

PART I. PRESENT CIRCUMSTANCES OF THE SUPPLY OF MILK TO THE FOUR METROPOLITAN AREAS

CHAPTER I.—INTRODUCTION

The first matter for inquiry and report is prescribed by our order of reference as:—

“The present circumstances of the supply of milk to the four metropolitan areas of Auckland, Wellington, Christchurch, and Dunedin, and to such other areas as may from time to time be directed by the Minister of Agriculture.”

No direction extending our inquiry has been given to us by the Minister of Agriculture, and the inquiry, therefore, is limited to the circumstances existing in the four metropolitan areas.

The essential conditions of the production and distribution of an adequate supply of milk of a high standard at reasonable prices are fundamentally the same in all areas, and the ultimate problems presented by the industry are fundamentally the same. Under the pressure of the growth of population and of social enlightenment the demand everywhere is for greater quantities of liquid milk for immediate human consumption and for a progressive improvement in its quality. In every area the questions of cost and of price are raised by every increase in demand, and even by the necessity of maintaining the level of supplies under changing conditions. The price must always be high enough to call forth the supply demanded and it must always be low enough to make adequate quantities of milk available to all groups in the community. The area from which supplies are drawn has not only to be maintained, but to be enlarged in competition with other uses for which the land is required.

Though the essential conditions of a satisfactory supply are fundamentally the same everywhere there is a marked diversity in the circumstances attending the operation of the industry in the several areas. Natural conditions are more favourable in one place than in another. Particular events occurring at intervals through the years in particular areas have exercised a determining influence on the development of the industry there. Guidance by men of foresight and resolution at particular crises has given to the organization of the industry in one area a form and character not to be found in other areas. As a result of these differences in natural conditions, events, and personal influences the set-up of the industry in each area is peculiar to that area, and the problems presented vary to such an extent as to demand separate consideration and in certain matters different solutions.

A survey of the circumstances in each of the four metropolitan areas is contained in separate chapters of this Part of the report. The purpose of this introduction is to direct attention to the more important features of the industry in each of the areas and to the significance of those features in relation to questions of adequacy, standard, and price.

DEMAND

In considering the problem of the supply of milk to any area it is necessary to ascertain the present demand and estimate prospective requirements. In the metropolitan areas the volume of liquid milk and of sweet cream demanded varies from area to area. The prime factor in determining that volume is the size of the population and the consumption of milk per head. The consumption per head of the population does not vary greatly, and in all cases is well below the amount recommended by doctors and nutritionists. But the numbers and rate of increase of the population do vary considerably. It is not possible for the purposes of this report to state with precision the vital statistics for any of the metropolitan areas; but the approximate figures given provide a reliable guide. The numbers that are relevant are the numbers of men, women, and children who draw upon the one source of supply of milk. These do not correspond exactly with the numbers of persons living within separate local-body areas. In every case there is a number living in outer suburbs and on the fringe of the aggregations recognized as suburbs whose demand is met from the same source as the demand from the city. In the more rapidly-growing centres changes take place that reduce the number of persons living in the more congested parts and increases those living in the outer areas.

The number of persons supplied with milk varies from area to area. According to the figures published in the Year-Book, the estimated population in the urban areas on the 1st April, 1941, was as follows:—

Auckland	223,700
Wellington and Hutt Valley	160,500
Christchurch	135,500 (or excluding Lyttelton, 132,440)
Dunedin	82,200

The rate of increase of population in the North Island centres appears to be still much higher than that in the South Island centres. The total daily quantities of milk at present required, including that demanded by the Armed Forces, are approximately as follows:—

	Gallons.
Auckland	28,000
Wellington and Hutt Valley	20,000
Christchurch	13,000
Dunedin	8,800

In all centres two factors have in recent years affected the demand in a major degree. The first, the supply of milk to children in schools, is a permanent one; and the second, the demand by the Armed Forces, is a temporary one. The demand for milk for school-children can be estimated with some degree of accuracy, but it is not a regular all-round-the-year demand. It is broken by week-ends and holidays, and from the nature of the case involves the creation in these periods of a supply surplus to the regular requirements. The demand from the Armed Forces is an irregular one. It calls for a substantial increase in supply. That increase must be sufficient to meet peak demands; and this means that when the demand fluctuates downwards there are substantial surplus quantities that cannot be absorbed as liquid milk and that must be diverted to the cheese or butter factory at a reduced price. How great is the difference made to the total demand by the Armed Forces it is impossible to say. It has to be remembered that it is not only the quantities of milk supplied to ships, air stations, and Army camps that have to be considered, but also the increase in sales by milk-bars and restaurants. And, on the other hand, it has to be remembered that approximately 10 per cent. of our population is at present in the Armed Forces at home or abroad and will eventually return to civilian life. Their requirements must be added to that of the present civilian population in estimating the probable demand when hostilities cease.