PROVINCE OF BRITISH COLUMBIA

THE MILK BOARD

ANNUAL REPORT

For the Year ended December 31st

1948

VICTORIA, B.C.:
Printed by DON MCDIARMID, Printer to the King's Most Excellent Majesty.
1948.

To His Honour the Lieutenant-Governor in Council
of the Province of British Columbia.

MAY IT PLEASE YOUR HONOUR:

SIR,—I have the honour to transmit herewith, in accordance with section 64 of the "Public Utilities Act," the Third Annual Report of the Milk Board for the year ended December 31st, 1948.

E. C. CARR,
Chairman, Milk Board.

Vancouver, B.C., February 7th, 1949.

ANNUAL REPORT OF THE MILK BOARD

For the Year ended December 31st, 1948

(being the Third Annual Report of the Board).

At the beginning of 1948, production and distribution of fluid milk was still in a very unsettled position. Following public hearings in all areas in which the Board exercises its jurisdiction, held in October, 1947, an increase of 1 cent a quart was ordered in consumer rates, with corresponding adjustments in producer returns effective November 1st of that year. However, just as these increases became effective, the Federal Government discontinued payment of the hold-back or subsidy on feed-grains and also removed the ceiling prices thereon. The result was sharply rising costs of these feeds. Other items affecting the cost of production also continued to rise in price. Milk-dealers also found that their costs for processing and distributing milk continued to advance. One of the chief factors in this regard was the cost of labour. Contracts negotiated or in the process of negotiation for 1948 indicated overall increases in monthly wages from $10 to $12.50, with provisions for further adjustments in relation to the cost-of-living index. Increases in freight rates which took place during the early part of the year did not add to the cost of feed-grains. Transportation of these products is still paid for by the Federal Government. However, the increased cost of freight was reflected in the prices of all other feeds, equipment, and supplies required by both producers and milk-dealers.

Based on these factors, both primary producers and milk-dealers in all areas made applications for further adjustments in the rates they were receiving. Inquiries and investigations by and on behalf of the Board substantially confirmed these conditions, and in view of the fact public hearings had been held in all areas during October, 1947, it was first decided that these applications would be dealt with without further hearings. However, due to unforeseen developments, this decision was reversed, and a public hearing was held in the City of Vancouver on March 4th, and one in the City of Victoria, to deal with the applications from the Greater Victoria, Duncan, and Nanaimo areas, on March 8th.

On June 10th the Board rendered a decision relative to these applications. This decision recommended an increase in rates for milk and milk products in all areas concerned. Orders to implement these adjustments were approved by Order in Council No. 1308, to become effective on June 16th. Since that date there has not been any change in the rate schedules covering fluid dairy products regulated by the Board.

Increases in the price of any commodity tends to depress sales. Milk is not an exception. While the Board has only statistical information for the years 1947 and 1948 (the Board started operation on July 2nd, 1946), indications are that since the last price adjustment some reduction has taken place in the consumption of fresh fluid dairy products. A detailed summary of monthly sales of milk and milk products for the years 1947 and 1948 is given in Table I appended to this Report. A statement showing increases and decreases in both retail and wholesale sales of the various products, 1948 as compared with 1947, is given in Table II. Table III lists prices of dairy feeds at October 15th, 1947; June 1st, 1948; and December 31st, 1948. A summary is also given of retail quart prices for standard milk which were in effect in the larger urban markets throughout the Dominion as at December 31st.

AREAS UNDER THE CONTROL OF THE BOARD.

No new areas became subject to the provisions of the "Public Utilities Act" respecting milk during the year. The four controlled areas within the Province are the Greater Victoria, Vancouver, Duncan, and Nanaimo areas.

BOARD MEETINGS.

The Board held three public hearings during the year, as follows: Vancouver, March 4th; Victoria, March 8th; and Merritt, September 16th.

In addition, twenty-seven regular meetings of the Board were held to deal with matters of policy and administration. Complete minutes of all these meetings are recorded in the minute-book of the Board. Throughout the year, numerous conferences were also held with producers, milk-dealers, and others in all areas to discuss various matters pertaining to the production, supply, distribution, and sale of milk.

LICENSING.

