

In view of the fact that quantities for the ensuing season will be greater even than last year, the Division will continue its activities in this direction. The Division's supervision of the marketing of egg-pulp is also one of the main factors affecting local prices.

Care was taken to see that the demands for export and for egg-pulp did not conflict. Merchants were requested to refrain from fulfilling their requirements of winter pulp until after exporting had ceased, thus giving a continuity of market stabilization. From the consumers' viewpoint the manufacture of egg-pulp is important, on account of the fact that this pulp largely provides for the requirements of bakers and manufacturers during the winter period when prices of fresh eggs are high. If manufacturers and bakers were in the open market for fresh eggs at this period, the result would be that prices would rise even higher.

It might be mentioned at this point that the generally increased prosperity within New Zealand resulted in a far stronger demand for eggs during the period when prices normally begin to rise that is at the beginning of the winter months.

Investigations are being continued with the object of improving the marketing-conditions.

HONEY.

Under the Honey Export Control Act, 1924, the New Zealand Honey Control Board assumed the sole authority for exporting honey from New Zealand, but sales of honey within the Dominion have not been subject to any supervision. Beekeepers who depend wholly or partly on honey-production for their living are in a minority among the beekeepers of New Zealand, and marketing of these supplies has been made difficult by the large number of domestic beekeepers selling their surplus production at whatever prices they were offered. In addition to this, there has been no possibility of standardizing grading and quality, and this factor alone has had a very deleterious effect on local consumption.

At least two attempts have been made by producers at co-operative marketing, but, due to the facts mentioned above, they have not met with success nor received the full-co-operation of all producers. At the last annual meeting of beekeepers in Timaru an overwhelming majority favoured Government assistance to the industry.

Owing to the serious plight of the beekeepers of the Dominion in 1937 because of the poor season in that year, the Government (which had granted assistance at that time) was approached with a view to improving the marketing of honey so as to avoid the alternating shortage and glut conditions which had operated in the past.

After a thorough investigation of the circumstances, it was decided to establish a Honey Section of the Division, this being initiated by the purchase of the assets of New Zealand Honey, Ltd., a producers' company in Auckland. The Government was influenced in its decision to take the step of reorganizing the marketing of honey because of the very abundant crop this year following the acute shortage of last year.

It early became apparent that if selling-conditions internally were not regulated in some way, the producer would be placed in the unhappy position of being forced by competition to accept absurdly low prices for his product, whereas in the previous season he had received very small returns as a result of the paucity of the crop.

Honey-production varies considerably from year to year, and a long-range policy of conserving stocks in a glut year for the inevitable shortage in years to follow is deserving of attention; for that reason, honey has been brought under the jurisdiction of the Division. The supervision exercised over honey has enabled the Division to offer to producers a *pro rata* advance of 4½d. per pound according to grade this season for both export and local sales.

A further payment of ¾d. per pound has now been made, and at the conclusion of the financial year the Division confidently anticipates a further final payment to all producers supplying their honey to the Division. Advances have been made immediately on receipt of honey, irrespective of whether the honey will eventually be exported or sold on the local market. The final returns from export sales will be pooled with the local market returns.

With the modern equipment available at the Government blending depot in Auckland, all honey received is blended to fixed standards of quality, so that the consumer can be assured of receiving a standardized flavour and quality in all honey packed by the Division.

FRUIT.

Local.

Following a comprehensive survey of marketing conditions of the fruit industry in 1936 by the Fruit Marketing Committee, the necessity for introducing a number of reforms in the handling and distribution of fruit became apparent. With this object in view, the Division was entrusted with the supervision of marketing-conditions generally and much valuable preparatory work has already been done in this direction.