

From these few extracts it will be seen that Dr. Smith recommends additional storage space and a drastic overhaul or replacement of a large portion of the existing stores. As this report was compiled on the assumption of the continued export of about half of the normal apple and pear crop, the storage difficulties arising from the cessation of all or most of the export trade will be appreciated. It was because of Dr. Smith's report and of the storage difficulties which were being experienced through present abnormal conditions that arrangements were made for the erection of a cool store and assembly shed at Hastings, the provision of a small fruit cool store at Port Nelson, and alteration of the Division's depot at Auckland to provide fruit cool-storage space. These stores were not available for the 1940 season, but the aim was to have them in operation during the 1941 season.

MARKETING.

The Minister's agreement with the industry was concluded just prior to Christmas, 1939, and the Hon. David Wilson, M.L.C., acting as the deputy for the Minister of Marketing, in company with the officers of the Division, immediately commenced the organizing work. A visit was made to both Islands to arrange assembly depots, to meet growers in each district to explain the general scheme, and to meet brokers in each centre and confer on marketing operations. The new scheme commenced on 5th February.

During January growers were free to market their early-maturing fruit, and, as quantities of these varieties were relatively small, good prices were obtainable until the end of January, when there was a sudden rush of Gravensteins which depressed market values just prior to the inauguration of the Division's activity.

As already mentioned, it was decided at the outset to take full advantage of the services offered by fruit-distributing organizations, and it is pleasing to be able to acknowledge the wholehearted co-operation of the fruit trade. The result of this was that over 90 per cent. of the fruit sold by the Division during 1940 passed through the ordinary panel of brokers. Other avenues utilized by the Division were stationmasters and dairy factories for the sale of fruit in case lots to consumers in country districts, and the utilization of grower agents to sell direct to retailers where such growers were located outside of the main fruit centres and their production was too small to warrant the establishment of a departmental assembly depot.

For some time after the inauguration of the scheme there was a certain amount of illicit selling by growers to retailers, which was somewhat upsetting to the distribution plans of the Division. This illicit selling tended to disappear as quantities increased and prices decreased, but if the trouble recurs appropriate action will be taken to enforce the regulations.

In past investigations of the fruit industry, comment has been made on the multiplicity of selling-agents. A multiplicity of agents in selling areas, especially during period of heavy supply, tends towards competition to sell, thereby giving rise to unreasonable price cutting. The Division fully realized this, and, after giving these matters full consideration, decided not to curtail the number of brokers, but to utilize each and every one, and at the same time introduce a supervision to eliminate unfair practices and unreasonable price-cutting.

Number of Brokers employed.

North Island—					South Island—				
Whangarei	..	..	..	1	Nelson	..	..	..	2
Auckland	..	..	..	4	Westport	..	..	..	1
Hamilton	..	..	..	3	Greymouth	..	..	..	2
New Plymouth	..	..	..	2	Blenheim	..	..	..	2
Stratford	..	..	..	1	Christchurch	..	..	..	7
Hawera	..	..	..	2	Timaru	..	..	..	2
Wanganui	..	..	..	2	Oamaru	..	..	..	2
Palmerston North	..	..	..	4	Dunedin	..	..	..	7
Gisborne	..	..	..	1	Gore	..	..	..	1
Napier	..	..	..	1	Balclutha	..	..	..	1
Hastings	..	..	..	3	Invercargill	..	..	..	3
Dannevirke	..	..	..	1					
Pahiatua	..	..	..	1	Total for South Island	..	..	..	31
Masterton	..	..	..	1					
Levin	..	..	..	1	Total for Dominion	..	..	..	67
Wellington	..	..	..	8					
Total for North Island	..	..	..	36					

Number of Grower Agents appointed.

Auckland	..	..	..	..	..	29
Gisborne and Hawke's Bay	..	..	..	..	..	10
Taranaki and Wellington	..	..	..	..	..	45
Canterbury	..	..	..	..	..	10
Otago and Southland	..	..	..	..	..	1
Total	..	..	..	..	..	95