

DAIRY INDUSTRY IN GREAT BRITAIN.

In Great Britain the establishment of Milk Marketing Boards was a profound and important step to place the milk industry on an organized footing.

In July, 1937, the British Government issued a statement of policy in relation to the British dairying industry.* The following extracts are of particular interest to Dominion producers:—

(a) "The Government have carefully considered the position of the dairying industry from the points of view both of producers and others engaged in the industry, and of consumers. They have had before them the report of the Reorganization Commission for Milk, other authoritative reports bearing on the industry, and also the views of representative organizations, all of which have been of the greatest assistance. They have also taken into consideration the recent outcome of the application made on behalf of milk-producers to the Import Duties Advisory Committee, for increased duties on butter and cheese."

(b) "The Government desire to see the dairying industry of this country self-supporting and profitable, and their policy for this industry, as for other branches of agriculture, is to ensure the maximum supplies for the consumer at fair prices consistent with reasonable remuneration for the producer. They believe that the only sure foundation for the prosperity of the industry is an increased consumption of liquid milk. An essential step towards this objective is to establish public confidence in the cleanliness and purity of the milk supply, and thereby quicken demand for what is one of the most valuable of human foods. It is with this object in view, and in order to bring to full achievement the efforts, that dairy farmers have themselves been making to improve the quality of their product, that they propose to invite Parliament to provide additional Exchequer assistance.

(c) "The Government also propose to continue and extend their policy of promoting the increased consumption of milk among those sections of the population for whom it is of particular value.

(d) "It is still desirable to safeguard the industry against emergency conditions, but circumstances have altered to an extent that now enables the Government to lay relatively greater emphasis on measures designed to promote the increased consumption of milk, and the provision of a purer milk-supply.

(e) "Under the Milk Act, 1934, the receipts of the Milk-marketing Boards from manufacturing milk were supplemented by a system of repayable exchequer advances based on standard prices per gallon of milk used for manufacture. The Government now propose to safeguard the industry against the effect of any serious fall in the prices of butter and cheese below current levels, by means of a price-insurance plan, under which exchequer assistance will be payable, on a prescribed scale, to the 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 hundredweight respectively. The corresponding prices in February, 1934, when the Milk Act proposals were announced, were 71s. 6d. and 47s. 6d. per hundredweight respectively."

* On the 28th July, 1937, the Financial Secretary to the Treasury made the following statement in the British House of Commons in reply to a question as to whether the Government had received any recommendation from the Import Duties Advisory Committee on the application for increased duties on butter and cheese:—

"The Imports Duties Advisory Committee have informed the Government that they have considered the application submitted to them by representative organizations of milk-producers for increased duties on butter and cheese. I understand that the applicants had in mind that the proceeds of the duties should be applied as a subsidy for the benefit of the milk industry. The Committee, having regard to the fact that it is not within their competence to advise as to the appropriation of revenue derived from import duties and to the fact that no material assistance could be given to the milk industry by means of increased duties, even of a very high order, and even if duties equal to the increase in the rates on foreign produce were imposed on Empire produce, have informed the Government that they could not make any recommendation on the application."

The total quantity of milk passing under the control of the Milk Marketing Boards in England, Wales, and Scotland in 1936 was 1,162,561,000 gallons, of which 753,088,900 gallons, equal to 65 per cent., were sold in liquid form, and 409,472,100 gallons, equal to 35 per cent., were used in manufacture.

Milk consumed in liquid form increased by approximately 13,000,000 gallons in 1936, compared with the previous year, and further increases have been recorded in 1937.

Increases are taking place, also, in the quantity of milk used in the production of cream and condensed milk, leaving smaller quantities available for the manufacture of butter and cheese.

In the first six months of 1937 the production of cheese in Great Britain was less than in the same period of 1936 by over 9,000 tons, a reduction of nearly one-third, while factory-butter production shows a reduction of 15 per cent.

The smaller output of butter and cheese is not entirely due to the diversion of milk to the production of the higher-yielding commodities or to increased liquid-milk consumption. Total milk-production in January-June, 1937, is lower than in the same period of 1936 by approximately 20,500,000 gallons.