

WHOLESALE AND RETAIL IN LOCAL MARKETS.

Southland.

Evidence shows that the demand for local supplies has increased to some extent. Ex-freezer price for blue cod at the Bluff has been 5½d. per pound, which is approximately 1d. per pound advance on wholesaler's cost. Owing, however, to the existence of a consumer's prejudice against frozen fish, the bulk of the blue cod marketed in Southland comes in fresh from boats not associated with wholesalers, from retailers' own direct suppliers, or from the National Mortgage and Agency Co.'s boats at Waikawa.

The export of fish other than blue cod is negligible, and practically the whole of the supplies of proper, flounders, soles, and butterfish is consumed locally. Certain rough fish of the kind procurable and eaten in other parts of the Dominion is available but is not wanted for retail sale in Southland—*e.g.*, ling, barracouta, red cod, moki, trevally, kahawai. At the moment it is difficult to suggest ways and means by which such fish could be made available to the public or even exported. Prices must necessarily be lower to the fishermen for these species, and there arises immediately the primary difficulty that there would be no encouragement to bring these in when blue cod and hapuka are available.

Although it appeared that retail prices were on the high side in Invercargill, a careful check which was taken upon the wastage and expenditure involved showed that a recommendation for any reduction could not be fully justified. One retailer delivers in country areas at Invercargill retail prices.

Relative recommendations appear at the end of the marketing section of this part.

Otago.

Under normal circumstances practically the whole of the supply of fish to Dunedin is sold through the auction-market, which is conducted by two auctioneers as joint tenants, the selling rate of commission being 10 per cent. Volume of supply varies throughout the year, and, as prices naturally fluctuate from day to day in accordance with this varying supply and with the demand, retail prices are likewise affected. The development of the export trade has raised prices generally, and the periods of oversupply which were experienced some few years ago are now unknown, the export requirements absorbing any surplus. In turn, the fishermen are receiving a higher and more stable price. Excepting those few fishermen who are tied financially, all others have the option of selling direct to exporting firms at stipulated prices or of placing their catches upon the auction-market.

Complaints have been made by retailers that the export requirements are denuding the retailers' supplies and forcing auction prices much higher than would otherwise be the case. While there is some justification for complaints of this nature, the position has been eased to some extent through exporters acceding to requests to give first consideration to the needs of the local retailers, and when supplies have been short the exporters have forwarded to the auction-market certain quantities which would otherwise have been destined for export. Moreover, retailers' requirements are catered for when they are able to draw supplies at any time ex freezers, usually at export prices, sometimes below, but sometimes ¼d. to ½d. higher if fresh supplies are exceptionally short and commitments have been made by exporters to ship stocks held.

Complaints were also made to the effect that one of the auctioneers, who is also an exporter, deliberately holds supplies off the market, and, further, that at times he bids for export supplies in competition with buyers, maintaining that in the case of soles, for instance, the retailer should pay at least an amount equal to what the auctioneer could afford to pay for export. In this connection it should be pointed out that both auctioneers often buy in for country customers unable to attend the market. It has been difficult to substantiate these complaints and to gauge the extent and effect of the practices out of which they arise, but it is certainly true that the local retailer is paying more for his fish to-day than he was several years ago when there were periods of oversupply and when certain quantities of good fresh fish were often taken back to Port Chalmers and dumped in the sea as unsaleable. From the fisherman's point of view this is all to the good, and, although the position leaves much to be desired, the retailer is not unduly penalized when it is considered that gluts are avoided, all buy upon equal terms, and the intrusion of further retail units to the detriment of established businesses is more or less eliminated by the relatively uniform conditions which prevail.

While reference is made later to questions of consumers' demand and retail prices, it should be mentioned at this stage that with daily fluctuations in wholesale prices and with resultant variations in retail prices it has been found impossible to ascertain definitely whether or not the average level of retail prices is at all times in keeping with fair and reasonable margins of profit. Investigation made into the financial results of eight retail-shops in Dunedin shows that over their latest accounting period of twelve months the net profits averaged £308, which represented a return of 7·4 per cent. on turnover (see Appendix I). Four of these shops sell both wet and cooked fish.

All fish are sold in case lots at auction in Dunedin, except flounders, which are sold by the dozen, and odd fish, per fish. Supplies are drawn in the main from Port Chalmers, Moeraki, Taieri Mouth, and Oamaru.

Certain other matters brought before the notice of the Committee by the retailers and their association will be dealt along national lines later.

Dunedin Marketing.—After a close scrutiny of the conditions prevailing in other centres, the Committee is of opinion that the present system of marketing in Dunedin—by auction—is not in the best interests of the majority of the interests concerned. Attention has already been directed to the