

QUANTITIES OF BUTTER AND CHEESE EXPORTED.

The quantities of butter and cheese exported from the various grading ports of the Dominion are shown in the following tabulation :—

BUTTER AND CHEESE EXPORTS FROM 1ST AUGUST, 1937, TO 31ST JULY, 1938.

Grading Ports.	To Great Britain.		To U.S.A. and Canada.		To other Destinations.		Total Exports.		Percentage.	
	Butter.	Cheese.	Butter.	Cheese.	Butter.	Cheese.	Butter.	Cheese.	Butter.	Cheese.
	Boxes.	Crates.	Boxes.	Crates.	Boxes.	Crates.	Boxes.	Crates.	Boxes.	Crates.
Auckland ..	3,897,705	226,529	86,613	665	112,268	904	4,096,586	222,092	72.25	18.71
New Plymouth ..	449,560	228,564	..	..	..	..	449,560	228,564	7.93	19.26
Patea ..	87,089	318,533	..	..	..	..	87,089	318,533	1.54	26.83
Wanganui ..	112,399	32,718	..	..	..	40	112,399	32,758	1.98	2.76
Wellington ..	606,884	186,292	5,600	..	1,688	66	614,172	186,358	10.83	15.70
Isborne ..	90,881	1,314	..	..	..	..	90,881	1,314	1.60	0.11
Napier ..	67,912	681	..	..	..	..	67,912	681	1.20	0.06
North Island totals	5,312,430	998,631	92,213	665	113,956	1,010	5,518,599	990,306	97.33	83.43
Lyttelton ..	92,059	14,033	..	..	..	1	92,059	14,034	1.62	1.18
Timaru ..	37,820	10,145	..	..	..	..	37,820	10,145	0.67	0.86
Dunedin ..	7,812	23,135	..	..	90	16	7,902	23,151	0.14	1.95
Bluff ..	13,387	149,235	..	..	..	91	13,387	149,326	0.24	12.58
South Island totals	151,078	196,548	..	..	90	108	151,168	196,656	2.67	16.57
Dominion totals..	5,463,508	1,185,179	92,213	665	114,046	1,118	5,669,767	1,186,962	100.00	100.00

THE RELATION BETWEEN BUTTER-MANUFACTURE AND CHEESE-MANUFACTURE, AND DIFFERENTIAL PAYMENTS AND ALLOWANCES.

In order to assist the maintenance of cheese-production, the guaranteed purchase prices for butter and cheese have been fixed to allow on the average a differential marginal payment in favour of butterfat supplied for cheesemaking. This differential margin is intended to compensate suppliers to cheese-factory companies for the comparatively lower returns from by-products and for the costs of delivery of milk. The differential margin of $1\frac{1}{2}$ d. per pound butterfat which was originally fixed has been raised to 2d. per pound butterfat, and there is evidence to support the contention that these price margins have been effective in arresting the steady decline in cheese-production which has been in evidence during the past five years. In this regard the following figures of cheese and butter gradings are of interest :—

CHEESE AND BUTTER GRADINGS.

	Cheese.			Butter.	
	Tons.	Increase or Decrease on Previous Year.		Tons.	Increase or Decrease on Previous Year.
		Per Cent.			Per Cent.
1934-35	92,673	10.62 (decrease)		136,217	2.86 (decrease)
1935-36	85,555	7.68 (decrease)		146,687	7.69 (increase)
1936-37	88,222	3.12 (increase)		154,564	5.37 (increase)
1937-38	85,470	3.12 (decrease)		142,835	7.59 (decrease)

The foregoing figures show that in the two seasons immediately preceding the introduction of the guaranteed-price procedure the decreases in cheese-production were respectively 10.62 per cent. and 7.68 per cent. In the 1936-37 and the 1937-38 seasons the position is shown to be relatively more favourable. For the 1936-37 season the increase in cheese-production is 3.12 per cent., and for the 1937-38 season the decrease is 3.12 per cent. When it is considered that in respect of butter the decrease for the 1937-38 season is 7.59 per cent., it can fairly be claimed that the present price margin of 2d. per pound butterfat in favour of cheese has assisted to maintain cheese-production.

On the general question of cheese-production, the position is that imports of cheese into the main importing countries have shown a steady decline since 1930, in which year the imports into the seventeen main importing countries (including United Kingdom, Germany, United States, Belgium, and France) were 321,650 tons. Each subsequent year showed a decline until in 1935 the quantity was 242,350 tons. In 1936 and 1937 the quantity showed a slight rise, the importations for 1937 being 264,250 tons. This trend is noted in the published statistics. The decline in importations of cheese is evidence either of a lessened consumer demand or of an increase in the production of cheese in the importing countries, necessitating lesser importations. Both factors must be taken into