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TWENTY-EIGHTH ANNUAL REPORT

# CANADA PACKERS LIMITED

AS AT MARCH 30th, 1955



# CANADA PACKERS LIMITED

## OFFICERS

*President*

W. F. McLEAN

*Executive Vice-President*

G. A. SCHELL

*Vice-Presidents*

S. G. BENNETT

W. R. CARROLL

A. J. E. CHILD

N. J. McLEAN

*Secretary and Assistant Treasurer*

J. D. A. EVERS

## DIRECTORS

\* S. G. BENNETT

W. W. LASBY

\* W. R. CARROLL

\* N. J. McLEAN

\* A. J. E. CHILD

\* W. F. McLEAN

J. D. A. EVERS

H. M. MURRAY

K. S. HARRIS

W. R. PARLIAMENT

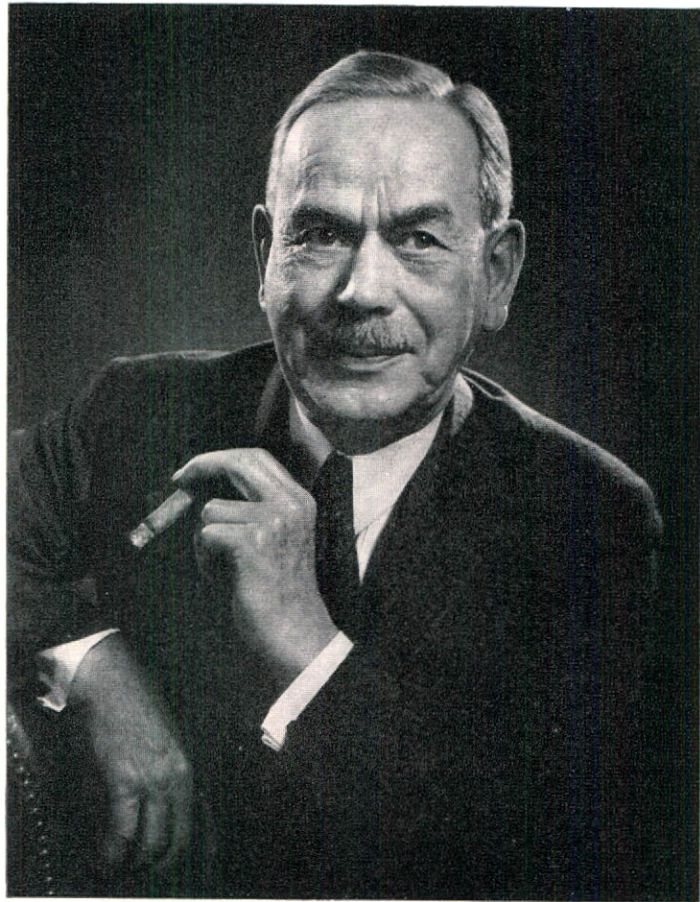
A. G. HALL

\* G. A. SCHELL

J. P. LABERGE

F. A. WIGGINS

\* Member of the Executive Committee



**W**ITH deep regret we record the death on September 1st 1954 of James Stanley McLean, Chairman of the Board of Canada Packers Limited.

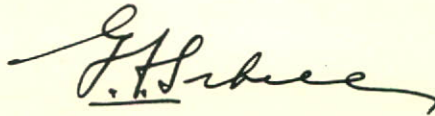
Mr. McLean joined the newly formed Harris Abattoir Company as bookkeeper in 1901. Advancing rapidly, he was appointed Secretary-Treasurer within a short time.

Mr. McLean became the first President of Canada Packers Limited when that Company was formed in 1927, by the merging of four Packing Companies (including the Harris Abattoir Company). He continued as President until August 11th, 1954, when he became Chairman of the Board.

Mr. McLean maintained an active interest in the business until the day of his death.

Not only Canada Packers Limited, but the whole Packing Industry benefited by Mr. McLean's unusual gift of leadership.

We who have worked with Mr. McLean freely acknowledge that we owe him much. He set an outstanding example of energy and foresight. Speaking for all employees, I wish to pay this tribute to Mr. McLean's half-century of devoted service.

A handwritten signature in cursive script, appearing to read "G. H. Schue". The signature is written in dark ink and is positioned above the typed name.

*Executive Vice-President*

## REPORT TO THE SHAREHOLDERS

The 28th year of Canada Packers Limited closed March 30th, 1955. (Hereinafter the year is designated 'Fiscal 1955'.)

Tonnage (pounds of product sold) again reached a new high . . . . .	1,980,000,000 lbs.
The previous high (Fiscal 1954) . . . . .	1,932,000,000 "
Increase . . . . .	48,000,000 "
Equivalent to . . . . .	2.5 per cent.

Fiscal 1954 contained 53 weeks. The increase in tonnage on a 52-week basis is equivalent to . . . . . 4.4 per cent.

The Annual Reports for the two preceding years showed a decrease in dollar sales in spite of an increase in tonnage. This year the pattern is repeated.

Dollar Sales, Fiscal 1955 . . . . .	\$364,000,000
" " " 1954 . . . . .	374,000,000
Decrease . . . . .	10,000,000
Equivalent to . . . . .	2.7 per cent.

The decrease in dollar sales on a 52-week basis is equivalent to . . . . . 0.8 per cent.

The explanation lies in the continuing decline in the price of certain of the products handled by the company. Table I reveals the trend of the last four years.

TABLE I

	Tonnage	Dollar Sales	Average Price per lb. of all products sold
Fiscal 1952 . . . . .	1,708,000,000 lbs.	\$390,000,000	22.8¢
" 1953 . . . . .	1,859,000,000 "	386,000,000	20.7¢
" 1954 . . . . .	1,932,000,000 "	374,000,000	19.3¢
" 1955 . . . . .	1,980,000,000 "	364,000,000	18.4¢

Canada Packers handles many products and each year the prices of some advance while others decline. The decline of 0.9¢ per pound average has no exact meaning but is a measure of the overall trend.

Net Profit for the year was . . . . .	\$3,716,652
Net Profit for Fiscal 1954 . . . . .	3,702,020
Increase . . . . .	14,632

The net profit expressed as —

- (a) a percentage of sales was . . . . . 1.02 per cent.
- (b) per 100 pounds was . . . . . 18.8 cents,  
i.e., just under 1/5¢ per pound.

From the statements of Profit and Loss it can be seen that the net profit for this year and for the previous year is made up as follows:

	<u>Fiscal 1955</u>	<u>Fiscal 1954</u>
Profit from operations of the companies primarily engaged in the packinghouse business . . . . .	\$3,171,778	\$3,617,576
Dividends from Subsidiaries . . . . .	315,000	15,000
Income from investments and profit on the sale of investments . . . . .	229,874	69,444
TOTAL . . . . .	<u>\$3,716,652</u>	<u>\$3,702,020</u>

The profit from operations of the companies primarily engaged in the packinghouse business is less than last year by . . . . . \$ 445,798  
equivalent to . . . . . 12.3 per cent.

A heavy loss on pork was the principal reason for this decrease in operating profit.

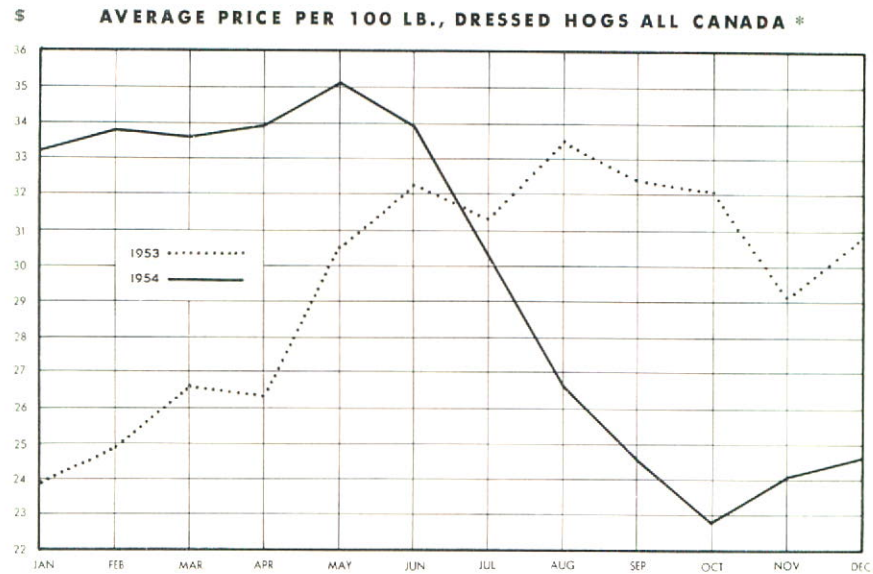
During the summer months of 1954, the price of pork and the price of hogs fell rapidly. This is illustrated in Table II.

