shipments from Denmark being 3 per cent. heavier than in 1937 and those from other Scandinavian and Baltic countries increasing considerably ; exports from the Netherlands, however, declined by 5 per cent. and Russian exports were negligible.

Table 95 summarises the exports of butter from the main exporting countries, or groups of countries, in the six years 1933 to 1938. The figures are taken from official sources and those for 1938 are mostly provisional.

TABLE 95—Exports of butter from principal exporting countries

Country	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Denmark	2,959	2,949	2,724	2,878	3,010	3,111
U.S.S.R.	732	746	579	456	282	4†
Netherlands	559	726	921	1,185	1,059†	1,001†
Sweden	337	457	399	375	463	562
Finland	234	218	202	275	274	337
Estonia	183	199	213	216	259	290
Latvia	308	309	331	340	378	462
Lithuania	189	190	239	288	296	339
Poland	32	87	112	215	160	260
France	61	65	104	113	59	58
Eire	404	508	531	518	380	377
New Zealand	2,635	2,615	2,789	2,796	2,976	2,615
Australia	1,889	2,203	2,293	1,657	1,633	2,035
Argentina	274	164	133	202	173	144
Eight other countries*	188	217	320	366	358	253
	10,984	11,653	11,890	11,880	11,760	11,848

* Canada, United States of America, Belgium, Austria, Hungary, Norway, Union of South Africa, and South-West Africa Territory.

† Net weight.

‡ January—October.

The bulk of the butter entering world trade is marketed in the United Kingdom. In 1931 this country took 70 per cent. of the imports into sixteen countries (the only importers of any significance), but the proportion rose to 84 per cent. in 1934 and has since been maintained at over four-fifths of the total. Germany is the second largest importer of butter and in 1931 took 18 per cent. of the total, a proportion which declined to 11 per cent. in 1933 but has since increased to 16 per cent. Imports into Belgium and France have been declining since 1932, while entries into Switzerland and Italy, which had recently shown a considerable increase as a result of fodder difficulties and a consequent reduction in butter output, were reduced to very small quantities last year. A rapid expansion in imports into Palestine had been checked in 1937 and an appreciable reduction in receipts was recorded last year. Reduced output in the United States occasioned heavy importation into that country in 1935 and imports in the following two years also were appreciable, but, with a marked recovery in production last year, very little was imported.

Table 96 summarises the imports of butter into the chief importing countries in the six years 1933 to 1938. Where possible the figures represent imports for consumption and in most cases 1938 figures are provisional.

TABLE 96—Imports of butter into principal importing countries

Country	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
United Kingdom*	8,746	9,596	9,481	9,670	9,304	9,430
Germany	1,164	1,216	1,398	1,484	1,709	1,817
Belgium	244	185	119	73	44	23
France	181	86	14	38	13	12
Switzerland	10	6	3	29	50	3
Italy	21	30	8	8	46	4
Palestine	17	35	45	49	48	39
United States of America	9	11	202	88	99	14
Eight other countries†	212	243	222	185	186	230‡
	10,604	11,408	11,492	11,624	11,499	11,572

* Net imports, i.e. total imports less re-exports.

† Eire, Canada, Netherlands, Dutch East Indies, Algeria, British India, British Malaya and Czechoslovakia (excluding, as from October, territories ceded by the last named country).

‡ Figure not available for Algeria. Same figure as in 1937 in total.

Most of the chief exporting countries send the greater part of their butter exports to the United Kingdom. The proportion is particularly high in the case of Empire countries, being in most instances over 90 per cent., although in 1937 and 1938 Eire sent rather less. Foreign exporting countries have in general during recent years tended to increase the proportion of their total exports destined for the United Kingdom; in 1938 this proportion was over 60 per cent. for each of the principal exporters, except Sweden and perhaps Argentina.

Argentina, Finland and Eire were the only countries in 1938 to ship to the United Kingdom a smaller proportion of total exports than in 1929-31, but Denmark, Sweden, Eire and Argentina sent a smaller share than in 1932-36. The reductions in the proportion recorded for some Northern European countries in the past two years have been largely the result of increased purchases by Germany.

Table 97 shows the proportion of total exports of butter from the chief exporting countries sent to the United Kingdom in the past two years and also the averages for the periods 1929-31 and 1932-36. On account of optional cargo, the Argentine figures are liable to considerable error, and it is believed that a greater proportion than that shown was marketed in the United Kingdom.

TABLE 97—Proportion of total exports of butter from chief exporting countries to the United Kingdom, 1929-31, 1932-36, 1937 and 1938.

Country	1929-31	1932-36	1937	1938
	Per cent.	Per cent.	Per cent.	Per cent.
Denmark	69	81	76	76
U.S.S.R.	69	73	(a)	(a)
Sweden	55	60	46	55
Finland	72	63	56	68
Latvia	14	51	56	73
Estonia	39	51	61	63
Lithuania	19	64	68	67
Netherlands	12	42	67	70
Poland	15	50	67	77
Eire	100	93	86	87
New Zealand	86	98	98	(b)
Australia	88	93	93	94
Argentina	86	57	59	56

(a) Details not available, but probably more than 90 per cent. in 1937; no Russian butter was imported into the United Kingdom in 1938.

(b) Not yet available.

Butter Prices in European Markets

Prices for butter in most importing countries fell between 1931 and 1934, but a recovery commenced in some cases in 1935 and became general in 1936 and average prices last year in all the countries referred to below were higher than in 1931. Prior to 1931 butter prices in importing countries tended to move on broadly similar lines, but this relationship disappeared with increased tariffs and, more particularly, with the growth of quantitative restrictions, with the result that there have been wide disparities in quotations ruling at any one time in the chief markets. These differences have been maintained since, although prices generally have recovered, the upward movement has not been uniform in all countries.

Official measures prevented butter prices in most foreign markets from falling to the same extent as in the United Kingdom, but the decline in these markets persisted longer, particularly in France and Belgium where prices continued to fall after an upward movement had begun in other countries. Butter prices at Hasselt and Paris during 1937, however, increased steeply, but during 1938 prices at Hasselt showed only a very slight advance, although the upward trend in France was again very marked. Official butter prices in Germany were unchanged from late in 1934 to the early autumn of 1938, when they were increased. Restrictions in the United Kingdom have been confined to a tariff on foreign supplies, and prices have remained much lower than in the continental countries shown in the following table (except Germany). The prices here given for Copenhagen refer to sales of export butter; a guaranteed minimum price to farmers for butter for home consumption was fixed at 220 kr. per 100 kg. in May, 1937, and was raised to 250 kr. in July and further increased to 260 kr. in January, 1938 (*see* Appendix IV, p. 109).

Taking as a base (= 100) the average price ruling in each country in 1931, the movement in butter prices in the past eight years has been as follows:—

				<i>London</i> <i>(N.Z. finest</i> <i>salted)</i>	<i>Copen-</i> <i>hagen</i>	<i>Berlin</i>	<i>Paris</i> <i>(Charentes)</i>	<i>Hasselt</i>
1931	..	..	..	100	100	100	100	100
1932	..	..	..	90	85	89	101	91
1933	..	..	..	72	81	87	97	96
1934	..	..	..	64	77	100	86	88
1935	..	..	..	80	91	101	72	86
1936	..	..	..	89	99	101	80	91
1937	..	..	..	97	108	101	112	110
1938	..	..	..	103	111	102	128	112

The following table gives average monthly prices during 1937 and 1938 of approximately similar types of butter at certain European markets, in comparison with New Zealand finest salted at London and the Copenhagen quotation for export butter. It should be noted that the prices are not necessarily comparable, since the method of quoting varies and the quantity of butter sold at these prices is unknown. It should also be observed that, following the devaluation of the French currency by about 30 per cent. in September, 1936, there was a further considerable depreciation during the second half of 1937 and again in the first half of 1938; the average exchange rate last year was 170.65 frs. to £ as compared with 124.61 frs. in 1937 and 82.97 frs. in 1936.

Figure 6 gives in diagrammatic form the course of butter prices (expressed in their sterling equivalents) at certain markets since 1934. It should be remembered that the Belgian currency was devalued in April, 1935.

FIGURE 6. BUTTER PRICES AT CERTAIN MARKETS.

Sterling Equivalent at Prevailing Rate of Exchange.

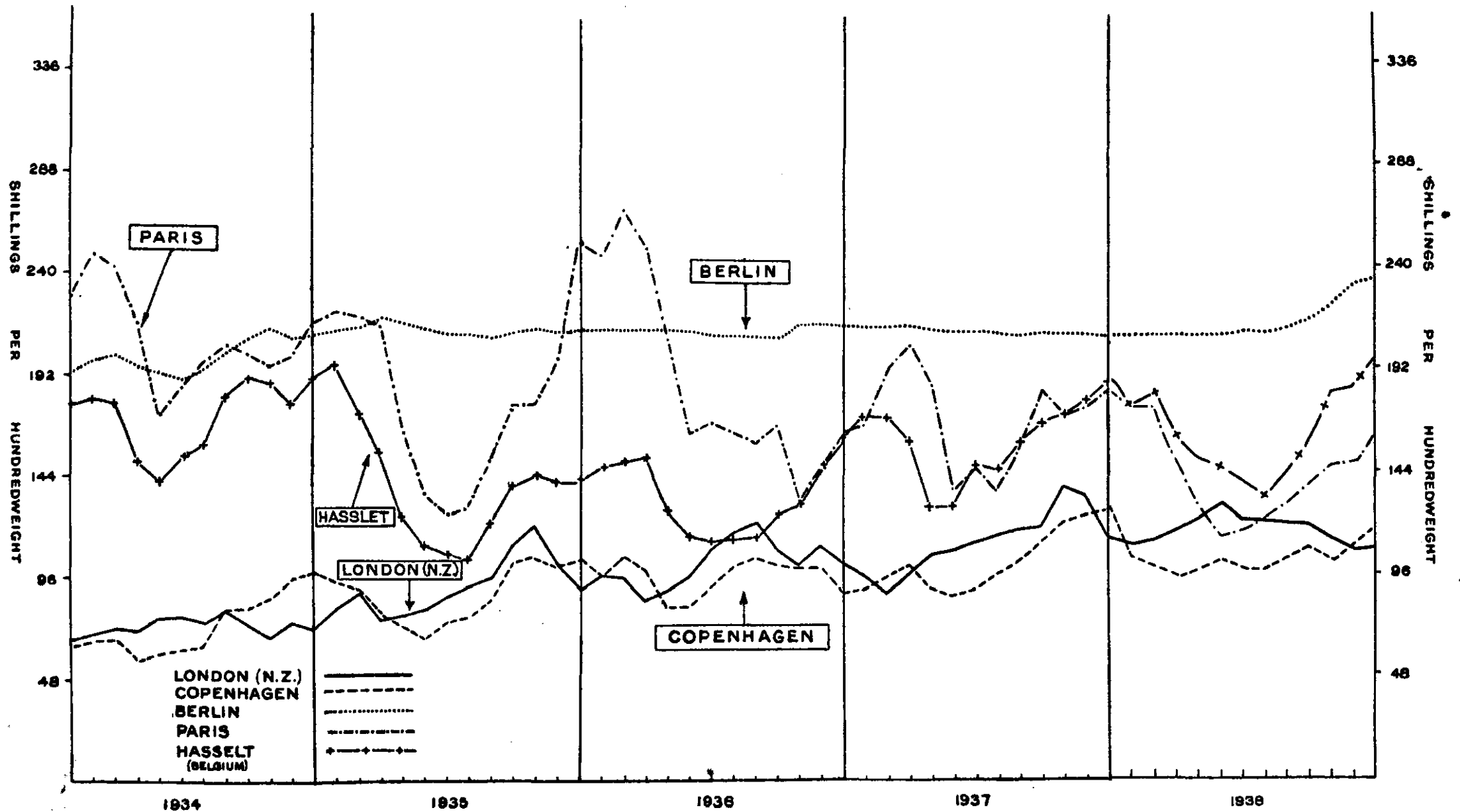


TABLE 98—Average monthly price of butter at certain European markets

Month	London (New Zealand Finest Salted)		Copenhagen*		Berlin		Paris (Charentes)		Hasselt	
	1938	1937	1938	1937	1938	1937	1938	1937	1938	1937
	per cwt. s. d.	per cwt. s. d.	Kr. per 100 Kg.	Kr. per 100 Kg.	Rm. per 100 Kg.	Rm. per 100 Kg.	Fr. per 100 Kg.	Fr. per 100 Kg.	Fr. per 100 Kg.	Fr. per 100 Kg.
January	110 0	94 6	235	194	254	254	2,568	1,720	2,550	2,430
February	112 0	86 6	224	209	254	254	2,620	1,988	2,630	2,420
March	117 3	96 3	211	220	254	254	2,333	2,125	2,335	2,255
April	122 6	105 0	219	196	254	254	2,007	2,006	2,225	1,820
May	129 6	107 0	229	187	254	254	2,010	1,466	2,170	1,825
June	122 0	110 0	218	197	254	254	2,062	1,577	2,020	2,105
July	122 0	114 0	219	211	254	254	2,144	1,732	1,930	2,105
August	121 0	116 6	230	225	254	254	2,254	2,050	2,015	2,285
September	120 0	117 6	243	244	254	254	2,408	2,520	2,225	2,415
October	114 6	137 0	231	265	262	254	2,574	2,483	2,510	2,475
November	108 3	131 6	247	272	268	254	2,620	2,515	2,540	2,555
December	109 6	113 3	260	275	268	254	2,853	2,648	2,660	2,685
Average	117 6	110 9	231	225	257	254	2,371	2,069	2,318	2,281

* Copenhagen quotation for export butter.

TABLE 98—Average monthly price of butter at certain European markets—continued

Month	Sterling equivalent at the average rate of exchange for each month.									
	per cwt. s. d.	per cwt. s. d.	per cwt. s. d.	per cwt. s. d.	per cwt. s. d.	per cwt. s. d.	per cwt. s. d.	per cwt. s. d.	per cwt. s. d.	per cwt. s. d.
January	110 0	94 6	106 6	88 0	208 0	211 6	174 3	166 3	175 6	169 6
February	112 0	86 6	101 6	94 9	208 0	212 0	174 3	192 3	180 9	169 6
March	117 3	96 3	95 9	99 9	208 3	212 6	148 6	203 0	160 9	158 0
April	122 6	105 0	99 3	89 0	208 3	211 0	127 0	186 6	153 0	126 9
May	129 6	107 0	103 9	84 9	208 6	209 9	115 9	135 0	149 6	126 9
June	122 0	110 0	99 0	89 3	209 9	209 9	117 6	144 6	140 6	146 3
July	122 0	114 0	99 3	95 9	210 3	209 0	122 3	135 0	134 6	145 0
August	121 0	116 6	104 3	102 0	212 0	208 3	128 3	156 9	141 6	157 0
September	120 0	117 6	110 3	110 9	214 9	209 3	137 0	182 3	159 0	166 9
October	114 6	137 0	104 9	120 3	223 6	209 3	146 3	170 6	180 9	171 0
November	108 3	131 6	112 0	123 3	231 6	208 6	149 0	173 6	185 3	176 9
December	109 6	113 3	118 0	124 9	233 9	208 0	163 3	182 9	195 0	185 6
Average	117 6	110 9	104 6	102 0	214 9	210 0	142 0	169 0	163 0	158 3

World Trade in Cheese

In contrast to butter, international trade in cheese was declining for a number of years until 1936, but there was a considerable recovery in 1937 and world exports in 1938 were well maintained.

The reduction in exports in the years immediately prior to 1937 was largely the result of diminishing exports from New Zealand, the Netherlands and Italy; there was no very marked downward movement in exports from Switzerland and France and, in fact, supplies from the less important European exporting countries were increasing. In 1937 exports from most European countries increased and in 1938 only those from the Netherlands and Denmark showed a recession. The decline in exports from New Zealand continued during 1937 and was again evident in 1938, when shipments were 19 per cent. lighter than in 1934; a further marked expansion, however, was recorded in shipments from Australia last year, when they were nearly twice as heavy as in 1937 and three times as great as in 1933. Exports from Canada, which had shown a considerable recovery in 1936 from their recent downward trend and had increased further in 1937, declined last year and were slightly less than in 1936.

Table 99 shows the exports of cheese from the principal exporting countries in each of the six years 1933 to 1938. The figures are from official returns and those for 1938 are in most cases provisional.

TABLE 99—*Exports of cheese from principal exporting countries*

Country	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Netherlands	1,258	1,204	1,202	1,119	1,233†	1,151†
Italy	469	494	547	383	470	476
Switzerland	402	347	357	361	344	442
Denmark	198	124	131	188	185	179
Finland	82	76	84	97	130	133
Bulgaria	23	24	38	38	27	33
France	224	232	218	208	221	237
Czechoslovakia	12	12	10	9	10	9‡
Canada	662	546	497	731	794	723
New Zealand	1,983	1,984	1,728	1,658	1,647	1,610
Australia	97	111	142	112	167	314
Six other countries*	139	164	176	201	218	169
Total	5,549	5,318	5,130	5,105	5,446	5,476

* Eire, Austria, Norway, Lithuania, Yugoslavia and Argentina.

† Net weight.

‡ From October onwards, excluding territories ceded to other countries.

As with butter, but to a smaller extent, the United Kingdom is by far the most important market for cheese. In recent years this country has accounted for about 56 per cent. of the total entries into the eighteen chief importing countries, the highest proportion being 57 per cent. in 1934 and the lowest 54 per cent. in 1936. The total taken by the United Kingdom declined considerably between 1933 and 1936, but an appreciable increase was recorded in 1937 and imports were well maintained last year. The marked decline in imports into Germany, the second most important market, was checked in 1937; imports last year, although 12 per cent. less than a year earlier, were heavier than in either 1935 or 1936. The decline in imports into France was checked in 1938 and the slight rising trend in those into Belgium continued, but there was a setback to the rapid expansion in imports into the United States and Algeria also imported on a smaller scale than in 1937. Imports into the other chief markets remained fairly stable.

Table 100 gives imports of cheese into the main importing countries annually from 1933 to 1938.

TABLE 100—Imports of cheese into principal importing countries

Country	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
United Kingdom*	3,016	2,959	2,685	2,652	2,915	2,911
Germany	812	665	551	549	726	640
Belgium	432	428	453	454	445	475
France	412	314	311	290	262	280
U.S.A.	432	424	437	534	542	486
Italy	89	91	95	71	84	91
Algeria	96	101	101	98	95	89
Morocco	32	32	32	33	32	31
Egypt	55	58	65	69	65	67
Nine other countries†	147	143	142	141(a)	141(a)	141(a)
Total	5,523	5,215	4,872	4,891	5,317	5,211

* Net imports, i.e. total imports less re-exports.

