

REPORT

1. FIXATION OF NATIONAL TOWN MILK PRODUCER PRICE, 1946-47 MILK YEAR

For the milk year commencing 1st September, 1946, and terminating on 31st August, 1947, the national town milk price was fixed at the level of 15·63d. per gallon, which represented an increase of 0·78d. per gallon on the previous year's price of 14·85d. This increase represented the town milk equivalent of the increase to the guaranteed price for dairy-farmers of 0·52d. per pound butterfat on account of higher labour reward and 0·761d. per pound butterfat representing increased working and maintenance costs. This average price of 15·63d. was, in consultation with the Town Milk Producers' Federation of New Zealand, divided into the following seasonal differentials:—

	Per Gallon. d.
Summer period (September to January inclusive)	12·75
Autumn period (February to April inclusive)	15
Winter period (May to August inclusive)	20·36

These prices were payable to approved producer organizations in respect of the full nominated quantity plus agreed surpluses if produced, or actual town milk sales, whichever were the greater.

2. FURTHER EXTENSION OF THE NATIONAL MILK SCHEME TO COVER PAYMENT FOR ADDITIONAL SURPLUS MILK

During the 1945-46 milk year, payment of surplus over and above the nominated quantity to the extent of 10 per cent. was recognized. On behalf of milk producers, however, their federation claimed that this surplus factor was particularly inadequate as far as the summer period was concerned, when a flush of production was inevitable. After consultation between the Minister of Marketing and the federation, it was agreed that the surplus factor for the summer period be increased to 17 per cent., the autumn and winter periods remaining at 10 per cent.

3. TERMS OF AGREEMENT BETWEEN THE MINISTER OF MARKETING AND THE TOWN MILK PRODUCERS' FEDERATION OF NEW ZEALAND

The terms of the agreement entered into between the Minister of Marketing and the Town Milk Producers' Federation of New Zealand covering the operation of the National Milk Scheme for the 1946-47 year was broadly on the same basis as that operative during the previous year and published in detail in the first annual report of this Division. The only major alterations for this year included the provisions to recognize the increase in the surplus milk factor to 17 per cent. for the summer period and to pay for any surplus milk produced in the winter period at the average price of 15·63d. per gallon.

4. BASIS OF REALIZATION FOR SURPLUS MILK DIVERTED FOR DRIED MILK, CHEESE, OR BUTTER MANUFACTURE

After consultation with the Town Milk Producers' Federation it was agreed that in respect of the 1946-47 milk year the credit on surplus milk to be given to the Government on quantities diverted to dried milk, cheese, or butter manufacture were to be on the following basis:—

	Per Gallon. d.
For dried milk	9·1
For cheese	8·75
For butter	7·85

All prices to be credited as at the farm gate.