Local sales of butter, including those to Pacific Forces, were as follows:—

Local Market Sales of Butter for Year ended 31st March, 1946

			Creamery.	U.S. Forces Creamery.	Whey.	Total.
	1945		lb.	lb.	lb.	lb.
April			4,362,231	881,224	50,706	5,294,161
May			4,958,218	661,114	56,069	5,675,401
June			3,698,369	615,540	45,299	4.359,208
July			3,604,784	820,050	29,005	4,453,839
August			3,792,629	1,935,794	35,501	5,763,924
September		!	3,686,103	2,860.362	29,319	6,575,784
October			4,008,509	2,619,776	40,939	6,669,224
November			3,560,235	Nil	36,400	3,596,635
December			4,308,396	Nil	34,811	4,343,207
	1946					-,,,
January			3,753,958	Nil	36,547	3,790,505
February			3,535,711	Nil	35,189	3,570,900
March			3,699,733	Nil	37,659	3,737,392
		į-	46,968,876	10,393,860	467,444	57,830,180

Dairy Butterfat

The dry-butterfat plant has continued to function in the same way as last year, processing only such quantities of farm or deteriorated butters as have been available, and also recovering fat from paper stripped from bulk butter. The cessation of military orders and the smaller local butter consumption has reduced this still further. However, the Dry Fat Committee (representing the Dairy Board, Dairy Research Institute, Export Division, and Internal Marketing Division) has recommended that the plant should be retained if accommodation can be found at a reasonable cost. A suitable building is therefore to be erected on the roof of the Division's Auckland premises, to which the plant will be moved and where it will be operated as required. The Frankton plant, which was installed at the request of the United Kingdom Government, but, fortunately, never needed, has been dismantled and, in the main, already sold. Half of the comparatively small loss upon the plant will be borne by Britain.

Administration

War conditions have caused some fairly drastic changes in many of our distributing procedures, originating as temporary expedients to meet shortages of labour, plant, and requisites.

In pre-war days the Division generally licensed as distributors such manufacturing dairies and merchants as had previously operated. This meant that in most of the larger towns and in all the cities there was considerable overlapping of delivery. In Palmerston North, for example, three or four licensed merchants, as well as dairy companies, delivered butter to retailers over the same area. When the Division was later instructed to arrange butter delivery to effect the greatest possible economy in man-power, petrol, tires, and vehicles it helped to eliminate redundant services by—

(1) Amalgamation of distributors, as in the City of Wellington;

(2) Amalgamation of dairy company deliveries, as in Palmerston North; and

(3) Zoning of delivery areas, as in Auckland.

These amalgamations of deliveries, though instituted purely as a war measure, caused dairy factories near the larger towns to form themselves into co-operative units, thus eliminating their licensed agents. These co-operative farm products companies, although composed of dairy companies in the first instance, proceeded to deliver other primary products such as eggs, cheese, honey, and bacon. Poultry-farmers also, in some areas, formed themselves into co-operative companies composed of producers in order to share in the local farm products company and its activities.