† Spain, Malta, Dutch East Indies, Syria and Lebanon, India, Tunis, Eire, Austria and Czechoslovakia (excluding as from October, territories ceded by the last named country).

(a) Figures not available for Spain. Same figures as in 1935 in total.

Practically all the cheese from Empire countries is of Cheddar type and is marketed in the United Kingdom. Exports from foreign countries, chiefly comprising types other than Cheddar, are mainly sent to Germany, other European markets and the United States, although the proportion of Dutch exports taken by the United Kingdom has increased in recent years. The United Kingdom's share of Italian exports was considerably reduced in 1936 as a result of the operation of sanctions but has since recovered to a marked extent.

Table 101 shows the proportion of total cheese exports from the principal exporting countries taken by the United Kingdom in the past two years and the averages for the periods 1929-31 and 1932-36.

TABLE 101—Proportion of total exports of cheese from chief exporting countries to the United Kingdom, 1929-31, 1932-36, 1937 and 1938.

Country	1929-31	1932-36	1937	1938
	Per cent.	Per cent.	Per cent.	Per cent.
Netherlands	10	14	18	17
Italy	17	15	12	14
Switzerland	7	4	5	5
Canada	92	93	91	94
Australia	93*	95	94	97
New Zealand	100	100	100	(a)

* Years ending 30th June following that stated.

(a) Not yet available.

World Trade in Eggs

International trade in eggs declined for a number of years to 1935 but has since been increasing and in 1938 exports from the thirty-one chief exporting countries were 2 per cent. greater than in 1937 and 18 per cent. above the 1935 figure.

Denmark has been the chief exporter of eggs since 1933 and shipped increasing quantities until last year, when the total was 3 per cent. less than in 1937. On the other hand, the figures for the Netherlands, the most important exporter prior to 1933, showed, a further considerable increase and were the largest for many years. Exports from Belgium declined heavily last year, following some recovery in 1936 and 1937 from the marked downward trend, and were among the smallest in post-war years. Shipments from Baltic and Scandinavian countries have been increasing since 1934 and 1936, respectively, and exports from Central European countries also have expanded since 1935 last. North African exports have declined further. The recent rising trend in exports from China was severely curtailed last year, and shipments from Australia continued to decline, but exports from South America exceeded the figures recorded for any other recent year with the exception of 1935.

Shipments from the most important egg exporting countries are shown in Table 102 for the six years 1933 to 1938. Many countries' exports are given by weight, and in the accompanying table these have been converted to number at an arbitrary figure of 1,600 eggs to 100 kg. The figures are accordingly only approximate, and it is possible that the average weight per egg has increased somewhat during the period under review. The figures for 1938 are provisional.

TABLE 102—Exports of eggs from principal exporting countries

Country	1933	1934	1935	1936	1937	1938
	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.
Denmark	8,919	9,380	9,769	11,682	13,441	12,984
Netherlands	7,596	8,574	8,240	8,632	10,155	11,772
Eire	3,469	3,468	3,055	2,967	2,459	2,726
Central European countries*	7,151	5,776	5,209	6,404	6,961	7,171
Baltic countries†	3,574	3,286	3,711	4,219	4,692	5,093
Scandinavian countries‡	2,001	1,911	1,688	1,569	1,949	2,042
Belgium	2,757	1,985	1,548	1,658	1,752	1,138
U.S.S.R.	263	161	1	13	29	(a)
Egypt	1,423	962	484	631	484	320
Morocco	1,321	1,292	1,391	1,359	1,318	830
Argentina	242	249	661	468	330	819
Uruguay	396	316	581	330	158	334
Union of South Africa	462	311	367	385	271	277
Australia§	1,962	2,172	1,737	1,647	1,129	1,014
China	2,956	2,663	2,490	3,307	3,350	2,057
Eight other countries||	3,976	3,243	2,678	2,591	2,240	2,951
Total	48,468	45,749	43,610	47,862	50,718	51,528

* Bulgaria, Hungary, Roumania and Yugoslavia.

† Poland, Estonia, Latvia and Lithuania.

‡ Finland, Norway and Sweden.

§ Year ending June 30th of year following that stated (1938-39 figure partly estimated).

|| Portugal, Canada, France, Italy, United States of America, Indo-China, Syria and Lebanon, and Turkey.

(a) Figure not available for U.S.S.R. for the whole year but there were no exports in the period January-October.

As with both butter and cheese, the United Kingdom is also the chief market for eggs. The proportion of the total imports of eggs into twelve main importing countries accounted for by the United Kingdom was 48 per cent. in 1933, but has increased in recent years, and in 1938 was 57 per cent.; imports into this country increased by 51 per cent. between 1933 and 1938 and last year were 12 per cent. greater than in 1937. There was a marked expansion in imports into Germany, the second most important market, in 1936 and again in 1937, following a rapid reduction in the preceding years, but last year the figures showed little

further change. Imports into Switzerland also were declining up to 1935 but have since remained fairly stable. Some recovery from the downward trend in imports into France was recorded in 1936 and 1937 and a similar movement was noticeable in imports into Italy and Austria in 1937, but the expansion was continued into 1938 in Austria only, imports into the other two countries being considerably reduced. The recently increasing imports into Czechoslovakia also declined heavily last year.

Imports into the chief importing countries from 1933 to 1938 are shown in Table 103. The figures are subject to the same qualifications as those in the preceding table.

TABLE 103—Imports of eggs into principal importing countries

Country	1933	1934	1935	1936	1937	1938
	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.
United Kingdom*	18,355	18,702	19,717	24,462	24,640	27,643
Germany	12,096	10,941	9,212	10,190	13,183	13,263
Switzerland	1,930	1,993	1,865	1,818	1,879	1,884
France	2,098	1,601	1,428	1,968	2,105	1,502
Italy	1,171	1,100	673	298	1,121	932
Austria	1,196	891	609	496	681	749
Czechoslovakia	693	587	805	890	894	422§
Philippines	384	191	159	196	197	(a)
Four other countries†	554	928	1,194	1,328	1,604	1,505
Total‡	38,477	36,934	35,662	41,646	46,304	48,097

* Net imports, i.e. total imports less re-exports.

† Greece, Dutch East Indies, British Malaya and Palestine.

‡ Excluding imports into Spain, which averaged 4,700,000 gt. hds. per annum in the period 1933-35; returns of imports for later years are not available, but they are believed to have been reduced to a very small figure by 1938.

§ From October onwards excluding territories ceded to other countries.

(a) Figures not available for Philippines; same figures as in 1937 in total.

The United Kingdom receives almost all the exports of eggs from the Southern Dominions, but the proportion has declined slightly in recent years. Exports from Eire in 1929-31 were wholly to the United Kingdom, but in the past year or two about 20 per cent. of the total has been sent elsewhere. The share of Danish exports shipped to the United Kingdom declined for a number of years to 1935 but has since increased, although in 1938 amounting to only 73 per cent. as against 83 per cent. in 1929-31. A somewhat similar change has been recorded for Sweden, the Netherlands and Belgium, although the proportion for Belgium last year was considerably smaller than in 1937. The figures for Poland and Yugoslavia have shown a continuous and marked increase in the past decade. The balance of exports from the chief exporting countries of Northern Europe and most of the supplies from Central and Southern Europe go to Germany.

Table 104 shows the proportion of exports of eggs from certain countries taken by the United Kingdom in the past two years and the averages for the periods 1929-31 and 1932-36.

TABLE 104—Proportion of total exports of eggs from chief exporting countries to the United Kingdom, 1929-31, 1932-36, 1937 and 1938

Country	1929-31	1932-36	1937	1938
	Per cent.	Per cent.	Per cent.	Per cent.
Denmark	83	68	75	73
Sweden	69	55	56	64
Poland	22	48	54	57
Netherlands	29	25	53	60
Belgium	38	15	23	10
Eire	100	91	81	82
Union of South Africa	95	97	96	96
Australia*	99	100	99	98†
Yugoslavia	—	2	12	17

* Twelve months ending 30th June of following year.

† Estimated.

Germany

The Butter Market in 1938

Imports of butter into Germany again increased in 1938, thus continuing the upward trend apparent since 1933, and were larger than in any year since 1931; the total imported was 6 per cent. greater than in 1937 and 22 per cent. greater than in 1936.

The official measures introduced in 1933 and designed to enable Germany to become more self-supporting for fats, were continued during 1938. The import duty was maintained at 75 RM. per 100 kg., while the surcharge, calculated to bring the price of the imported article to the home level, varied between 38 RM. per 100 kg. at the beginning of the year and 72 RM. in April. Measures intended to stimulate directly the production of butter included the curtailment of production of fresh and other forms of cream, the fixing of a maximum fat content for most varieties of cheese and the restriction of the output of other kinds to production in a previous base period, and the promotion of the utilisation of skimmed milk in order to release additional quantities of milk for butter manufacture. To effect a better distribution of the butter available, deliveries by creameries or wholesalers to any purchaser have been restricted throughout the year (except at holiday periods) to 85 per cent. of the deliveries in October, 1937, the balance being handed over to the Milk Central for distribution or storage. As from 1st October, 1938, all firms concerned with the production, manufacture or distribution of milk, oil and fats have been brought under the control of the Central Marketing Authority.

The reorganisation measures have stimulated the output of creamery butter, which increased from about 225,000 metric tons in 1932 to 417,000 tons in 1937; in 1938, however, mainly owing to the prevalence of foot-and-mouth disease, production declined slightly to 411,000 tons. The output of farm butter last year was estimated at about 96,500 metric tons, or about 3 per cent. less than in 1937, when the figure was given as 100,000 tons. Total production in 1938 was thus 507,500 tons, as compared with 517,000 tons in 1937 (the highest ever recorded).

The remarkable expansion in the home production of butter during the past few years, coupled with some relaxation of the restrictions on imports, has made possible a considerable increase in consumption, which, according to official estimates, attained a record figure of 602,800 metric tons (19.6 lb. per head) in 1937. In 1938, however, the increase in imports was insufficient to offset the reduction in domestic supplies and consumption declined to 600,300 tons (19.4 lb. per head). The consumption of margarine, on the other hand, increased from 538,000 metric tons in 1937 (17.6 lb. per head) to 594,000 tons (19.2 lb. per head) last year.

Table 105 gives the imports of butter into Germany in the past ten years. It should be noted that as from April, 1938, figures for trade between Austria and Germany were excluded from the official returns, while imports into the Sudetenland have been included since October, 1938.

TABLE 105—Imports of butter into Germany, 1929-38

Year	Imports	Year	Imports
	000 cwt.		000 cwt.
1929	2,645.0	1934	1,215.8
1930	2,621.2	1935	1,397.6
1931	1,972.8	1936	1,484.4
1932	1,368.5	1937	1,709.3
1933	1,164.3	1938	1,816.7

Sources of supply.—Denmark remained by far the largest source of supply of imported butter during 1938 and sent 7 per cent. more than in 1937. Imports from the Netherlands increased by 3 per cent. and those from Baltic countries also were heavier in aggregate than a year earlier, the increase in imports from Finland and Lithuania being particularly large. Receipts from Sweden, however, declined slightly and smaller supplies came from Hungary and Czechoslovakia. Nearly 28,000 cwt. were entered from New Zealand as against nil in 1937.

Table 106 gives details of the imports of butter into Germany in the six years 1933 to 1938.

TABLE 106—*Imports of butter into Germany*

Country whence consigned	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Denmark	327.5	383.3	502.6	656.3	674.7	719.1
Netherlands	227.2	255.2	211.1	192.7	239.2	246.6
Sweden	96.7	112.4	189.7	204.7	245.2	241.9
Finland	100.5	68.5	83.9	103.1	104.3	125.7
Latvia	123.4	115.7	100.5	108.2	129.1	122.6
Estonia	70.2	63.9	86.2	82.7	95.5	104.7
Lithuania	58.3	5.1	0.4	18.3	47.3	77.3
Poland	29.5	32.8	10.1	11.9	41.0	42.7
Eire	6.2	0.2	12.7	21.0	35.3	39.3
Hungary	10.2	24.4	20.8	32.8	44.5	38.8
New Zealand	2.0	0.3	—	—	—	27.9
Argentina	1.7	1.8	19.4	13.3	6.3	12.4
Czechoslovakia	1.3	0.2	0.1	2.8	5.3	4.4
Austria	9.4	13.4	19.6	29.5	34.3	(a)
U.S.S.R.	92.6	135.8	116.5	0.7	—	—
Australia	5.4	0.7	—	—	—	—
Other countries	2.2	2.1	24.0	6.4	7.3	13.3
Total	1,164.3	1,215.8	1,397.6	1,484.4	1,709.3	1,816.7

(a) Not included in Trade Returns since April, 1938

Seasonal variation.—Unlike the tendency in the previous year, the trend of imports during the first four months of 1938 was downward, supplies in April being the lowest for the year. Thereafter, except for a setback in August, imports increased to a peak in September, when they were higher than in any month since October, 1936. During the first six months of the year, with the exception of April, imports were considerably heavier than in the same period of 1937, but in the last three months supplies fell away to some extent and were below the corresponding figures a year earlier.

Monthly imports in each of the past six years are shown in Table 107.

TABLE 107—*Monthly imports of butter into Germany*

Month	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
January	64.6	66.4	142.2	113.6	110.8	176.3
February	65.2	64.4	123.9	109.8	115.8	149.9
March	69.2	85.1	137.3	122.2	108.4	123.7
April	96.7	70.8	126.1	127.5	133.7	109.4
May	119.0	82.9	98.6	112.1	113.7	130.3
June	102.5	57.4	69.1	85.0	105.5	153.5
July	101.4	81.7	93.4	109.0	173.5	174.3
August	103.7	91.5	100.5	114.0	169.6	162.2
September	110.5	103.7	124.1	128.4	181.9	193.6
October	94.7	162.2	133.6	215.0	183.3	164.5
November	117.8	158.1	115.3	131.7	152.2	135.1
December	119.0	191.6	133.5	116.1	160.9	143.9
Total	1,164.3	1,215.8	1,397.6	1,484.4	1,709.3	1,816.7

Prices—The stabilisation of butter prices in Germany, introduced in April, 1934, was extended in November of the same year to cover, with fixed handling charges, all stages from producer to consumer. The first-hand quotations then established remained unchanged until 15th October, 1938, when they were increased as follows (the former price being in parentheses): German Mark butter, per 50 kg., 137 RM. (130 RM.); fine creamery, 134 RM. (127 RM.); creamery, 130 RM. (123 RM.); farm butter, 120 RM. (118 RM.). (See also Fig. 6 and Table 98.)

Imports of Cheese

Imports of cheese into Germany, which had declined steadily from 1929 to 1935, were maintained almost unchanged in 1936 and increased considerably in 1937; in 1938 the official figures recorded a decline of 12 per cent. as against the previous year, but since imports from Austria are excluded, no exact comparison with 1937 is possible. Imports have been subject to monopoly control since 1934, and the monopoly tax calculated to bring the price of imported cheese to the level of that of home produced cheese was maintained, in addition to the customs duty, during 1938.

Since March, 1937, creameries and factories have been directed to restrict their output of cheese with a fat content of 20 per cent. or over to the 1934 level (the lowest in recent years), and when more than 40 per cent. of the milk supplied has been sold as fresh milk the production of such cheese, with certain exceptions, has been prohibited.

The output of cheese in Germany, which accounts for about nine-tenths of total supplies, declined from 350,700 metric tons in 1936 to 345,500 tons in 1937 but there was probably a recovery last year. The apparent consumption of cheese in 1938 was estimated at 383,000 metric tons (12·3 lb. per head), as against 368,300 metric tons (11·9 lb. per head) in 1937.

Imports of cheese into Germany during each of the past ten years are given in Table 108.

TABLE 108—Imports of cheese into Germany

Year	Imports	Year	Imports
	000 cwt.		000 cwt.
1929	1,308·7	1934	665·1
1930	1,215·5	1935	550·6
1931	1,075·1	1936	549·2
1932	970·5	1937	726·3
1933	811·8	1938	640·0*

* Excluding imports from Austria as from April, 1938.

Sources of supply—The Netherlands remained by far the most important source of supply last year, but sent 10 per cent. less than in 1937, although accounting for 51 per cent. of the total, as against 50 per cent. in 1937. Supplies from Denmark declined by 3 per cent. but those from Finland were fairly well maintained. Imports from Switzerland were 27 per cent. heavier than in the preceding year and larger supplies were received also from Lithuania, Italy and France.

Table 109 gives details of the imports of cheese during each of the past six years. It should be noted that as from April, 1938, figures for trade between Austria and Germany were excluded from the official returns, while imports into the Sudetenland have been included since October, 1938.

TABLE 109—Imports of cheese into Germany

Country whence consigned	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Netherlands	478.0	442.7	319.9	248.8	366.5	329.5
Denmark	163.2	68.9	69.0	91.9	95.9	93.2
Finland	47.1	24.3	36.2	34.4	52.6	52.0
Austria	10.8	6.3	18.4	31.9	48.8	(a)
Switzerland	26.3	39.5	50.2	40.8	48.7	61.8
Norway	21.3	12.6	13.7	15.3	20.8	18.6
Italy	4.6	4.1	4.9	39.9	19.6	21.0
United Kingdom	16.1	8.6	8.7	11.3	14.6	9.5
Czechoslovakia	11.5	6.4	5.6	5.1	12.4	6.8
Danzig	6.0	31.0	7.5	3.1	11.1	3.8
Lithuania	11.7	17.1	6.4	6.5	10.9	17.7
Sweden	5.3	0.9	0.9	3.2	5.3	4.1
Hungary	6.7	0.8	5.8	5.7	5.2	4.8
France	2.5	1.8	1.4	0.2	3.5	5.9
Yugoslavia	—	—	1.1	7.2	2.2	1.6
Other countries	0.7	0.1	0.9	3.9	8.2	9.7
Total	811.8	665.1	550.6	549.2	726.3	640.0

(a) Not included in Trade Returns since April, 1938.

Imports of Eggs

Imports of eggs into Germany, which had suffered a marked reduction between 1928 and 1935, increased to some extent in 1936 and to a much greater extent in 1937; in 1938, however, imports were at practically the same level as in the preceding year.

The trade remained under monopoly control in 1938. Imports continued to be subject to a minimum duty of 30 RM. per 100 kg. and to a differential payment or "monopoly tax", which varies with the season, rising from a minimum of 1 RM. per 100 kg. (for administrative purposes) during the winter months to 60 RM. in April. A strict control of egg prices from the producer to the final purchaser is maintained. In November, 1938, a new system of price ranges for the summer, winter and two "transition" periods was introduced.

The production of eggs in Germany, after a period of decline, has shown some recovery in recent years. Total consumption in 1938 is officially estimated at 8,470 millions, as compared with 8,400 millions in 1937 and 7,860 millions in 1936.

