

BUTTER AND CHEESE EXPORTS FROM 1ST AUGUST, 1936, TO 31ST JULY, 1937.

Grading Ports.	To Great Britain.		To U.S.A. and Canada.		To other Destinations.		Total Exports.		Percentage.	
	Butter.	Cheese.	Butter.	Cheese.	Butter.	Cheese.	Butter.	Cheese.	Butter.	Cheese.
	Boxes.	Crates.	Boxes.	Crates.	Boxes.	Crates.	Boxes.	Crates.		
Auckland ..	4,020,656	205,491	36,851	1,229	76,546	873	4,134,053	207,593	69·35	17·41
New Plymouth ..	432,142	235,720	..	..	..	..	432,142	235,720	7·25	19·76
Patea ..	102,234	309,334	..	..	..	..	102,234	309,334	1·71	25·94
Wanganui ..	136,382	33,572	..	..	..	..	136,382	33,572	2·29	2·81
Wellington ..	669,422	204,880	3,450	4	8,753	82	681,625	204,966	11·44	17·19
Gisborne ..	128,663	1,160	..	..	..	..	128,663	1,160	2·16	0·10
Napier ..	137,515	1,540	..	..	..	..	137,515	1,540	2·30	0·13
North Island totals	5,627,014	991,697	40,301	1,233	85,299	955	5,752,614	993,885	96·50	83·34
Lyttelton ..	130,760	13,214	1,000	..	150	..	131,910	13,214	2·21	1·11
Timaru ..	16,709	8,523	..	..	..	..	16,709	8,523	0·28	0·72
Dunedin ..	32,956	29,509	..	..	..	88	32,956	29,597	0·56	2·48
Bluff ..	26,806	147,058	..	..	..	244	26,806	147,302	0·45	12·35
South Island totals	207,231	198,304	1,000	..	150	322	208,381	198,636	3·50	16·66
Dominion totals ..	5,834,245	1,190,001	41,301	1,233	85,449	1,287	5,960,995	1,192,521	100·00	100·00

MARKETING OF BUTTER AND CHEESE.

The following review covers the developments during recent years in the marketing of dairy-produce, and outlines the essential features of the system which the Marketing Department operates through the Dairy Sales Division.

The methods of sale of New Zealand dairy-produce in the United Kingdom have changed substantially during the post-war period. As the dairy industry increased in importance in New Zealand, and the exports of butter and cheese accounted for an increasingly greater proportion of the national income, certain sections of producers became aware of the necessity of taking a greater interest in the marketing of their produce.

Even in pre-war days the National Dairy Association of New Zealand had established an office in London, one of its functions being to establish contact with the Tooley Street merchants who were selling New Zealand dairy-produce.

In 1921 the New Zealand Co-operative Dairy Co., Ltd., opened an office in London to supervise sales of the company's butter and cheese by its appointed agents, and in that year also the New Zealand Produce Association came into being with a selling-floor in Tooley Street. Finally, in October, 1927, the New Zealand Co-operative Dairy Co., Ltd., formed a new marketing company—Amalgamated Dairies, Ltd.—which eventually disposed of the whole of the output of the New Zealand Co-operative Dairy Co., Ltd., coming to the United Kingdom. An associated company—Empire Dairies, Ltd.—is used to a great extent by Amalgamated Dairies as the selling-medium, and this associated company also sells substantial quantities of dairy-produce from Australia and other Empire countries. These organizations, of course, represented only a certain section of New Zealand producers, and the rapid fluctuations in prices which occurred in the early years of the post-war period brought about a demand from the leaders of the dairy industry for a greater degree of co-ordination in the methods of sale.

As a result, the New Zealand Dairy-produce Control Board came into being in 1924, the Board being established in terms of the Dairy-produce Export Control Act, 1923. In the first two years of its existence the Board confined its activities to arranging contracts for the sea carriage of butter and cheese from New Zealand, marine insurance, regulation of shipments, advertising in the United Kingdom, and investigation of marketing procedure. In 1926, however, the Board took full control of marketing, but the venture was abandoned after less than one year's trial. The Board's control scheme revealed the difficulty of getting within the industry a sufficient measure of unanimity to enable a major proposal to be successfully carried out. After the abandonment of the control scheme, and until 1933, the Board confined its activities to shipping, insurance, and advertising, the dairy-factory companies being left free to sell through or to consign for sale to whom they chose. The disastrous fall in prices which commenced in 1929 and continued in the succeeding years, and the rapid increase in production which added to the difficulties of marketing at this time, again brought into question the existing system of uncontrolled methods of sale, and in 1933 the Dairy Board again assumed a greater degree of control. Dairy companies were still permitted to sell f.o.b. or to consign as they thought fit, but the Board took over the allocation of factory outputs to the various selling-agents in the United Kingdom, who undertook that they would not speculate in New Zealand dairy-produce on their own account. This system did not work very satisfactorily, because it was generally recognized that the Board, not being the owner of the produce, was not in a position satisfactorily to enforce the letter and the spirit of the undertaking. In 1935 the Board, with the approval of the industry, decided to introduce a group-marketing system under which it was hoped that dairy-factory companies in suitable geographical areas in New Zealand would, in time, form co-operative selling organizations under the direction of the Board.