

Consequential amendments to the Schedules arising from these revised figures will be arranged between our respective officers.

2. *Sales to Markets other than the United Kingdom.*—While our need for the maximum quantities of butter and cheese is well known to you, it was agreed that some regard must be given to supplies to other markets particularly those where New Zealand enjoys an established trade. Under these circumstances it was decided that, in addition to sales within the limits of the calendar year programmes to certain specified destinations which are governed by established procedure, New Zealand should also be at liberty to reserve for sale at her own discretion from 1947–48 seasons production up to 1,500 tons of butter and up to 1,000 tons of cheese.

I take this opportunity of confirming that the intentions expressed in my letter of the 2nd August, 1946, as regards (a) the period of the contract, (b) the relative volume of supplies of butter and cheese, (c) the distribution of New Zealand butter and cheese in the United Kingdom, and (d) the discontinuance of margarine rationing, still continue unchanged.

I am informed that in consequence of the Dairy Products Marketing Commission Act, 1947, the New Zealand Government desires to assign its rights and liabilities under the agreements entered into with the United Kingdom Government for the sale and purchase of butter and cheese to the New Zealand Dairy Products Marketing Commission, and I confirm that the United Kingdom Government agrees to such assignment.

In conclusion I should like to express my thanks for the helpful and understanding attitude which New Zealand has taken throughout these discussions.

The terms of the contract were approved by the Dairy Products Marketing Commission, referred to on page 7.

ALLOCATION OF BUTTER AND CHEESE TO MARKETS OUTSIDE THE UNITED KINGDOM

In last year's annual report reference was made to the arrangements under which shipments of butter and cheese could be made to countries outside the United Kingdom, and to the fact that this was now the subject of agreement with the United Kingdom Ministry of Food. Global allocations for the calendar year 1947 were made to the following destinations by the Ministry of Food :—

	Butter.	Cheese.	Ghee.
	Tons.	Tons.	Tons.
British Caribbean area—			
Bahamas	180	60	..
Barbadoes	240	48	..
Bermuda	250	150	..
British Guiana	400	184	..
British Honduras	90	53	..
Jamaica	475	281	..
Leeward Islands	106	62	..
Trinidad	850	330	..
Windward Isles—			
Dominica	6	7	..
Grenada	45	23	..
St. Lucia	45	20	..
St. Vincent	57	6	..
British Borneo	24	1	..
Burma	160	35	300 (a)
Ceylon	564	324	240 (b)
Falkland Islands	32	4	..
Fiji	23	18	89 (c)
Gambia	5	4	..
Gibraltar	90 (d)	162 (d)	..
Gilbert Islands	6	1	..
Gold Coast	84	19	..
Hong Kong	522 (e)	254 (f)	..
India	215 (e)	760 (e)	..
India (civil canteen stores)	..	80	..
Kenya-Uganda	..	..	..