in the election held in his district. An additional vacancy was created by the retirement of Mr. H. J. Masson, of Auckland. This vacancy was filled through an election, Mr. M. A. Cruickshank being appointed for the remainder of Mr. Masson's term of office. Of the present five grower members of the Council, Messrs. M. A. Cruickshank, J. Hainsworth (Otago), and H. R. Sampson (Canterbury) are due for retirement in October, 1947. Mr. R. P. Fraser (Chairman) and Mr. F. B. Stephens, two Government members of the Council, have both resigned recently, but their places have not yet been filled.

Payments to Growers

Prior to the commencement of the 1947 season the industry made representations to the Government for increased returns from the market. The outcome of these discussions was that the wage subsidies of 4·23d., 2·05d., and 0·56d. per case were eliminated and an increase of ½d. per pound in the retail price of fruit was permitted, this agreement to operate for all apples and pears sold on and after 24th March, 1947. The effect of this was to increase the wholesale prices by 1s. 6d. per case, the increased return to be for the benefit of the growers without any deduction for brokers' or retailers' margins. Although the guarantee to the individual grower still remained at 6s. 4½d. per case, it was hoped that the authorized increase in the wholesale and retail prices would have the effect of increasing the Dominion over-all average return to the industry by 1s. 6d. per case over the return for the 1946 season.

The Government subsidy has remained constant since 1944—namely, £25,000 for the Uneconomic Orchard Fund and £144,000 to augment market returns.

The schedule of four groups for apples and two groups for pears which has operated since 1940 has served the Division and the Council as a foundation for compensating growers for the various varieties, but it is realized that these groups are only a primary guide, and the Fruit Marketing Council has granted premiums and price variations for some varieties in an endeavour to bring many of the varieties more into line with market values.

At present the market returns for both apples and pears are combined in the one pool, and some districts, notably Hawke's Bay, have been agitating for some time for the establishment of separate pools. While it is realized that pears definitely have a higher market value than apples it has been pointed out that pears enjoy greater freedom under stabilization than do apples, the prices for which are more rigidly controlled. It is realized by the Council that the fairest way of compensating growers would be to pay out in accordance with actual market returns for each variety, but it is not possible to ascertain the true market value of each variety under present stabilized market conditions. However, the Council, as a matter of equity between apple and pear growers, has shown a discrimination in favour of pear payments which should at least equal the difference in cost of production. In the 1946 season the Dominion average payment for pears was approximately 2s. per case above the average for apples.

Table 4 gives a summary of the consolidated charge, which has remained fairly constant since 1940. One of the reasons for the estimated increase in 1947 is that certain charges remain constant, and where the crop is small the charges on a per-case basis correspondingly increase. The table also shows details of net market returns, amount of Government subsidies, and the annual Dominion over-all average payment to growers.

Crop

The crop handled this year is the smallest since the Division took over in 1940, and with a small quantity still to be received from growers will total approximately 1,544,000 cases, compared with 2,551,000 in 1946 and the previous smallest crop of 2,107,000 in 1942. Although it is quite normal for a large crop and a small crop to alternate, quantities were seriously affected by climatic losses in Hawke's Bay, Canterbury, and Otago.