

pay our farmers an "advance" price, monthly payments; and at the end of the year, out of the profits, after paying a dividend of 6 per cent., which is the maximum we can pay, any profits that may be remaining must be sent back to the farmers by way of bonus on the produce they sent in during the year.

5. As a general rule the bonus goes to those who have had the dividend?—Not necessarily. "Dry" shareholders only get 6 per cent. The bonus goes to the producer.

6. *Mr. Robertson.*] Do you manufacture cheese?—Not in Dunedin. We have seven cheese-factories in the country.

7. You also have the milk-supply in Dunedin?—Yes.

8. You supply the bulk of milk, I suppose, in Dunedin?—We supply wholesale and retail.

9. You sell to retailers?—Yes.

10. Do you buy on a butter-fat basis?—Yes.

11. Whether you manufacture the milk into butter or it goes out in milk-supply?—No. What we sell is picked milk, and it is paid for by the gallon. It is tested, of course, to see that it is up to the average.

12. What is the height of the season here?—December and January are the flush months.

13. June and July would be the months in which there was the greatest scarcity?—Not necessarily; I have seen the turning-point in March.

14. I am talking of the general supply of butter?—June, July, and August.

15. What is the highest point at which butter has been sold in the last two years?—1s. 6d. was the highest retail price last year, and 1s. 4½d. wholesale.

16. *Mr. Hall.*] What month was that?—July, August, and September.

17. *Mr. Fairbairn.*] What was the lowest price last year?—1s. 1d. retail and 11½d. wholesale.

18. You keep a margin of 1½d. as the wholesale cost?—That is what the grocers want.

19. *Mr. Robertson.*] Do you supply any wholesale merchants?—Yes.

20. At what average price?—They are the same. These prices are for half-pound pats. It is recognized over the trade that it costs ¼d. to make up butter into pats; and everything in bulk is sold ¼d. under those prices.

21. Do you supply any wholesale merchants with pats?—Yes.

22. Do you charge them the same as the retailers?—They get a special discount of 2½ per cent.

23. *Mr. Fairbairn.*] I take it that all these prices are spot cash?—No. Of course, the wholesale men buy in very large quantities, and we give them a discount of 2½ per cent.

24. Is there no discount off these prices?—That is the net price I have given you.

25. *Mr. Robertson.*] What was the price of milk during those months of June, July, and August?—It is very hard to explain. There is a sliding scale for different quantities; but the wholesale price last winter was 11d. per gallon.

26. *Mr. Hall.*] What do you call the winter?—Last year we had seven months of winter, because the season was so very dry.

27. *Mr. Robertson.*] What do you retail at?—It is done on a sliding scale.

28. *Mr. Fairbairn.*] Say at per quart?—4d. a quart during the three months I gave—June, July, and August. The summer price is 3½d. per quart.

29. What is the wholesale price?—9d. per gallon in the summer.

30. *Mr. Hall.*] What generally are your flush months?—December, January, and February would be the flush months.

31. *Mr. Robertson.*] Last year was an exceptional one because it set in dry so early?—That is so.

32. What brands of butter are sold in Dunedin besides yours?—"Maple Leaf," "Albatross," and innumerable others.

33. Who makes "Albatross" butter?—It is made at Ashburton.

34. All those butters are sold at the same price, I suppose?—I do not know.

35. Were you exporting butter during those months last year?—No, we were buying.

36. Is there any understanding between the companies here as to the price of butter in the winter months?—None whatever. We fight like blazes, every one of us.

37. What was your suppliers' average during those three months?—1s. 3d. per pound of butter-fat. We bought their milk at the creameries, separated the milk, gave them back the skim-milk, brought the cream to town, manufactured it into butter, sent it out and delivered for 1½d. a pound. These months were short ones, too, and working on small quantities the expenses were greater.

38. Of course, we understand that you get more than a pound of butter from a pound of butter-fat?—That is so, of course. There is an overrun.

39. *Mr. Veitch.*] How much is the overrun?—Sometimes up to 7 per cent.; sometimes up to 10 per cent.

40. *The Chairman.*] What is the overrun—the amount of salt and water you put in?—No; it is a thing I really could not explain.

41. Do you ever buy farmers' butter?—We never deal with it in any way.

42. You never mix it up in scarce seasons?—No.

43. You said you bought the shareholders' produce—milk and butter. Do you buy shareholders' butter?—No; butter-fat.

44. *Mr. Fairbairn.*] What did you return to the farmers for butter-fat last summer?—March, 11d.; April, 1s.; May, 1s.; June, 1s. 0½d.; July, 1s. 3d.; August, 1s. 3d.

45. *Mr. Robertson.*] Give the price for January and February?—December, 10d.; January, 10d.; and February, 10d. For September the price was 1s. 3d., October 1s. 2d., and November 11d.

46. *Mr. Hall.*] Was there a bonus in addition to that?—There was no bonus last year.

47. *Mr. Robertson.*] What was the market price of your butter in the three summer months last year?—The retail price was 1s. 1d.