Imports of eggs into Germany during each of the past ten years are given in Table 110.

TABLE 110—Imports of eggs into Germany

Year	Imports	Year	Imports
	000 Gt. hds.		000 Gt. hds.
1929	22,941	1934	10,941
1930	21,991	1935	9,212
1931	19,391	1936	10,190
1932	19,704	1937	13,183
1933	12,096	1938	13,263

Sources of supply—Denmark became the chief source of imported eggs in 1938, sending 11 per cent. more than in 1937. Supplies from the Netherlands, the principal source in the previous year, increased by 4 per cent., but those from Bulgaria, again the third most important source, declined by 19 per cent. Fourth place was taken by Belgium, which sent 16 per cent. more than in 1937. Imports from Yugoslavia, Finland and Poland increased by 15 per cent., 30 per cent. and 74 per cent., respectively, but those from China, Roumania and Hungary showed an appreciable decline. Receipts from Eire rose by 33 per cent. The tendency to import the smaller eggs of Southern European countries rather than eggs from Northern Europe was less marked in 1938 than in the two previous years and in consequence the average weight of imported eggs was rather higher than that recorded in 1937 (15 lb. per 120).

The following table gives details of the imports of eggs into Germany during each of the past six years :—

TABLE III—Imports of eggs into Germany

Country whence consigned	1933	1934	1935	1936	1937	1938
	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.	000 Gt. hds.
Netherlands	4,495	4,843	3,033	2,264	3,054	3,163
Denmark	2,024	2,136	2,103	2,658	2,875	3,192
Bulgaria	785	1,074	1,283	1,805	1,881	1,519
Belgium	593	524	397	786	792	918
Yugoslavia	621	323	452	395	591	680
Hungary	352	305	300	312	519	501
Roumania	891	654	265	133	486	125
Finland	710	418	364	486	471	614
Eire	—	3	323	276	309	411
Poland	537	52	3	235	309	537
Estonia	100	91	169	188	279	181
Sweden	264	160	169	176	269	283
Lithuania	139	14	—	39	141	182
Latvia	2	—	—	14	97	29
Norway	73	33	20	38	71	71
Turkey	32	162	230	144	55	71
Austria	8	3	2	7	3	(a)
Italy	56	81	43	—	—	38
U.S.S.R.	163	8	28	—	—	—
Czechoslovakia	7	5	1	—	—	1
Egypt	69	4	—	—	—	—
Argentina	22	27	17	15	68	83
Chile	—	—	—	1	31	43
China	135	8	—	207	869	608
Australia	2	—	—	—	—	—
Other countries	16	13	10	11	13	13
Total	12,096	10,941	9,212	10,190	13,183	13,263

(a) Not included in Trade Returns since April, 1938.

Prices—Official wholesale prices for new-laid German eggs, at from 8½ pf. to 11½ pf. per egg, according to weight, remained unchanged during the year until 16th November, when a new system (referred to above) was introduced. The winter prices then established ranged from 11 pf. to 13½ pf. per egg.

France

Foreign Trade in Butter

Milk production in France again declined during 1938, being adversely affected by drought in the first half of the year and later by foot-and-mouth disease; total output, which amounted to 2,931,000 gallons, was 7 per cent. less than in 1937.

Quota control of imports of butter was maintained during 1938, permission to import (subject to market requirements) being granted only in the first and last quarters of the year; total imports declined by 10 per cent. and were the lowest recorded in post-war years. Denmark became the chief source of supply, accounting for 69 per cent. of the total, as compared with 29 per cent. a year earlier; entries from the Netherlands were 74 per cent. lighter than in 1937, but there was little change in the quantity imported from Argentina.

The reduction in the domestic output of butter last year, which amounted to 9 per cent., was again reflected in the level of exports, which, as in 1937, was exceptionally low; it was not found necessary to put into operation the system (first instituted in 1935) of subsidising exports during the flush season. Exports to the United Kingdom were negligible and shipments to Algeria comprised 67 per cent. of total exports.

In spite of the low level of exports, France maintained last year the net surplus of exports, established in 1935, but the quantities involved remain very small.

Details of the imports and exports of butter in the six years 1933 to 1938 are given in the following table:—

TABLE 112—France: imports and exports of butter

	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
<i>Imports from—</i>						
Netherlands	49.9	21.5	7.0	20.8	8.4	2.2
Argentina	43.8	17.1	0.9	3.4	1.0	1.0
Denmark	27.3	35.1	4.8	10.8	3.9	8.3
Hungary	15.2	2.4	—	(a)	—	(a)
Latvia	10.1	0.7	(a)	(a)	—	(a)
Eire	6.8	(a)	(a)	(a)	—	(a)
Estonia	6.3	1.3	(a)	(a)	—	(a)
United Kingdom	2.9	0.4	—	(a)	—	(a)
Other countries	19.0	7.3	0.8	3.0	—	0.5
Total imports	181.3	85.8	13.5	38.0	13.3	12.0
<i>Exports to—</i>						
Algeria	39.9	47.5	47.4	45.1	37.2	38.3
United Kingdom	0.5	1.4	9.5	32.6	6.4	0.5
Morocco	1.7	0.8	9.1	14.8	—	0.2
Germany	(a)	(a)	19.5	—	—	—
Other countries	18.9	15.5	18.1	20.7	15.6	18.5
Total exports	61.0	65.2	103.6	113.2	59.2	57.5
Net imports (+) or exports (-).	+120.3	+20.6	-90.1	-75.2	-45.9	-45.5

(a) Included, if any, in "Other countries".

Prices—Following the decline in butter prices in France in 1934 and 1935, there was a marked recovery in 1936, which was continued at a greatly increased rate during 1937; in 1938 there was a further rise, associated no doubt with the decline in output and the effects of a further devaluation of the franc, but the movement was much less marked than in 1937. Throughout the year, except in September, monthly average prices for Charentes creamery butter were above those of a year earlier, the margin being greatest in January–February and again during the summer. Quotations reached their lowest point in April and then, failing to show the usual seasonal decline during the summer, rose steadily until the end of the year. In this connection it may be noted that for the first time the Ministry of Agriculture put into operation a scheme under which it financed the holding of stocks of butter in cold storage with a view to lessening price fluctuations caused by seasonal movements in market supplies.

Belgium

Foreign Trade in Butter

Imports of butter into Belgium have declined substantially since 1932 and reached a very low figure in 1938, when they were 49 per cent. less than a year earlier and 69 per cent. less than in 1936. Supplies from Denmark and the Netherlands declined by 44 per cent. and 55 per cent., respectively, while those from Eire were 63 per cent. lighter than in 1937.

Importation of butter into Belgium has been subject to quantitative restriction since April, 1932, except in the period 25th October, 1935, to 15th March, 1936. In 1938 certain quantities were allowed to be imported under quota in January and February and again in November and December, but none in the intervening months. The import licence tax was fixed at 6.50 fr. per kg., except for January, when it was 5.50 fr.

The following table gives details of the gross and net imports of butter into Belgium during each of the past six years:—

TABLE 113—*Belgium: imports and exports of butter*

Country whence consigned	1933	1934	1935	1936	1937	1938
	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.	000 cwt.
Netherlands	46.9	39.6	58.1	47.2	14.2	7.1
Denmark	113.4	64.0	23.8	10.4	15.6	8.7
Eire	7.7	20.5	15.8	6.2	11.2	4.1
United Kingdom	36.2	31.4	7.4	0.2	(a)	(a)
Lithuania	7.5	9.5	8.0	3.8	3.0	2.5
Latvia	2.8	2.7	0.6	(a)	(a)	(a)
Germany	15.4	1.6	(a)	(a)	(a)	(a)
Argentina	3.6	0.7	(a)	4.6	—	(a)
Estonia	0.6	(a)	(a)	(a)	(a)	(a)
Poland	0.5	(a)	(a)	(a)	(a)	(a)
Other countries	9.6	14.8	5.1	0.3	0.4	0.3
Total imports	244.2	184.8	118.8	72.7	44.4	22.7
Exports	6.5	1.0	0.6	0.6	0.4	0.5
Net imports	237.7	183.8	118.2	72.1	44.0	22.2

(a) Included, if any, in "Other countries".

Prices.—Butter prices in Belgium, which had risen sharply between 1936 and 1937, were in 1938 slightly greater than in the preceding year. The average price for creamery butter at Hasselt was 23.20 fr. per kg., as compared with 22.80 fr. in 1937. (See also Fig. 6 and Table 98.)

Switzerland

Foreign Trade in Butter

The dairy industry in Switzerland has been assisted for some years by a guaranteed price for milk, administered by the Central Union of Milk Producers. Efforts were made to increase butter production at the expense of cheese, owing to the diminished export trade in the latter commodity as a result of reduced prices during the depression and quota restrictions in foreign markets. As a result there was a marked increase in butter production, which in certain years necessitated the adoption of various measures, including blending and re-working of stored butter for sale at reduced prices, in order to dispose of temporary surpluses. In 1937 it was necessary to import rather large quantities in order to satisfy the home demand but output increased appreciably in 1938, totalling 591,000 cwt., as compared with 512,000 cwt. in the previous year, and imports had to be drastically curtailed, although this did not obviate a marked accumulation of stocks at the end of the year.

With a further expansion of output in prospect, it was decided to limit production in order to maintain prices. From 1st May, 1938, sales of milk by individual producers under the guaranteed price were restricted to the average of deliveries in the two preceding years; deliveries in excess of that level were subject to deductions from the guaranteed price, these being paid into the Guarantee Fund. Notwithstanding these measures, however, it was found necessary in September, 1938, to reduce the guaranteed price for milk from 20 centimes per kg. to 19 centimes and to increase from $\frac{1}{2}$ centime to $2\frac{1}{2}$ centimes the levy paid by producers on sales of milk for consumption.

During the year 1938-39 the sum of 12 million francs was granted from Federal funds to the Central Union of Milk Producers for support of the dairy industry in addition to the annual grant of 5 million francs; no change was made in the Union's other chief sources of revenue, viz., two-thirds of the supplementary duty on feeding-stuffs, and the profits made by the central butter-importing organisation (Butyra). Federal grants for the year 1939-40 are expected to amount to 26 million francs.

Imports were very small during 1938, receipts from France accounting for 51 per cent. of the total, as compared with 3 per cent. in 1937. Supplies from the Netherlands and from Scandinavian and Baltic countries, except Poland, were negligible compared with a year earlier.

Details of the imports of butter in each of the past six years are given in the following table:—

TABLE 114—Imports of butter into Switzerland

Country whence consigned	1933	1934	1935	1936	1937	1938
	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.
Netherlands	385	—	—	—	11,086	1
Denmark	4,159	1,256	—	6,705	7,801	6
Finland	—	—	—	5,975	6,235	—
Estonia	—	—	—	3,886	4,959	—
Latvia	2,711	1,201	—	3,271	11,060	595
France	1,217	1,124	1,327	1,477	1,487	1,564
Hungary	196	1,295	200	400	—	—
Poland	—	408	1,000	2,484	361	794
Argentina	781	274	—	770	3,101	—
Italy	160	136	127	216	174	69
Lithuania	82	—	—	3,578	3,939	—
Other countries	534	127	37	15	8	37
Total	10,225	5,821	2,691	28,777	50,211	3,066

Italy

Foreign Trade in Butter

The latest official figures for butter production in Italy refer to the census year 1936-37, when total output amounted to 880,059 cwt. Unofficial estimates for 1938 give a total of 935,000 cwt., as against 886,000 cwt. a year earlier; of this quantity 394,000 cwt. are reckoned to be creamery butter. In the first months of the year output was exceptionally heavy but it was smaller than usual in the summer months owing to the great heat and ensuing drought; the mild autumn, however, further stimulated production. There was a notable reduction during the year in stocks of butter in cold storage.

With an increase in the home production of butter, imports in 1938 were very small, the total being less than one-tenth of the previous year's figure, and the lowest recorded in post-war years, with the exception of 1926. Supplies from Hungary were 76 per cent. lighter than a year previously but accounted for 87 per cent. of all imports.

Exports of butter increased by 25 per cent. on the year and continued the upward trend in evidence since 1935.

Details of the trade in butter in recent years are given in the following table:—

TABLE 115—Italy: imports and exports of butter

—	1933	1934	1935	1936	1937	1938
Imports						
<i>Fresh Butter—</i>	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.
U.S.S.R.	7,219	13,722	350	—	—	—
Austria	378	7,394	4,665	1,784	6,736	—
Argentina	10,307	4,006	130	—	12,205	—
Hungary	2,144	1,896	2,695	6,610	14,768	3,596
Czechoslovakia	—	—	—	—	6,163	—
Australia	244	233	—	—	—	—
Denmark	122	—	—	—	—	—
Other countries	763	2,287	459	—	5,793	544
Total, fresh	21,055	29,538	8,299	8,394	45,665	4,140
Total imports (all kinds)	21,077	29,567	8,299	8,394	45,671	4,144
Exports						
<i>Fresh, Salted, etc.—</i>						
United States of America.	4,449	1,014	1,465	3,106	2,959	1,833
Eritrea	—	—	1,203	4,073	5,541	} 14,980*
Libya	—	—	612	2,266	1,980	
Other countries	3,002	1,453	624	1,466	2,924	
Total exports	7,451	2,467	3,904	10,911	13,404	16,813
Net imports	13,626	27,100	4,395	2,517(a)	32,267	12,669(a)

* Of which 14,006 cwt. went to Italian Colonies and Possessions.

(a) Net exports.

Prices—Throughout 1938 the system of official prices was maintained, these varying according to the locality and the type of butter; a further decree was passed in June fixing maximum wholesale and retail prices in order to protect the market from undue fluctuations. In the first half of the year the market was on the whole rather weak on heavy supplies, but in the late summer, under the stimulus of a declining production, and again towards the close of the year, a firmer tone developed.

United States of America

Foreign Trade in Butter

The high tariff maintained on butter imported into the United States is in most years sufficient to restrict imports and it was not until 1935, when production was severely reduced by the effects of the previous year's drought, that imports on a considerable scale became possible. Conditions were again unfavourable in 1936 and, with rising prices, importation in that and the following year remained appreciable, although less than half as heavy as in 1935. In 1938, however, when milk production reached a record level, the United States again became, for the first time since 1933, a net exporter.

The total quantity of milk produced on farms in 1938 is estimated at 957 million cwt., or about 4 per cent. higher than in 1937 and 2 per cent. higher than the previous peak in 1933. The production of creamery butter, which had declined annually between 1933 and 1937, was estimated at 15,967,000 cwt., or 10 per cent. more than in 1937; the total production of butter, including farm butter, was about 20.5 million cwt., as compared with 19.1 million cwt. in the previous year. Owing to the increase in production, the apparent consumption of butter amounted to 19.9 million cwt. last year, as against 19.3 million cwt. in 1937.

Imports of butter into the United States during 1938 were 85 per cent. lighter than in the previous year, New Zealand alone sending appreciable quantities; Russia, the principal source of supply in 1937, sent only negligible amounts last year. Exports, at over 17,000 cwt., were the largest since 1931.

Details of the foreign trade of the United States in butter from 1933 to 1938 are given in the following table.

TABLE 116—U.S.A. : foreign trade in butter

Country whence consigned	1933	1934	1935	1936	1937	1938
<i>Imports—</i>	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.
U.S.S.R.	1,833	342	40	4,998	18,871	19
Netherlands	—	—	46,273	9,561	17,371	414
New Zealand	4,829	2,754	64,033	23,244	15,402	10,258
Latvia	46	1,035	16,149	16,304	13,242	300
Argentina	—	—	9,457	9,507	13,327	124
Cuba	—	—	585	4,321	5,882	1,141
Lithuania	—	—	5,342	6,273	4,755	5
Poland	—	—	1	3,672	2,729	—
United Kingdom	1,074	313	33,651	4,005	1,864	315
Denmark	812	5,229	16,551	1,046	1,575	1,330
Canada	308	79	485	484	100	99
Other countries*	221	1,439	9,885	4,746	4,085	492
Total imports	9,123	11,191	202,452	88,161	99,203	14,497
Total exports	10,636	10,890	8,551	7,375	7,142	17,489
Net imports (+) or exports (—)	—1,513	+ 301	+193,901	+80,786	+92,061	—2,992

* Including the following free imports for which no details are available: 1934, 1,307 cwt.; 1935, 1,830 cwt.; 1936, 1,595 cwt.; 1937, 1,717 cwt.

Wholesale prices for dairy products, 1932 to 1938

In the following tables are shown annual average prices, from 1932 to 1938 inclusive, of certain dairy products, with the extreme range of prices during each year. The figures have been extracted from the Annual Statistics of the Ministry of Agriculture and Fisheries, which give average prices each month. The ranges shown in the tables are only the ranges between the highest and lowest monthly averages.

The Ministry of Agriculture and Fisheries quotations are averages at representative wholesale markets in London, Bristol and Liverpool for imported provisions; and London, Bristol and Liverpool, together with about 25 country produce markets, for English butter and eggs. Hence the prices are not always first-hand prices, but generally represent the average prices paid by retailers to wholesalers.

