

AVERAGE MONTHLY PRICES OF BUTTER AT LONDON.

Month.	New Zealand Finest Salted.		Australian Finest Salted.		Danish.	
	1935-36.	1936-37.	1935-36.	1936-37.	1935-36.	1936-37.
	Per Cwt.	Per Cwt.	Per Cwt.	Per Cwt.	Per Cwt.	Per Cwt.
November	102/6	109/-	102/-	107/9	124/9	122/6
December	90/3	100/6	89/6	98/9	127/9	114/9
January	95/-	94/6	94/3	94/6	119/6	113/-
February	93/9	86/6	92/6	86/6	129/-	119/6
March	84/3	96/3	84/-	96/6	122/6	126/9
April	88/3	105/-	87/9	104/6	106/-	115/-
May	94/6	107/-	93/3	106/-	104/6	110/6
June	108/3	110/-	107/-	108/6	115/6	114/9
July	114/9	114/-	113/6	112/-	124/6	120/-
Average, 9 months	96/10	102/6	96/-	101/8	119/4	117/5

(See also graphical tabulation of the weekly prices, which is published in this report.)

It is interesting to observe that, in respect of the period covered by the new marketing-system the premium for Danish butter over New Zealand is 14s. 11d. per hundredweight, compared with 22s. 6d. per hundredweight for the corresponding period of the previous season.

A price premium is paid for Danish butter because of its particular flavour and texture, and because it is fresh-made (not frozen and stored as in the case of New Zealand). The Danes built up a good market in the North of England for their butter by providing regular weekly supplies of uniform high quality. New Zealand, by improvement in quality, and in the regularity of supplies, has been steadily overcoming the advantages of proximity to the market enjoyed by the Danes, and outlets have been found for increasing quantities of New Zealand butter year by year.

Compared with Dutch butter and Baltic States butter, New Zealand this season shows more favourable prices than during the previous two years, and the comparison of Danish butter margins which has been quoted entirely disproves any suggestion that the present market policy has led to a widening of the Danish price-margin over New Zealand. On the contrary, the evidence supports the contention that the new marketing-system assists in a narrowing of the margin.

The following table shows the United Kingdom imports of New Zealand, Australian, and Danish butter for the period November to July in the season just closed, compared with the imports for the corresponding period in the previous season :—

UNITED KINGDOM IMPORTS OF BUTTER.

	New Zealand.		Australian.		Danish.	
	1935-36.	1936-37.	1935-36.	1936-37.	1935-36.	1936-37.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
November to July (inclusive) ..	108,405	116,433	79,282	62,027	79,360	85,567

The outstanding feature in the supply position in respect of New Zealand, Australian, and Danish butter on the United Kingdom market during the period of sale of butter purchased by the Government is the decrease in supplies of Australian. For the nine months November, 1936 to July, 1937, Australian supplies showed a decrease of 17,255 tons, whilst New Zealand showed an increase of 8,028 tons and Danish an increase of 6,207 tons.

Much attention is being given in the United Kingdom to the question of nutrition and the publicity of the Department stresses the food value of butter. There is evidence of an increasing appreciation of its superiority over margarine as a food. Without doubt, price is a most important factor, and it is the general experience that when the retail price of butter in the United Kingdom increases beyond 1s. 1d. per pound the tendency under normal circumstances is for butter sales to decline and a section of the consumers purchase margarine as a substitute.

CHEESE.

The following table of average monthly prices of cheese at London shows, in respect of New Zealand and Canadian cheese, the movement in price during the season just closed compared with the corresponding period for the previous season. Sales of New Zealand cheese purchased by the Government began in November, 1936.

AVERAGE MONTHLY PRICES OF CHEESE AT LONDON.

Month.	New Zealand (Finest White).		Canadian (Finest White)*.	
	1935-36.	1936-37.	1935-36.	1936-37.
	Per Cwt.	Per Cwt.	Per Cwt.	Per Cwt.
November	52/6	72/3	58/6	73/3
December	54/-	62/9	59/6	71/9
January	54/9	55/6	62/-	72/-
February	52/6	53/-	62/6	72/-
March	50/3	60/6	63/-	73/-
April	53/6	68/3	62/-	75/6
May	57/-	72/6	63/6	78/3
June	59/9	74/3	67/6	80/-
July	61/6	73/-	64/3	76/-
Average, 9 months	55/1	65/9	62/6	74/8

* Old.