

- (j) If damage of any nature occurs, to find, if possible, the cause, and to report back to New Zealand to enable steps to be taken to reduce the risk of damage on the next occasion of loading.
- (k) A periodic inspection of cool stores at Hay's Wharf and Surrey Commercial Docks, London, to check up all conditions relative to the storage of New Zealand dairy-produce, and a general supervision of the handling at all ports of discharge in the United Kingdom.

The system of supervision and inspection of all dairy-produce is a factor in the determination of the basis of the contract for insurance and on the insurance-rates charged. The insurance is a comprehensive cover which includes all risks from the time of receipt of the milk or cream at dairy factories, all stages in transport, period of storage in cool store, ocean transport, and a period of thirty days in cool store after discharge from steamers. With such a comprehensive cover, the supervision and inspection becomes of the utmost importance, and the excellence of the results achieved is reflected in the reduced insurance-rates. The rates in 1923-24 were—

Butter..	..	..	..	..	..	11s. 4d. per cent.
Cheese..	..	..	..	..	..	13s. 1½d. per cent.

whereas the present rates are—

Butter..	..	..	..	..	..	4s. 10d. per cent.
Cheese..	..	..	..	..	..	5s. 3d. per cent.

a reduction of 57 per cent. in the case of butter and 60 per cent. in the case of cheese. The insurance underwriters make it a condition of their contract that the system of supervision and inspection be continued.

FREIGHT RATES.

The freight contract for butter and cheese and meat and fruit expired on 31st August, 1936, and was renewed for a further three years. The new rates for butter and cheese are—

Butter, 2s. 11½d. per box	..	..	..	..	} Both rates in sterling.
Cheese, 1½d. per pound	..	..	..	..	

These rates represent an increase of 2½ per cent. on the rates previously ruling.

COLD STORAGE IN THE UNITED KINGDOM.

All butter and cheese arriving at London is discharged overside ship into barges for conveyance either to Hay's Wharf or to the stores of the Port of London Authority. The produce is there sorted and placed in cold storage until such time as delivery is taken by the buyers.

Similar arrangements with cold-store authorities are in operation at Bristol, Liverpool, and Manchester.

From 1st December, 1936, the London contracts with Hay's Wharf Company and with the Port of London Authority were renewed for a further period of three years at the following rates, which showed a slight reduction on the rates previously ruling :—

- Butter: Consolidated rate, 15s. 6d. per ton gross—
 - From 1st May to 31st October, rate includes rent for one week.
 - From 1st November to 30th April, rate includes rent for two weeks.
 - 5s. 6d. per ton first week's rent subsequent to free period
 - 5s. per ton second and later weeks' rent subsequent to free period.
- Cheese: Consolidated rate, 15s. 3d. per ton gross (includes one week's rent)—
 - Winter period, 1s. 9d. per ton per week after first week free rent.
 - Summer period, 2s. 3d. per ton per week after first week free rent.

MARINE INSURANCE.

All butter and cheese exported from New Zealand and purchased by the Department is protected by a comprehensive insurance contract, which covers the produce until thirty days after arrival in the United Kingdom. The contract also covers the cream and milk, which is made into butter and cheese intended for export, and which is identifiable as such, from the time such cream and milk is received at the factory until the produce is placed f.o.b. ocean steamer. The Department pays the insurance underwriters' flat rates covering the complete risk, and charges to dairy-factory companies the portion of the premium which represents the risk up to f.o.b. ocean steamer. The contract has a three-year term, and expires on 31st August, 1938. The inclusive rates are—

Butter ..	..	..	..	..	..	4s. 10d. per cent.
Cheese ..	..	..	..	..	..	5s. 3d. per cent.

Plus a war-risk premium of 5d. per cent.

The portion of the premium which represents the risk up to f.o.b. ocean steamer, and which is charged to dairy-factory companies, is as follows :—

Butter ..	..	..	..	..	..	0.69d. per box.
Cheese ..	..	..	..	..	..	1.085d. per crate.