TABLE II \*

Monthly weighted average price per 100 lbs. of dressed hogs sold on all public stock yards in Canada 1954	May . . . . .	\$35.09
	June . . . . .	33.93
	July . . . . .	30.25
	August . . . . .	26.63
	September . . . . .	24.56
	October . . . . .	22.86

\* Source: Department of Agriculture, Ottawa. *Livestock Market Review*.

The following graph illustrates the difference in the trend of the price of hogs for the years 1953 and 1954.



In 1953 the price of hogs followed the normal pattern, increasing during the summer months when marketings are lighter. In 1954 the price of hogs declined during the period of light marketings in the summer months.

In retrospect the reason is obvious. During the winter and spring of 1953-1954, the price of pork was too high compared to other meats. The result of this was:

- (a) Consumption of pork in Canada was curtailed.
- (b) The resulting surplus of pork piled up in Canada in the form of freezer stocks. The total quantity of these freezer stocks, plus current marketings, was too great for Canada to consume at the prevailing price.

Then, between May and September 1954, the United States hog market fell from \$28.50 to \$20.00 per 100 pounds. (Basis top hogs alive on the Chicago market.)

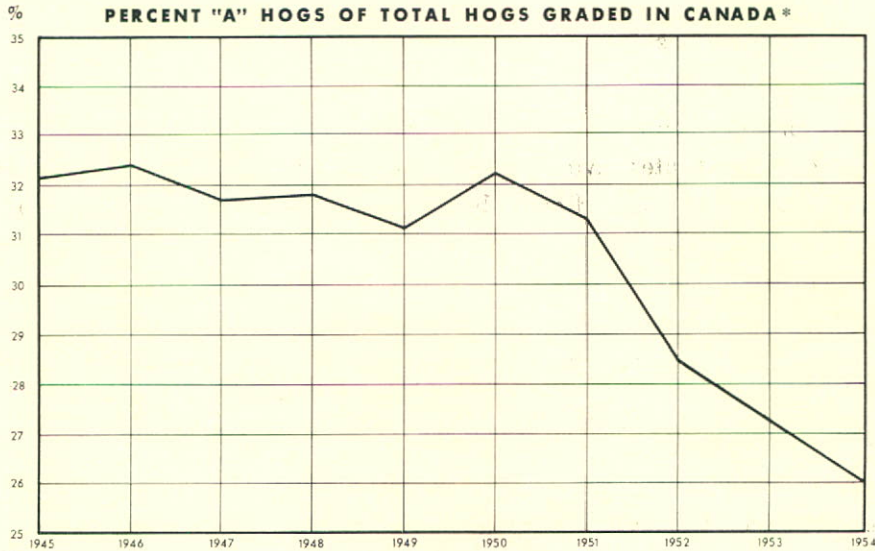
The heavy freezer stocks as well as the current marketings had to be moved into consumption during the summer of 1954. Product which could not be consumed in Canada was shipped to the United States at low prices. These factors caused the sharp decline in the price of pork and hogs during the summer of 1954.

The freezer stocks which had been accumulated during the winter and early spring were sold at a heavy loss.

\* Source: Department of Agriculture, Ottawa. *Livestock Market Review*.



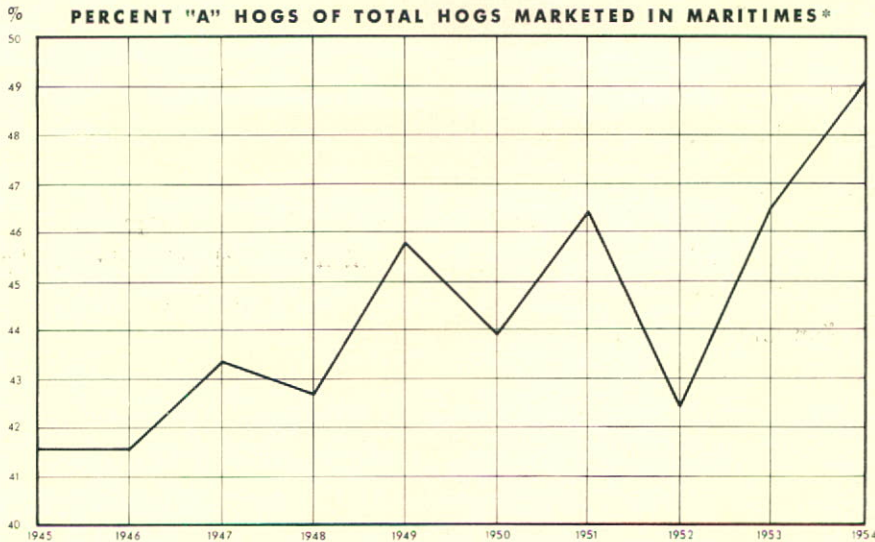
There is one very serious problem facing the Canadian Livestock Industry. For several years, the quality of hogs produced in Canada has steadily declined. The following graph shows the percentage of 'A' grade hogs in the total hogs graded in Canada since 1945:



The decline in the quality of Canadian hogs is startling.

This decline occurred everywhere except in the Maritime Provinces.

During the same period the quality of hogs in the Maritimes improved. The next graph shows the percentage of 'A' grade hogs in the hogs marketed in the Maritimes since 1945.



\* Source: Department of Agriculture, Ottawa. *Livestock Market Review*.

This substantial increase in the percentage of 'A' grade hogs is in marked contrast to the trend for all of Canada and shows what can be accomplished by careful attention to the problem.

The decline in quality of hogs is a very serious matter for the Canadian hog industry.

Canada has two principal export markets for products derived from hogs, — the United Kingdom and the United States. We are not at present shipping to the United Kingdom but it might easily happen that this would again become a very important outlet for Canadian hog products. During the war, Canadian bacon established a first class reputation with the British consumer. It would be a tragedy for the Canadian hog producer if we were not ready to take advantage of that fine reputation because the quality of our hogs had deteriorated. Our principal competitor in this market would be Denmark. The quality of hogs being produced in Canada today is certainly not good enough to permit substantial shipments of a quality that would compete with Danish product.

Our other export outlet, the United States, is a premium market. We cannot pay duty and freight on pork products and compete with the United States product on price. To do business in the United States we must sell at a premium price. We must produce a product that is worth the higher price we are compelled to get for it. The United States consumer will pay a premium for lean pork. Our second and third grade hogs will not produce a product that will command this premium.

The quality of hogs is equally important for the Canadian market. The Canadian housewife is discerning and rigid in her standard for lean pork products.

Raising the quality of Canadian hogs is important, most of all, to the hog producer. The return to the hog producer depends entirely on the price at which the Packer is able to sell pork. This price depends to a large extent on the acceptance of our pork products by the consumers in both the Canadian and the export markets.

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Canadian marketings and consumption of beef increased sharply in 1954. Table III reveals the figures.

TABLE III \*

	Canadian Inspected Slaughterings	Estimated Human Population	Estimated Consumption of Beef per Capita	Estimated Total Consumption
1948	1,489,883	12,823,000	57.5 lbs.	737 million lbs.
1949	1,439,489	13,447,000	56.5 "	760 " "
1950	1,284,683	13,712,000	50.3 "	690 " "
1951	1,149,789	14,009,000	44.1 "	618 " "
1952	1,237,630	14,430,000	48.6 "	702 " "
1953	1,469,406	14,781,000	64.5 "	954 " "
1954	1,635,008	15,195,000	72.0 "	1,094 " "

The increase in inspected cattle slaughterings for 1954 is equivalent to . . . . . 11.3%

In spite of this increase in marketings, the Canadian demand for beef was such that beef prices in Canada remained above those in the United States (after paying freight and duty) for most of the year. The reason for this is revealed in the consumption figures shown in Table III. The increased consumption of beef in Canada readily absorbed the increased production and exports to the United States were again very small. (The United States is almost the sole export market for Canadian beef.)

Since 1948, shipments to the United States of cattle plus beef — expressed in terms of beef — have been as follows:

TABLE IV †

Shipments to the United States of Beef Cattle plus Beef (Cattle converted on the basis of 500 lbs. per head)	
1949	253,995,000 lbs.
1950	262,749,000 "
1951	176,777,000 "
1952 (two months)	5,083,000 " †
1953 (ten months)	28,771,000 " ‡
1954	35,283,000 "
1955 (six months)	9,678,000 "

\* Source:—Slaughterings: Department of Agriculture, Ottawa. *Livestock Market Review*.  
Population: Dominion Bureau of Statistics. *Canadian Statistical Review*.  
Beef Consumption: Dominion Bureau of Statistics Memoranda.

† Source:—Department of Agriculture, Ottawa. *Livestock Market Review and Livestock and Meat Trade Report*.

