

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, 1941, TO 31ST JULY, 1942.

	Great Britain.		Other Destinations.		Total.		Percentage.	
	Butter.	Cheese.	Butter.	Cheese.	Butter.	Cheese.	Butter.	Cheese.
	Boxes.	Crates.	Boxes.	Crates.	Boxes.	Crates.		
North Island ..	4,177,225	1,727,356	94,566	1,001	4,271,791	1,728,357	98·96	88·49
South Island ..	44,865	224,840	..	10	44,865	224,850	1·04	11·51
Dominion totals	4,222,090	1,952,196	94,566	1,011	4,316,656	1,953,207	100·00	100·00

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

In the Department's annual report for the year ended 31st July, 1941, reference was made to the request of the Ministry of Food for "even greater export of cheese." In response to this request, the Dairy Division of the Department of Agriculture, in co-operation with the dairy industry and the Dairy Board, made plans for increased production of cheese during the 1941-42 season, the production objective for export being 160,000 tons. It is a tribute to the excellence of the work and efforts of all concerned that a quantity of 153,074 tons was actually made available for export.

Following discussions with industry representatives, the Government agreed that the following payments would be made to dairy companies and suppliers to cover extra costs caused by the change-over from butter to cheese manufacture :—

- (1) To suppliers who do not come within the provisions of paragraph (3) below, and who deliver milk twice daily—i.e., morning and evening—to a cheese-factory : $\frac{1}{2}$ d. per pound of butterfat so delivered between 1st June, 1941, and 31st July, 1942.
- (2) To suppliers of a cheese-factory who deliver milk twice daily to a collection point for collection by a carrier : $\frac{1}{4}$ d. per pound of butterfat so delivered between 1st June, 1941, and 31st July, 1942.
- (3) To suppliers who have changed over from butter to cheese manufacture since 1st June, 1940, and who use a cartage service the cost of which is in excess of $\frac{1}{2}$ d. per pound butterfat : 75 per cent. of the excess above $\frac{1}{2}$ d. per pound up to a maximum payment of $\frac{3}{4}$ d. per pound butterfat covering a total rate of cartage of $1\frac{1}{2}$ d. per pound. This payment applies only to butterfat delivered between 1st June, 1941, and 31st July, 1942.
- (4) To suppliers who are subject to special hardship which will not be covered by the foregoing payments the Minister to make an appropriate monetary grant.
- (5) Consideration to be given under the "hardship clause," paragraph (4) above, to claims for payment of $\frac{1}{4}$ d. per pound butterfat in the case of once-daily deliveries by suppliers who at the request of the company and with the approval of an officer of the Dairy Division deliver their milk at night.
- (6) Suppliers who by reason of having been suppliers to a cheese-factory before 1st June, 1940, are not eligible to receive an allowance under paragraph (3) above may have claims for such allowance considered under the "hardship clause" if, at the request of the company and with the approval of an officer of the Dairy Division, they made use of a cartage service provided or approved by the company for the use of suppliers who changed over on or after 1st June, 1940.
- (7) Compensation to butter companies which have lost supply by diversion of whole-milk to cheese companies :—
 - (a) 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 1941-42 season above the costs for the 1939-40 season which can be demonstrated to have been caused by the diversion of supply to a cheese-manufacturing company. This paragraph is to read subject to the principle that no company should make a profit out of the change-over.
 - (b) In the case of butter-manufacturing companies which have lost supply through the change-over to cheese and which are excluded under the basis set out in paragraph 7 (a) above, compensation will be payable at the rate of $\frac{1}{4}$ d. per pound butterfat on the quantity of butterfat produced and delivered to a cheese-factory during the 1941-42 season by suppliers transferred since 1st June, 1940, it being understood that this is subject to the principle that no company should make a profit out of the change-over. In cases where it is considered that the payment of $\frac{1}{4}$ d. per pound butterfat would place the butter company in an advantageous position, the amount may be reduced or withheld entirely, the decision in all cases to rest with the Minister of Marketing on the recommendation of the Executive Commission of Agriculture.
- (8) Compensation to cheese companies for increased costs due to increased cheese-manufacture
 - (a) Where the costs to f.o.b. of a cheese-manufacturing company for the season 1940-41 are below 3·5d. per pound butterfat, compensation payable will be the amount of the increase in costs to f.o.b. for the 1941-42 season above 3·5d. per pound butterfat which can be demonstrated to have been caused by the factors arising from the company's compliance with the request for increased manufacture.