TABLE II7—Wholesale prices of butter, cheese, bacon, hams, eggs, 1932-1938

	1932	1933	1934	1935	1936	1937	1938
BUTTER.							
<i>British</i> (per 12 lb.) :—							
1st Quality—Average	16/-(a)	14/9(a)	13/9(a)	14/-(a)	14/10(a)	16/4(a)	16/9-(a)
Range	13/3 18/6	12/3 16/9	11/9 15/6	12/3 16/-	12/9 16/6	14/3 18/9	16/- 17/6
2nd Quality—Average	13/9	12/9(a)	11/9(a)	12/3(a)	13/1(a)	14/5(a)	15/-(a)
Range	11/- 16/-	10/3 14/6	10/- 13/6	10/3 14/-	11/3 14/9	12/6 16/9	14/3 15/9
<i>Austrasian</i> (Salted) (per cwt.) :—							
1st Quality—Average	105/-	87/-	75/6	94/3	104/6(d)	115/3	120/-
Range	89/6 112/-	72/- 106/6	70/6 79/6	78/6 122/6	90/- 121/6	92/6 142/6	110/- 132/-
<i>New Zealand</i> (Salted) (per cwt.) :—							
1st Quality—Average	108/6	87/6	78/3	96/-	105/6(d)	116/-	121/6
Range	91/6 119/6	73/6 106/6	72/6 84/-	81/- 123/6	90/6 122/6	92/6 143/-	113/- 134/-
<i>Argentine</i> (per cwt.) :—							
1st Quality—Average	103/6(c)	83/6(c)	75/3(c)	86/-†	102/-(c)*	106/-(c)‡	113/-(c)*
Range	93/- 114/6	73/- 96/6	73/- 77/6†	77/- 102/-†	93/6 112/6*	96/- 115/-	103/- 117/6
<i>Danish</i> (per cwt.) :—							
1st Quality—Average	124/-(e)	108/6(e)	102/6(e)	117/3(e)	124/-(e)	130/3(e)	134/6(e)
Range	107/6 140/6	95/6 120/6	88/6 126/6	97/- 136/-	106/6 132/6	111/6 155/6	126/6 150/-
CHEESE.							
<i>English Cheddar, Dairy</i> (per cwt.) :—							
1st Quality—Average	105/6(d)	95/6(d)	89/-(d)	85/-(d)	86/-(d)	98/3(d)	101/6(d)
Range	92/- 116/6	86/- 103/-	71/6 101/6	67/- 93/-	81/- 92/-	91/- 101/-	93/- 106/-
2nd Quality—Average	93/6(d)	82/-(d)	76/-(d)	65/6(d)	75/-(d)	85/3(d)	92/6(d)
Range	83/6 106/-	76/6 87/-	60/- 89/6	56/6 71/-	68/- 80/6	78/- 91/-	86/- 99/-
<i>Canadian</i> (per cwt.) :—							
1st Quality—Average	72/-	65/6	60/3	65/3	69/6(d)	78/-(d)	81/-(d)
Range	66/- 78/-	57/- 71/-	55/6 64/6	62/6 69/6	64/- 74/6	74/6 82/-	76/- 84/-
<i>New Zealand</i> (per cwt.) :—							
1st Quality—Average	64/-	52/6	49/9	52/3	63/6(d)	69/9	72/6
Range	60/- 67/-	45/6 56/6	47/- 55/-	47/- 63/-	54/6 74/-	55/- 77/-	70/- 75/6
BACON.							
<i>British, Wiltshire, Green</i> (per cwt.) :—							
1st Quality—Average	86/6	91/-(b)	96/9(b)	95/-(b)	96/-(b)	101/3(b)	105/6(b)
Range	75/- 101/6	81/6 100/-	91/6 104/-	84/- 102/6	92/- 101/-	93/6 109/6	95/- 111/-
2nd Quality—Average	73/6	82/-(b)	89/3(b)	83/-(b)	90/-(b)	95/6(b)	96/6(b)
Range	64/- 89/6	70/- 90/-	81/6 97/-	72/- 91/6	83/- 97/-	85/6 105/-	86/- 105/-
<i>Danish, Sides, Green</i> (per cwt.) :—							
1st Quality—Average	61/6	77/6	91/3	92/6	98/-	99/3	104/-
Range	54/- 71/6	58/6 92/-	84/6 102/6	86/6 100/-	91/6 105/6	90/6 108/6	95/6 110/-
2nd Quality—Average	59/6	73/6	89/9	89/3	95/6(d)	96/9(d)	99/6(d)
Range	49/- 69/6	51/- 90/-	80/- 100/-	82/6 97/6	88/6 103/-	86/6 107/-	93/- 105/-

(continued on page 102)

(a) Average prices town and country markets.

(b) Average prices Bristol only.

(c) Average prices London only.

* 8 quotations.

† 6 quotations.

(d) Average prices Bristol and London.

(e) Average prices Liverpool and London.

‡ 7 quotations.

§ 9 quotations.

TABLE 117—Wholesale prices of butter, cheese, bacon, hams, eggs, 1932-1938—continued

	1932	1933	1934	1935	1936	1937	1938
<i>Canadian, Sides, Green</i> (per cwt.) :—							
1st Quality—Average	—	66/-	84/3	81/9	87/6	90/3	95/6
Range	—	51/- 82/-	73/6 95/-	74/- 91/6	80/- 95/6	80/- 102/-	85/6 105/6
2nd Quality—Average	—	63/6	81/3	78/3	83/6	87/-	91/-
Range	—	48/- 80/-	70/- 91/6	71/- 87/6	76/- 91/6	76/- 100/-	82/6 103/6
HAMS. <i>American, Long Cut,</i> <i>Green</i> (per cwt.) :—							
1st Quality—Average	82/-	80/6	92/3	99/9(e)	96/-(f)	110/-(c)†	(b)
Range	78/- 84/6	74/- 90/-	86/- 97/-	92/- 108/6	92/- 102/-*	103/6 112/-	
2nd Quality—Average	78/-	78/6	87/9	99/-(c)	—	106/6(c)†	
Range	73/- 81/-	71/6 88/-	82/- 96/-	92/6 109/-	—	101/- 108/6	
EGGS. <i>British</i> (per 120) :—							
1st Quality—Average	13/9	13/6(a)	13/-	13/10	14/11	15/9(a)	16/-(a)
Range	8/9 21/8	8/1 21/3	8/1 21/3	8/2 20/3	8/11 21/5	9/7 24/2	10/10 22/11
2nd Quality—Average	12/6	12/2(a)	11/9	12/6	13/7	14/5(a)	14/7(a)
Range	7/11 19/9	7/1 19/2	7/3 19/7	7/4 19/5	8/1 19/7	8/7 22/4	9/9 20/7
<i>Irish</i> :—							
Extra Selected.							
16 lb.—Average	12/9	11/9(f)	11/6	12/3	12/2(f)	12/6(f)	13/10(f)
Range	8/4 19/11	7/8 18/10	7/8 18/9	7/9 19/3	8/- 18/2	8/7 18/8	9/- 19/9
Selected, 15 lb. :—							
Average	12/4	11/4(f)	11/2	11/10	11/9(f)	12/-(f)	13/3(f)
Range	8/1 19/4	7/5 18/4	7/5 18/3	7/6 18/6	7/10 17/8	8/4 18/2	8/10 18/9
<i>Danish</i> :—							
18 lb.—Average	11/11(c)	—	11/5*	15/1‡	—	12/11(c)	13/9(c)
Range	9/4 14/11	—	8/6 14/7	13/- 17/9	—	9/1 18/1	10/6 16/6
15½-16 lb.—Average	10/3	10/11(c)	11/2	11/2	11/7(c)	11/8(c)	12/7(c)
Range	7/10 13/9	7/3 16/6	7/8 17/10	7/7 16/10	8/3 16/-	8/7 17/-	9/5 15/9
<i>Dutch</i> :—							
Brown—Average	14/3	—	13/9*	13/2	—	—	—
Range	10/1 24/2	—	9/9 19/7	9/5 18/11	—	—	—
Mixed—Average	12/5	{ 18 lb. 10/8(c)	18 lb. 8/7‡	—	—	12/7(c)	12/11(c)
Range	8/4 21/6	{ 16 lb. 9/11(c)	15½ lb. 10/8	10/7	10/11(c)	—	12/1(c)
		7/9 14/6	6/10 16/1	6/11 15/2	7/11 14/7	8/11 17/5	9/- 16/1

(a) Average prices town and country markets.
(b) No regular quotations.
(c) Average prices London only.

(e) Average prices Liverpool and London.
(f) Average prices Liverpool only.
* 8 quotations. † 6 quotations. ‡ 5 quotations.

APPENDIX I

IMPORT DUTIES ON DAIRY PRODUCTS

The following table gives the duties on dairy and allied products imported into the United Kingdom from foreign countries under the Import Duties Act, 1932, in operation on 1st March, 1932, amended, where applicable, by the Ottawa Agreements Act, 1932, in operation on 17th November, 1932, and by various Import Duties Orders since. The position is as at 1st July, 1939.

Import Duties on Dairy Products

Product	Import Duty
Milk	10 per cent. <i>ad valorem</i>
Cream*	10 per cent. <i>ad valorem</i>
Butter	15s. per cwt.
Cheese	15 per cent. <i>ad valorem</i>
Milk, condensed, unsweetened, whole*	6s. per cwt.
Milk, condensed, sweetened, whole*	5s. per cwt., in addition to duty payable on sugar content
Milk, condensed, sweetened, separated* or skimmed	10 per cent. <i>ad valorem</i> , or the sugar duty, whichever is the greater
Milk powder, unsweetened*	6s. per cwt.
Milk powder, sweetened*	Sugar duty on the content of added sweetening matter plus Ottawa duty at the rate of 6s. per cwt. on the content of milk powder.
Milk, preserved, other kinds, unsweetened*	6s. per cwt.
Lactose (sugar of milk)	3d. per lb.
Casein	10 per cent. <i>ad valorem</i>
Eggs in shell :—	
Not exceeding 14 lb. in weight, per great hundred	1s. per great hundred
Over 14 lb. but not exceeding 17 lb.	1s. 6d. per great hundred
Over 17 lb. per great hundred	1s. 9d. per great hundred
Eggs not in shell :—	
Liquid or frozen, including glycerinated (whole, yolk or white)	} 10 per cent. <i>ad valorem</i>
Dried whole	
Dried yolk	
Dried albumen	
Dressed poultry :—	
Fowls, ducks and geese	3d. per lb.
Turkeys	3d. per lb.
Other kinds	10 per cent. <i>ad valorem</i>
Live poultry	10 per cent. <i>ad valorem</i>
Live pigs	Entry forbidden
Bacon and hams*	Free
Fresh pork	Entry forbidden
Frozen and salted pork*	Free
Bacon and hams in air-tight containers*	10 per cent. <i>ad valorem</i>
Frozen and salted pork in air-tight containers	10 per cent. <i>ad valorem</i>
Lard	Free

* Subject to Quantitative Regulation, (*see* Appendices II and VI).

Notes.—The Irish Free State (Special Duties) Act, 1932, was repealed as from 19th May, 1938, by the Eire (Confirmation of Agreements) Act, 1938. Article I of the United Kingdom—Eire Trade Agreement of 25th April, 1938, states :—

" (1) The Government of the United Kingdom undertake that goods grown, produced or manufactured in, and consigned from, Eire, which, on the day on which this Agreement comes into force, are liable to duty under the Import Duties Act, 1932, or under Section 1 of the Ottawa Agreements Act, 1932, and also such goods which are on that day free of duty, shall enjoy entry free of customs duty into the United Kingdom. This paragraph does not apply to goods which, on the day on which this Agreement comes into force, are liable to duty both under the Import Duties Act, 1932, or the Ottawa Agreements Act, 1932, and under some other enactment.

(2) Provided that as regards eggs, poultry, butter, cheese and other milk products, the undertaking contained in the first paragraph of this Article shall operate only until the 20th August, 1940 "

The Agreement, therefore, gives Eire produce free entry, except for certain revenue duties not directly affecting agriculture, but as regards eggs, poultry, butter, cheese and other milk products the undertaking expires in August, 1940.

The Ottawa Agreements continue, for three years from 20th August, 1932, and subsequently until further arrangements are made, the provisions in the Import Duties Act, 1932, for the free entry into the United Kingdom of eggs, poultry, butter, cheese and other milk products produced in Australia, New Zealand, the Union of South Africa, Newfoundland and Southern Rhodesia. By the United Kingdom—Canada Trade Agreement of 1937, these provisions were continued, as regards Canadian produce, during the currency of that agreement, the Government of the United Kingdom reserving the right, however, to review the basis of preference for such articles or to impose a preferential duty on Canadian produce while maintaining preferential margins.

APPENDIX II

QUANTITATIVE REGULATION OF IMPORTS INTO THE UNITED KINGDOM

1. *Processed Milks*—In 1933, in view of the production of increasing quantities of milk in the United Kingdom surplus to the requirements of the liquid milk market, and in view also of the unusually large stocks of processed milks in the hands of home manufacturers, the United Kingdom Government put forward proposals for the regulation of imports of cream, condensed milk and milk powder. The Governments of the foreign countries mainly concerned agreed to limit their exports of these products to the United Kingdom and from June, 1933, arrangements were made from time to time as to the quantities to be shipped, these agreed quantities being progressively reduced. After July, 1937, quarterly agreements in respect of shipments were made with the chief countries concerned.

Foreign countries whose exports of processed milks to the United Kingdom were comparatively small undertook in 1933 to ensure as far as possible that their shipments would remain at previous low levels, while the Dominion Governments were asked to co-operate by endeavouring to limit their shipments to the quantities shipped in the corresponding period of 1932-33. Shipments of processed milks from Eire were at agreed levels from 1st January, 1934.

These arrangements have been superseded by the Processed Milk (Import Regulation) Order, 1939, under which no processed milk may be imported into the United Kingdom unless there is produced at the time of importation either a licence issued by the Board of Trade, or a certificate in a form approved by the Board of Trade. The Order applies to imports from all sources of condensed whole milk, condensed skim milk, full cream milk powder, skimmed milk powder, buttermilk powder, whey powder and cream. The quantities to be imported annually from supplying countries are shown in the following table.

Allocations for imports of processed milks

Country of origin	Condensed whole milk	Condensed skimmed milk	Milk powder	Buttermilk and whey powder	Cream
	cwt.	cwt.	cwt.	cwt.	cwt.
Australia	—	—	25,000*	6,000	—
New Zealand	30,000	—	115,000†	12,000	—
Canada	108,000	—	25,000‡	—	—
Eire	22,000	100,000	10,000	—	40,000
Netherlands	70,000	800,000	50,000§	12,000	—
Denmark	34,200	94,000	1,320	—	28,900
Switzerland	3,000	—	500	—	—
Belgium	3,000	3,000	1,000	—	—
Estonia	1,200	—	—	—	—
Italy	—	1,500	—	—	—
United States of America	4,000	—	4,000	—	—

* 50 per cent. full cream, 50 per cent. skimmed. † 26,250 cwt. full cream, ‡ 6,250 cwt. full cream.

§ All skimmed.

2. *Eggs*—In view of the increasing imports of eggs in the early months of 1934, when also home output in the United Kingdom was increasing, the Governments of the exporting countries concerned were requested to endeavour to ensure that their exports to the United Kingdom market during the period March-September, 1934, should not exceed the figures of the corresponding period of the previous year. During the next year similar requests for limitation, or reduction, of imports of eggs in shell were made to the Governments of foreign exporting countries and the Irish Free State. These arrangements, however, were terminated at the end of 1935.

Under the Poultry Industry Bill, introduced in April, 1939, it is proposed to empower the Board of Trade to regulate the importation of live poultry or poultry products (including eggs) if such appears desirable in order to secure the stability of the market in the United Kingdom.

3. *Pork*—In 1926 a veterinary embargo was placed on the importation of fresh meat from the Continent, but except for this and for the duties imposed on imports from the Irish Free State, imports of pork were free both from duty and from quantitative restrictions until regulated by an Order of the Board of Trade which came into force on 12th March, 1935. Under this Order, imports of pork from foreign countries are permitted only under licence. From 1935 to 1937 the quantities allowed to be imported in each quarter were the averages of imports in the corresponding quarters of the years 1932, 1933 and 1934; in 1938 and 1939 imports continued to be regulated on this basis with the addition of 120,000 cwt. in 1938 and again in the first nine months of 1939. The following table shows the arrangements made with the Governments of New Zealand and Australia for estimated imports of pork from these countries for the years 1935-39. The figures are exclusive of pork for curing in the United Kingdom, which is dealt with separately under the arrangements for the regulation of supplies of bacon (*see* Appendix VI).

		1935	1936	1937	1938	1939
		cwt.	cwt.	cwt.	cwt.	cwt.
New Zealand	..	275,300	360,000	320,000	310,000	300,000
Australia	..	60,900	126,000	145,000	120,000	84,000 (a)

(a) January to September only.

4. *Bacon and Hams*.—(See Appendix VI.)

5. *Other Dairy Produce*.—Under the United Kingdom—Canada Trade Agreement, 1937, the Government of the United Kingdom reserves the right, in consultation with the Canadian Government, to bring imports of eggs, poultry, butter, cheese and other milk products within any system put into operation for the quantitative regulation of supplies from all sources in the United Kingdom market. The United Kingdom—Eire Trade Agreement, 1938, provides for measures of quantitative regulation of imports of agricultural products from Eire in connection with any arrangements made in this country for the promotion of orderly marketing. The quantities of the principal products to be imported from Eire are to be settled from time to time in consultation with the Government of that country. (See also Appendix III.)

APPENDIX III

UNITED KINGDOM TRADE AGREEMENTS WITH FOREIGN COUNTRIES AFFECTING DAIRY PRODUCTS

During 1933, 1934, and 1935 the United Kingdom Government entered into Trade Agreements with a number of foreign countries and in certain cases the commodities affected included dairy, poultry and pig products. In the following paragraphs extracts have been made of the relevant sections from these agreements in which the aforesaid commodities are specifically mentioned. The original duration of these agreements was until various dates in 1936, with the possibility of continuance thereafter. The position now is that the agreements continue in force but are terminable after six months' notice except in the case of Denmark, where only four months' notice is required.

A paragraph dealing with the relevant clauses of the 1938 Trade Agreement with the United States is included also.

Denmark

Commodities affected : Bacon, Hams, Butter, Eggs, Cream.

1. United Kingdom Government undertakes not to regulate imports of aforesaid products from Denmark unless regulation is necessary to secure the effective operation of a marketing scheme for domestic supplies.

2. If regulation is introduced the position of Denmark in recent years as a source of supply for these products is to be considered.

3. If the total quantity of permitted imports from foreign countries is increased, additional quotas shall be given to Denmark; temporary inability on the part of Denmark to supply the additional quantity shall not prejudice her position.

4. If any other foreign country forfeits or renounces its quota, the Danish quota shall be increased in not less ratio than that of any other foreign country.

5. The control of the aforesaid imports from Denmark to the United Kingdom is entrusted to the Danish Government.

QUOTAS :—

Bacon and Hams—62 per cent. of the total permitted imports from foreign countries.*

Butter—2,300,000 cwt. in any year; if total imports of butter exceed 8,100,000 cwt. in any year, Denmark is to be allotted an equitable share of the imports in excess of that amount.

Eggs—Not less than 5½ million great hundreds in any year. This may be reduced if a reduction of total imports from foreign countries is necessary in order to secure a remunerative price level. In any event, the Danish quota shall not be less than 38 per cent. of total foreign imports.

Cream—Any necessary reduction in imports from Denmark to be effected as gradually as possible.

Estonia

Commodities affected : Butter, Bacon, Hams, Eggs, Cream, Milk Powder, Condensed Milk, Cheese, Poultry.

The agreement follows the general lines of the agreement with Lithuania (*see* below, p. 107) with the following special provisions :—

1. The United Kingdom Government undertakes not to impose quantitative restrictions on imports of Estonian butter, bacon, hams, eggs, and cream, so as to affect detrimentally the value of the tariff concessions made. This provision is not to affect any restriction of imports necessary to ensure effective operation of a marketing scheme for domestic supplies.