† Note (1) — From February 25th, 1952, to March 2nd, 1953, shipments to the U.S. were prohibited due to foot and mouth disease. During that period, the surplus of beef (in excess of Canadian consumption) was purchased by the Federal Government and sold to the U.K.

‡ Note (2) — For 1953 the period of shipments to the U.S. was ten months. For twelve months the surplus may be estimated at 35,000,000 lbs.

Over a period of ten years exports of pork products have declined even more dramatically. One wonders whether the export of meats from Canada might soon be a thing of the past.

One factor tends towards an opposite view. This was discussed in last year's Annual Report:

“Canada still produces a heavy surplus of grains. On Canadian farms the most perplexing problem is how to convert into cash, grains for which there is no immediate export outlet. To this problem there is, at present, only one solution — to convert the grain into secondary food products:—cattle, hogs, poultry and dairy products. Every fact points to a substantial increase in these secondary products throughout the next two or three years.”

A substantial increase of beef was produced in 1954. But Canadian consumption was sufficient to absorb the increase and exports remained at a very low level. Increased livestock production is again expected in 1955. Thus far, hog marketings are up by 20% and the increase is expected to continue. Somewhat smaller increases are expected on cattle and calves.

Canada's carryover of grain at the end of this crop year will be somewhat smaller than last year. But the carryover will still be substantial, and no one would suggest that there will not be a heavy surplus of grain in the foreseeable future. These facts still point to substantial increases in livestock production. Whether Canada can continue to consume this increase or whether we shall again become a large exporter of meats is difficult to foresee.

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Out of the earnings of the year, \$800,000 was allocated to employees in the Profit Sharing Plan. This sum is considerably less than in Fiscal 1954 by reason of the lower operating profit. Directors regret the necessity of reducing the allocation to the Profit Sharing Plan and sincerely hope that it will be possible to increase it next year.

As explained in last year's Annual Report, these sums are invested in the securities of carefully chosen companies engaged in developing the basic resources of Canada. The experience of the first two years' operation of the Profit Sharing Plan has been very successful. The record is as follows:

	First Year		Second Year	
(1) Earnings in interest and dividends	\$26,775	4.4%	\$ 46,234	3.5%
(2) Capital appreciation due to increase in market value of the investments	\$63,623	10.4%	\$193,716	14.7%
(3) Total increment . . . . .	\$90,398	14.8%	\$239,950	18.2%

The total value of the Plan now stands at . . . . . \$2,416,000

The rate of increment for the first two years of the Plan is very high. As at July 7th when this Report goes to press, it continues to be very high. It cannot be expected that this rate will continue without interruption. Periods will no doubt occur when the market value of even the soundest securities will decline. However, the securities of the Plan are carefully chosen from the most conservative companies engaged in developing Canada's natural resources. The Directors are confident that over a long period the Plan will produce very important amounts for the employees.

The Directors have pleasure in stating that relations with employees throughout the year have been harmonious and co-operative. On behalf of the shareholders, they express their warm appreciation to employees of all ranks.

Toronto, July 7th, 1955.



President.

# CONSOLIDATED BALANCE SHEET

*(Incorporated under the laws of the State of New York)*

**as at MARCH 31, 1928**

ASSETS	COLUMN 1 The companies engaged primarily in packinghouse operations	COLUMN 2 Including all subsidiaries
Cash on hand . . . . .	\$ 82,289	\$ 86,156
Investments in bonds and shares — at cost less amounts written off (approximate market value \$278,000) . . . . .	22,300	23,766
Trade accounts receivable (after provision for losses) . . . . .	13,784,629	16,346,983
Inventories:		
Products, materials and supplies on hand, in transit and committed for — as determined and certified by the management and valued at the lower of cost or market, less reserve of \$6,000,000 . . . . .	28,846,545	33,851,847
Amounts due from subsidiary companies not consolidated herein . . . . .	757,178	
Life insurance (cash surrender value) . . . . .	264,053	264,053
Prepaid expenses . . . . .	873,746	956,093
Sundry advances and balances receivable . . . . .	518,204	729,694
<b>TOTAL CURRENT ASSETS</b> . . . . .	<b>\$45,148,944</b>	<b>\$52,258,592</b>
Investments in subsidiary companies not consolidated herein — at cost . . . . .	5,408,766	
Investment in other securities — at cost less amounts written off . . . . .	107,617	107,617
Land, buildings, plant and equipment — at cost or at depreciated appraisal values for assets appraised in the years 1919 to 1927 . . . . .	42,652,975	47,745,665
Goodwill . . . . .	1	1
	<b>\$93,318,303</b>	<b>\$100,111,875</b>

# OF CANADA PACKERS LIMITED

(In accordance with the laws of Canada)

April 30, 1955

<b>LIABILITIES</b>	COLUMN 1 The companies engaged primarily in packinghouse operations	COLUMN 2 Including all subsidiaries
Borrowings from banks . . . . .	\$ 2,148,691	\$ 2,268,299
Liability to banks for cheques issued but not yet cashed . . . . .	7,333,629	7,903,158
Accounts payable and accrued charges . . . . .	13,121,956	14,207,819
Amounts due to subsidiary companies not consolidated herein . . . . .	1,883,906	
Provision for income, sales, municipal and other taxes . . . . .	3,547,646	3,912,774
Dividends on Class A and B shares payable April 1, 1955 . . . . .	900,000	900,000
3% Serial debentures maturing February 16, 1956 . . . . .		100,000
<b>TOTAL CURRENT LIABILITIES . . . . .</b>	<b>\$28,935,828</b>	<b>\$29,292,050</b>
Accumulated depreciation of fixed assets . . . . .	28,912,378	31,591,263
Surplus on appraisals . . . . .	5,663,432	5,663,432
Interest of minority shareholders in subsidiary companies . . . . .		422,471
Capital:		
Authorized and issued —		
400,000 Class A shares of no par value } . . . . .	1,438,284	1,438,284
800,000 Class B shares of no par value } . . . . .		
Earned surplus . . . . .	28,368,381	31,704,375
	<b>\$29,806,665</b>	<b>\$33,142,659</b>
On behalf of the Board		
W. F. McLEAN, <i>Director</i>		
A. J. E. CHILD, <i>Director</i>	<b>\$93,318,303</b>	<b>\$100,111,875</b>

**CANADA PACKERS LIMITED**  
**STATEMENT OF CONSOLIDATED PROFIT AND LOSS**  
**of the Companies Engaged Primarily in Packinghouse Operations**

FOR THE YEAR ENDED MARCH 30, 1955

		% of Sales 1955	% of Sales 1954
Invoice value of sales . . . . .	\$374,256,003		
Less transport charges and duty . . . . .	10,705,364		
	363,550,639	100.00%	100.00%
Value of sales — f.o.b. plants . . . . .			
Cost of livestock and all other products . . . . .	281,308,086	77.38	78.33
Salaries, wages and bonus . . . . .	36,672,001	10.09	9.77
Selling and operating expenses . . . . .	19,236,232	5.29	4.97
Packages and materials . . . . .	16,005,770	4.40	3.97
Contribution to retirement plan . . . . .	588,764	0.16	0.15
Depreciation of fixed assets . . . . .	2,078,578	0.57	0.56
Provision for taxes:			
Taxes on income . . . . .	\$3,740,000		
Municipal and other taxes . . . . .	749,430		
	4,489,430	1.24	1.28
	\$360,378,861	99.13%	99.03%
Profit from operations . . . . .	\$ 3,171,778	0.87%	0.97%



CANADA PACKERS LIMITED

		% of Sales 1955	% of Sales 1954
FORWARD . . . . .	\$ 3,171,778	0.87%	0.97%
Dividends from subsidiary companies . . . . .	315,000		
Sundry income and profit from sale of investment . . . . .	229,874		
Net profit for the year . . . . .	\$ 3,716,652	1.02%	0.99%

NOTE: The expenditures for the year include the following:—

Directors' fees . . . . .	nil
Remuneration to executive officers and directors and legal fees . . . . .	\$263,517

**STATEMENT OF CONSOLIDATED EARNED SURPLUS**

FOR THE YEAR ENDED MARCH 30, 1955

Balance at credit March 31, 1954 . . . . .		\$26,136,601
Net profit for the year . . . . .		3,716,652
Proceeds from life insurance policy in excess of book value . . . . .		315,128
		\$30,168,381
Less Dividends paid or payable for the year:		
Two Dividends of 75¢ per share on 400,000 Class A shares . . . . .	\$ 600,000	
Two Dividends of 75¢ per share on 800,000 Class B shares . . . . .	1,200,000	1,800,000
	\$ 1,800,000	
Balance at credit March 30, 1955 . . . . .		\$28,368,381

## AUDITORS' REPORT

TO THE SHAREHOLDERS OF CANADA PACKERS LIMITED:

We have examined the consolidated balance sheet of Canada Packers Limited, including the companies engaged primarily in packinghouse operations, as at March 30, 1955 (Column 1 attached) and the statements of consolidated profit and loss and consolidated earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Included in the current liabilities are provisions and reserves which in our opinion are, in the aggregate, some \$2,750,000 in excess of the actual liabilities.