Pursuant to Order No. 6, licences are issued for a period of twelve months or portion thereof ending on March 31st of the period in respect of which they are issued. A summary of 1948–49 licences issued, cancelled, and in effect at December 31st follows:—

Area.	Class I, Milk-dealer.			Class II, Milk-jobber.			Class III, Producer-Distributer.			Class IV, Primary Producer.		
	Issued.	Cancelled.	In effect Dec. 31, 1948.	Issued.	Cancelled.	In effect Dec. 31, 1948.	Issued.	Cancelled.	In effect Dec. 31, 1948.	Issued.	Cancelled.	In effect Dec. 31, 1948.
Vancouver	32	1	31	8	1	7	52	10	42	4,092	121	3,971
Greater Victoria	10	2	8	4	.....	4	45	3	42	263	10	253
Duncan	1	.....	1	.....	.....	.....	5	1	4	47	1	46
Nanaimo	3	.....	3	.....	.....	.....	10	1	9	46	.....	46
Totals	46	3	43	12	1	11	112	15	97	4,448	132	4,316

Of the licences cancelled, one milk-dealer discontinued business and two sold out to other licensed milk-dealers. The holder of the only Class II licence cancelled sold his business to a milk-dealer. Two holders of two Class III licences discontinued producing their own milk and obtained Class I licences. Seven producer-distributers discontinued distributing their milk and obtained Class IV licences, and six sold their distributing businesses to licensed milk-dealers. The cancellations of Class IV licences were largely because holders either sold their farms or discontinued producing milk. There was not any licence in any class cancelled for cause.

SUMMARY OF APPLICATIONS RECEIVED AND ORDERS ISSUED.

Order No. 19.—Application having been received from primary producers and milk-dealers for an increase in the rates received for milk supplied in the Greater Victoria area, the Board held a public hearing in the City of Victoria on March 8th, 1948. Order No. 19 (approved by Order in Council No. 1308) was issued, to become effective on June 16th. This order provided for an increase in both producer and consumer rates.

Order No. 20.—Application having been received from primary producers and milk-dealers for an increase in the rates received for milk supplied in the Vancouver area, the Board held a public hearing in the City of Vancouver on March 4th. Order

No. 20 (approved by Order in Council No. 1308) was issued, to become effective on June 16th. This order provided for an increase in both producer and consumer rates.

Order No. 21.—Application having been received from primary producers and milk-dealers for an increase in the rates received for milk supplied in the Duncan area, the Board held a public hearing in the City of Victoria on March 8th. Order No. 21 (approved by Order in Council No. 1308) was issued, to become effective on June 16th. This order provided for an increase in both producer and consumer rates.

Order No. 22.—Application having been received from primary producers and milk-dealers for an increase in the rates received for milk supplied in the Nanaimo area, the Board held a public hearing in the City of Victoria on March 8th. Order No. 22 (approved by Order in Council No. 1308) was issued, to become effective on June 16th. This order provided for an increase in both producer and consumer rates.

Following receipt of an application from the manufacturers and wholesale distributers of ice-cream in the Vancouver area to have the Board regulate the wholesale marketing of ice-cream in that area, a hearing was held in the City of Vancouver on August 9th to receive representations respecting this application. Final decision in this matter has not yet been made.

Following receipt of an application from the Corporation of the City of Merritt for the Board to inquire into the matter of an adequate supply of fresh milk in the City of Merritt, a public hearing was held in that city on September 16th. It was decided that the services of the Board were not required in this area.

CONCLUSION.

At the close of the year the industry appears to have developed stability, and current trends do not indicate any immediate changes in price-level. The threat of serious disruption of the supply of fluid milk for the Vancouver market due to flood conditions did not materialize. Many primary producers had their production programme interrupted, and, as may be expected, some financial losses were incurred. However, efficient work on the part of the producers themselves, those in charge of flood-control, the housing and feeding of dairy cattle which had to be evacuated in flooded areas, and from the co-operation of marketing associations, trucking concerns, and milk-dealers, these losses were kept at a minimum. The effective rehabilitation programme instituted by the Federal and Provincial Governments has, to a great extent, enabled the loss in production to be restored, and the continuity of supply in not only the Vancouver area, but also in those areas on Vancouver Island and in the Interior of the Province which depend on supplies from the Lower Mainland during the winter months has been maintained.

The Board wishes to express its appreciation for the co-operation of those engaged in the industry as producers and milk-dealers, to officials of other government departments, and to the public as a whole. Such co-operation has greatly contributed to any success which may have attended the efforts of the Board and its staff during the year.

STATISTICAL TABLES.

TABLE IA.—SALES, VANCOUVER AREA.