2. Since in recent years imports into the United Kingdom of eggs, milk powder, condensed milk, cheese and poultry from Estonia have been insignificant in quantity in comparison with imports from other countries, the United Kingdom Government will endeavour to arrange that in the event of quantitative regulation being adopted, it shall not be applied to imports of these products from Estonia.

Finland

Commodities affected : Bacon, Hams, Butter, Cheese, Eggs, Poultry.

1. The United Kingdom Government will not regulate imports of the aforesaid products from Finland unless regulation is necessary to secure effective operation of a marketing scheme for domestic supplies.

2. If regulation is introduced the position of Finland in recent years as a source of supply is to be considered; allocation to Finland is to be made on the same basis as, and on terms not less favourable than, allocations to any other foreign country. Compulsory regulation will not be enforced without previous discussion with the Finnish Government.

3. If the total quantity of the aforesaid products allowed to be imported into the United Kingdom from foreign countries is increased, additional allocation shall be made to Finland; temporary inability on the part of Finland to supply the whole or a part of any such additional allocation shall not prejudice her position.

4. If any other foreign country forfeits or renounces in whole or in part its allocation, the allocation to Finland shall be increased in not less ratio than the allocation to any other foreign country.

* By an additional Agreement of December, 1938, this arrangement was amended to allow Denmark a quota of 68·95 per cent. for bacon and 0·4 per cent. for hams.

5. If the United Kingdom Government imposes any quantitative regulation on imports into the United Kingdom of any agricultural product, the imports of which from Finland are insignificant in quantity in comparison with imports from other countries, the British Government will endeavour to arrange that imports of such products from Finland will remain unregulated unless they increase to such an extent that it is necessary to regulate them quantitatively ; such regulation will not be imposed without previous discussion with the Finnish Government.

6. Control of imports of the aforesaid products from Finland to the United Kingdom shall be entrusted to the Finnish Government.

Butter quota—Not less than 198,000 cwt. per annum.

Latvia

Commodities affected : Bacon, Hams, Butter, Cheese, Eggs, Poultry.

The terms of the agreement are practically identical with those of the agreements with Lithuania and Poland, except for the following special provisions :—

1. In any discussion with foreign countries as to the regulation of imports of agricultural produce, the United Kingdom Government will give due consideration to the special importance to Latvia of the butter export trade and the substantial increase of that trade in recent years.

2. In the event of a compulsory regulation of butter imports being imposed, the United Kingdom Government will be prepared to make a supplementary allocation to Latvia, increasing the total Latvian allocation to not more than 3 per cent. of the total allocated to foreign supplying countries, or to 113,000 cwt., whichever is the greater, provided that the other foreign supplying countries are willing to waive their rights to corresponding increases in their allocations.

Lithuania

Commodities affected : Bacon, Hams, Butter.

1. The United Kingdom Government undertakes not to regulate imports of the aforesaid products unless regulation is necessary for the operation of a marketing scheme for domestic supplies.

2. If regulation is introduced the position of Lithuania in recent years as a supplier of these products will be considered.

3. If the total quantity of permitted imports from foreign countries is increased, additional allocations shall be made to Lithuania ; temporary inability on the part of Lithuania to supply the additional quantity shall not prejudice her position.

4. If any other foreign country forfeits or renounces its quota, the Lithuanian quota shall be increased in not less ratio than that of any foreign country.

5. The control of the aforesaid imports from Lithuania is entrusted to the Lithuanian Government.

Poland

Commodities affected : Butter, Eggs, Bacon, Hams, Poultry.

The terms of the agreement are practically identical with those of the agreement with Lithuania except for the following special provisions :—

1. The United Kingdom Government undertakes not to impose quantitative restrictions on imports of Polish butter, eggs, bacon, hams and poultry (geese and guinea-fowl) except in so far as such regulation may be necessary to secure the effective operation of a marketing scheme for domestic supplies of these or related products.

2. Should the United Kingdom Government lower the present allocation of licensed imports of bacon from Poland, these imports shall be permitted to the extent of at least 41·4 per cent. of bacon imports from Poland in 1932.

3. Allocation of egg imports shall not be less than 13½ per cent. of total permitted imports from foreign sources.

4. The United Kingdom Government recognises that the exports of Polish butter to the United Kingdom in 1932 and 1933 were unusually low, and that a statistical allocation on a basis which included those years might not adequately represent the actual position of Poland in the United Kingdom butter market. Should a regulation of butter imports be imposed in the United Kingdom at any time during the currency of the Agreement, the Government will use its best endeavours to secure that due weight is given to this consideration.

Norway

Commodities affected : Bacon, Hams, Butter, Cheese, Eggs, Poultry.

1. Because in recent years the imports from Norway into the United Kingdom of the aforesaid products have been insignificant in quantity in comparison with imports from other countries, the United Kingdom Government will endeavour to arrange that in the event of quantitative regulation being adopted, it shall not be applied to imports of these products from Norway.

2. But if the said imports increase to such an extent that it is necessary to regulate them quantitatively the United Kingdom Government will enter into discussions with the Norwegian Government as to the quantities to be allowed.

Sweden

Commodities affected : Bacon, Hams, Butter, Eggs.

1. United Kingdom Government undertakes not to regulate imports of aforesaid products from Sweden unless regulation is necessary to secure the effective operation of a marketing scheme for domestic supplies.

2. If regulation is introduced, Sweden is to have an equitable share of permitted foreign imports, having regard to the proportion supplied by her in recent years. Allocation to Sweden will be made on the same basis as, and on conditions not less favourable than, allocations to other foreign countries. Compulsory regulation of imports of Swedish bacon, hams, or eggs, will not be enforced without previous discussion with the Swedish Government.

3. If the total quantity of permitted imports from foreign countries is increased, additional allocations shall be made to Sweden ; temporary inability on the part of Sweden to supply the additional quantity shall not prejudice her position.

4. If any other foreign country renounces or forfeits its quota in whole or in part, the Swedish quota shall be increased in not less ratio than the quota of any other foreign country.

Butter quota.—Not less than 185,000 cwt. per annum. If total imports of butter exceed 8,100,000 cwt. in any year, Sweden will be allotted an equitable share of the imports in excess of this quantity.

United States

Commodities affected : Hams, Pork, Lard.

1. The quantity of United States hams permitted to be imported shall be the subject of consultation from time to time between the two Governments. The quantity shall not be less than 500,000 cwt. a year nor more than the quantity which, in the opinion of the United Kingdom Government, could be accommodated in the United Kingdom market without causing instability in the prices of hams or bacon. The provisions in respect of both the duty and the quota treatment of hams shall, after the expiration of three years, be subject to revision.

2. The right is reserved by the United Kingdom to continue the quantitative regulation of imports of chilled or frozen pork.

3. The customs duty on imports of lard from the United States is discontinued.

APPENDIX IV

LEGISLATION AFFECTING DAIRY PRODUCTS IN CERTAIN EXPORTING COUNTRIES

The low level to which prices of butter and other dairy products fell during the agricultural crisis of recent years, accentuated by Government action in importing countries, have called forth Government aid to the industry in exporting countries. This aid has taken different forms, but it has generally been either a direct subsidy or bounty, or a raising of the price to producers by a tax on domestic consumption. In the following section are enumerated the more important of these measures adopted by certain foreign exporting countries within the past few years. The information relates only to dairy produce, generally butter, and does not include references to other forms of aid to agriculture as a whole, or those which might benefit milk producers indirectly. Legislation in importing countries is discussed under the individual countries (*see* pp. 90-100).

Denmark

No direct aid was granted to the Danish dairy industry as such until near the end of 1933, although the varying prices obtained for butter on different export markets were equalised by means of a pooling arrangement.

A series of Orders, which came into force on 13th December, 1933, provided for the levying of a tax of 35 öre per kg. on butter sold on the home market, so long as the Copenhagen quotation was between 1.75 kr. and 2.15 kr. per kg. When the quotation dropped below 1.75 kr. the tax was increased by the amount by which it dropped below that figure and similarly, if above 2.15 kr., the tax was reduced by the amount by which it was above 2.15 kr., ceasing to operate when the quotation touched 2.50 kr. The levies were to be paid into a special fund and distributed to farmers in proportion to the utilisation of gross fodder production, 90 per cent. being based on milk production. Simultaneously, provision was made for the levying of a tax of 30 öre per kg. on all oils and fatty substances used in the manufacture of margarine (but excluding lard and tallow) and an import duty of a similar amount was imposed on imported fats and oils of this nature. An import duty of 25 öre per kg. was imposed at the same time on imported margarine and margarine cheese. The proceeds of the tax on margarine were to be passed to the Treasury, but a proportion of the sums collected was used for the purpose of purchasing margarine and beef for the poor.

These arrangements were abolished as from 1st December, 1934.

A further scheme to stabilise butter prices was prepared early in 1934. The object was to relieve the market at critical periods of any surplus above ordinary requirements, such quantities of butter being placed in cold store and disposed of on the home market. A fund of 2 million kr. was set up, one half subscribed by the co-operative and private exporters and the other half from the Butter Quota Fund. The scheme operated on comparatively few occasions. Arrangements were also put into operation whereby the higher returns occasionally obtained from butter exported to Germany are subject to a tax, fixed when necessary, of which the proceeds are pooled for the benefit of all shippers.

In May, 1937, a temporary plan for the relief of the industry was introduced. This took the form of a guaranteed minimum price to farmers for butter for home consumption, rising from 220 kr. to 250 kr. per 100 kg. and was financed by a Butter Fund, the revenues of which were derived partly from a levy on home sales (the difference between the home price and the export price) and partly from a direct Government subsidy of 25 kr. per 100 kg., provision being made for a reduction in payments when the Copenhagen quotation rose above the fixed figure.

In addition, the Ministry of Agriculture and Fisheries was empowered to lend the Dairy Associations an amount of up to 3 million kr. for market regulation (e.g., storage of butter in the flush period), provided that the Associations furnished 2 million kr., and a similar amount for the provision of new cold stores, although this appropriation was not used in 1937. Further, a sum of up to 3 million kr. might be allocated by the Treasury to help to provide milk for needy persons during the validity of the law.

A further law, modifying the existing legislation and valid throughout 1938 and 1939, came into force on 1st January, 1938. Under the new scheme the guaranteed minimum price of butter on the home market was fixed at 260 kr. per 100 kg., and the difference between this price and the Copenhagen quotation is made up to the exporter by payments from the Butter Fund. The direct government subsidy has been abolished; funds to cover the premiums paid to exporters are obtained through a tax on milk supplied to creameries, the amount of the tax varying with changes in the Copenhagen quotation. Certain other provisions of the previous scheme are continued, including those which provide for loans for market regulation and the erection of cold stores.

In view of the material restriction of Denmark's export markets for cattle and beef and the low prices of dairy products during the crisis years, a scheme has been in force since 1932 for the destruction of cattle at fixed prices, the scheme being financed by a levy on killings for domestic consumption; a considerable proportion of the number so slaughtered has consisted of old and diseased dairy cows. Approximately 130,000 animals were slaughtered under the scheme in 1933, 150,000 in 1934, 74,000 in 1935, 96,000 in 1936, 35,000 in 1937, and 65,000 in 1938.

Estonia

Measures to offset the low prices to which Estonian butter had fallen were contained in a law passed early in 1934. Under this law the price of butter was originally fixed at 1.50 kr. per kg., and in order to maintain this price a fund was created, financed by moneys transferred from various special funds and from general state revenues.

It was provided that if the price of butter fell below the fixed minimum price, the difference between the market price and the fixed minimum would be computed each month by a commission consisting of representatives of the Ministry of Agriculture, the Ministry of Finance, and the State

Audit Department. This sum was to be paid to producers every month, the creameries being obliged to pass on the payment to them. The home price has been maintained at a figure varying from 10 cents to 30 cents per kg. above the export price.

In order to secure and maintain foreign markets the Minister of Agriculture was empowered to fix the amounts which exporters were to sell on each separate market, the Government having the right to withhold export bounties from exporters failing to comply with these conditions. After 1st May, 1936, however, in order to obviate difficulties which had arisen in securing co-operation between exporters, the exclusive right of export was assigned to a semi-governmental board ("Voieexport"). This body was granted a state loan of 300,000 kr. as provisional working capital, and the appointment of the Chairman and one-half of the number of Directors and Commissioners remains in the hands of the Government until the loan is repaid.

The total amount paid in export bounties during the year 1934 was approximately 3,200,000 kr. In 1935-36, bounties paid amounted to only 550,000 kr. but rose in 1936-37 to 1,754,000 kr., and in the calendar year 1938, to 1,966,700 kr.

The original guaranteed price of 1.50 kr. per kg. on first grade butter for export was gradually reduced to 1.10 kr. during 1934, and in recent years a policy has been followed by which the Government's guaranteed price is high in winter and low in summer, with the aim of securing a more level production of butter throughout the year. In 1936 the guaranteed price varied between 1.30 kr. in summer (when for some time world butter prices were so high that no subsidy was necessary) and 1.80 kr. in winter, while in 1937 it varied between 1.45 kr. and 1.90 kr. In June, 1938, it was fixed at 1.70 kr., and was later reduced to 1.60 kr., but rose to 1.90 kr. in December.

The law regulating the payment of export bounties on butter was amended in June, 1934, to include bounties on exports of cheese, condensed milk, milk powder and cream. A further decree in February, 1938, introduced a sliding scale of export bounties for cheese, based on the price of butter and designed to discourage creameries from giving up the manufacture of cheese when butter prices are rising. The total amount disbursed during 1938 on exports of cheese, milk powder and skimmed milk was estimated at 300,000 kr.

Finland

Under the law of 21st December, 1932 (which operated as from January, 1933), a price stabilisation bounty, originally fixed at 3 Finnish marks per kg., was paid, provided that the wholesale price of butter did not exceed 20 marks per kg. If the price of butter exceeded 20 marks but was below 23 marks per kg. the bounty paid was to equal the amount by which the wholesale price fell short of 23 marks; this fixed minimum price was later increased by stages, reaching 26 marks in 1937 and 28 marks in 1938. (From 1st November, 1937 to 7th January, 1938, however, payments were temporarily discontinued.) Similar bounties were paid for cheese, a maximum of 2 marks per kg. being paid when the price fell below 11 marks per kg. If the price rose above that level, sufficient was to be paid to bring it up to 13 marks per kg.

The amount of the butter bounty was determined by the Board of Agriculture, which fixed each week a wholesale price for butter calculated on the Copenhagen quotation and adjusted according to the scale of prices in Finland. For cheese the rate of bounty was based on the Kempton quotation. Under an amending law of 25th January, 1935, the sliding scale was abolished and authority was given to the Government, acting through the Ministry of Agriculture, to fix the rates by decree as it thought fit.

During 1934 the export bounty on butter varied between 4.50 and 6.50 marks per kg. and for the greater part of 1935 between 5 and 6.50 marks, although at the end of the year it was reduced by successive steps to 1 mark. In 1936 it varied between 4 and 6 marks, rising at the close of the year to 6.50 marks and remaining at that level until the early autumn of 1937; it was then reduced by successive stages to 1 mark prior to its suspension in November. It was re-introduced in January, 1938, at 4 marks, and rose to 7.50 marks in March, but then declined to 5.50 marks in May. The bounty remained at this level until February, 1939, when it was reduced to 4 marks; thereafter it rose to 9 marks in May, but was reduced to 8 marks in June.

The export bounty on cheese was 1.50 marks per kg. for the greater part of 1934 and 2.50 marks in 1935. In 1936 it varied between 3 and 4 marks for first quality and 1.50 and 2 marks for second quality cheese, but in 1937 remained constant at 3.25 marks and 2.50 marks, respectively. In January, 1938, there was a reduction to 2.50 marks and 2 marks, but in May the bounty was increased to 3.50 marks and 3.0 marks, according to quality; no change has since been recorded. Since June, 1935, no bounties have been payable on exports of cheese to the United States, but at the end of 1937 exporters came to an agreement to sell their cheese to the U.S.A. at a uniform price.

Imports of butter into Finland were prohibited on 28th February, 1934, as were also imports of margarine, lard and fat. This decree was, however, replaced by a law of 14th April, 1934, which gave power to the State Council to increase the duties on certain articles up to four times the basic rates, the commodities affected including butter, margarine, raw fat and lard. In pursuance of this law the import duty on butter was raised from 5 to 12 marks per kg. and the duties on margarine, lard and fats also were increased. A further law empowered the Government to impose an excise tax on margarine, margarine cheese, artificial fats and fat mixtures, and feeding stuffs, while in July, the import of fodder was prohibited and the excise duties thereon considerably increased. The Government also concluded an agreement with the local margarine industry under which the output of margarine was voluntarily restricted on condition that no excise tax would be imposed in 1934. Since 1935, however, an excise tax on margarine has been in operation. As from 29th November, 1937, the following excise duties were effective: margarine, 3 marks per kg.; artificial (margarine) cheese, 1 mark per kg.; artificial fat (lard), 1 mark per kg.; fat mixtures, 50 pf. per kg.

The results of the export bounty system, in artificially stimulating the production of milk, led in 1936 to the appointment of a Committee to investigate the system as a whole. The Government, acting on a preliminary recommendation of the Committee, decided to raise the customs tariff on imported feeding stuffs, thus discouraging any further increases in milk production and assisting the home fodder industry.

The sums expended on bounties for butter and cheese have been as follows :—

	<i>Butter</i>	<i>Cheese</i>
1933	35,552,000 marks	5,729,000 marks
1934	66,966,000 marks	6,899,000 marks
1935	49,700,000 marks	10,360,000 marks
1936	66,300,000 marks	10,580,000 marks
1937	75,120,000 marks	15,350,000 marks

A sum of 60 million marks has been set aside in the 1939 budget for the price-stabilisation of various agricultural products, not including meat. A further 65 million marks may be made available from funds received through the operation of the excise tax on margarine and feeding stuffs.

Latvia

By a decree issued in August, 1930, a sum of money was set aside for the payment of bounties to butter producers. Under this plan the Ministry of Agriculture was to award bounties to producers for milk delivered to dairies making butter for export.

From June, 1932, to September, 1935, butter producers were guaranteed a price fixed by the Government for butter sold abroad. This was originally fixed at Ls. 2.50 for first grade, and Ls. 2.40 for second grade butter, but was reduced in 1934 to Ls. 2.25 and Ls. 2.15, respectively. It was further provided that if the world price fell below the guaranteed price, the difference between the two would be paid by the Ministry of Agriculture to those who supplied milk to registered dairies making butter. If, on the other hand, the world price exceeded the guaranteed price, one half of the excess was to be credited to a special fund from which bounties would be paid to milk producers when the price fell. After 1st January, 1935, assistance for the production of cheese and the export of cream and milk was also to be provided out of the State funds at the discretion of the Ministry of Agriculture.