In our opinion, subject to the exception noted in the preceding paragraph, the accompanying consolidated balance sheet of Canada Packers Limited, including the companies engaged primarily in packinghouse operations (Column 1 attached) and statements of consolidated profit and loss and consolidated earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of these companies as at March 30, 1955 and the results of their operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the companies.

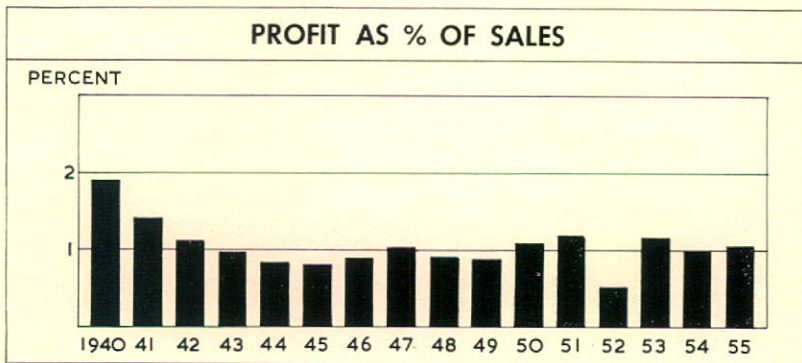
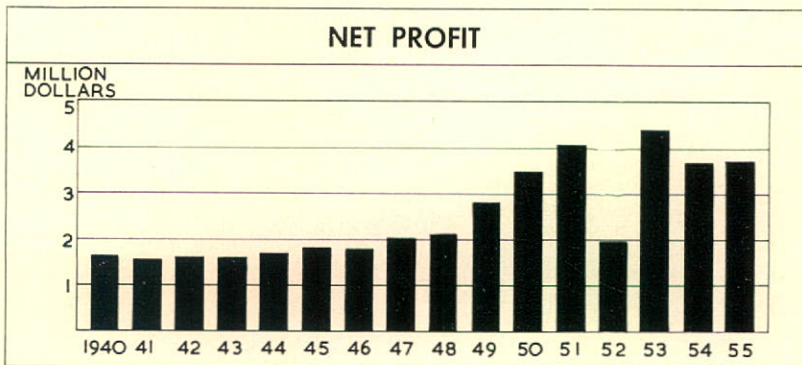
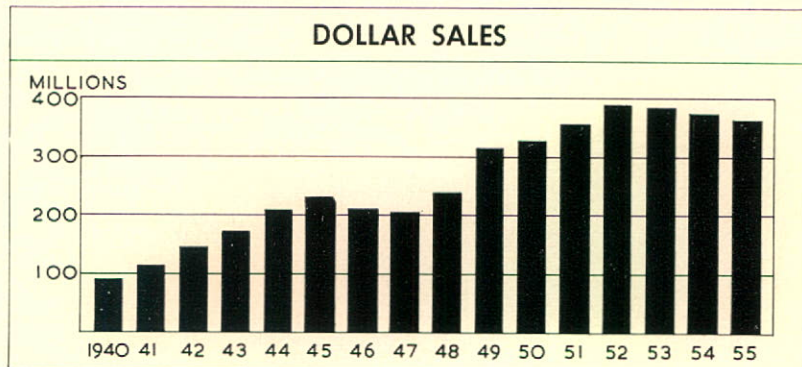
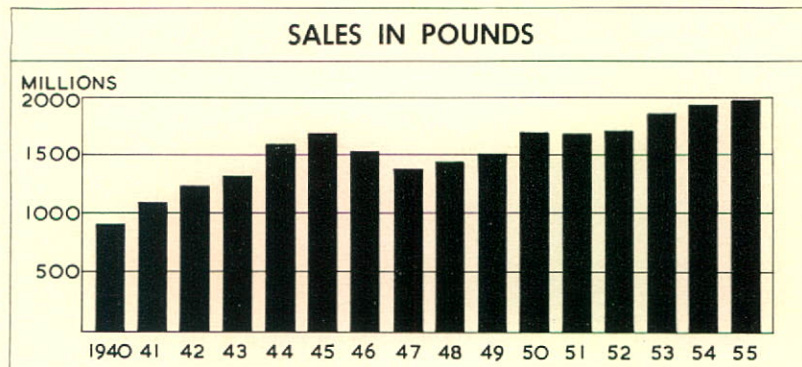
We have also examined the consolidated balance sheet of Canada Packers Limited, including all subsidiaries, as at March 30, 1955 (Column 2 attached) and, subject to the exception noted in paragraph two above, in our opinion such balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of these companies as at that date, according to the best of our information and the explanations given to us and as shown by the books of the companies.

Under Section 118 of the Companies' Act, Canada, we report that net profits for the year ended March 30, 1955, of the subsidiary companies whose accounts are not consolidated in the attached statement of consolidated profit and loss have been taken into account therein only to the extent of the dividends of \$315,000 received from such subsidiary companies during the year, which are not in excess of the company's proportion of the aggregate net profits of all such subsidiary companies for the year.

Toronto, Canada,  
July 4, 1955.

CLARKSON, GORDON & CO.  
Chartered Accountants.

**COMPARATIVE  
STATISTICS**



## TOTAL CANADA HOG GRADINGS

CALENDAR YEAR	EASTERN CANADA	WESTERN CANADA	TOTAL
1926 . . . . .	1,644,940	1,109,565	2,754,505
1927 . . . . .	1,770,949	1,077,439	2,848,388
1928 . . . . .	1,658,755	1,117,218	2,775,973
1929 . . . . .	1,403,445	1,255,564	2,659,009
1930 . . . . .	1,157,704	1,143,645	2,301,349
1931 . . . . .	1,252,460	1,390,912	2,643,372
1932 . . . . .	1,417,122	1,781,061	3,198,183
1933 . . . . .	1,438,580	1,766,845	3,205,425
1934 . . . . .	1,294,237	1,734,501	3,028,738
1935 . . . . .	1,351,468	1,606,153	2,957,621
1936 . . . . .	1,919,617	1,877,335	3,796,952
1937 . . . . .	2,174,005	1,811,575	3,985,580
1938 . . . . .	1,995,471	1,250,064	3,245,535
1939 . . . . .	2,086,881	1,619,298	3,706,179
1940 . . . . .	2,805,568	2,651,274	5,456,842
1941 . . . . .	2,853,793	3,362,414	6,216,207
1942 . . . . .	2,473,843	3,754,320	6,228,163
1943 . . . . .	2,566,054	4,583,367	7,149,421
1944 . . . . .	3,168,358	5,694,820	8,863,178
1945 . . . . .	2,449,137	3,411,936	5,861,073
1946 . . . . .	2,360,223	2,100,513	4,460,736
1947 . . . . .	2,901,597	1,854,374	4,755,971
1948 . . . . .	2,935,039	1,832,821	4,767,860
1949 . . . . .	2,942,497	1,486,758	4,429,255
1950 . . . . .	3,239,133	1,536,424	4,775,557
1951 . . . . .	3,290,160	1,604,382	4,894,542
1952 . . . . .	4,307,330	2,391,312	6,698,642
1953 . . . . .	2,815,372	2,187,442	5,002,814
1954 . . . . .	2,850,585	2,228,130	5,078,715
1955 — 6 Months . . . . .	1,512,380	1,443,213	2,955,593

