

With the reversion to a peacetime patting programme and with the continuation of rationing, the output of the Auckland Patting Depot is drastically reduced, and advantage is being taken of this period to have the machines inspected and thoroughly overhauled pending the arrival of new machines to replace some of the present heavily overworked equipment. The same system of distribution which has operated throughout the war is still being utilized in Auckland—that is, the city is zoned amongst the licensed distributors according to pre-war sales, although each merchant distributes within his area all of the brands previously available to the public, the intention of this arrangement being to ensure that the existing goodwill of each brand is maintained. However, the figures show a considerable movement in the sales of each brand since zoning was introduced.

Considerable difficulty has been experienced by dairy companies and the patting depots in obtaining suitable cartons for the local trade, and many companies have found it necessary to revert to charging for their containers to the retail trade and crediting on return in order to ensure the return of cartons for re-use.

EQUALIZATION

The stabilization policy has held the local wholesale price of butter at 1s. 4½d. per pound, and the increases recently announced in the prices payable by the United Kingdom for New Zealand produce have not affected the rates of differentials accruing to the Equalization Account on local sales (see Butter Marketing Regulations 1937). The Division is now engaged in taking out a thorough survey of the impact of equalization procedure on the individual factories, and much valuable information has been obtained from a comparison of the annual accounts of dairy companies. Varying freight costs, storage and f.o.b. charges, and cost of local boxes as against the export container are some of the main factors to be taken into account. Local container costs are by no means constant with the present fluid supply position, but an individual survey of factories will give a reasonably accurate picture of the position. It is also the responsibility of the Division to ensure that the equalization of local sales of butter to export parity is made on the basis of the grade points that would have been allotted to the butter at the export grading-floors.

The Division receives each month from the Dairy-produce Grader of the Department of Agriculture a summary of the export gradings of individual factories, and comparisons made with the grade points allotted to butter sold locally show that the selection of higher-grading cream for the local market has been largely discontinued by manufacturers consequent on the falling-off in the proportion of low-grading cream received at the factory.

While this summary is used by the Division for comparison with and confirmation of the grades claimed for locally sold butter, the Division also carries out a periodic survey of quality in all areas. Where any complaints are received from consumers or retailers, contact is made as early as possible and samples of butter on sale are submitted to the Dairy-produce Grader (Department of Agriculture) at the nearest export store.

Generally speaking, there has been very little difficulty in regard to the grades assigned by the factories, and as the Division has the authority to have all the butter "check graded" by the officers of the Dairy Division of the Department of Agriculture any disagreement is capable of being settled.

All butter supplied to the main centres is graded as received at the patting depots, and only the highest grade available at that time is patted for local sale.