

DISTRIBUTION.

The major portion of the crop of apples and pears is generally harvested within a period of approximately ten weeks. During this period about one-third of the crop is set aside for storage and the remainder has to be marketed as quickly as possible. This results in the market receiving quantities far in excess of normal supply, but consumption results have been astounding. In fact, it appears that in consuming eleven apples *per capita* per week for seven consecutive weeks during the peak of the harvesting period, New Zealand has established a world record. The experience gained during the 1940 and 1941 seasons indicates that the economic demand for the Dominion is about 35,000 cases per week, and that 50,000 is normal saturation point. Quantities beyond this figure can only be disposed of by an appreciable reduction in price. In order to attain a turnover of up to 110,000 cases per week, the Division was naturally forced to accept prices considerably below cost, and the public received the benefit.

The operation of this policy can be observed from the following table, which shows the quantities of fruit received and marketed each month :—

—	Received.	Marketed.	—	Received.	Marketed.
January	60,800	49,200	August	30,300	202,000
February	220,000	144,000	September	15,200	207,800
March	674,000	338,800	October	15,500	172,500
April	990,900	438,400	November	7,300	159,000
May	356,500	438,100	December	4,400	60,600
June	177,300	246,500			
July	96,200	191,500		2,648,400	2,648,400

One aspect of distribution which the Division finds it most difficult to control is the speculative purchasing by retailers. It is found that many retailers purchase heavy quantities of fruit on a cheap market in expectation of a price rise. The result is the frequent display of fruit in retail shops in a stale or wasty condition weeks or even months after the sale by the Division. No solution to this problem has yet been found, but the Division is still giving the matter consideration, because its continuation is unfair to the public and brings the Division into disrepute.

The Division did not sell fruit direct to the public. Ninety-two per cent. of the crop was sold through the normal channels of wholesalers and retailers, the remaining 8 per cent. being sold direct from the Division to armed forces and schools. The New Zealand Fruitbrokers' Federation has been most helpful to the Division, and did not hesitate to criticize where it deemed such criticism to be beneficial and in the interests of the scheme.

APPLES IN SCHOOLS.

Distribution of apples to school-children was inaugurated in March and continued for a period of approximately ten weeks. The scheme included all scholars of primary and post-primary age, including secondary and high schools. Private and public schools were treated alike, as also were kindergarten schools and institutions having permanent inmates of school age. The Division desires to acknowledge the willing co-operation of teachers, School Committees, officers of the Departments of Health and Education, all contributing to make the scheme an outstanding success.

Altogether fifteen million apples were distributed between more than two thousand five hundred schools.

ADVERTISING.

While the lowering of price was the main factor enabling the Division to maintain turnover during the peak period, the advertising programme was most helpful. The amount expended on advertising was £9,692, representing 0.88d. per case, and the general avenues utilized were as follows :—

	Per Cent.
Newspaper advertising	45
Radio	38
Hoardings, posters, and price tickets	17

TRANSPORT.

One of the major problems facing the Division is the matter of transport.

The following table sets out the provincial production and the provincial consumption :—

—	Production.	Consumption.	—	Production.	Consumption.
Auckland	301,000	847,000	Blenheim	81,000	13,000
Gisborne	27,000	43,000	Canterbury	120,000	367,000
Hawke's Bay	679,000	210,000	Otago	183,000	365,000
Wellington	37,000	694,000			
Nelson	1,221,000	109,000		2,648,000	2,648,000

From this will be seen the wide variation between production and consumption in each district and how the surplus of the main producing districts of Nelson and Hawke's Bay has to be spread to meet the requirements of the other districts. The Division is concerned not only at the cost of making such large transfers, but at the growing lack of facilities, especially by coastal steamer and motor transport, and also of railway trucks, which, because of the present unusually heavy demands on rail services, are not always available at the time and in the quantity required.