

Local sales for the six months ended 30th September, 1946, are as follow :—

				Creamery.	Whey.	Total.
1946				lb.	lb.	lb.
April	..	..	..	3,870,799	36,240	3,907,039
May	..	..	..	4,041,597	45,310	4,086,907
June	..	..	..	3,389,516	24,327	3,413,843
July	..	..	..	3,946,103	20,873	3,966,976
August	..	..	..	3,618,005	20,817	3,638,822
September	..	..	..	3,560,671	27,767	3,588,438
Total	..	..	..	22,426,691	175,334	22,602,025

TINNING-PLANT

The Division has recently re-established the butter-tinning plant operated during the war, and this has been possible without the appointment of additional staff owing to the falling-off in output from the patting depot for reasons mentioned previously. It is probable that there will be an increasing demand for tinned butter from the islands and the East, and it is hoped that improvements in technique will increase the market demand for tinned butter in these vast areas, which may sooner or later prove to be valuable markets for surpluses.

DRY BUTTERFAT

The production of dry butterfat has again been limited almost entirely to quantities recovered from paper stripped from bulk butter and has not equalled the amount available in previous years. Small quantities of deteriorated butter are also processed. Owing to the cessation of military supplies for the Pacific area, the patting-plants both at Wellington and Auckland have been processing lesser quantities of bulk butter, and this is reflected in smaller quantities of dry butterfat.

The building to house the smaller plant on top of the Auckland premises of the Internal Marketing Division is now under construction, having been held up owing to lack of building-materials. It is hoped, however, that the plant will be able to be transferred to the new premises at an early date, and this will make a considerable reduction in the overhead costs of the plant, which should from that time become self-supporting. The plant is at present at the King's Wharf, where it was operated during the war.

The butterfat produced has, by arrangement, gone to Fiji and the demand from that island is greater than the Division can supply. We have also had inquiries from other areas in the Pacific and from India for dry butterfat, and although it would appear that at some future time these markets might be of advantage to New Zealand, the Division is not at present in a position to take advantage of these outlets.

The whole of the costs in regard to the Frankton plant have now been finalized and the building has been handed over, all liabilities having been liquidated, and it is anticipated that the whole of the financial operations relating to wartime activities are now in a situation to be finalized.

The Auckland plant will continue, and will be available to process any low-grade or secondary butters unsuitable for export or to cater for any markets they may develop if and when it is advisable to go further afield.

CHEESE

The allocation of cheese for local consumption has presented some difficulties during the early part of the post-war period owing to the limitation placed on local consumption when rationing of meat and butter was introduced by the Food Controller. The market was regulated by pegging the amount of cheese which could be sold by any