Meanwhile, in December, 1934, a Butter Export Central was set up, with power to control the marketing of all Latvian butter produced for sale either at home or abroad. It was also to attempt to gain new markets, to maintain connections with markets abroad, and to ensure the prompt payment of State bounties to the producers. The Bank of Latvia agreed to furnish credits in support of the institution. After 1st July, 1935, the home butter market was controlled by the Butter Export Central with a view to the maintenance of domestic butter prices at a fixed level.

As from 1st September, 1935, a new system was introduced and in place of the former State-guaranteed butter subsidies, State-fixed butter prices were instituted. All dairy produce for export was to be bought from creameries or other producers on behalf of the Ministry of Agriculture by the Butter Export Central, the price of Grade 1A butter, originally fixed at Ls. 2 per kg. during the winter months, varying seasonally, and declining to Ls. 1.60 in the summer. In 1936 and 1937 the summer and winter prices varied between Ls. 1.90 and Ls. 2.40, respectively; in June, 1938, the price was fixed at Ls. 2.00 per kg., but this was increased to Ls. 2.30 in March, 1939. Export prices for cheese were also fixed as from November, 1935, at Ls. 1.75 per kg. for first quality Emmentaler and Roquefort and Ls. 1.40 for first quality Edam and Zemgal, the latter price varying with the season. Prices were slightly higher in January, 1937, and were again increased in October, 1937. In May, 1938, however, prices were reduced by Ls. 0.15 per kg. and a further reduction on 1st March, 1939, resulted in prices being fixed as follows. Emmentaler and Cheddar, Ls. 1.80 per kg.; Roquefort, Ls. 1.75; Edam, Ls. 1.50 and Ls. 1.45; Zemgal, Ls. 1.35.

At the end of 1937 the Butter Export Central was amalgamated with the Central Union of the Associated Creameries and various local milk trade associations, the whole forming a new body named the Latvian Central Board of the Milk Industry. The Board holds the monopoly for purchasing and exporting fats, and also supplies the home market. Its activities are limited to the wholesale trade, for which it purchases dairy produce at the fixed prices. The capital of the Board amounts to 1.5 million Ls.

Other measures for the re-organisation of the dairy industry were in general directed towards the replacement of small producers by large well-equipped dairies. In pursuance of this aim the number of small dairies was reduced through amalgamation or through their transformation into collecting and cream separating stations, through the strict enforcement of the Government regulations for the inspection of premises, equipment, output, etc., and by the ordinance of 28th January, 1935, which forbade the opening of new dairies. In order to induce farmers to send their milk to the large co-operative dairies, and to secure a measure of Government control of pig production, a system of "pig cards", on the Danish model, was instituted in 1935, these cards being distributed to farmers according to the quantity of milk delivered by them to the dairies in the course of the year.

The sums disbursed by the State in giving assistance to producers of export butter averaged about 20 million Ls. annually from 1932 to 1935, but fell to Ls. 15,600,000 in the financial year 1935-36, and to Ls. 4,850,000 in 1936-37. The budget estimates for 1939-40 allotted Ls. 5,100,000 for bounties to butter producers, as compared with Ls. 6,000,000 and Ls. 3,000,000 in 1937-38 and 1938-39, respectively. In each year Ls. 40,000 were appropriated for bounties to producers of cheese.

Lithuania

The Lithuanian butter industry has in recent years been controlled by a co-operative organisation, the Central Union of Dairy Farmers ("Pienocentras"), which possesses a practical monopoly of the export trade and also carries on a large proportion of the domestic trade in dairy produce. In form a Co-operative Union, Pienocentras is, for all practical purposes, a State Corporation, in which considerable sums have been invested by the State. In order to maintain production for export, a system of minimum prices payable to butter producers was instituted in 1932, these prices being paid to producers by "Pienocentras" but fixed and guaranteed by the Government, which allotted a subsidy to make up the difference between the guaranteed price and the price actually realised on the export market. Prices as fixed for first grade butter for export have fluctuated between Lits. 2.50 and Lits. 3.30 per kg. From 27th June to 1st November, 1938, the price was Lits. 3.05 per kg., thereafter rising to Lits. 3.30. As from May, 1939, however, the price was reduced to Lits. 2.95 per kg. The subsidy in 1938 amounted to Lits. 10,500,000 compared with Lits. 6,700,000 in 1937 and Lits. 8,300,000 in 1936.

Netherlands

The Netherlands is a large net exporter of butter, but imports began to increase in 1931 and control of importation by quota has been in operation since April, 1932.

The Crisis Dairy Act, as from July, 1932, and the Agricultural Crisis Act of August, 1933, contained provisions for granting relief to dairy farmers, the professed aim being to raise prices for manufacturing milk to the cost of production level. The method adopted, under the control of a Dairy Crisis Central, consisted in raising the price of butter (and other dairy produce) on the domestic market by means of (a) a consumption tax, payable to the Agricultural Crisis Fund, supplemented by the levying of special taxes on imports and exports of fats through the compulsory use of "transport permits"; (b) the compulsory admixture of butter with margarine sold on the home market (Margarine "A"), thus reducing the exportable surplus of butter.

The consumption tax was raised by the sale of stamps to be affixed to all butter and other edible fats sold for consumption in the Netherlands (a refund being made on goods exported). The levy on butter (i.e. the cost of the stamps) was originally fixed at 0.42 florins per kg. In 1933, 1934 and 1935, it averaged 0.96 fl., 1.0 fl., and 0.99 fl., respectively, but in 1936, when higher export prices made reductions possible, it was reduced to 0.88½ fl. As a consequence of an increase in home consumption of butter and the higher export prices, it was further reduced to 0.66 fl. in 1937 and to 0.58 fl. in 1938.

Until November, 1937, the sums raised by the consumption tax and those distributed as a subsidy to producers were not necessarily the same, but after that date they were made equal and the only real disbursements made by the State were the refunds made to exporters of butter on which the consumption tax had been paid. It was originally intended to maintain a winter price to consumers of about 1.45 fl. per kg., and a summer price of 1.35 fl. per kg. In March, 1938, however, the domestic butter price (excluding the consumption tax) fell to 0.80 fl. per kg., and it was announced, both in that year and in 1939, that during the summer months the total of the domestic price and the consumption tax together would be maintained at about 1.30 fl. In the winter months (1st October to 1st April) it was decided to keep the price at a level of about 1.45 fl. per kg.

A fixed relation was maintained between the price of margarine and that of butter, the cost of the margarine stamp varying with the butter content. The minimum proportion of butter used in Margarine "A" was originally fixed at first at 25 per cent., though it subsequently varied between 40 per cent. and 10 per cent. Margarine for export (Margarine "B") was not required to contain butter. In August, 1937, the mixing percentage was abolished, and the crisis consumption tax on margarine reduced for the benefit of the consumer. By December, 1937, however, the Dairy Crisis Central had found it necessary to raise the tax to 0.55 fl. and in 1938 it averaged 0.57 fl. per kg.

The increased price received by the factory for butter through the operation of the scheme is passed on to the farmer on the basis of the fat content of the milk delivered. For 1933 this premium was fixed at 2.24 fl. per 100 kg. of milk of 3.2 per cent. butter fat content, rising to 2.56 fl. for 1934 and the greater part of 1935. In 1936 there were gradual reductions until, following currency devaluation in September, it was fixed at 2 fl. Shortly afterwards, however, the premium was increased to 2.40 fl. to counteract the increased cost of feeding stuffs. In 1937 it was gradually reduced to 1.52 fl., the upward trend of prices on the export market rendering possible the reduction of both the levy and the premium. In November, 1937, however, subsidies to milk producers were temporarily increased, rising to a figure of 2.48 fl. per 100 kg. in January, 1938, but falling to 1.72 fl. in April. From this level the premium was again gradually increased to 2.67 fl. by the end of the year, but fell to 2.10 fl. per 100 kg. in April, 1939. The average price at Leeuwarden (an export market) in 1938 was 80 fl. per 100 kg., as compared with 78 fl. in 1937, 57 fl. in 1936, 49 fl. in 1935 and 44 fl. in 1934.

The amounts paid out during the four years 1935-38 in the form of assistance to producers and as refunds of levies on butter which was subsequently exported, are given below:—

	<i>Assistance to producers</i>	<i>Refunds of levies</i>
1935	97,270,000 fl.	41,586,000 fl.
1936	91,041,000 fl.	47,791,000 fl.
1937	56,660,000 fl.	35,868,000 fl.
1938	55,485,000 fl.	28,434,000 fl.

Since 31st July, 1937, refunds of levies on butter exported are made only on butter exported by members of the new Dairy Quality Control Bureau, an official body instituted to supervise the application of grading requirements.

A plan to limit the number of cows and so aid the market for milk as well as for beef, has been in operation since October, 1933, the intention being to reduce the cow population by 200,000. During the period October, 1933, to March, 1934, over 119,000 cattle were slaughtered, the meat produced being tinned and distributed to the poor. The scheme was then suspended on the ground of the expense involved, but in the autumn of 1934 the Government decided to slaughter another 150,000 head of cattle. Slaughtering was continued until April, 1935, when the desired reduction of the cattle population was achieved. The controlling authority, the Cattle Central, decided also that in order to restrict production, the number of female calves born in 1936 to be retained in the herds would be limited to 350,500. For 1937 and 1938 the numbers were fixed at 353,400 and 403,500, respectively, and for 1939 at 382,500.

Other measures to help the dairying industry included an attempt to increase the consumption of liquid milk by means of propaganda and the distribution of cheap or free margarine and fat to the unemployed, no butter being contained in this margarine. In addition, after 31st March, 1935, it was

made compulsory for factories to return to producers in the form of skimmed milk a certain percentage of the milk delivered to them. The Dairy Central was empowered to determine this percentage and fix a maximum price for the skimmed milk which, it was hoped, would be utilised as a cheap feeding-stuff.

In spite of attempts to limit production the volume of milk available has increased, as poor yielding animals have been slaughtered and farmers have tended to retain older cows. The production of creamery butter has risen steadily, amounting to 1,911,000 cwt. in 1938, against 1,906,000 cwt. in 1937 and 1,899,900 cwt. in 1936.

Sweden

A Royal Decree of 30th June, 1932, which came into force on 20th September, 1932, contained provisions for improving the organisation of the sale of milk and dairy produce by the imposition of levies.

It was pointed out in a report, which was incorporated in the Law, that the price of the milk utilised in the manufacture of butter for export, although accounting for less than one-fifth of the total Swedish production of milk for sale, had tended to set the price for butter and also for other milk products on the home market. The main purpose of the Decree was to prevent this effect by setting up machinery for establishing a uniform price to the producer for butter, whether exported or not, and for milk, whether sold for consumption or for manufacture. The machinery took the form of a general levy on all milk sold throughout the country or used in the manufacture for sale of butter, cheese, or cream, the proceeds of the levy being used to level up the price of export butter. Local levies were to be collected on milk and cream sold for consumption. The general levy, payment of which was obligatory on all producers, was imposed in the first instance for a period of eight months from 1st November, 1932, and was then continued by a further Law containing certain new regulations, including the abolition of local levies and the setting of a maximum charge for the general levy.

The operation of the measure was put in the hands of a State Milk Commission (incorporated in 1935, in the State Agricultural Commission) with the funds collected by the Union of Swedish Dairies and paid into a Milk Equalisation Fund.

The scope of the milk levy was later extended to cover (a) the payment of price increments on exports of Swedish butter and other dairy produce, including cheese, cream, condensed milk and milk powder; (b) the payment of grants to level up the prices of Swedish milk and cream utilised in the manufacture of butter, cheese or other dairy produce; (c) defraying the cost of any other measures taken by the Government to improve the market for milk and dairy produce generally. The Milk Equalisation Fund is financed from (i) levies on all milk and cream marketed; (ii) a levy on all butter imports; (iii) an excise duty on margarine and on certain other edible fats; (iv) an excise duty on cattle concentrates. It has been administered since July, 1935, in conjunction with other equalisation funds, as part of the Agricultural Price Equalisation Fund, which actually receives the proceeds of the various duties (i.e., excise taxes on feeding stuffs, margarine, etc., import and export duties) devised for the purpose of maintaining agricultural prices and employs them to assist that branch of the industry in whose interest they are imposed. During the year 1937, the revenues of the Agricultural Price Equalisation Fund amounted to 36,800,000 kr. compared with 27,000,000 kr. in 1936.

The total receipts from all sources devoted to price equalisation in the dairy industry (i.e., from the milk levies, and from the Agricultural Price Equalisation Fund) amounted to 68,900,000 kr. in 1934, 75,800,000 kr. in 1935, 77,100,000 kr. in 1936, and 83,100,000 kr. in 1937. Of the 1937 total, 53,750,000 kr. were derived from the milk levies as against 55,700,000 kr. in 1936.

The milk levy remained at 2.0 öre per kg. from February, 1933 to November, 1937, with the exception of the period 1st November, 1936—31st March, 1937, when it was lowered to 1.5 öre per kg. With the aim of securing a reduction in the price of milk it was again reduced to 1.5 öre on 1st November, 1937, and to 1.0 öre on 1st January, 1938. In May, 1938, it was increased to 1.5 öre and in July to 2.0 öre, but in January, 1939, it was again reduced to 1.0 öre per kg. As from 1st July, 1939, the milk levy is fixed at 2.0 öre per kg. as long as the price of butter does not exceed 3.0 kr. per kg. For the relief of small holders it has been provided that there shall be a refund of the milk levy in respect of the sale of milk up to a total of 450 kg. per month.

On 24th July, 1933, the customs duty on margarine imported into Sweden was raised from 15 öre to 35 öre per kg., and concurrently an excise duty of 20 öre per kg. was imposed on margarine manufactured in Sweden. The excise duty formerly varied between 20 öre and 30 öre, and the customs duty between 35 öre per kg., but both were increased in December, 1937, and as from July, 1939, the excise duty has been fixed at 60 öre and the customs duty at 75 öre per kg. The greater part of the proceeds of the increase in the excise duty is to be used for the supply of butter at reduced prices to necessitous families.

During each of the past five years the average export price for Swedish butter and the average price as fixed for the home market have been as follows:—

			<i>Export Price</i>	<i>Home Price</i>
			(Kr. per 100 Kg.)	
1934	..	..	116	230
1935	..	..	154	223
1936	..	..	175	221
1937	..	..	188	257
1938	..	..	189	269

Argentina

Under a governmental decree the National Board of Control for the Dairy Industry was set up in April, 1934. Its functions were to secure for the primary producers the full value of export bills for butter and casein and to advise the Government in the preparation of legislation and regulations for the industry, particularly in regard to the establishment of a system of grading and inspection. It guaranteed also a minimum price for milk sold in Buenos Aires and undertook propaganda to increase

the consumption of butter in Argentina. The Board organised the transmission through manufacturers to the primary producers of the profits on butter and casein export bills cashed by the banks at the "pegged" rate and sold to Argentine importers at the "free" rate. Additional funds were derived from a levy on butter manufacturers, who were accordingly required to register with the Board. Firms thus registered were required to furnish the Board, at intervals of ten days, with the prices which they were prepared to pay for the butterfat content of milk and cream for butter manufacture. These prices were then circulated among producers, the Board adding to the price stated a premium varying in amount from time to time. This premium was originally fixed in 1934 at 15c. per kg., but rose to 30c. by the end of the year. In June, 1935 it was reduced to 15c., and in August, in view of the high prices obtainable for cream, the payment of premiums was suspended. In December payments were resumed at the rate of 15c. and were maintained at this rate until July, 1936, when there was an increase to 25c. The premium was reduced to 15c. in January, 1937, and to 12c. in March. In June, owing to the high prices prevailing, the payment of premiums was suspended indefinitely.

As from January 1st, 1938, the Dairy Industry Control Board was liquidated, and its functions taken over in an extended form by the Dairy Industry Board, then created as a department of the Ministry of Agriculture. The new Board is given authority "to promote the economic and technical improvement of the production, manufacture and marketing of milk and its derivatives" and to formulate regulations for this purpose. The control of the Board is extended to all concerns dealing with the production, manufacture, marketing or transport of milk and milk products. In February, 1938, it was announced that the system existing since 1934 for regulating the prices paid to the producer had been terminated. Instead, a Milk Arbitration Court was established in March, 1938, consisting of a salaried president, representing the Government, and honorary representatives of the producers, manufacturers and distributors. It was intended that the Court should fix fair prices for milk and butterfat but it does not appear to have functioned generally and the prices paid to producers have been determined from time to time by agreement between parties interested.

The receipts of the former Dairy Industry Control Board during the years 1935-37 were as follows:—

	1935	1936	1937
From margin on foreign exchange	3,153,000 pesos	3,339,000 pesos	1,268,000 pesos.
From levy on locally consumed butter	2,114,000 "	1,772,000 "	1,403,000 "
Total	<u>5,267,000</u> "	<u>5,111,000</u> "	<u>2,671,000</u> "

The expenditure of the new Board amounted to 487,000 pesos in 1938. A sum of 990,000 pesos has been allotted to the Board in the Budget for 1939.

APPENDIX V

MILK MARKETING SCHEMES AND UTILISATION OF MILK

(i) England and Wales

The Report of the 1932 Reorganisation Commission for Milk and Milk Products contained the draft of a Milk Marketing Scheme for England and Wales, which was utilised as the basis of a scheme submitted to Parliament and which, modified in certain particulars, became finally operative as from 6th October, 1933. The fundamental principle is the equalisation of the proceeds of sales of milk wholesale by registered producers, irrespective of the purpose for which the milk is used. England and Wales is divided into eleven regions, each with a separate pool, and the Scheme provides for inter-regional payments to ensure that pool prices do not vary unduly between different regions. The Scheme is administered by a Milk Marketing Board through which payments for all sales of milk by wholesale are made. Premiums for level deliveries, quality or special services are paid direct to the producer and do not enter the pool. Transport charges are paid by the producer. Producer-retailers also come within the scope of the Scheme and although the proceeds of their sales do not pass through the Board they are required to contribute to the funds of the Board. The Board may prescribe the terms of contract for the sale of milk by registered producers (other than sale by retail).

Wholesale contracts have been prescribed for seven periods, the first from 6th October, 1933, to 31st March, 1934, the second from 1st April to 30th September, 1934, and the five following contracts for annual periods from 1st October to 30th September, 1934-1939. The contracts have been on similar lines, the Board being a party to each, and the purchase price being payable to it. Variations have been in respect of prices (shown below), the extent of the premium for level deliveries and the incidence of transit risks. In the case of milk sold by retail, different methods have been adopted, and in the third and subsequent contracts minimum appropriate retail prices were fixed for areas according to population. In addition, the later contracts contained a proviso to the effect that the Board could reduce the minimum appropriate price in any area, on receipt of a resolution from retailers in that area. As from 1st October, 1934, producer-retailers selling less than one gallon per day have been included in the Scheme, and as from 1st October, 1937, producers of tuberculin-tested milk and producers with not more than four cows selling by wholesale were included also. In the fourth, and subsequent contracts it has been provided that milk may be sold retail at the farmhouse door at 4d. per gallon below the appropriate retail price for the area.