Month.	Standard Milk.	Special Milk.	Chocolate-Flavoured Dairy Drink.	Buttermilk.	Skimmilk.	Substandard Cream (9% Butterfat).	Table and Sour Cream (18% Butterfat).	Whipping Cream (32% Butterfat.)
1947.								
January	3,802,818	1,202,091	49,584	43,059	41,606	556,087	46,124	.....
February	3,563,419	1,111,707	53,799	44,221	53,941	526,463	45,242	.....
March	3,962,549	1,249,552	62,103	55,064	61,249	576,182	49,694	.....
April	3,800,938	1,144,382	55,593	58,936	86,204	540,568	74,166	19,760
May	3,992,174	1,181,758	81,871	68,464	97,812	540,440	77,059	19,186
June	3,714,549	1,065,590	74,626	85,029	82,490	490,164	75,295	31,096
July	3,885,124	1,117,782	68,301	75,479	81,720	476,043	77,041	20,819
August	3,905,213	1,141,328	75,493	71,744	86,527	472,312	78,158	18,503
September	3,821,343	1,101,092	92,183	59,167	72,373	459,804	72,214	16,334
October	3,927,149	1,134,047	115,721	53,108	67,065	474,014	72,733	18,559
November	3,798,885	993,088	84,949	44,612	53,145	442,783	68,711	17,816
December	3,842,935	991,230	69,091	42,358	59,533	435,623	77,279	22,310
Totals	46,017,096	13,433,647	883,314	701,241	843,665	5,990,483	813,716	185,383
1948.								
January	3,966,720	1,001,188	74,139	46,091	59,802	487,218	72,361	22,337
February	3,791,830	948,159	75,974	43,913	55,920	463,451	65,458	22,759
March	4,063,795	986,660	85,128	51,005	76,609	484,975	70,775	25,869
April	3,994,981	968,546	94,734	56,449	85,986	466,573	66,871	24,287
May	4,032,011	940,977	103,017	63,105	85,545	446,324	62,243	23,527
June	4,059,405	876,589	118,984	78,027	89,299	425,387	59,930	28,414
July	4,111,787	797,184	83,582	70,138	82,323	442,697	63,102	25,836
August	4,095,584	789,356	76,218	58,419	74,350	439,109	60,253	19,025
September	3,997,640	764,333	98,586	47,060	64,603	429,743	56,301	17,638
October	4,137,406	793,949	113,722	46,238	62,932	459,324	56,977	23,007
November	3,880,754	777,156	101,050	41,929	58,021	453,757	52,589	21,273
December	3,992,038	772,509	76,971	39,220	61,294	473,973	57,549	29,356
Totals	48,123,951	10,416,606	1,102,105	641,594	856,684	5,472,531	744,409	283,328

NOTES.—1. There were no sales of whipping cream in January, February, and March, 1947.
2. Figures for sales in November and December, 1948, subject to minor adjustments.

TABLE IB.—SALES, VICTORIA AREA.

Month.	Standard Milk.	Special Milk.	Chocolate-Flavoured Dairy Drink.	Buttermilk.	Skimmilk.	Substandard Cream (9% Butterfat).	Table and Sour Cream (18% Butterfat).	Whipping Cream (32% Butterfat.)
1947.								
January	772,021	257,391	8,087	3,334	758	51,704	16,790	.....
February	745,461	262,915	8,476	4,005	729	53,827	16,435	.....
March	840,682	257,405	8,059	4,810	714	57,994	17,650	.....
April	736,909	247,480	8,930	4,391	968	56,840	17,869	6,182
May	789,206	249,902	11,497	4,518	1,075	57,549	17,556	5,443
June	724,920	226,781	10,007	4,870	1,087	53,937	16,792	10,261
July	769,235	229,007	9,222	5,024	3,999	54,661	17,241	7,163
August	755,369	238,927	9,474	4,923	811	54,291	17,382	6,820
September	725,085	229,323	11,070	3,824	683	52,061	14,184	5,330
October	752,078	242,299	9,782	3,476	1,049	51,287	12,938	5,530
November	724,620	205,953	8,867	3,632	2,829	48,035	11,867	5,329
December	730,614	214,752	7,587	3,543	2,785	51,056	12,572	7,048
Totals	9,066,200	2,862,135	111,058	50,350	17,487	643,242	189,276	59,106
1948.								
January	744,438	225,695	7,364	3,690	2,426	50,764	10,863	6,218
February	689,179	212,568	6,866	4,095	2,588	47,612	10,406	6,125
March	740,102	226,700	7,809	4,607	2,844	53,537	11,398	7,282
April	711,761	216,062	10,397	4,964	3,104	51,017	10,614	6,598
May	749,289	223,992	10,635	5,600	4,276	50,740	10,220	6,650
June	722,292	204,549	10,966	5,252	4,215	46,878	10,034	9,535
July	771,293	182,855	9,709	5,635	4,180	51,001	11,220	8,722
August	748,673	184,749	8,608	4,920	3,951	50,831	10,838	6,846
September	724,983	177,149	9,101	4,347	3,549	49,965	9,794	6,152
October	745,029	190,364	10,747	4,561	3,828	51,463	8,893	6,196
November	721,610	186,604	9,122	2,860	3,246	50,875	8,029	5,596
December	737,804	189,676	11,828	4,222	3,573	53,917	9,368	6,954
Totals	8,806,453	2,420,963	113,152	54,753	41,780	608,600	121,677	82,874

NOTES.—1. There were no sales of whipping cream in January, February, and March, 1947.
2. Figures for sales in November and December, 1948, subject to minor adjustments.

