

The present outlook is that wheat may continue to be short of world needs for some time, and, while there are signs that an improvement is taking place, it is hardly anticipated that any such improvement will be sufficient to reverse the scales in the immediate future. Consequently, it is believed that the system of allocation employed by the International Emergency Food Committee amongst the claimant countries for wheat will have to be continued while that situation remains.

(b) INTERNATIONAL WHEAT AGREEMENT

An International Wheat Agreement was negotiated at a Conference held in Washington early this year, and it has since been signed by New Zealand. It is, however, subject to formal acceptance on the part of signatory Governments by the 1st July, 1948, and is intended to come into force as from 1st August, 1948, for a period of five years. New Zealand undertakes to purchase each year 5,511,000 bushels. Under the terms of the arrangement the contracting exporting countries (Australia, Canada, and the United States) are, if required by the International Wheat Council, to sell certain guaranteed quantities of wheat to the contracting importing countries at the maximum prices provided for in the Agreement, and the contracting importing countries undertake, if required by the Council, to purchase certain quantities at prescribed minimum prices. Under present conditions the equivalent of the maximum price for Australian f.a.q. wheat has been estimated at 12s. 5d. per bushel, and the minimum for the first year at about 9s., falling to approximately 6s. 6d. per bushel in the final year. As the Agreement does not apply to the prices arranged under arrangements entered into before 1st March, 1947, the price payable by New Zealand for wheat supplied by Australia under the contract made between the two countries will not be affected.

(c) LOCAL CONTROLS ON USAGE

Controls on the usage of wheat and its derivatives operating in New Zealand which arise from supply difficulties are briefly summarized as follows:—

- (1) The Flour Extraction Control Notice, 1946, providing for a flour-extraction rate of 80 per cent. and enabling a saving of over 750,000 bushels per annum in the quantity of wheat used by the flourmills.
- (2) Wheat-supplies to the poultry industry in 1947–48 were carefully distributed through the same channels as before, and no more wheat was made available for this purpose than in the previous year.
- (3) Bran and pollard, reduced in quantity since the advent of flour of 80-per-cent. extraction, continued to be diverted to the manufacturers of a standard mash for the poultry industry, excepting when, at odd intervals, because of shipping setbacks, small surpluses accumulated at certain points, enabling releases of these offals to be made for other feed purposes. The quality and distribution of this standard mash is controlled by the Department of Agriculture.
- (4) The prohibition under the Wheaten Stock Foods Control Notice 1945 on the use of wheat or wheaten products for the feeding of live-stock other than poultry.

(d) NEW ZEALAND CROP

The acreage of locally-grown wheat fell from 161,049 acres in 1945–46 to 141,407 acres in 1946–47, but, fortunately, the high average yield per acre (37·96 bushels) from the 1946–47 crop gave a total yield of 5,368,120 bushels, this being slightly less than the previous year's total of 5,439,041.

The price paid to growers for the 1946–47 crop was 7s. 4d. per bushel, f.o.b. grower's nearest port, March Tuscan basis, as compared with 7s. 1d. per bushel for the previous year. For the 1947–48 and 1948–49 crops the price was fixed at 8s. per bushel, subject to the proviso that the price for the 1948–49 crop will be further increased to cover any further increased costs which may be shown prior to that time.