On 31st March, 1939, the number of registered producers selling by wholesale was 95,412, and the number of producer-retailers 61,956. The total number of accredited, T.T. and attested herds on the same date was 28,608. The following table gives the number of wholesale contracts and the average annual prices for the period during which the Scheme has been in operation.

Number of Wholesale Contracts and Annual Average Prices, 1933-1939

Year (1st October-30th September)	Number of wholesale contracts	Average prices (all regions)		
		Liquid milk (a)	Regional pool	Milk for manufacture (b)
		Per 12 gallons s. d.	Pence per gallon	Pence per gallon
1933-34(c)	{ 78,181 79,920 }	13 9(d)	11·83	4·96
1934-35		15 1	11·99	4·81
1935-36	83,264	15 3(e)	11·48	4·95
1936-37	91,588	15 3	11·99	5·75
1937-38	96,872	16 3(f)	12·92	6·88
1938-39	103,535	16 3	(g)	(g)

(a) In May of each year ½d. per gallon extra has been charged, to be used for publicity purposes.

(b) Excluding Government repayable advances.

(c) Including the first two contract periods.

(d) Except the South-Eastern Region, where 14s. 4d. was charged.

(e) Reduced from 15s. 6d. on the recommendation of a Committee of Investigation.

(f) Including a subsequent increase of 4d. per gallon in July, 1938.

(g) Not yet available.

The prices payable in respect of milk for manufacture into the various milk products are shown on the following page. The Milk Acts, 1934 to 1938, provided that advances should be made to the Board by the Government when manufacturing prices were below 5d. per gallon in winter and 6d. in summer, in order to bring prices up to those levels and during the first years of the operation of the Scheme considerable sums were in fact advanced for this purpose. The Board was formerly under an obligation to begin repayments to the Treasury whenever prices rose above one penny over the minimum prices stated and as this position was reached in June, July and August, 1937, the Board thereupon incurred a certain liability for repayment. Under the terms of the Milk (Extension and Amendment) Act of 1938, however, this obligation was suspended as from 30th September of that year.

Farm Cheese—The Milk Acts, 1934 to 1938, made provision for milk marketing boards to receive repayable advances in respect of milk manufactured into cheese on farms, as well as in factories. In the second contract period farm cheese makers received the advance accruing to the Board under the Milk Act plus 1d. per lb. for hard cheese and ½d. for soft; in the third they received the advance plus 3d. (2½d. in the last five months) for hard cheese and 1½d. (1¼d.) for soft. Under the fourth contract there

were level payments of 5½d. in winter and 4½d. in summer for hard cheese and 5d. and 6d., respectively, for soft cheese. In 1936-37 and 1937-38, however, these payments were reduced by 1d. per gallon while for 1938-39 the sums payable were fixed at 4½d. in winter and 3½d. in summer for hard cheese and at 4½d and 3½d. respectively, for soft cheese.

During the first two years of the operation of the Milk Marketing Scheme, the monthly price per gallon of milk for manufacture into *butter*, *cheese* and *condensed milk for export* was fixed at the average price per lb. for the previous month of Finest White Canadian Cheese and Finest White New Zealand Cheese, less 1½d., but in 1935-36 the manufacturing price for *butter* was fixed at 3½d., a premium of ½d. per gallon being payable in respect of milk made into butter in Cornwall. For 1936-37, however, on the recommendation of a Committee of Investigation, a different system was adopted. For milk manufactured into *butter* a formula was adopted fixing the price per gallon at the average price per cwt., weighted according to the previous month's imports of Danish, Australian and New Zealand butter, less a certain sum and divided by 285 in summer and 265 in winter. A premium was given for milk manufactured in Cornwall. This system was continued in the sixth contract period, when imports of Australian butter were no longer taken into account though the divisors were continued at 285 and 265 for milk manufactured outside Cornwall, while to the resultant price was added 1½d., including ½d. allowance for the value of separated milk. For Cornwall a special formula was maintained. The same system was maintained from October, 1938, to September, 1939, except that the additional fraction is changed to 1½d., together with ¾d. representing the value of separated milk (½d. in the case of milk produced in Cornwall).

For milk manufactured into *cheese* during the months of October to February and the following September, the revised formula in 1936-37 was the weighted average price (instead of the simple average) of Canadian and New Zealand cheese, less 1½d. per lb., while during the rest of the year the average price of New Zealand cheese for the previous month, less 1½d., was taken. This formula was continued during 1937-38 but it was agreed that a sum of 1½d. should be deducted from the weighted average price and ½d. added to the resultant figure; in later negotiations it was decided that buyers of cheese-milk (except for Cheddar and Caerphilly) should pay 1d. per gallon more in the months January-April and July-September. In 1938-39 the same formula for the winter months was at first adopted, but was made applicable to Cheddar cheese alone, milk for other varieties being ½d. per gallon dearer; it was later agreed, however, that the price of milk for cheese-making should be reduced by ½d. per gallon in the months November-February. For cheese made from milk delivered in each of the months March to August, the average price of New Zealand cheese for the previous month, less 1½d. per lb., is now taken.

For milk manufactured into *condensed milk for export* the price in 1937-38 was the same as that arrived at for cheese in the month during which the milk was delivered, with a minimum of 5d. per gallon, as against 4d. in 1936-37. For 1938-39 the price is calculated as for Cheddar cheese, with a minimum of 6d. per gallon.

Prices of milk for manufacture into products other than those mentioned above are shown in the following table:—

Milk manufactured into	Price per gallon					
	Oct., 1933, to March, 1934	April, 1934 to Sept., 1935	Oct., 1935, to Sept., 1936	Oct., 1936, to Sept., 1937	Oct., 1937, to Sept., 1938	Oct., 1938, to Sept., 1939
	d.	d.	d.	d.	d.	d.
Condensed milk (not for export)	6	6	6	6(a)	7½	7½
Milk powder	6	4½	4½	5½(a)	7	7
Fresh cream	9	7½	7½	7½	8½	8½
Tinned cream	6	5	6	(b)	(c)	7½
Chocolate	8	8	—	—	—	—
Sterilized milk for export	—	6	6	6	7½	—
Soft curd and cream cheese	—	7½(d)	7½	7½	8½	8½
Ice cream	—	7½(d)	7½	7½	8½	8½
Other milk products	9	9	9	9	10	10

(a) Minimum price, to be increased in each month by the same amount as the average manufacturing price of cheese-milk for the three previous months exceeded 4½d. per gallon.

(b) From 1st October to 31st December, 1936, 6d., and thereafter 6½d.

(c) From 1st October to 31st December, 1937, 7d., and thereafter 7½d.

(d) From 1st October, 1934, only.

(ii) Scotland

(a) *Scottish Milk Marketing Scheme*—This scheme, which applies to that part of Scotland roughly south of the Grampians, came into operation on 1st December, 1933. As in the English scheme, the fundamental principle lies in the equalisation of payments to registered producers of the proceeds from sales of milk in the liquid and manufacturing markets, at prices and on terms regulated by the Scottish Milk Marketing Board. Producers selling not more than three gallons daily to a maximum of six customers are exempt. Partial exemption is granted to producer-wholesalers, producer-retailers and producers of certified milk, all of whom make their own arrangements for sales, but must adhere

to the prices fixed by the Board and are required to contribute to the Board a sum equal to nine-tenths of that payable by other producers. The average price payable to producers for milk sold to or through the agency of the Board is liable to a deduction for haulage, at specified standard rates. Further, an arrangement was entered into with the English Board whereby the export of milk to England was reduced on payment of compensation in respect of the loss sustained.

For the purpose of negotiating contracts and arranging prices a Permanent Joint Milk Committee was set up, composed of representatives of the Board and of various distributive associations. Contracts were made for the following periods: December, 1933, to March, 1934, April to September, 1934, and subsequently for five twelve-monthly periods running from October to September. The Board is a party to contracts and prescribes the terms and conditions of sale and purchase. Producers are required to supply milk attaining a standard of 3.4 per cent. butterfat in February to July and 3.5 per cent. in August to January. The second contract included a provision for payment of premiums for level deliveries and the later contracts, in addition, required the payment of a premium for special services.

The following table gives the annual average standard prices, i.e. prices paid by distributors for milk for the liquid market, together with annual average prices paid to producers, for the period during which the Scheme has been in operation:—

Year	Standard price	Average price paid to producers
	(per gallon) s. d.	(per gallon) d.
1933-34(a)	1 2	10.42
1934-35	1 2	10.89
1935-36	1 2	10.83
1936-37	1 2½	11.06
1937-38	1 2½	11.79.
1938-39	1 3½	(b)

(a) Including the first two contract periods.

(b) Not yet available.

The semi-retail prices payable by hotels, restaurants, etc., are fixed on the basis of quantity. The Board has power to determine the retail price, and this was, until the fourth contract period, fixed throughout at 2s. per gallon. In that period the Permanent Joint Committee of representatives of the Board and of distributors was unable to agree on prices. The Board, however, determined the standard price as above and proposed further that in May and June, 1936, the retail price should be reduced to 1s. 8d. per gallon, the cost of lowering the retail price being borne by the distributors. The matter was referred to the Committee of Investigation for Scotland. The Secretary of State for Scotland, however, following consideration of the report of the Committee, decided not to interfere with the scale of prices prescribed by the Board. The retail price was increased in the three months, November, 1937-January, 1938, to 2s. 4d. per gallon, and was maintained at that level in the period October, 1938-January, 1939.

The prices of milk for manufacture are determined monthly by a Sub-Committee of the Permanent Joint Milk Committee. For manufacture into *cheese* the price per gallon in the first period was a sum equal to the average price per lb. for the previous month of finest New Zealand cheese, less 1½d.; Canadian cheese was included in the second contract, but the price was reduced in certain months. For *butter* the price was approximately similar, except where an outlet existed for buttermilk, when it was raised to 7½d. per gallon. Since 1935-36 the prices for butter and cheese have been based on the average prices realised for these products sold wholesale each month by the Board's creameries, less a manufacturing allowance (for cheese originally 1½d. per gallon, increased to 1d. during February-April, 1937, and fixed at 1½d. for the sixth and seventh contracts; for butter, 1½d. per gallon, increased to 1½d. for 1937-38 and 1938-39). The following prices also were fixed by the Sub-Committee, the price of milk for other products being determined from time to time:—

	Fresh Cream	Tinned Cream	Bottled Cream	Margarine	Condensed Milk	Milk Powder
1933-36	7½d.	*	*	9d.	*	*
1936-37	7½d.	{ 6d. (Oct.-Dec.) 6½d. (Jan.-Sept.) }	7½d.	9d.	6d.	5½d.
1937-38	8½d.	{ 7d. (Oct.-Dec.) 7½d. (Jan.-Sept.) }	8½d.	10d.	7½d.	7d.
1938-39	8½d.†	7½d.	8½d.	10d.	7½d.	7d.

* Determined from time to time.

† Until 31st March only, thereafter by determination of the Board.

Farm Cheese—Arrangements were made early in 1934 between the Board and farm cheesemakers whereby the latter agreed to manufacture the whole of their production of milk into cheese on the farms. The Board paid an allowance representing the difference between the monthly average price under the Scheme and the market price for cheese, plus 1d. per lb. in respect of manufacturing expenses. Some 6,202,000 gallons were manufactured under this scheme in 1938 as compared with 7,286,000 gallons in the preceding year and 8,242,000 gallons in 1936.

(b) *Aberdeen and District Milk Marketing Scheme*—This scheme, which became fully operative from 1st August, 1934, covers the counties of Aberdeen and Kincardine. The scheme follows the lines of the Scottish Scheme in that all producers selling up to 2 gallons of milk per day must be registered,

with partial exemption granted to producer-retailers and producers of Certified milk. Standard prices are fixed for milk for liquid consumption, for sales to institutions, etc. Provision is, however, made for the determination of a basic quantity for each registered producer selling by wholesale, the basic quantity being related to sales in the preceding November, December and January. Supplies in excess of these quantities are paid for at "surplus" prices.

The standard price in 1938 varied between 1s. 3d. in the early months of the year, 1s. 2d. in the summer and 1s. 5d. in the autumn. The retail price to consumers was raised in August from 2s. to 2s. 4d. The surplus price varied between 3d. and 6d. per gallon. Some 11,652,000 gallons were handled during the period August, 1934, to December, 1935, and about 9 per cent. was surplus to liquid requirements and was manufactured mainly into butter, cream and cheese. In 1936 and 1937 the total turnover amounted to 8,919,540 gallons and 9,086,950 gallons, respectively, the proportion manufactured amounting for 11 per cent. and 10 per cent., respectively, of these totals. In 1938 the turnover increased to 9,201,550 gallons, the manufacturing percentage remaining at 10 per cent.

(c) *North of Scotland Milk Marketing Scheme*—The scheme applies to Inverness, Nairn and the Northern Counties and came into operation on 1st October, 1934. It follows the lines of the Aberdeen scheme, providing for basic quantities, fixed on the period September to December 1936, but the basic quantity provision applies also to producer-retailers. The standard price from January to October, 1938, was 1s. 4d. per gallon, and the retail price 2s. but for November and December these were increased to 1s. 6d. and 2s. 4d., respectively. The surplus price was 6d. per gallon. The total quantity of milk handled during the first 12 months of the scheme was 1,897,000 gallons, of which 7 per cent. was surplus to liquid requirements. In 1936, 1937 and 1938 the total turnover reached 2,010,150 gallons, 2,029,780 gallons and 1,996,898 gallons, respectively, of which 4.5 per cent., 5 per cent. and 5 per cent., respectively, were used for the manufacture of milk products.

Reorganisation Proposals

The Commission appointed to enquire into the working of the Milk Marketing Schemes put forward in its Report (November, 1936) certain recommendations regarding the future organisation of the milk industry. These included the fixation of milk prices by a permanent independent Milk Commission appointed by the Government, prices to be put at a level sufficient to bring into the market the quantity of milk required. It was proposed also that the liquid milk market should be relieved of the burden of loss sustained on the sale of surplus milk for manufacture and that this burden should be taken over by the State. As regards manufacturing milk, it was recommended that prices should continue to be fixed by reference to the realisation value of the manufactured products, modified if desirable in order to encourage the manufacture of those products yielding the higher returns to producers. It was not suggested that retail prices or distribution margins should, in general, be fixed although maximum retail prices might be prescribed in any area where prices were unduly high. To encourage the consumption of liquid milk it was proposed that financial assistance should be provided by the Government, the money thus allocated being used to relieve the liquid milk market from the burden of surplus milk and to provide supplies at specially low prices for necessitous consumers.

In a White Paper of July, 1937, the Government put forward certain proposals for assistance to the industry. These were subsequently amended and incorporated in a Bill introduced in November, 1938, which provided for:—

- (a) A price insurance plan under which Exchequer assistance would be given to the Milk Marketing Boards in respect of standard gallonages of milk used in factories for butter and cheese, and milk made into cheese on farms in the event of the prices for imported butter falling below an average of 112s. per cwt. in summer and 120s. in winter, and for imported cheese below 62s. 6d. in summer and 67s. 6d. in winter. It was proposed to fix the standard gallonages of milk manufactured into butter and cheese in Great Britain in respect of which the guarantee would operate at 125,000,000 gallons per annum in each case;
- (b) Exchequer contributions, at diminishing rates for a period of five years, towards the additional costs incurred in the production of quality milks;
- (c) the institution of a permanent Milk Commission (assisted by an Advisory Committee) to keep under review the production, marketing, distribution and consumption of milk.

The Bill failed to satisfy all the interests concerned and was withdrawn but the Milk Act, 1938 provided for the extension of the chief provisions of the Milk Acts, 1934–37 and of the cheap milk schemes. A further interim measure, the Milk Industry (No. 2) Bill, covering the two years 1st October, 1938–30th September, 1940, was introduced by the Minister of Agriculture in June, 1939. The main proposals included in this measure were as follows:—

- (a) The authorization as from 1st October, 1938, of Exchequer contributions in aid of the increased premiums paid to producers by Milk Marketing Boards for the supply of cleaner and purer milk;
- (b) The extension, until 30th September, 1940, of the period during which Exchequer assistance would be forthcoming to enable Milk Marketing Boards to operate schemes for milk in schools and for the provision of milk at reduced prices to nursing and expectant mothers and young children;
- (c) The institution of a price insurance scheme under which Exchequer assistance would be given to the Milk Marketing Boards in respect of standard gallonages of milk used in manufacturing butter and cheese in the event of average prices of imported butter and cheese falling below specific standard prices. These prices would be:—Butter, 125s. per cwt. in winter, 115s. per cwt. in summer; Cheese, 67s. 6d. per cwt. in winter, 62s. 6d. per cwt. in summer.

No provision was made in the new Bill for the establishment of a Milk Commission.

Utilisation of Milk Supplies in 1938

The following table shows the quantities of milk handled by the two chief Boards in 1937 and 1938. In this and following tables the calendar year has been adopted for convenient comparison with import statistics.

	England and Wales Gallons		Scottish Scheme Gallons	
	1937	1938	1937	1938
Sold under wholesale contract	590,147,000	621,398,621	58,058,000	60,038,714
Sold by Producer-retailers	111,100,000	136,000,000 (a)	17,813,000*	17,395,953*
Total liquid sales	701,247,000	757,398,621	75,871,000	77,434,667
Sold for manufacture	269,663,000	295,895,002	36,753,000	38,128,858
Farm Cheesemakers' gallonage	20,332,000	23,902,998	7,286,000	6,202,105
Total gallonage†	991,242,000	1,077,196,621	119,910,000	121,765,630

(a) Provisional

* Including sales by producer-wholesalers and producers of certified milk.

† In addition, the Aberdeen and District Milk Marketing Board handled 9,201,600 gallons in 1938 (including 1,885,700 gallons sold by producer-retailers), of which 935,700 gallons were for manufacture. The North of Scotland Board handled 1,996,900 gallons (including 975,000 sold by producer-retailers), of which 100,700 gallons were for manufacture.

The quantities sold for manufacture were utilised in the different products throughout the year as shown in the following tables, which give separate figures for England and Wales and for the area administered by the Scottish Milk Marketing Board.