TABLE IC.—SALES, DUNCAN AREA.

Month.	Standard Milk.	Special Milk.	Chocolate-Flavoured Dairy Drink.	Butter-milk.	Skim-milk.	Sub-standard Cream (9% Butter-fat).	Table and Sour Cream (18% Butter-fat).	Whipping Cream (32% Butter-fat.)
1947.								
August*	39,829	4,830	66	.....	.....	463	943	202
September	36,230	8,623	169	.....	.....	453	704	200
October	35,874	9,451	317	.....	.....	539	956	252
November	36,872	6,939	145	.....	15	518	953	217
December	54,169	8,933	872	.....	19	430	1,085	430
Totals	202,974	38,776	1,569	.....	34	2,403	4,641	1,301
1948.								
January	35,746	9,062	64	.....	.....	515	829	192
February	34,410	9,348	154	.....	.....	605	638	259
March	36,660	10,313	293	.....	.....	580	846	289
April	33,634	10,294	176	.....	.....	506	825	274
May	36,247	9,961	175	.....	.....	668	635	287
June	36,763	9,185	175	95	.....	405	542	420
July	37,808	8,634	27	42	92	283	680	501
August	36,416	8,818	.....	29	.....	326	606	391
September	34,024	8,856	.....	79	211	386	592	349
October	33,887	10,071	725	108	266	416	590	417
November	31,545	10,045	929	81	198	449	565	349
December	35,210	6,706	620	60	244	477	531	465
Totals	422,350	111,293	3,338	494	1,011	5,616	7,879	4,193

NOTE.—Figures for sales in November and December, 1948, subject to minor adjustments.

* Board started operation in Duncan area on August 1st, 1947.

TABLE ID.—SALES, NANAIMO AREA.

Month.	Standard Milk.	Special Milk.	Chocolate-Flavoured Dairy Drink.	Butter-milk.	Skim-milk.	Sub-standard Cream (9% Butter-fat).	Table and Sour Cream (18% Butter-fat).	Whipping Cream (32% Butter-fat.)
1947.								
August*	112,640	19,664	464	320	361	3,894	559	416
September	93,337	25,688	676	358	120	2,217	1,852	312
October	91,578	25,736	857	240	.....	2,295	2,072	203
November	85,251	24,649	605	160	111	2,139	1,893	332
December	88,699	19,309	549	160	138	2,057	1,954	510
Totals	471,505	115,046	3,151	1,238	730	12,602	8,330	1,773
1948.								
January	93,699	21,353	1,180	100	125	2,114	1,828	364
February	89,836	21,196	1,486	120	169	1,889	1,799	341
March	92,974	23,292	1,690	320	195	1,926	1,946	647
April	91,394	26,233	1,239	360	432	2,083	1,887	634
May	97,105	24,716	1,138	300	579	2,214	2,048	574
June	95,734	22,685	1,315	240	668	2,003	1,812	766
July	99,753	20,779	650	216	72	2,456	1,787	733
August	101,409	20,667	1,369	168	39	2,441	1,943	701
September	100,273	19,320	524	160	13	2,289	2,213	451
October	105,883	19,941	1,373	184	59	2,351	2,851	589
November	105,969	18,425	2,465	192	38	2,150	2,498	571
December	110,058	16,108	2,121	128	15	2,183	2,518	659
Totals	1,184,087	254,715	16,550	2,488	2,404	26,099	25,130	7,030

NOTE.—Figures for sales in November and December, 1948, subject to minor adjustments.

* Board started operation in Nanaimo area on August 1st, 1947.

TABLE IIA.—SALES, VANCOUVER AREA, 1948 AS COMPARED TO 1947.

