

CHEESE.

During the 1915–16 season the Dominion Government, acting for the Imperial Government, requisitioned about one-third of the cheese produced in New Zealand, on a basis of 7½d. per pound f.o.b. It so purchased and shipped 189,502 crates, for which £917,748 was paid to producers concerned. This purchase was concluded on the 1st October, 1916. After lengthy discussion, mainly as to price, between representatives of cheese-producers in the North and South Islands, merchants, and others concerned, under the presidency of the Right Hon. Mr. Massey and subsequently of the Hon. Mr. MacDonald, arrangements were completed to purchase for the Imperial Government the whole output of cheese available for export for the 1916–17 season at the price offered by the Imperial Government—viz., 9½d. per pound f.o.b. for first-grade and 9¼d. per pound f.o.b. for second-grade cheese. The scheme came into operation on the 16th January, 1917. By that time, however, arrangements between merchants and the cheesemaking companies with respect to the purchase of “outputs” and the “consignment” of cheese had already been entered into, and shipments of cheese had already been made on consignment on account of the factories or on account of British importing houses. The disturbance of these arrangements by the purchase of the whole output of cheese was met by a deduction of 1¼ per cent. from the above prices to be paid to owners of the cheese, which was made by the Government and paid over to those merchants who already held contracts to purchase cheese from makers who had elected to sell their outputs. The amount paid to brokers on this account to the 31st March, 1917, was £7,071. The Imperial Government also purchased all New Zealand cheese shipped to the United Kingdom prior to the requisition coming into operation at the contract price paid by importing firms to New Zealand producers, and allowed to such firms a commission of 5 per cent. Cheese shipped on consignment before the requisition became operative was also taken by the Imperial Government at 9½d. per pound, a commission of 2½ per cent. being allowed to firms in the United Kingdom through whom the cheese had been consigned.

The cheese purchased and shipped during the 1915–16 season was paid for on a f.o.b. basis. For 1916–17 a system of “advances” was introduced by which an advance payment of 90 per cent. on the prices agreed upon between the Government and producers was made on the expiry of twenty-eight days after the cheese was put into grading-store; payment in full, however, has been made in cases where the cheese was shipped within twenty-eight days of its receipt into grading-store.

The Department of Imperial Government Supplies to the 31st March, 1917, had disposed of the cheese so purchased as follows:—

1915–16 season—		Crates.
Total shipped and arrived at destination	...	189,502
Total payments made	...	£917,748
1916–17 season—		
Shipped per “Rotorua” (sunk <i>en route</i>)	...	16,440
Shipped and arrived at destination	...	9,332
<i>En route</i> to Great Britain	...	64,025
On board steamers now on loading-berth	...	64,048
Total crates		153,845
Total payments made	...	£1,547,408

The total payments above include advances made against cheese in store.

There were in store as at 31st March, 1917, 185,400 crates of cheese awaiting shipment.

Three hundred and eighty-one factories were in existence in the Dominion when the Department began its cheese purchases in October, 1915. Since then the number has increased to 401.