

The following tabulation shows the average costs of butter and cheese-manufacturing companies for the 1942-43 season. The New Zealand averages for the five previous seasons are also shown:—

SEASON 1942-43: COSTS IN MANUFACTURE AND DELIVERY OF BUTTER TO F.O.B. OVERSEAS STEAMERS
(In pence per pound of butterfat)

	Cream-collection.	Manufacturing Charges.	Depreciation.	Repairs and Maintenance.	Charges: Factory to f.o.b.	Overhead Charges.	Total Charges.
New Zealand average—							
1942-43 season	0.440	1.100	0.089	0.068	0.398	0.206	2.301
1941-42 season	0.438	1.091	0.091	0.064	0.409	0.213	2.306*
1940-41 season	0.405	1.023	0.077	0.063	0.437	0.192	2.197
1939-40 season	0.398	0.977	0.084	0.063	0.418	0.187	2.127
1938-39 season	0.402	1.019	0.085	0.098	0.394	0.208	2.206
1937-38 season	0.381	0.953	0.075	0.076	0.384	0.178	2.047
1936-37 season	0.352	0.927	0.072	0.088	0.398	0.147	1.984

* Butter-manufacturing costs for the 1941-42 season were increased owing to diversion of milk-supply from butter-manufacture to cheese-manufacture. Compensation payments were made to dairy companies on this account.

SEASON 1942-43: COSTS IN MANUFACTURE AND DELIVERY OF CHEESE TO F.O.B. OVERSEAS STEAMERS
(In pence per pound of butterfat.)

	Manu-facturing Charges.	Depreciation.	Repairs and Maintenance.	Charges: Factory to f.o.b.	Overhead Charges.	Total Charges.
New Zealand average—						
1942-43 season	2.576	0.166	0.216	0.634	0.325	3.917
1941-42 season	2.372	0.141	0.170	0.647	0.270	3.600
1940-41 season	2.323	0.144	0.184	0.620	0.258	3.529
1939-40 season	2.259	0.148	0.180	0.624	0.299	3.510
1938-39 season	2.289	0.157	0.203	0.617	0.326	3.592
1937-38 season	2.151	0.141	0.166	0.589	0.290	3.337
1936-37 season	2.056	0.134	0.146	0.577	0.226	3.139

PUBLICITY IN THE UNITED KINGDOM

The Department's annual report for the year ended 31st July, 1941, mentioned the necessary cessation during the war of the extensive advertising of New Zealand dairy-produce, which was an important item in pre-war marketing policy, and referred to the retention by the Department of the Advertising Manager and two assistants, to follow the distribution of dairy products and to keep contacts throughout the United Kingdom with traders and selling organizations. Whilst New Zealand marks and brands continue on our products as formerly, an essential feature of the United Kingdom distribution during wartime is that sale of products is made without distinction as to brand or country of origin. New Zealand could not fairly have objected to this feature, so necessary from the United Kingdom point of view, and it follows that a vigorous campaign during wartime of advertising New Zealand products against other products imported into the United Kingdom would have been embarrassing to the Ministry of Food, and accordingly out of place.

The maintenance of the nucleus of the advertising section in the manner indicated assists in the preservation of the goodwill New Zealand has for its products.

ACCOUNTS

The dairy-produce accounts covering the completed operations for the 1941-42 season and the operations for the 1942-43 season are shown in the accounts section at the end of this report, pages 29 and 30.

The completed operations for the 1941-42 season are referred to on page 6 of this report. After sale of the balance of the 1941-42 season's dairy-produce which was in store at 31st July, 1942, the final result of the operations for the complete 1941-42 season is a surplus of £773,252.

The accounts now presented for the 1942-43 season cover purchases of butter and cheese by the Department up to 31st July, 1943. The following table shows the quantities so purchased, the total season's production for export, and the stocks in store awaiting purchase at 31st July, 1943:—

	Shipped and paid to 31st July, 1943.	In Store and paid, 31st July, 1943.	In Store and not paid, 31st July, 1943.	Total Production for Export Season 1942-43.
Creamery butter	Boxes. 3,832,560	Boxes. 212,099	Boxes. 37,117	Boxes. 4,081,776
	Shipped and paid to 31st July, 1943.	Shipped and not paid, 31st July, 1943.	In Store and not paid, 31st July, 1943.	Total Production for Export Season 1942-43.
Cheese ..	Crates. 1,238,284	Crates. 35,151	Crates. 28,505	Crates. 1,301,940

NOTE.—The season's production of whey butter amounting to 90,280 boxes was also purchased by the Department "in store" for manufacture into dehydrated butterfat.