

DAIRY-PRODUCE

REVIEW OF COMPLETED FINANCIAL OPERATIONS FOR THE 1944-45 SEASON

The accounts presented with the report for the 1944-45 season covered purchases and sales of butter, cheese, and processed milk by the Department up to 31st July, 1945. These purchase and sale transactions showed a surplus of £1,132,426.

The final results of the operations for the complete 1944-45 season were—

	£	£
Surplus on creamery butter	136,312	
Surplus on cheese	822,346	
Surplus on whey butter	15,923	
Surplus on processed milk	3,209	
		977,790
Less excess storage charges		3,742
		974,048
Add—		
Interest on investments	79,963	
Transfer from Internal Marketing Division (Butter Equalization Account) ..	100,000	179,963
Net surplus for 1944-45 season ..		£1,154,011

LONG-TERM CONTRACTS, 1944-48, BETWEEN THE UNITED KINGDOM AND NEW ZEALAND GOVERNMENTS FOR PURCHASE OF THE EXPORTABLE SURPLUSES OF BUTTER AND CHEESE FOR THE PRODUCTION PERIOD 1st AUGUST, 1944, TO 31st JULY, 1948, AND THEIR EXTENSION TO 31st JULY, 1950

In last year's annual report particulars were given of the agreements for the purchase by the United Kingdom Government of the exportable surpluses of butter and cheese for the seasons 1944-48. In that agreement prices and terms after 31st July, 1946, could be subject to reconsideration. As a result of the discussions in London in June and July, 1946, as referred to on page 3, an agreement in respect of prices and conditions for the season 1946-47 and in respect of an extension of the agreements until 31st July, 1950, was reached in terms of the following letters exchanged between the New Zealand Government and the Ministry of Food:—

Letter dated 2nd August, 1946, from United Kingdom Minister of Food to the High Commissioner for New Zealand reads as follows—

I am very pleased that the contract negotiations for the purchase of butter and cheese from New Zealand have been satisfactorily concluded.

It has been agreed, I understand, that the existing Heads of Agreement should remain in force subject to an exchange of letters between us setting out certain modifications which are to be taken in conjunction with these Heads of Agreement and which I now outline:—

1. *Price*.—It is agreed that in respect of all shipments from the production season commencing on 1st August 1946 and ending on 31st July 1947 the following prices shall be substituted for those in Schedules I and II of the Heads of Agreement:—

					Sterling per Hundredweight delivered f.o.b. Ocean Steamer.
(a) <i>Butter</i> —					
	Creamery Finest Grade 93 points and over				175s. -d.
	Creamery First Grade 90-92½ points				173s. 9d.
	Creamery Second Grade				170s. -d.
	Whey First Grade				167s. -d.
	Whey Second Grade				163s. -d.
(b) <i>Cheese</i> —					
	Finest and First Grade 91 points and over				102s. 6d.
	Second Grade				100s. 6d.

and that consequential amendments to the Schedules arising from these revised prices will be arranged between our respective officers.