

same territory and delivering to the same retailers, been continued up to the present time the delivery of butter could not have been carried out under rationing conditions now operating at the present cost of  $\frac{1}{2}$ d. per pound.

In some areas zoning of distributors has had approximately the same effect. In the Auckland City area, particularly, each distributor was allotted a zone of operations wherein that distributor serviced the whole of the retailers with butter, thus eliminating the cost of overlapping by this means.

Notwithstanding the fact that distributors have been able to carry on at the previous rate of remuneration, there have been applications for increases, but so far this matter has not become acute. It can, however, be expected that rising costs cannot continue without an increase in the remuneration of the distributor, and at any time this matter of distribution allowances may become a major issue. The continuance of rationing which limits the amount of financial return to the distributor by limiting his turnover, while it does not eliminate any of the costs necessary in order to carry out a full delivery service, is another factor which is causing some dissatisfaction among distributors, and the distributors generally are looking forward hopefully to the time when rationing will no longer be necessary.

So far as administration is concerned, multiplicity of distributors has always appeared to be more expensive and less satisfactory, but probably the chief consideration so far as Auckland City is concerned with reference to the patting for the retail trade will be the period which will elapse until rationing butter is no longer necessary. Unlike Wellington, Auckland area has generally, under present consumption, sufficient winter production of butter to cater for its full local requirements, but when rationing ceases it would appear that a fairly large quantity of stored butter would be required, and as storage facilities are accumulated in the Auckland City, it would require fairly heavy freight costs to return this stored butter to factories for processing. If some arrangement could be made between all factories for the winter use of patting facilities of these factories in and adjacent to the city this would simplify the problem very materially. In the meantime the concentration of all patting in Auckland City enables the Division to select the highest quality of winter make of butter from all factories for city consumers. This aspect has been one of the chief considerations for a continuance under post-war conditions of this procedure.

The quality of butter on the New Zealand market has been maintained by the regular inspection and assistance of the officers of the Dairy Division of the Department of Agriculture in grading all butter for the city markets. There does not appear to be any reversion to the practice of selecting inferior butter for the local market in order to assist in building a higher average grade for export quantities.

#### STORAGE, BUTTER

*North Island.*—The production period covered by this report has shown the usual seasonal variations, especially in the North Island, where autumn and winter production in the Taranaki and Wellington Provinces does not conform to the previous year, and it was necessary to provide for the Wellington City market 14,000 boxes of stored butter for the low-production winter period, as compared with 6,000 boxes for the previous year. This amount can, however, be considered to be normal, as the previous autumn was exceptionally good in production, and the amount for the year under review conforms substantially to the average of previous seasons.

Some quantities of stored butter were also required in Hawke's Bay and Auckland, while Taranaki Province came through the winter with the transfer of some quantity of butter from factories which had surplus production to those who had insufficient winter make to cover their requirements.