

of additional space, capable of holding 15,625 tons of butter, is to be erected, and in Wellington 227,000 cubic feet to hold 3,500 tons of butter. When these emergency stores are completed the storage space available for dairy-produce will be for butter 74,000 tons and for cheese 48,800 tons.

DISTRIBUTION OF BUTTER AND CHEESE IN THE UNITED KINGDOM UNDER WAR CONDITIONS.

Distribution of butter and cheese continues to be made by the Ministry of Food through first-hand importers, wholesalers, and retailers, on the basis of registrations of retailers with wholesalers, and wholesalers with first-hand importers. All table butters are sold as "National" butter irrespective of brands. Margarine-manufacturers in the United Kingdom have pooled their resources and have also discontinued their individual brands, and they operate as one company under the name of "Marcom Ltd."

A recent development is the formation of a company by the first-hand distributors of butter and cheese which include the Tooley Street merchants, the idea being that by means of the company the interests of first-hand distributors would be protected and equalization of remuneration secured. The broad outline of the plan is stated by the Committee of the first-hand distributors in the following terms :—

"In order to release man-power and to minimize the work and transport in connection with the distribution of butter and cheese it is considered to be urgent and essential that the distribution should be reorganized. To achieve this object the governing principle of the scheme is one buyer one supplier only, in each area as far as practicable."

Based on the quantities sold during specified datum periods, the company will reorganize distribution on an area basis, limiting the number of customers to individual first-hand distributors. Allocations are to be equalized on a tonnage basis, and there will be a financial equalization in respect of small balances. The scheme, which is a wartime measure to stabilize quantities and avoid competition for supplies, is intended to be compulsory, and the representatives of the Ministry of Food on the board of the company are to have the controlling vote.

The present policy of the Ministry is to provide a fat ration of 8 oz. weekly per head for civilian consumers. The ration may be taken in butter, margarine, and cooking fats, but not more than 2 oz. shall be butter.

Cheese is rationed on the basis of 3 oz. weekly per head for civilian consumers, with a special ration of 8 oz. maximum per week for vegetarians, agricultural workers, and underground workers. In deciding the wartime order of precedence for imported foodstuffs the Ministry of Food has given a high place to cheese because of its high nutritive value and because of the relatively lesser shipping-space taken up by cheese compared with certain other foodstuffs. The Ministry has indicated its desire to take as much cheese as New Zealand can produce.

The following are the marginal prices operating in the United Kingdom as fixed by the Ministry of Food on and after 18th September, 1941 :—

	Butter (per Hundredweight Sterling).			Cheese (per Hundredweight Sterling).	
	s.	d.		s.	d.
First-hand importers' selling commission	2	3		1	6
Wholesalers' purchase price ex store	142	0		92	2
Retailers' purchase price delivered ..	150	0		99	2
Maximum retail price to consumer ..	177	4 (1s. 7d. per pound)		121	4 (1s. 1d. per pound).

PROCESSED MILK.

In the last annual report mention was made of discussions with the United Kingdom Ministry of Food for the sale to the United Kingdom Government of New Zealand's normal export of full-cream milk-powder, skim-milk powder, and evaporated milk (unsweetened).

These discussions resulted in the sale to the United Kingdom Ministry of Food of the normal export of skim-milk powder at £36 per ton sterling f.o.b. The equivalent of this price in New Zealand currency was paid to the manufacturers, less $\frac{1}{2}$ per cent. to cover the Department's administrative expenses.

No bulk sale of evaporated milk was effected, but the Department arranged the sale of substantial quantities to the Department of Supply of British India and the British War Office for shipment to various destinations.

The quantities and values handled by the Department were as follows :—

—		Destination.	Quantity.	Weight.	Value.
			Cases.	Tons.	£
Skim-milk powder	..	United Kingdom	114,293	5,715	234,168
Evaporated milk	..	India	47,256		
		Egypt	18,014		
		Malaya	15,744		
		Hong Kong	1,807		
			82,821	1,695	100,143

No bulk sale of full-cream milk-powder was arranged, but the United Kingdom Ministry of Food agreed that this product should be imported into the United Kingdom under license on account of manufacturers.