**TOTAL CANADA SLAUGHTERINGS AT INSPECTED  
ESTABLISHMENTS**

CALENDAR YEAR	CATTLE	CALVES	SHEEP AND LAMBS	HOGS
1926 . . . . .	739,822	374,175	545,769	2,491,425
1927 . . . . .	733,357	414,675	618,057	2,540,342
1928 . . . . .	699,384	415,990	638,752	2,547,024
1929 . . . . .	701,866	414,781	725,004	2,353,161
1930 . . . . .	602,007	376,237	745,119	1,926,325
1931 . . . . .	592,036	371,076	820,891	2,242,765
1932 . . . . .	553,342	383,449	788,222	2,722,825
1933 . . . . .	654,000	438,428	868,679	2,802,377
1934 . . . . .	804,290	542,842	854,222	2,871,980
1935 . . . . .	789,711	586,851	861,228	2,805,825
1936 . . . . .	920,229	602,616	830,975	3,562,534
1937 . . . . .	923,961	702,405	821,758	3,802,141
1938 . . . . .	859,260	676,579	801,679	3,137,203
1939 . . . . .	872,574	679,922	786,274	3,628,369
1940 . . . . .	889,898	703,779	763,982	5,454,930
1941 . . . . .	1,004,101	719,168	830,963	6,273,851
1942 . . . . .	970,315	666,645	825,288	6,196,850
1943 . . . . .	1,021,334	594,385	889,269	7,173,550
1944 . . . . .	1,354,104	660,556	949,096	8,766,441
1945 . . . . .	1,820,127	781,817	1,169,124	5,683,727
1946 . . . . .	1,666,310	752,817	1,209,545	4,253,511
1947 . . . . .	1,293,246	659,701	896,017	4,458,160
1948 . . . . .	1,489,883	787,410	768,943	4,487,649
1949 . . . . .	1,439,489	766,277	629,673	4,098,609
1950 . . . . .	1,284,683	773,205	521,089	4,405,055
1951 . . . . .	1,149,789	583,718	438,518	4,488,007
1952 . . . . .	1,237,630	567,760	512,966	6,234,145
1953 . . . . .	1,469,406	740,723	543,371	4,611,312
1954 . . . . .	1,635,008	820,506	562,555	4,679,214
1955 — 6 Months . . . . .	800,348	452,534	151,952	2,776,386

## EXPORTS OF BACON, CANADA TO GREAT BRITAIN

CALENDAR YEAR	POUNDS	IN TERMS OF HOGS
1926 . . . . .	90,843,600	757,030
1927 . . . . .	53,059,100	442,159
1928 . . . . .	37,078,600	308,988
1929 . . . . .	25,822,900	215,191
1930 . . . . .	13,011,400	108,428
1931 . . . . .	10,961,700	91,347
1932 . . . . .	30,693,400	255,778
1933 . . . . .	71,524,700	596,039
1934 . . . . .	119,707,600	997,565
1935 . . . . .	124,327,900	1,036,065
1936 . . . . .	154,768,800	1,289,740
1937 . . . . .	192,058,700	1,600,488
1938 . . . . .	169,463,600	1,412,188
1939 . . . . .	186,473,000	1,553,941
1940 . . . . .	344,147,100	2,867,892
1941 . . . . .	460,800,200	3,840,002
1942 . . . . .	524,951,900	4,374,599
1943 . . . . .	560,304,800	4,669,207
1944 . . . . .	692,310,300	5,769,252
1945 . . . . .	446,069,300	3,656,305
1946 . . . . .	286,029,100	2,364,876
1947 . . . . .	232,001,400	1,917,366
1948 . . . . .	200,138,000	1,667,816
1949 . . . . .	65,577,100	546,476
1950 . . . . .	72,340,300	602,836
1951 . . . . .	1,891,500	15,763
1952 . . . . .	Nil	Nil
1953 . . . . .	Nil	Nil
1954 . . . . .	Nil	Nil
1955 — 6 Months . . .	Nil	Nil

## CASH INCOME FROM THE SALE OF FARM PRODUCTS \*

Calendar Year	Cash Income from Sale of Livestock Excluding Poultry	Cash Income from All Farm Products	Direct† Government Payments	Total Including Direct Government Payments
1926 . . . . .	\$193,253,000	\$ 963,423,000	.....	\$ 963,423,000
1927 . . . . .	194,538,000	940,936,000	.....	940,936,000
1928 . . . . .	210,445,000	1,072,478,000	.....	1,072,478,000
1929 . . . . .	214,904,000	936,297,000	.....	936,297,000
1930 . . . . .	157,747,000	640,545,000	.....	640,545,000
1931 . . . . .	111,789,000	450,455,000	.....	450,455,000
1932 . . . . .	79,844,000	388,500,000	.....	388,500,000
1933 . . . . .	83,761,000	402,038,000	.....	402,038,000
1934 . . . . .	111,507,000	491,604,000	.....	491,604,000
1935 . . . . .	131,122,000	519,463,000	.....	519,463,000
1936 . . . . .	149,048,000	580,109,000	.....	580,109,000
1937 . . . . .	186,218,000	639,991,000	.....	639,991,000
1938 . . . . .	156,989,000	660,790,000	.....	660,790,000
1939 . . . . .	178,930,000	717,015,000	\$1,686,000	718,701,000
1940 . . . . .	226,399,000	748,231,000	9,691,000	757,922,000
1941 . . . . .	301,592,000	896,371,000	29,477,000	925,848,000
1942 . . . . .	373,742,000	1,099,216,000	55,362,000	1,154,578,000
1943 . . . . .	444,949,000	1,407,460,000	31,414,000	1,438,874,000
1944 . . . . .	513,838,000	1,829,900,000	17,872,000	1,847,772,000
1945 . . . . .	526,409,000	1,694,739,000	6,440,000	1,701,179,000
1946 . . . . .	502,769,000	1,742,786,000	16,950,000	1,759,736,000
1947 . . . . .	496,386,000	1,967,263,000	11,577,000	1,978,840,000
1948 . . . . .	726,350,000	2,463,148,000	20,748,000	2,483,896,000
1949 . . . . .	754,543,000	2,486,598,000	17,628,000	2,504,226,000
1950 . . . . .	820,437,000	2,227,032,000	13,806,000	2,240,838,000
1951 . . . . .	896,336,000	2,816,461,000	10,356,000	2,826,817,000
1952 . . . . .	695,813,000	2,849,310,000	5,131,000	2,854,441,000
1953 . . . . .	658,414,000	2,776,003,000	1,572,000	2,777,575,000
1954 . . . . .	705,078,000	2,377,834,000	2,427,000	2,380,261,000

\*Excluding Newfoundland.

†Includes payments made under the Wheat Acreage Reduction Act, the Prairie Farm Assistance Act and the Prairie Farm Income Act. (Other farm subsidies paid by Dominion and Provincial Governments are included under "Cash Income from Farm Products".)

## PER CAPITA CONSUMPTION OF MEAT IN CANADA BY CIVILIANS

Source: Dominion Bureau of Statistics

CALENDAR YEAR	BEEF	VEAL	MUTTON AND LAMB	PORK	OFFALS	CANNED MEATS*	TOTAL
	lb.	lb.	lb.	lb.	lb.	lb.	lb.
1926 . . . . .	55.2	7.8	4.9	53.5	†	‡	121.4§
1927 . . . . .	54.5	7.8	5.6	54.5	†	‡	122.4§
1928 . . . . .	50.5	8.2	5.5	58.4	†	‡	122.6§
1929 . . . . .	51.1	8.1	5.8	58.0	†	‡	123.0§
1930 . . . . .	49.1	9.5	6.5	52.8	†	‡	117.9§
1931 . . . . .	48.5	8.5	5.9	51.9	†	‡	114.8§
1932 . . . . .	45.5	8.5	6.1	55.3	†	‡	115.4§
1933 . . . . .	45.8	9.1	5.7	52.0	†	‡	112.6§
1934 . . . . .	50.6	10.4	6.0	47.4	†	‡	114.4§
1935 . . . . .	53.6	9.8	6.0	39.3	5.5	1.7	115.9
1936 . . . . .	55.1	10.2	5.6	41.4	5.9	2.0	120.2
1937 . . . . .	54.6	11.9	5.6	42.5	6.2	2.0	122.8
1938 . . . . .	57.2	10.3	5.4	37.7	5.7	1.7	118.0
1939 . . . . .	53.2	10.4	5.4	38.4	5.1	2.1	114.6
1940 . . . . .	54.5	10.8	4.5	44.7	5.5	1.5	121.5
1941 . . . . .	58.3	11.1	4.9	46.3	6.0	3.2	129.8
1942 . . . . .	60.1	10.8	5.0	53.3	6.4	3.1	138.7
1943 . . . . .	69.3	10.2	4.6	61.0	7.3	3.1	155.5
1944 . . . . .	66.6	11.0	4.8	61.4	7.4	2.8	154.0
1945 . . . . .	64.6	11.9	4.7	50.9	6.0	4.8	142.9
1946 . . . . .	67.2	10.5	4.8	51.3	5.5	5.9	145.2
1947 . . . . .	67.2	9.5	4.8	51.9	6.4	5.6	145.4
1948 . . . . .	57.5	10.9	3.5	53.9	6.0	3.5	135.3
1949 . . . . .	56.5	9.1	3.0	59.2	5.6	5.1	138.5
1950 . . . . .	50.3	9.2	2.5	60.8	5.6	5.3	133.7
1951 . . . . .	44.1	7.7	2.6	67.8	5.2	6.5	133.9
1952 . . . . .	48.6	6.1	1.9	63.2	5.4	8.8	134.0
1953 . . . . .	64.5	8.2	2.3	55.0	5.1	7.2	142.3
1954 . . . . .	72.0	10.1	2.5	53.7	5.3	2.8	146.4

\*Canned meats expressed in terms of carcass weight.

