

DAIRY-PRODUCE

REVIEW OF COMPLETED FINANCIAL OPERATIONS FOR THE 1945-46 SEASON

The accounts presented with the report for the 1945-46 season covered purchases and sales of butter, cheese, and processed milk by the Department up to 31st July, 1946. These purchase and sale transactions showed a surplus of £1,091,761.

The final results of the operations for the complete season were—

	£	£
Surplus on creamery butter	106,739	
Surplus on cheese	763,327	
Surplus on whey butter	14,236	
Surplus on processed milk	2,544	
		886,846
Less excess storage charges		20,444
		866,402
Add—		
Interest on investments	108,085	
Transfer from Internal Marketing Division (Butter Equalization Account)	140,118	
		248,203
Net surplus for 1945-46 season ..		£1,114,605

LONG-TERM CONTRACTS, 1944-50, BETWEEN THE UNITED KINGDOM AND NEW ZEALAND GOVERNMENTS FOR PURCHASE OF THE EXPORTABLE SURPLUSES OF BUTTER AND CHEESE FOR THE PRODUCTION PERIOD 1st AUGUST, 1944, TO 31st JULY, 1950

In last year's annual report particulars were given of the agreement in respect of prices and conditions for the season 1946-47 and of the extension of the contract agreements until 31st July, 1950.

As a result of the discussions in London in August and September, 1947, as referred to on page 3, an agreement in respect of prices and conditions for the season 1947-48 was reached in terms of the following letters exchanged between the New Zealand Government and the Ministry of Food :—

Letter dated 15th December, 1947, from United Kingdom Minister of Food to the High Commissioner for New Zealand read as follows :—

I am glad to hear that the negotiations about the prices, terms, and conditions for the purchase of New Zealand butter and cheese of the production season 1947-48 have now been satisfactorily concluded. I understand it has been agreed that the existing Heads of Agreement shall remain in force subject to an exchange of letters between us detailing certain modifications which are to be taken in conjunction with these Heads of Agreement and which I now outline :—

1. *Price.*—It was agreed that in respect of all shipments from the production season commencing 1st August, 1947, and ending on 31st July, 1948, the following prices shall be substituted for those appearing in Schedules I and II of the Heads of Agreement :—

					Sterling per Hundredweight delivered f.o.b. Ocean Steamer.
					s. d.
(a) <i>Butter</i> —					
	Creamery Finest Grade 93 points and over	..	..	..	205 0
	Creamery First Grade 90-92½ points	..	..	..	203 9
	Creamery Second Grade	..	..	..	200 0
	Whey First Grade	..	..	..	197 0
	Whey Second Grade	..	..	..	193 0
(b) <i>Cheese</i> —					
	Finest and First Grade 91 points and over	..	..	..	118 0
	Second Grade	..	..	..	116 0