

The Minister of Marketing is in effect the price-fixing authority for the industry, and the Central Milk Council possesses no powers in this regard. On the other hand, the authority determining the organizational pattern of the industry rests with the Central Milk Council, and not with the Minister of Marketing.

These two phases are not, however, kept in watertight compartments, as the Milk Marketing Division is the administrative Department for both the Minister of Marketing and the Central Milk Council.

PROGRAMME FOR THE MILK YEAR ENDING 31ST AUGUST, 1945

(1) *Fixation of the National Price to Town Milk Producers*

In determining the national price to be paid to town milk producers for the 1944-45 milk year the guaranteed price payment to the standard dairy factory supply farm for the season was taken as the basis. To this basis were added the additional rewards and other alterations in standards as recommended by the Milk Commission. For instance, the labour reward on the standard town milk farm was increased to the owner by £1 5s. 6d. per week over the factory supply farm, and the farm employee was likewise increased by 15s. per week. The interest on capital was assessed at 4½ per cent. on a capitalization of £110 per cow, as against £75 per cow on the factory supply farm. The general standard of two men to forty-eight cows on the factory supply farm was reduced to two men for forty cows on the town supply farm, and in place of the guaranteed price formula of 12,000 lb. of butterfat annual production from the standard farm the town milk standard of 20,000 gallons per annum of milk averaging 4·3 per cent. butterfat was adopted. The effect of all these adjustments was the determination of a national town milk price of 12·97d. per gallon for milk averaging 4·3 per cent. butterfat. This was an at the farm-gate price, and all further costs were additions to that price.

At the commencement of this year further increases were made to the standard price of 12·97d. per gallon by granting to the industry the milk equivalents of the additional costs allowances given to the dairy industry for the 1944-45 season. The national town milk prices to producers for the milk year ending 31st August, 1945, were, therefore, fixed as follows:—

North Island and those parts of the South Island qualifying with the North Island: 14·24d. per gallon for an average 4·3 per cent. test milk.

The remainder of the South Island: 13·94d. per gallon for an average 4 per cent. test milk.

The fixation of the South Island price was arrived at by adopting the factor recommended by the Milk Commission of reducing the return to the producer by 0·1d. per gallon for every 0·1 per cent. of butterfat content below the 4·3 per cent. average.

(2) *National Milk Scheme: Administrative Procedure*

In announcing the national milk prices for the 1944-45 season the Minister of Marketing, in consultation with the executive of the Town Milk Producers Federation of New Zealand, determined the following conditions of qualification before producers would receive the above prices:—

- (1) National milk prices will only be paid to producer organizations approved by the Minister of Marketing.