†Estimate not available.

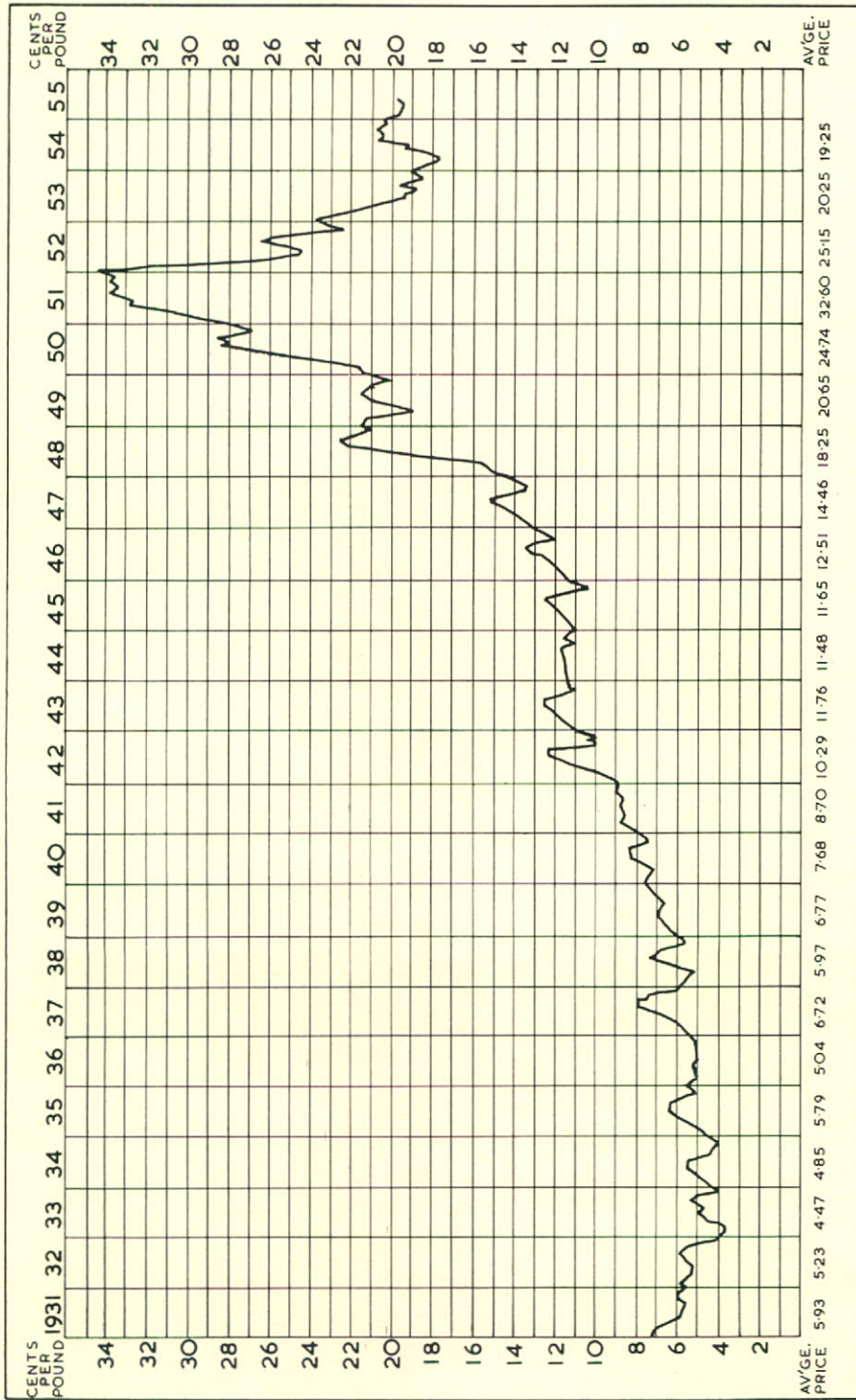
‡Included with other meats.

§Total figures prior to 1935 do not include offals.

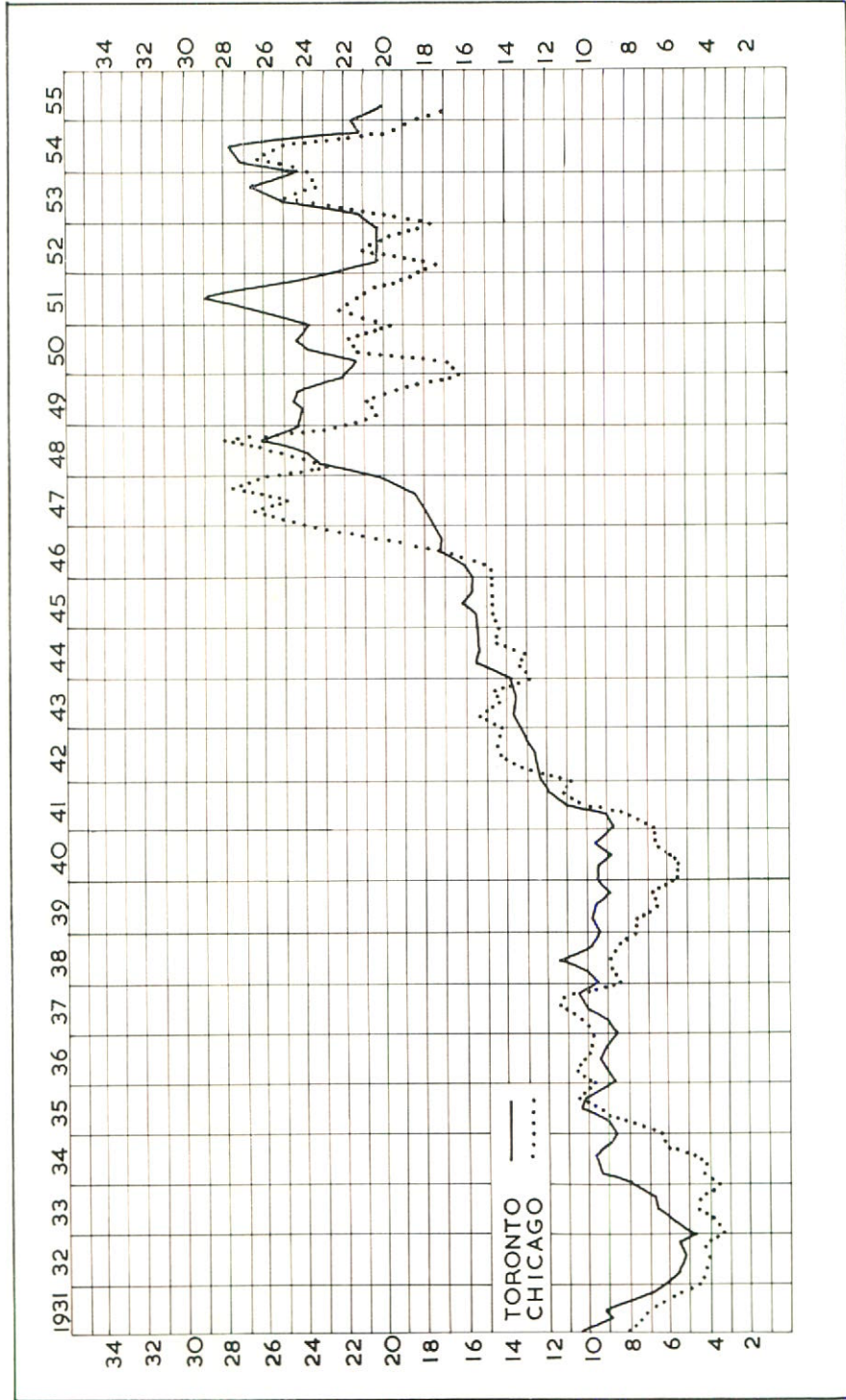


# GOOD STEERS—1000 POUNDS DOWN, TORONTO

## AVERAGE MONTHLY PRICE



**COMPARATIVE LIVE HOG PRICES  
TORONTO\* AND CHICAGO — TOP GRADES**



\* Since July, 1939, Hogs on the Toronto Market have been bought on a dressed (rail grade) basis. From that date, the live price has been arrived at by conversion from the dressed price of Grade A Hogs, assuming a yield of 75%. Bonuses are included in the price.

# CANADA PACKERS

## Rapport Annuel

La 28<sup>ème</sup> année financière de Canada Packers Limited s'est clôturée le 30 mars 1955.