Product.	Retail.	Wholesale.	Total Sales.
Standard Milk—	Quarts.	Quarts.	Quarts.
1948	31,563,795	16,560,156	48,123,951
1947	29,474,018	16,543,078	46,017,096
	2,089,777*	17,078*	2,106,855*
	(7.09%)	(0.1%)	(4.58%)
Special Milk—			
1948	8,295,010	2,121,596	10,416,606
1947	10,542,823	2,890,824	13,433,647
	2,247,813†	769,228†	3,017,041†
	(21.32%)	(26.61%)	(22.46%)
Chocolate-flavoured dairy drink—			
1948	401,345	700,760	1,102,105
1947	233,332	649,982	883,314
	168,013*	50,778*	218,791*
	(72%)	(7.81%)	(24.77%)
Buttermilk—			
1948	219,381	422,213	641,594
1947	227,216	474,025	701,241
	7,835†	51,812†	59,647†
	(3.44%)	(10.93%)	(8.51%)
Skim-milk—			
1948	201,361	655,323	856,684
1947	164,112	679,553	843,665
	37,249*	24,230†	13,019*
	(22.7%)	(3.57%)	(1.54%)
Substandard cream—			
1948	1,945,470	3,527,061	5,472,531
1947	2,158,807	3,831,676	5,990,483
	213,337†	304,615†	517,952†
	(9.88%)	(7.95%)	(8.65%)
Table and sour cream—			
1948	188,970	555,439	744,409
1947	178,321	635,395	813,716
	10,649*	79,956†	69,307†
	(5.97%)	(12.58%)	(8.52%)
Whipping cream—			
1948	91,729	191,599	283,328
1947	62,798	122,585	185,383
	28,931*	69,014*	97,945*
	(46.06%)	(56.3%)	(52.83%)

* Increase. † Decrease.

TABLE IIB.—SALES, VICTORIA AREA, 1948 AS COMPARED TO 1947.

Product.	Retail.	Wholesale.	Total Sales.
Standard Milk—	Quarts.	Quarts.	Quarts.
1948	5,881,755	2,924,698	8,806,453
1947	5,549,386	3,516,814	9,066,200
	332,369* (5.99%)	592,116† (16.84%)	259,747† (2.87%)
Special Milk—			
1948	2,194,762	226,201	2,420,963
1947	2,550,688	311,447	2,862,135
	355,926† (13.95%)	85,246† (27.37%)	441,172† (15.41%)
Chocolate-flavoured dairy drink—			
1948	17,708	95,444	113,152
1947	9,816	101,242	111,058
	7,892* (80.4%)	5,798† (5.72%)	2,094* (1.88%)
Buttermilk—			
1948	36,528	18,225	54,753
1947	33,218	17,132	50,350
	3,310* (9.96%)	1,093* (6.38%)	4,403* (8.74%)
Skim-milk—			
1948	21,920	19,860	41,780
1947	13,087	4,398	17,487
	8,833* (67.49%)	15,462* (351.57%)	24,293* (138.92%)
Substandard cream—			
1948	201,414	407,186	608,600
1947	203,853	439,389	643,242
	2,439† (1.2%)	32,203† (7.32%)	34,642† (5.39%)
Table and sour cream—			
1948	35,356	86,321	121,677
1947	50,294	138,982	189,276
	14,938† (29.7%)	52,661† (37.89%)	67,599† (35.71%)
Whipping cream—			
1948	29,783	53,091	82,874
1947	21,827	37,279	59,106
	7,956* (36.45%)	15,812* (42.41%)	23,768* (40.21%)

* Increase. † Decrease.

TABLE III.—PICK-UP PRICES FOR DAIRY FEEDS AT VANCOUVER, B.C.

	Oct. 15, 1947.	June 1, 1948.	Dec. 31, 1948.
	Per Ton.	Per Ton.	Per Ton.
Bran	$39.00	$53.00	$55.00
Shorts	40.00	55.00	58.00
Wheat (Grade 5)	39.00	53.00	71.00
Barley	35.00	59.00	52.00
Ground barley	37.00	61.00	54.00
Oats	40.00	64.00	53.00
Ground oats	42.00	66.00	55.00
Dairy feed (16%)	43.00	61.00	61.00
Oil-cake meal	44.00	89.00	89.00
Cocoanut-meal	40.00	69.00	69.00
Alfalfa-meal	.....	59.00	59.00
Alfalfa hay (first cut)	.....	37.00	39.00
Alfalfa hay (second cut)	.....	39.00	42.00
Local mixed hay	.....	31.00	37.00

TABLE IV.—RETAIL QUART PRICES FOR STANDARD MILK AT DECEMBER 31ST, 1948.

	Cents.		Cents.
Halifax, N.S.	19	Regina, Sask.	17
Sydney, N.S.	20	Saskatoon, Sask.	17
Saint John, N.B.	18	Edmonton, Alta.	17
Montreal, P.Q.	17½	Calgary, Alta.	17
Toronto, Ont.	18	Vancouver, B.C.	17
Winnipeg, Man.	17	Victoria, B.C.	19

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