

As in previous years, supplies were made available to school-children during the harvest period, but owing to the schools being closed for two weeks on account of sickness these supplies were not as great as anticipated. The coverage was complete: pupils in remote country districts participated to the same extent as did pupils in town schools; pupils in private schools, and children of school age in public institutions (except public hospitals), all received their due share; even the individual pupils in town and country who receive tuition by correspondence were not overlooked, nor were the school-children in far-away Chatham Islands.

Over 110,000 cases were supplied to dehydration factories. Unfortunately, the Division's factory at Motueka was not completed until towards the end of the harvest season, otherwise greater quantities would have been processed. The new system of dehydration is a vast improvement on older methods of drying, and the stage has now been reached where it can be claimed that the dehydrated article, when cooked, cannot be distinguished from cooked fresh apples. All dehydrated apples are supplied to the United States Joint Purchasing Board.

It is estimated that in pre-war years local market demands were fully met by 1,250,000 cases of apples and pears, but under present-day conditions the additional 500,000 cases, making a total of 1,750,000 cases, is scarcely adequate to the public's need. While this increased demand is partly due to the shortage in imported fruits, nevertheless, the general public is definitely more apple-conscious than in pre-war years.

The distribution policy is to effect regular supply to all markets—avoiding gluts and shortages—and to give to each township throughout the Dominion its proportionate share of the quantity liberated each week. Weekly market releases are determined with the object of spreading sales as much as possible over the whole year. All supplies to the United States Joint Purchasing Board, local military units, to schools, and factories are dispatched direct from the Division, but all supplies to the public are available only through the usual wholesale and retail channels. The Fruit Marketing Council desires to see more direct selling methods evolved.

Private trade direct between individual growers and consumers has demonstrated clearly how popular this type of trade really is. It has become so popular with growers and with consumers that the growing quantities are upsetting to the public supplies through ordinary retail channels and give rise to discontent from other consumers. The Council recognizes that the solution lies not in the prohibition of direct sales to consumers, but in the co-ordination of this trade with other avenues of supply.

#### SALES

For many years the common method for determining the private value of apples and pears was the auction system. It was contended that through auction, supply and demand met its true price-level. However, a study of the price fluctuations that existed between merchants, between markets, and from day to day revealed that these auction prices were not influenced as much by the general position of supply and demand as they were by the temporary supply to the particular merchant or market, and the regularity of that supply, or by the fruit trafficking that took place between the point of production and the point of consumption.

Through grade standardization and central control of stocks it has been possible to establish a system whereby auction selling has been abolished, to regulate market turnover through price (a real relationship between supply and demand), and to establish prices which, while varying according to variety and grade of fruit, are common to all markets of the Dominion—country as well as town. Such price-lists are stable for at least one week, but, according to circumstances, may remain unchanged for two or more weeks.

It has also been possible to fix retail prices in relation to current wholesale prices.

Through these changes in price determination the Council and the Division can operate effectively the price policy set by the Economic Stabilization Commission.