

Acceptance by the Government of the responsibility of paying the national town milk price up to the nominated quantity, plus 10 per cent., raised the problem, as far as the Government was concerned, of handling all surplus milk, this problem hitherto having been one for the producer associations themselves.

The Milk Marketing Division had to endeavour to get the very best returns on behalf of the Government for milk surplus to town and school milk sales and up to the nominated quantity, plus 10 per cent., if available. The Division therefore negotiated and made the following arrangements with the industry as to the basis on which the Division would receive credits on surplus milk for:—

- (a) Milk or cream for sweet cream: 13s. per gallon of cream.
- (b) Milk or cream for ice-cream: 30d. per pound of butterfat.
- (c) Cheese—
 - 8-6d. per gallon, North Island.
 - 8d. per gallon, South Island.
- (d) Butter—
 - 7-8d. per gallon, North Island.
 - 7d. per gallon, South Island.

The prices in respect of butter and cheese to be “at the farm-gate.”

The cost involved in handling of surplus milk was £34,894 2s. 2d., or 0-2795d. per gallon on town milk sales.

(3) *Prices and Distributing Margins*

The margins for collection, treatment, and distribution for the milk year ending 31st August, 1946, remained unchanged, with the exception of a chilling margin included and paid to those persons or companies providing chilling facilities, which included receiving, weighing, testing, cleansing, and chilling by mechanical refrigeration. The Minister of Marketing approved of the payment of 1d. per gallon for these services. The only other change in the margins was one of redefinition and not of price, “pasteurization” being defined as including receiving, weighing, testing, cleansing, heating, and chilling by mechanical refrigeration.

(4) *Price Orders*

The Division arranged with the Price Tribunal for Price Orders to be issued for each district where there was a producers’ association operating. The Division advised all trade interests that payment of prices and margins by this Division would be based on Price Order prices, less the margins scheduled in the letter each organization received at the commencement of the milk year from the Minister of Marketing advising them of the margins fixed by him under the powers conferred on the Marketing Department under section 6 of the Marketing Amendment Act, 1937.

(5) *Zoning*

Section 57, clause (2), of the Milk Act, 1944, states:—

It shall be the duty of each Milk Authority to put into effect as soon as practicable an economic system for the consolidation or zoning of milk rounds in so far as no such system is in existence at the time of the constitution of the district.

Since the cessation of hostilities all Delivery Emergency Regulations, except those relating to milk, have been revoked, and the Milk Delivery Emergency Regulations 1945 have been invoked; the responsibility for control of zoning, except in those areas where a local Milk Authority is operating, is