

The regulation of meat supplies and prices on the local market during 1940 on the basis of the arrangements made with the concurrence of the New Zealand Farmers' Union and the New Zealand Sheepowners' Federation during March, 1940, worked very well. Frozen meat was made available to a certain extent between July and November, 1940, and there was also a regular transfer of fresh beef-supplies from the North to the South Island during the most difficult winter and spring months.

Towards the end of the financial year changes in the export position affecting mutton and pork created a certain amount of complication so far as the local market was concerned, and at present the whole matter of regulating supplies and prices of meat on the local market is being reviewed in consultation with the Export Division of the Marketing Department, the Department of Agriculture, and the Price Tribunal.

The situation in regard to the supply of cornflour which was difficult during 1939-40—improved greatly in 1940-41, and wholesale stocks have since been built up to a substantial figure well above pre-war supplies. This wholesale stock is, however, of a miscellaneous character, some being wheaten cornflour and the rest maize cornflour.

The supply of dried fruits, such as currants, raisins, and sultanas, has been maintained at a satisfactory level. Difficulties which occurred, particularly after the outbreak of war, were largely overcome, and the outlook for the future is good. New Zealand has been purchasing her supplies of dried fruits on a very favourable basis, mainly from Australia.

This year has seen the development of a wider field of our supplies for the Imperial Government. These additional supplies take the form of concentrated and processed foodstuffs packed mainly in tins. They include such items as biscuits, tinned oatmeal, tinned sausages, &c. It is expected that the figures of these exports will reach considerable magnitude. The Export Division of the Marketing Department will continue to attend to the purchase of such tinned foodstuffs as meat and milk as were formerly exported, while the purchase of new exports, such as biscuits, oatmeal, sausages, &c., is under the direction of the Food Controller.

During the year special attention has been given to the establishment of reserve stocks of foodstuffs. Plans in this connection have been formulated and will be put into operation at an early date. At the same time, the Food Control Office has been in contact with E.P.S. organizations in the different parts of New Zealand concerning emergency plans for the distribution of foodstuffs.

Generally speaking, New Zealand is fortunate in its food-supplies. Many of the vital necessities of life are locally produced and the production is well distributed, with ample supplies of fresh milk, meat, butter, cheese, eggs, fruit, and vegetables. With regard to some of our essential imports, there are bound to be a few difficulties with the continuation of the war.

Close co-operation by the Food Control Office with other Controllers under the Ministry of Supply has been maintained, particularly with the Factory Controller.

THE LEMON INDUSTRY.

After two years' operations, conditions in the lemon industry reveal a rapid consolidation. It will be remembered that considerable difficulties were first encountered in the reorganization of this industry. The Department was faced with disheartened producers who had suffered a period of low prices. During the first year of the Division's operations this position was further aggravated by hail and frost damage. The Division was also faced with the task of reorganizing processing-sheds which were, in some instances, uneconomic to operate, and in other sheds there was a considerable amount of plant and material which was obsolete and of little practical use.

At the time the Department took over, there was a heavy accumulation within New Zealand of by-products—juice and peel. At the date of this report all the above conditions are improving. The peel and juice stocks have been disposed of and at the end of the financial year only nominal stocks were held, this section of the industry being in a very sound position, whilst for the retail market, a complete selling organization giving sales coverage throughout New Zealand has been established.

In the curing of lemons, conditions in the sheds have been vastly improved at Gisborne, Tauranga, and Kerikeri, whilst at Auckland the new building and plant are practically completed, and the building will be ready for occupation by the end of August.

During the year ended 31st March, 1941, the total average payment to growers amounts to 7s. 6d. for sufficient fruit to pack and cure a bushel case of lemons, or 5s. 5½d. per loose bushel case. These prices are net to the grower and do not include any charges such as curing, depreciation, interest, cases, railway freight, selling commission, or the like.

For the year commencing 1st April, 1941, producers have been promised 7s. for sufficient fruit to pack a cured bushel case, whilst the Hon. the Minister of Marketing has agreed to the same procedure as for last year, and at the end of the season consideration will be given to the payment of a bonus on the 1941-42 crop if the financial position permits. In the meantime, in order to encourage picking and production in the off-season, December to July, and to facilitate lower selling-prices during the months of flush production, August to November, the basic price of 7s. per cured bushel case has been graduated so as to produce a sliding scale of prices from January to December.

The quality of the fruit still leaves much to be desired in some areas, but with steady prices and a consequent improvement in orchard practice it is hoped that orchards will continue to receive better attention, and with the sliding scale of prices growers will pick fruit more to size and more regularly throughout the year.

Production for the year ending 31st March, 1941, shows an increase of 25,667 cases, or 36.1 per cent., on the previous year's figures. Tauranga is the main source of supply, producing 54.8 per cent. of the total crop.