Le volume des ventes est de.....	1,980,000,000 lb.
en <b>augmentation</b> , sur 1954, de.....	48,000,000 "
équivalant à.....	2.5% "
Les ventes en dollars s'élèvent à.....	\$ 364,000,000
en <b>diminution</b> , sur 1954, de.....	10,000,000
équivalant à.....	2.7%

L'année fiscale 1954 a compté 53 semaines. Sur une base de 52 semaines, l'augmentation du volume s'établit à 4.4 pour cent, et la diminution des ventes en dollars, à 0.8 pour cent.

La baisse des ventes en dollars s'explique par le déclin persistant dans les prix de certains des produits traités par la Compagnie. Canada Packers en manipule de nombreux, et, chaque année, il en est, dont le prix monte, alors que d'autres sont en baisse. Le recul dans le prix moyen des produits traités n'a pas une signification bien définie, mais c'est une indication quant à la tendance générale.

Le profit net pour l'année, provenant des opérations de salaison de la Compagnie, est de..... \$ 3,171,778

Le revenu provenant d'autres sources (y compris le profit réalisé sur la vente de placements) est de..... 544,874

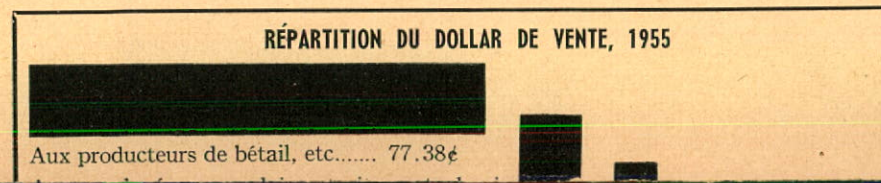
Le revenu net total s'établit donc à..... \$ 3,716,652

Le profit provenant de la partie salaison est inférieur à celui de 1954 de.... \$ 445,798  
soit une diminution de..... 12.3%

Le profit net des opérations de salaison est de —  
Par 100 lb. vendues — 15.1¢ (ou 1/7 de cent par lb.)  
Par \$100.00 de ventes — 87¢ (ou 7/8 de cent par dollar de vente)

Le tableau ci-dessous montre graphiquement comment le dollar de vente Canada Packers fut dépensé au cours de l'année dernière —

TABLEAU I



En 1953, les prix du porc ont suivi la tendance normale, se raffermissant au cours des mois d'été, alors que les mises sur le marché sont moins nombreuses.

En 1954, le prix du porc a reculé lors des ventes réduites des mois d'été.

Un coup d'œil rétrospectif en donne clairement la raison. Au cours de l'hiver et du printemps 1953-1954, le prix du porc était trop élevé par rapport à celui des autres viandes. Il en est résulté ceci :

- (a) La consommation du porc a été restreinte au Canada.
- (b) Le surplus de porc qui en résulta s'accumula au Canada sous forme de stocks congelés. La quantité totale de ces stocks congelés, plus les ventes courantes, était trop forte pour pouvoir être consommée au Canada aux prix en vigueur.

Ensuite, entre mai et septembre 1954, le marché porcin des Etats-Unis tomba de \$28.50 à \$20.00 les cent livres. (Prix basés sur les porcs vivants de première qualité au marché de Chicago.)

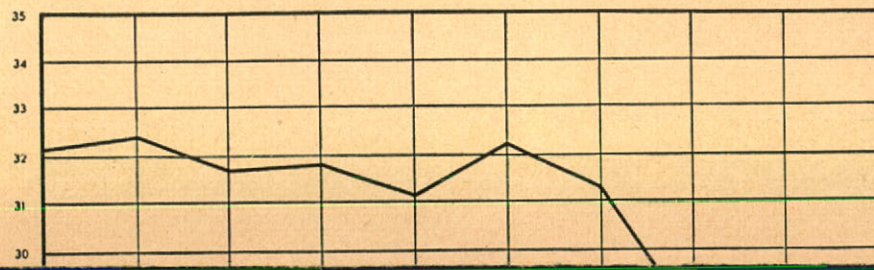
Les importants stocks congelés ainsi que les ventes courantes inondèrent le marché au cours de l'été de 1954. Le produit qui ne pouvait se consommer au Canada fut vendu aux Etats-Unis à bas prix. Ces facteurs ont provoqué le recul marqué du prix de la viande de porc et des animaux sur pied, au cours de l'été de 1954.

Les stocks congelés, accumulés au cours de l'hiver et au début du printemps, furent liquidés avec de lourdes pertes.

Ceci est un problème très sérieux devant lequel se trouve placée l'industrie animale canadienne.

Depuis plusieurs années, la qualité des porcs produits au Canada a régulièrement décliné. Le graphique suivant montre le pourcentage de porcs catégorie "A" dans le total des porcs classifiés au Canada depuis 1945 :

Pourcentage des porcs "A" du nombre total des porcs classifiés au Canada\*



une réputation de premier ordre auprès du consommateur britannique. Il serait tragique, pour le producteur de porcs canadien, si nous ne pouvions pas tirer parti de cette excellente opinion parce que la qualité de notre viande s'est avilée. Dans ce marché, notre concurrent principal doit être le Danemark. La qualité des porcs que le Canada produit, de nos jours, n'est certes pas assez bonne pour autoriser l'expédition de quantités massives qui pourraient concurrencer la viande danoise.

Notre autre débouché d'exportation, les Etats-Unis, est un marché à prime. Nous ne pouvons pas payer des droits d'entrée et des frais de transport et faire la concurrence aux Etats-Unis sous le rapport du prix. Pour traiter avec les Etats-Unis, nous devons vendre à un prix de prime. Nous devons produire une denrée qui vaut le prix supérieur que nous sommes forcés d'en demander. Le consommateur des Etats-Unis paiera une prime pour du porc **maigre**. Nos porcs de deuxième et de troisième catégorie ne donneront pas une viande qui justifierait une telle prime.

La qualité des porcs est tout aussi importante pour le marché canadien. La ménagère canadienne est judicieuse et difficile sous le rapport des produits porcins **maigres**.

Améliorer la qualité des porcs canadiens est une question essentielle, pour le producteur de porcs avant tout. Son revenu dépend entièrement du prix auquel la Salaison est à même de vendre le porc. Ce prix est largement en fonction de l'accueil fait par les consommateurs à nos produits porcins, aussi bien sur le marché canadien que sur les marchés extérieurs.

Les ventes et la consommation de viande de bœuf ont fortement augmenté en 1954. Le tableau III donne les chiffres.

TABLEAU III\*

	Abattages canadiens inspectés	Estimation de la population humaine	Estimation de la consom- mation de bœuf par tête	Estimation de la consom- mation totale
1948	1,489,883	12,823,000	57.5 lb.	737 millions lb.
1949	1,439,489	13,447,000	56.5 "	760 " "
1950	1,284,683	13,712,000	50.3 "	690 " "
1951	1,149,789	14,009,000	44.1 "	618 " "
1952	1,237,630	14,430,000	48.6 "	702 " "
1953	1,469,406	14,781,000	64.5 "	954 " "
1954	1,635,008	15,195,000	72.0 "	1,094 " "

\*Source : Abattages : Ministère de l'Agriculture, Ottawa. Revue des marchés des bestiaux. Population : Bureau fédéral des statistiques. Consommation du bœuf : Bureau fédéral des mémoires statistiques.

L'augmentation des abattages de bétail inspectés est équivalente à.....11.3% Malgré ces ventes accrues, la demande canadienne pour du bœuf a été telle que les prix pratiqués au Canada sont demeurés au-dessus de ceux des Etats-Unis (après paiement du transport et des droits d'entrée) pendant la plus grande partie de l'année.

La raison s'en trouve dans les chiffres de consommation publiés au Tableau III. La consommation plus forte du bœuf au Canada a facilement absorbé la production plus forte, et les exportations vers les Etats-Unis ont été, à nouveau, très réduites. (Les Etats-Unis constituent à peu près le seul marché d'exportation du bœuf canadien.)

Depuis 1948, les expéditions de bétail sur pied et de bétail abattu vers les Etats-Unis — exprimées sous forme de bétail abattu — ont été les suivantes :

TABLEAU IV\*

Expéditions vers les Etats-Unis de bétail sur pied et de bétail abattu (Bétail sur pied converti sur la base de 500 lb. par tête)	
1949.....	253,995,000 lb.
1950.....	262,749,000 "
1951.....	176,777,000 "
1952 (deux mois).....	5,083,000 " **
1953 (dix mois).....	28,771,000 " §§
1954.....	35,283,000 "
1955 (six mois).....	9,678,000 "

\*Sources : Ministère de l'Agriculture, Ottawa. Revue des marchés des bestiaux et rapport du commerce des bestiaux et de la viande.

\*\* Note (1) Du 25 février 1952 au 2 mars 1953, les exportations vers les Etats-Unis ont été interdites par suite de la fièvre aphteuse. Au cours de cette période, le surplus de bœuf (en excédent de la consommation canadienne) a été acheté par le gouvernement fédéral et vendu au Royaume-Uni.

