

Detailed reports of sectional activities and branch operations are contained in the following pages.

DAIRY-PRODUCE SECTION

BUTTER

When the report for the year ended 31st March, 1946, was prepared, some signs of a production recovery from the exceptional drought conditions experienced during the summer in the North Island were evident, the areas particularly affected being North Auckland, Waikato, East Coast, and Hawke's Bay. At one stage it was feared that the autumn and winter butterfat-production would also be very seriously affected, but it can now be recorded that the autumn production generally exceeded expectations. As a result, storage plans for the North Island had to be quickly revised, and the extra reserves held at various points were released for shipment to Britain. The co-operation of dairy company executives in advising the latest production trends throughout the season and submitting forward estimates were of particular value.

STORAGE, BUTTER

North Island.—The mild autumn in the North Island allowed factories to maintain their local supply out of fresh make for some weeks later than usual, and this, together with the fact that the 6 oz. ration continued, made it unnecessary to withdraw anything like usual quantities from cool store. Earlier in the year it was thought that North Auckland would need fairly heavy supplies from Auckland to maintain local market requirements during the winter months, but eventually their current production proved sufficient for local needs. In Auckland City itself, sufficient fresh butter of suitable grade and quality was withdrawn from the grading-floors to obviate the need for using butter ex cool stores. Gisborne, Hawke's Bay, and Wanganui factories stored sufficient quantity of patted butter to meet their winter needs, whereas in the early stages it appeared that additional butter would be required from Wellington. However, in Wellington City only 6,000 boxes were required ex cool store in June and July, as against 15,000 to 20,000 boxes in a normal winter.

South Island.—From early January all butter of suitable quality received at the grading-floors was withheld from export. In addition, some of the surplus from West Coast factories was diverted from Lyttelton, which is their normal export point, to the Dunedin stores to meet the winter requirements in that area. A stock of 75,000 boxes was accumulated in stores on account of the Division, whilst a further 10,000 boxes were held in factory cool rooms mainly in the Nelson-Westland area. In addition, 7,000 boxes of fresh make were transferred in the late autumn from the West Coast and North Canterbury factories direct to Christchurch. It was thought that these quantities would barely be sufficient for the South Island for winter, but a good spring left a surplus of approximately 10,000 in the cool stores, which was released for shipment. Before rationing, the South Island usually required up to 50,000 boxes from the North Island to supply winter needs.

INTERNAL DISTRIBUTION

Brief mention was made in the last report of the incorporation of the Farm Products Co-operative (Wellington), Ltd. This company acquired the business of Combined Distributors, Ltd., the shareholdings of which were held by the Internal Marketing Division and merchant companies who had previously held butter and egg-distributing licences in Wellington. In the new company, the Dominion Producers' Agency, Ltd., and the Government became equal shareholders with equal representation on the directorate. In addition to taking over the distribution of dairy-produce, eggs, and allied products, the Farm Products organization took over the active control of the patting depot from the 1st July. The Division is still responsible for the supply of butter in bulk to the depot and supervision of the distribution service and quality. Through the Co-operative Farm Products companies, savings are accruing to the producers.