Utilisation of Milk for Manufacture in England and Wales in 1938 (thousand gallons)

Month	Butter	Cheese	Cond. Milk	Cond. Milk for Export	Milk Powder	Fresh Cream	Tinned Cream	Other Products	Total Manufactured	Farm Cheese
January	893	1,880	6,155	470	633	3,454	963	497	14,945	594
February	1,743	2,330	4,711	490	640	3,213	881	456	14,464	605
March	4,638	3,668	5,793	1,110	1,102	3,727	1,090	465	21,593	884
April	10,511	5,186	6,912	1,508	1,453	3,990	898	435	30,893	1,639
May	12,596	6,929	8,242	1,225	1,715	4,013	987	582	36,289	3,350
June	11,650	7,603	8,719	760	2,312	4,975	827	590	37,436	3,512
July	11,348	7,424	7,413	783	1,501	5,371	654	509	35,003	3,430
August	10,471	7,183	6,119	1,280	1,343	4,669	524	504	32,093	3,296
September	8,071	5,690	4,734	371	872	3,629	374	423	24,164	2,811
October	5,998	4,913	4,110	202	1,055	3,270	731	360	20,639	2,248
November	3,861	3,305	2,734	380	953	3,129	510	324	15,196	1,007
December	2,418	2,471	2,659	284	705	3,843	529	271	13,180	527
Total	84,198	58,582	68,301	8,863	14,284	47,283	8,968	5,416	295,895	23,903
<i>Per cent.</i>	<i>28</i>	<i>20</i>	<i>23</i>	<i>3</i>	<i>5</i>	<i>16</i>	<i>3</i>	<i>2</i>	<i>100</i>	<i>—</i>

Utilisation of Milk for Manufacture in Scotland in 1938 (thousand gallons)

Month	Butter	Cheese	Fresh Cream	Tinned Cream	Other Products	Total Manufactured	Farm Cheese
January	359	39	809	41	286	1,534	—
February	425	63	889	37	245	1,659	—
March	951	560	1,005	96	472	3,084	180
April	1,274	1,131	953	112	712	4,182	605
May	1,670	1,638	1,023	29	811	5,171	1,174
June	1,647	1,869	1,108	68	773	5,465	1,248
July	1,714	1,765	1,136	88	798	5,501	1,174
August	1,260	1,200	1,085	59	693	4,297	1,001
September	639	679	972	31	505	2,826	686
October	470	262	762	146	368	2,008	134
November	273	60	605	95	175	1,208	—
December	369	30	702	35	64	1,200	—
Total	11,051	9,296	11,049	837	5,902	38,135	6,202
<i>Per cent.</i>	<i>29</i>	<i>24</i>	<i>29</i>	<i>2</i>	<i>16</i>	<i>100</i>	<i>—</i>

The following table shows estimates of the actual milk products produced under the Schemes. The figures in most instances are calculated by employing conversion factors and are consequently liable to error. Further, it should be noted that production of farm cheese is excluded from the calculations and is dealt with separately (*see below*). Milk was utilised also in the manufacture of other products, but no attempt has been made to estimate the production of these commodities, which include chocolate, margarine, ice-cream, starter, etc.

Estimated Factory Production of Dairy Products in 1937 and 1938

Product	England and Wales		Scotland†		Total	
	1937	1938	1937	1938	1937	1938
	cwt.	cwt.	cwt.	cwt.	cwt.	cwt.
Butter	299,400	300,700	29,800	39,100	329,200	339,800
Cheese*	460,200	522,100	51,200	78,800	511,400	600,900
Fresh cream	285,600	305,100	85,600	67,900	371,200	373,000
Tinned cream	147,600	124,600	17,600	11,200	165,200	135,800
Condensed whole milk	2,337,100	2,439,300	207,200	184,100	2,544,300	2,623,400
Whole milk powder	105,900	168,000	4,700	1,200	110,600	169,200

* Excluding farmhouse cheese.

† Area covered by Scottish Milk Marketing Board. In addition, the manufacture of *butter* in the areas covered by the Aberdeen and District and the North of Scotland Boards in 1938 was equivalent to 456 cwt., of *cheese* to 173 cwt., and of *cream* to 5,738 cwt.

It is of interest to observe the proportions of the total output represented by the different varieties of cheese in the area covered by the Milk Marketing Board for England and Wales. For the year, 1938 they were as follows:—

Cheshire, 35.3 per cent.; Cheddar, 35.2 per cent.; Lancashire, 10.9 per cent.; Stilton, 7.2 per cent.; Caerphilly, 4.5 per cent.; Leicestershire, 3.2 per cent.; Wensleydale, 2.5 per cent.; Derbyshire 1.1 per cent.; others, 0.1 per cent.

Farm Cheese—The total quantity of farm cheese manufactured under the Farmhouse Cheese Schemes last year showed an increase in England and Wales but a decline in the area covered by the Scottish Milk Marketing Board. The estimated figures for 1938 are as follows, with comparative figures for 1937 in brackets: England and Wales, 213,400 cwt. (181,500 cwt.); Scotland, 53,300 cwt. (62,300 cwt.).

The proportions by weight of the output in 1938 represented by the different varieties of farm cheese in each area were as follows, with the corresponding figures for last year in brackets:—

England and Wales—Cheshire, 55.3 per cent. (52.9); Cheddar, 25.8 (29.9); Lancashire, 13.7 (12.5); Stilton, 0.5 (0.6); other, 4.7 (4.1).

Scotland—White Cheddar, 34.1 per cent. (39.4); Coloured Cheddar, 27.7 (26.4); Dunlop, 16.9 (18.6); Cheshire, 19.5 (13.4); Stilton, 1.8 (2.2).

APPENDIX VI

THE PIGS AND BACON MARKETING SCHEMES AND SUPPLIES OF BACON

Organisation of the Home Industry

A Reorganisation Commission was appointed in 1932, under the Agricultural Marketing Act, 1931, to prepare schemes for regulating the marketing of pigs and pig products in Great Britain. The Commission recommended that the United Kingdom's total supplies of bacon and hams should for the time being be stabilised at the average of the six-year period, 1925-30, i.e. 10,670,000 cwt., the home industry being allotted a quota based on the volume of bacon it could undertake to produce and the remainder being allocated among the various exporting countries. Provision was to be made at the expense of foreign supplies for the ordered expansion of the home output and for any increase in the Dominion or Colonial share of imports. The Commission also recommended the adoption of marketing schemes covering all pigs sold for bacon and all bacon and hams produced within Great Britain, pig producers being represented by a *Pigs Marketing Board*, which was to arrange for supplies of pigs to be delivered on contract to curers, and curers being represented by a *Bacon Marketing Board* which was to control the output of bacon by individual curers. To co-ordinate the work of these boards and to increase the general efficiency of the industry, it was proposed to create a Development Board composed of representatives of the two marketing boards with a nucleus of independent members.

The recommendations of the Commission were accepted by Parliament and the schemes, with the exception of the Development Board, came into operation in September, 1933.

Under the Bacon Development Scheme, which came into force two years later, on 7th September, 1935, a *Bacon Development Board* was set up to carry out plans for rationalising bacon production and to perform services in which both sides of the industry were jointly interested. The Scheme provided that as from 1st January, 1936, no person (unless exempted from registration under the Bacon Marketing Scheme) might produce bacon in Great Britain in any premises except such as were licensed by the Development Board. To the licence the Board might attach conditions designed to promote the efficient production of bacon or to bring about the reduction of excessive production; licences might be refused on the grounds that the curing establishment was redundant, unsuitably located or equipped, or that a previous licence had been revoked or the holder convicted under the Agricultural Marketing Act of 1933. (The Board later added other conditions, to operate as from 1st January, 1937, dealing with such matters as hygiene and working conditions.) During a period of two years from the inception of the Scheme, however, a licence could not be refused in respect of any premises in which bacon was produced at any time during the six months preceding 17th May, 1935; at the expiration of that period existing curers were placed on the same footing as other curers, except that a licence could not be refused on the ground of redundancy. The period during which licences under the Board were valid expired in September, 1937, but in view of the pending reorganisation of the industry licences were renewed as from 1st January, 1938.

The Board was further empowered to purchase and dispose of redundant factories, to promote research in connection with the production and marketing of bacon and pigs, and to exercise certain of the powers of the Pig and Bacon Marketing Boards, should such powers be delegated to it by either of these Boards.

During the years 1934-36 it was not always possible for the Pigs Marketing Board to secure a sufficiency of pigs on contract and in 1935 and 1936, in view of the deficiency in the number of pigs contracted for, as compared with the number required for curing, curers were allowed to buy pigs on the open market. In 1937 it was provided that the Bacon Marketing Board should have the right to terminate all contracts if the total number of pigs offered was less than 2,200,000 and, as this total was not in fact attained, the contracts were declared void. The Schemes were thus to a large extent inoperative during 1937 and 1938.

The Bacon Industry Act, which became law in July, 1938, was designed to provide a long-term policy for the bacon industry. The Pigs Marketing Board and the Bacon Marketing Board remain, but full powers of co-ordination and direction of policy are given to the Bacon Development Board, reconstituted to include a larger number of "independent" members. Under the new Act, the Government are to provide financial assistance to the industry where necessary, over a three-year period, in return for the reorganisation and rationalisation of bacon factories. The contract system is re-established the price of pigs, per score, being determined according to changes in the cost of a standard ration of feeding stuffs. The Act also provides during the three years covered by the Scheme for payments to and from the Exchequer in respect of pigs sold on annual contracts for curing. These payments are made (a) by the Exchequer when there is a rise in the price of contract pigs as compared with the standard price envisaged by the Act, or when market prices for bacon (and lard) are below a standard level, and (b) by curers when these price movements are reversed. In the second and third years of the scheme the standard prices are progressively reduced while the number of pigs to which the scheme may apply is increased from 2,100,000 in the first contract period to 2,400,000 and 2,500,000, respectively, in the second and third periods.

Contract Prices—Details of the six contracts offered to producers since the inception of the original Marketing Schemes are as follows:—

In the *first* contract period (November, 1933-February, 1934), the price paid to producers by curers was fixed at 12s. per score for standard pigs of 140-170 lb. dead weight, with deductions for heavier pigs and pigs of less than the standard quality, and subject to adjustment in the event of changes (above or below 7s. 6d.) in the price of an agreed basic ration of feeding stuffs.

In the *second* contract period (March-December, 1934), the contract price was fixed at 12s. 6d. per score for March and April, while for the remaining months provision was made for an initial basic price of 11s. per score, to prevail so long as the price of the feeding stuffs

ration was 7s. 6d. per cwt., the ascertained value of offals from a 7-score 2-lb. pig was 10s. and the "initial" price of bacon (the ascertained selling price to the retailer of sizeable green Wiltshire sides) was 85s. per cwt. Changes in any of these led to an addition to, or deduction from the price payable per pig.

In the *third* contract period (January–December, 1935) the value of the offals was taken at a fixed figure of 9s. gross per pig and the initial bacon and pig prices were increased to 96s. per cwt. and 11s. 6d. per score, respectively. To encourage more regular deliveries, curers undertook to pay the Pigs Marketing Board 2d. per score on all pigs delivered, the proceeds being distributed as a level delivery bonus to producers who supplied in the first four months of the year a certain percentage of the pigs under contract by them. The curers further undertook to pay producers 1d. per score towards the cost of insurance.

In the *fourth* contract period (January–December, 1936) the basic price was fixed at 11s. 7d. per score with bacon at 96s. per cwt. and feeding stuffs at 7s. 6d. per cwt., and certain alterations were made in the method of determining the allowances for fluctuations in the prices of bacon and feeding stuffs.

In the *fifth* contract period (January–December, 1937) the arbitrator appointed by the Minister of Agriculture fixed the average annual price for a basic pig (under a revised grading system) at 12s. per score, with feeding stuffs at 7s. 6d. per cwt. If 2,400,000 pigs or over were contracted for, this was to be increased by 2d. per score, while provision was made also for additions or deductions in the event of fluctuations in the feeding stuffs ration.

In the *sixth* contract period (December, 1938–November, 1939) the average annual price for a "standard pig" (as newly defined) is fixed at 12s. 6d. per score, with feeding stuffs at 8s. 6d. per cwt.

The number of pigs contracted for in 1938–39 was again considered inadequate and accordingly the Bacon Development Board permitted curers to utilise for curing pigs additional to those under contract, such pigs being obtained from producers by the Pigs Marketing Board at prices below the monthly contract prices; the Development Board decided also that these pigs should not be supplied to curers at prices giving curers, on average, a higher margin than the contract price, after allowing for the absence of subsidy.

The following table shows the number of pigs contracted for in each of the years under review and the contract price paid for standard pigs. For purposes of comparison, the average prices during these years of first quality bacon pigs at representative markets in England and Wales are added.

Bacon Pig Contracts and Prices, 1934–39

Year	Number of Pigs contracted for	Average Pig Prices (per score lb.)	
		Contract Price (a)	Open Market Price (b)
		s. d.	s. d.
1934	1,605,514	11 11	12 3
1935	1,854,513	11 2	11 3
1936	2,040,076	11 5	12 5
1937	1,886,194(c)	—	13 2
1938	—	—	13 3
1939*	1,479,226	(d)	(d)

(a) Class 1, Grade C pigs.

(b) For first quality bacon pigs at representative markets in England and Wales.

(c) Contracts declared void as the number of pigs contracted for was below 2,200,000.

(d) Not yet available.

*Contract period December, 1938–November, 1939.

The production of bacon by registered curers during these years was as follows:—

Production of Bacon in Great Britain (a)
(cwt.)

Year	From Home Pigs	From Imported Pigs	Total
1934	1,485,701	250,551	1,736,252
1935	2,028,862	348,029	2,376,891
1936	2,323,369	433,439	2,756,808
1937	1,944,588	507,616	2,452,204
1938	1,943,409	573,322	2,516,731

(a) Including hams; excluding the output of unregistered curers.

Imported Supplies

Imports of bacon and hams into the United Kingdom were not restricted by the Ottawa Agreements, but quantitative regulation of such imports was contemplated after the report of the Re-organisation Commission for Pigs and Pig Products had been received. In the Canadian Agreement, therefore, Canada was granted free entry for imports of bacon and hams into the United Kingdom up to a total of 2½ million cwt. per annum.

It was, however, found desirable to make emergency arrangements for the voluntary restriction of shipments of bacon and hams from the chief foreign exporting countries and these operated as from November, 1932. The restrictions were extended from time to time and further reductions in imports were effected during 1933. Towards the end of that year, however, the large number of pigs contracted for in Great Britain, combined with increased estimates of Dominion supplies, made it necessary to seek a much more substantial reduction in imports from foreign sources. It was not found possible to reach a voluntary agreement and the required reduction was therefore effected by the Bacon (Import Regulation) Order, 1933, which operated from 1st December, 1933. This order prohibited the importation into the United Kingdom (except under licence) of any bacon produced in the following countries, viz. Argentina, Estonia, Finland, Latvia, Lithuania, Netherlands, Poland, Sweden, U.S.A. and the U.S.S.R. (for the purposes of the Order, bacon was defined as including hams). A similar prohibition applied in the case of any other foreign country whose rate of exportation to the United Kingdom exceeded 400 cwt. per week; this latter provision was amended as from 1st January, 1936, by an Order which reduced to (a) 225 cwt. per week, or, (b) nine-sixteenths of the imports during 1934 or 1935 (whichever is the greater), the previous maximum of 400 cwt. per week for unlicensed imports from any unscheduled foreign country. As from 1st January, 1939, separate allocations have been made for bacon and hams.

The allocations (given as a weekly average) for imports from foreign countries in the different quota periods are shown hereunder:—

	cwt.		cwt.
1934—March–July	164,265	1937—January–March	105,245
August–December	117,005	April–8th September	104,089
1935—January–April	114,784	9th–30th September	98,598
May–June	112,903	1st–14th October	95,599
July–September	116,322	15th October–December	102,361
October–December	101,371	1938—January–April	102,361
1936—January–April	101,371	May–July	103,512*
May–August	105,702	August–September	101,842*
September–December	94,150	October–December	104,649
1939 January–June	99,622		
(Bacon only) 1st July–2nd September	117,500		
3rd–30th September	110,000		

Allocations for imports of hams from foreign countries in 1939 total 550,000 cwt.

* Supplementary allocations made at different times have totalled 55,000 cwt. in 1938 and 425,117 cwt. in January–June, 1939.

The following table shows the estimated rate of shipment arranged for pork for curing from New Zealand and Australia since 1936:—

	1936 cwt.	1937 cwt.	1938 cwt.	1939 cwt.
New Zealand	350,000	460,000	380,000	360,000
Australia	130,000	200,000	(a)	201,000 (b)

(a) Not available.

(b) January to September only.

The United Kingdom–Canada Trade Agreement of February, 1937 (superseding the Ottawa Agreement of 1932) continued free entry of Canadian bacon but modified the earlier Agreement by giving the United Kingdom the right to regulate imports from Canada should they expand towards the 2.5 million cwt. maximum at an abnormal rate so as to endanger the effective working of supply regulation. By arrangement with the Government of Eire, shipments of bacon from that country were to be at the rate of 551,400 cwt. in 1936 and 579,000 cwt. in 1937; for 1938 they were increased to 595,000 cwt. The United Kingdom–Eire Trade Agreement of April, 1938, provides for measures of quantitative regulation of imports of bacon from Eire if necessary for the promotion of orderly marketing in the United Kingdom. In the United Kingdom–United States Trade Agreement of November, 1938, it was agreed the quantity of United States hams permitted to be imported should not be less than 500,000 cwt. a year nor more than the quantity which, in the opinion of the United Kingdom Government, could be accommodated in the United Kingdom market without causing instability in the prices of hams or bacon.

(3) Consumption

The following table shows the quantity of bacon (including salted pork and tinned hams) available for consumption in the United Kingdom in the past five years (excluding the output of small curers):—

Consumption of Bacon in the United Kingdom
(cwt.)

Year	Output in Great Britain (a)	Output in Northern Ireland	Net Imports	Total
1934	1,736,252	488,104	8,379,102	10,603,458
1935	2,376,891	583,507	7,604,003	10,564,401
1936	2,756,808	725,200	7,161,400	10,643,408
1937	2,452,204	662,579	7,518,322	10,633,105
1938	2,516,731	718,900	7,457,800	10,693,431

(a) Excluding the output of unregistered curers.

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The Imperial Economic Committee's "Weekly Dairy Produce Notes" are compiled primarily for the benefit of producers and traders in the United Kingdom and Empire Countries overseas, and give the fullest possible information regarding actual and prospective supplies of butter, cheese and other dairy produce, eggs and pig products. Regular articles include particulars of shipments afloat and exports from the principal sources of supply, imports week by week into the chief ports in the United Kingdom, stocks in store, latest market quotations and tendencies and reports on weather and other conditions likely to affect production. In addition, special articles deal with the outlook and general trends in producing and consuming countries, and with other aspects affecting the trade in dairy produce and pig products.

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