§§ Note (2) Pour 1953, la période d'expédition aux Etats-Unis a été de 10 mois. Pour douze mois, le surplus peut être estimé à 35,000,000 lb.

Au cours d'une période de dix ans, les expéditions de produits porcins ont reculé d'une façon même plus dramatique. C'est à se demander si, bientôt, les exportations de viande canadienne ne seront pas chose du passé.

Un facteur, pourtant, laisserait supposer le contraire. Il fut discuté dans le Rapport Annuel de l'an dernier :

"Le Canada produit encore de considérables surplus de grains. Sur les fermes canadiennes, le problème le plus angoissant est celui de la conversion, en argent comptant, de grains pour lesquels il n'y a pas de débouché d'exportation immédiat. A ce problème, il n'y a, pour le moment, qu'une solution, celle de convertir le grain en produits alimentaires secondaires : des produits alimentaires pour le bétail, les porcs, la volaille et les produits laitiers. Tout fait prévoir qu'il y aura un accroissement substantiel de ces produits secondaires au cours des deux ou trois prochaines années."

En 1954, la production du bœuf a considérablement augmenté. Mais la consommation canadienne était suffisante pour absorber cet excédent et les exportations sont demeurées à un niveau très bas. Une production accrue de bétail est également prévue pour 1955. A ce jour, les ventes de porcs ont progressé de 20% et cette amélioration semble devoir se maintenir. Des améliorations un peu moins accentuées sont prévues pour les bovins et les veaux.

Au Canada, le grain en stock, à la fin de cette année agricole, sera un peu inférieur à celui de l'an dernier. Mais ce stock sera néanmoins substantiel et personne n'oserait prétendre qu'il n'y aura pas un énorme surplus de grains dans un avenir plus ou moins rapproché. Ces faits, également, laissent prévoir une vive avance dans la production animale. Si le Canada sera en mesure de consommer cet excédent ou si nous deviendrons à nouveau de gros exportateurs de viande est difficile à prédire.

Les directeurs ont le plaisir de déclarer que, tout au long de l'année, les relations avec le personnel ont été empreintes d'harmonie et d'esprit de coopération. Au nom des actionnaires, ils adressent un témoignage d'estime aux employés de tous rangs.

Toronto, le 3 août 1955.

W. F. McLEAN, président.

**On peut se procurer, sur demande, et tant qu'il en restera, des copies de ce rapport en s'adressant à Canada Packers Limited, Toronto 9.**



Aux employés pour salaires, traitements, bonis et plan de pension.....	10.25¢
Dépenses de vente et d'exploitation.....	5.29¢
Emballages et fournitures.....	4.40¢
Dépréciation sur immobilisations.....	.57¢
Impôts.....	1.24¢
Profit sur les opérations de salaison.....	.87¢

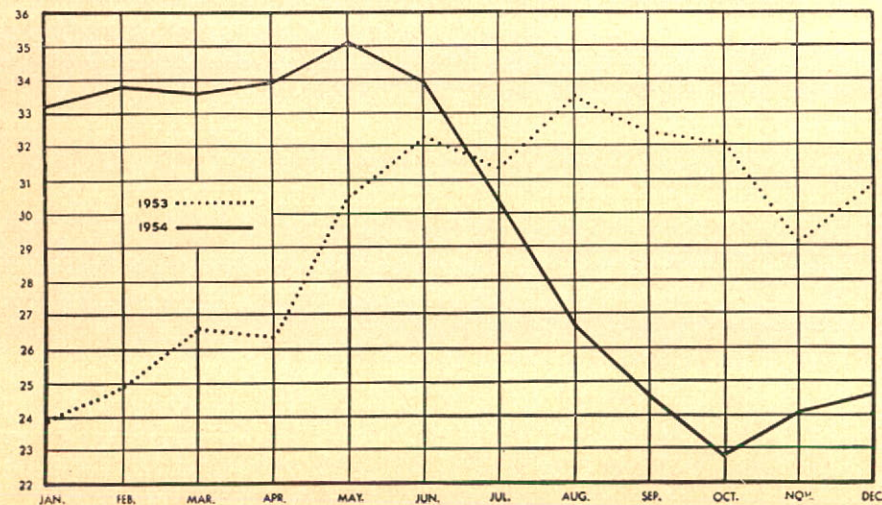
La régression dans les bénéfices nets de la Compagnie pour les opérations de salaison est due principalement aux lourdes pertes subies avec le porc. Au cours des mois d'été 1954, le prix de la viande de porc et celui des animaux sur pied ont baissé rapidement. Ceci est illustré par le Tableau II.

TABLEAU II\*

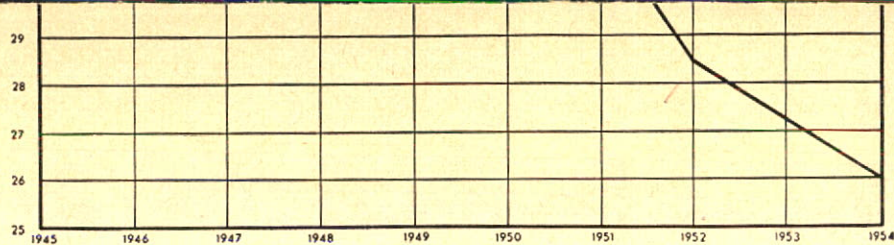
Prix moyen pondéré mensuel pour 100 livres de porc habillé vendues dans toutes les cours à bestiaux publiques au Canada en 1954.	Mai.....	\$ 35.09
	Juin.....	33.93
	Juillet.....	30.25
	Août.....	26.63
	Septembre.....	24.56
	Octobre.....	22.86

Le graphique suivant illustre la différence dans la tendance du prix des porcs pour les années 1953 et 1954.

Prix moyen par 100 lb. de porc habillé dans tout le Canada\*



\*Source : Ministère de l'Agriculture, Ottawa, Revue des marchés des bestiaux.



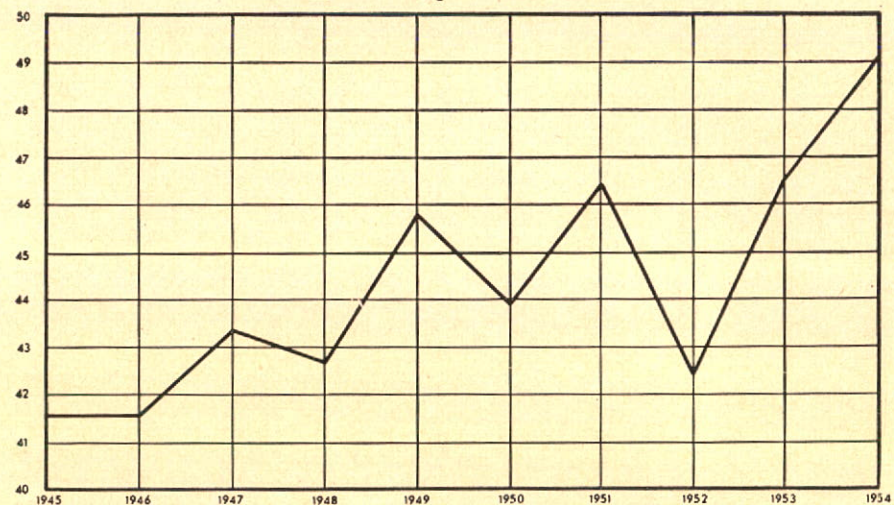
\*Source : Ministère de l'Agriculture, Ottawa, Revue des marchés des bestiaux.

Le recul dans la qualité des porcs canadiens est alarmant.

Ce recul s'est fait sentir partout, sauf dans les provinces Maritimes.

Au cours de la même période, la qualité des porcs des provinces Maritimes s'est améliorée. Le graphique suivant montre le pourcentage de porcs "A" dans le total des porcs vendus dans les provinces Maritimes depuis 1945.

Pourcentage des porcs "A" du total des porcs vendus dans les provinces Maritimes\*



\*Source : Ministère de l'Agriculture, Ottawa, Revue des marchés des bestiaux.

Cet accroissement substantiel dans le pourcentage des porcs "A" forme un contraste frappant avec la tendance qui se manifeste par tout le Canada et montre ce qui peut être accompli quand on étudie le problème sérieusement.

Le déclin dans la qualité des porcs est une question très sérieuse pour l'industrie porcine canadienne.

Le Canada possède deux marchés principaux pour les produits dérivés du porc — le Royaume-Uni et les Etats-Unis. Actuellement, nous n'expédions pas vers le Royaume-Uni, mais rien ne dit que celui-ci ne pourrait pas redevenir un débouché très important pour l'industrie porcine du Canada. Au cours de la guerre, le bacon canadien acquit



