

APPENDIX C.—BASIS OF PARTICIPATION IN THE NATIONAL MILK SCHEME, 1945-46.
BY APPROVED SUPPLY ASSOCIATION

(Points of Agreement made between the Minister of Marketing and the
Executive of the Town Milk Producers' Federation)

1. To qualify for participation in the National Milk Scheme organizations of town milk producers must be approved by the Minister of Marketing as supply associations for any given area. Where more than one association of town milk producers is responsible for the supply of milk to any given area the organizations concerned will be required to form a committee of supply, and this committee will constitute the supply association.

2. The Milk Marketing Division will, as early as practicable, nominate the daily quantity of milk which supply associations are required to make available for town requirements in respect of each defined milk area with a penalty for non-performance.

3. Such nominated quantity to be an amount fixed after consultation with the producers association compiled on a normal average of town and school requirements (Monday to Friday consumption) and subject where necessary to adjustment to meet exceptional seasonal variations.

4. No winter nominated quantity assessment is to be higher than the summer assessment, unless such arrangement is made by mutual agreement with the relative supply association.

5. Revision of nominated quantities can be made at any time by agreement between the Milk Marketing Division and the supply association. In the event of any disagreement arising between the Milk Marketing Division and the supply association the matter shall be referred to the Executive of the Town Milk Producers' Federation for final determination in consultation with the Director.

6. "Defined area" means a milk district constituted under the Milk Act with such additions as may be agreed upon between the Milk Marketing Division and the supply association, such agreement to be subject to undertakings as to vendors' margins.

7. *Penalty Provisions.*—Supply Associations will be liable to pay a penalty of 1d. per gallon on all milk short supplied for town requirements, such short supply to be calculated on a seven day basis commencing each Sunday and ending on Saturday, the nominated daily amount to be multiplied by 7 to ascertain the total weekly obligation, and the amount of penalty to be paid to be on the difference between that figure and the amount actually made available for town requirements during that seven day period.

8. Exemptions from penalty provisions to be granted on the recommendation of the Minister of Agriculture and in respect of events determined by the Minister as being beyond the reasonable control of producer associations.

9. Where there is a committee of supply each constituent member shall be responsible for its proportionate part only of the undertaking.

10. *Surplus Milk.*—Supply Associations shall be entitled to payment of the full national milk price up to the nominated quantities, plus 10 per centum or actual sales, whichever is the greater. In estimating that 10 per centum a calendar monthly basis shall be adopted so that if for the calendar month as a whole the supply association certifies with a supporting statutory declaration (or declarations in the case of a Committee of Supply) that it had available from quoted suppliers 10 per centum of milk in addition to the nominated quantity, it shall qualify for payment in respect of the full 10 per centum irrespective of daily fluctuations during the calendar month in question.

11. *Requirements for Supply Association seeking Approval.*—An undertaking in writing will be required in respect of the following:—

- (a) That responsibility is accepted to make available the daily nominated quantity of milk as nominated by the Milk Marketing Division:
- (b) That from all members of the supply association individual quota guarantees based on the most suitable production period as determined by the supply association have been secured to the total amount of the nominated quantity:
- (c) To lodge with the Milk Marketing Division a schedule setting out the daily quotas of the individual members of each supply association, together with a standard copy of the supplier's agreement covering such quotas:
- (d) To give written acceptance of the national town milk producer prices as announced by the Minister of Marketing:
- (e) To give written acceptance of the penalty provisions.