

In addition, the Division has been of considerable service to various sections of growers in assisting them to market their crops. In this connection the Division has acted as mediator between growers and factories in arranging prices and supplies. The raspberry-growers in the Nelson Province and the stone-fruit growers of Otago have utilized the Division for the purpose of negotiating minimum prices with the factories for raspberries and stone-fruits.

Similarly with hops, the Division has been instrumental in bringing to a successful conclusion negotiations between various sections of the growers, their agents, and the brewers of the Dominion which resulted in increased prices to growers.

Considerable attention has also been paid to the possible development of fruit-juice manufacture in this country, with its attendant by-products. With the assistance of the Department of Scientific and Industrial Research the Division went very thoroughly into the manufacturing of unfermented apple-juice in the hope that an outlet might be found for lower-grade apples which at present have such a depressing effect on the apple-market in this country. The matter has now been referred to the Bureau of Industry, which is making further investigations into the subject.

Arrangements were completed to ensure a guaranteed minimum price for all first-grade fruit marketed within the Dominion.

The Division also assisted in the preparation of grading standards for apples and pears, and regulations have now been introduced by the Department of Agriculture covering this important phase of marketing.

Regulations prescribing standards for fruit were brought down, with the main object of giving confidence to buyers who purchased fruit in the open auction. In the past fruit-prices have been seriously affected through the unwillingness of buyers to risk too high a price on an unknown quality, and every case of fruit now sold must conform to standards which are known to the buyer as well as to the packer. The advantage of this has already been apparent in improved marketing conditions. It is hoped that this system will be capable of extension so that the consumer will be able to purchase his requirements of fruit according to grade.

Anticipating an abnormally large crop of fruit, the Division inaugurated a comprehensive advertising campaign in February of this year to assist in the disposal of the additional supplies of fruit coming forward. Where we have been able to trace direct results, the effect of this advertising, particularly the radio-advertising section of the campaign, has been most gratifying. In the case of Bon Chretien pears, the market responded remarkably. Not only was the effect apparent in values, but also bottles for preserving were in such demand that supplies were very soon exhausted, purely as a result of the stimulus given by the campaign.

Sales of apples, too, although in very plentiful market supply, have responded promptly when any particular type has been advertised. The abundant crops have been difficult to handle and prices have been low, but the intensive advertising has had the effect of increasing market returns considerably in numerous instances. The success of the campaign is to a large extent due to the co-operation of the various sections of the trade; and in this connection the Division wishes to place on record its appreciation of the assistance rendered to it by the various wholesale merchants and retail associations throughout the Dominion.

#### *Imported.*

The Division has devoted a great deal of time to improving the marketing procedure in connection with imported citrus fruits and bananas, and the distribution of these two important foodstuffs is now the responsibility of the Division.

Because of Mediterranean fruit-fly an embargo was placed on Australian citrus fruits in 1932, and the only area of the Commonwealth supplying the Dominion's requirements from that time until 1937 was South Australia. This arrangement existed until the 8th November, 1937, when the restrictions were removed on fruit grown in areas which could produce certificates as to their fruit being grown in districts free from Mediterranean fruit-fly. This action enabled merchants and importers to bring into New Zealand whatever quantities of oranges and mandarins they desired, provided the certificate of freedom from disease was produced in accordance with the Orchard and Garden Diseases Act, 1928.

Under a Customs Proclamation dated 11th May, 1938, the Division became the sole importers of citrus fruits and bananas. The distribution of Cook Island oranges, which had previously been under the jurisdiction of the Cook Islands Department, was therefore transferred to the Division. From that date the Division became the sole importer of citrus fruits. For a number of years prior to that date this trade was more or less confined to a small number of importers who were operating under a system which was conducive to the establishment of monopolies and monopoly prices. The Government therefore felt that a major alteration in policy was necessary. This step has been amply justified by the results that have been achieved.

During a period of five months and a half since the inception of the scheme the Division handled approximately sixty thousand bushel-and-a-half cases of citrus fruits more than was handled in a similar period in 1937. This means that the people of the Dominion have consumed nearly ten-million oranges more this year than last year over the same period. This greatly increased quantity has been