

QUANTITIES OF BUTTER AND CHEESE EXPORTED.

The quantities of butter and cheese exported from the various grading ports of the Dominion are shown in the following tabulation :—

BUTTER AND CHEESE EXPORTS FROM 1ST AUGUST, 1940, TO 31ST JULY, 1941.

Grading Ports.	Great Britain.		U.S.A. and Canada.		Other Destinations.		Total Exports.		Percentage.	
	Boxes Butter.	Crates Cheese.	Boxes Butter.	Crates Cheese.	Boxes Butter.	Crates Cheese.	Boxes Butter.	Crates Cheese.	Butter.	Cheese.
Auckland ..	3,972,615	391,586	22,612	800	71,118	880	4,066,345	393,266	76.43	24.43
New Plymouth ..	354,323	346,094	..	..	..	..	354,323	346,094	6.66	21.50
Patea ..	55,186	375,122	..	..	..	..	55,186	375,122	1.04	23.31
Wanganui ..	83,286	40,524	..	..	..	..	83,286	40,524	1.57	2.52
Wellington ..	545,595	235,378	1,800	..	3,973	316	551,368	235,694	10.36	14.65
Gisborne ..	83,901	1,358	..	..	..	..	83,901	1,358	1.58	0.09
Napier ..	60,900	3,232	..	..	..	..	60,900	3,232	1.14	0.20
North Island totals	5,155,806	1,393,294	24,412	800	75,091	1,196	5,255,309	1,395,290	98.78	86.70
Lyttelton ..	40,190	11,837	..	..	..	5	40,190	11,842	0.76	0.74
Timaru ..	12,119	11,611	..	..	..	..	12,119	11,611	0.23	0.72
Dunedin ..	7,827	25,175	..	..	..	..	7,827	25,175	0.14	1.56
Bluff ..	5,024	165,337	..	..	..	3	5,024	165,340	0.09	10.28
South Island totals	65,160	213,960	..	..	..	8	65,160	213,968	1.22	13.30
Dominion totals..	5,220,966	1,607,254	24,412	800	75,091	1,204	5,320,469	1,609,258	100.00	100.00

INCREASED PRODUCTION OF CHEESE FOR SHIPMENT TO UNITED KINGDOM, AND CHANGE-OVER IN NEW ZEALAND FROM BUTTERMILKING TO CHEESEMAKING.

During the negotiations on second year of war contracts the United Kingdom Government urged that New Zealand should, if possible, increase the production of cheese for export beyond the quantity of 107,000 tons named in the contract. In his advices on this point the High Commissioner for New Zealand advised that "Ministry would welcome even greater export of cheese, and anxious to have your best information on possibilities of next season." Responding to this request, the Government conferred with the New Zealand Dairy Board in regard to the appropriate action to secure the maximum cheese-production for the 1940-41 season. It is satisfactory to record that the dairy-farmers gave their full co-operation, and an additional quantity of 11,899 tons of cheese was produced for export, making an increase of 25,203 tons above the production for export for the 1939-40 season. The Government made finance available to dairy companies and dairy-factory suppliers to meet expenditure in connection with the change-over from buttermilking to cheesemaking, and made a grant to individual suppliers changing over to cheesemaking as a war effort, of an amount of up to £20 towards the cost of certain items of equipment which would have little or no residual value at the expiry of the period of emergency.

Further assistance was given by the Government to dairy companies under the following formulæ for compensation for increased costs due to the change-over of supply from buttermilking to cheesemaking :—

"Where butter-manufacturing companies have lost supply by diversion of whole-milk to cheese-manufacturing companies it is proposed to arrange the payment of compensation for the consequent costs increases of such companies on the following basis :—

- "(i) Where the costs to f.o.b. of a butter-manufacturing company for the season 1939-40 were below 2.25d. per pound butterfat, compensation payable will be the amount of the increase of the costs to f.o.b. for the 1940-41 season above 2.25d. per pound butterfat which can be demonstrated to have been caused by the diversion of supply to a cheese-manufacturing company :
- "(ii) Where the costs to f.o.b. of a butter-manufacturing company for the season 1939-40 were above 2.25d. per pound butterfat, compensation payable will be the amount of the increase of the costs to f.o.b. for the 1940-41 season above costs for the 1939-40 season which can be demonstrated to have been caused by the diversion of supply to a cheese-manufacturing company."

The New Zealand Dairy Board, during the discussions in regard to increased production of cheese, raised with the Government the question of a variation of the guaranteed-price procedure for payment for dairy-produce at the point of f.o.b. ocean steamers, and suggested the alternative method of payment "in store." In reply, the Government stated that as soon as necessity arose steps would be taken to ensure that producers were paid for dairy-produce required by the United Kingdom which, owing to shipping and other difficulties, might not be exported. It subsequently transpired that liftings of dairy-produce by overseas ships were so satisfactory that no necessity arose for a change in the method of payment.

ERECTION OF EMERGENCY COOL STORAGE.

In order that congestion in butter and cheese stores might be avoided the New Zealand Government arranged for the erection of emergency cool storage by way of additions to existing cool stores. The Government (if required) agreed to provide the necessary finance and to assume full liability for the final loss due to redundancy at the end of the war period. In the Auckland district 1,000,000 cubic feet