

1916.

## NEW ZEALAND.

MEAT PURCHASED BY IMPERIAL MEAT-SUPPLY  
DEPARTMENT

(PARTICULARS RELATIVE TO SALE AND DISPOSAL IN GREAT BRITAIN OF).

*Laid on the Table of the House of Representatives by Leave.*

## DISPOSAL OF MEAT.

*Beef*, except the small proportion which is of inferior quality, is utilized for feeding the Army.

*Mutton*.—In August, 1915, the High Commissioner cabled that the Government was then holding all wethers (and presumably maiden ewes also) for feeding the Army. For some time past, however, New Zealand mutton has been regularly quoted on the Smithfield Market. Evidently only a portion of our mutton-supplies is so sold, the balance being used for the troops. The proportion utilized for Army purposes is not known, but the quantity placed upon the market is only small, as is shown by an extract from a letter from Sir Thomas Robinson to the High Commissioner on the 23rd May, reading as follows: "The quantity of New Zealand meat which it is possible to release for civil consumption has now been reduced to such small proportions that its scarcity on the market is very noticeable, more particularly so during the period when supplies from Ireland have been unobtainable."

*Lamb*.—All lamb is utilized by the Imperial Government for the purpose of sale for consumption by the civil population. The quantity placed on the market daily is controlled by the authorities, and large quantities are held in store.

## SALES AND SELLING-PRICES IN ENGLAND.

The system under which our meat is sold in England is as follows: Such meat as is liberated for sale by the Board of Trade is sold by agents nominated by the shippers here, who must be approved and accredited by the British Board of Trade. They sell to wholesale merchants, who must sell direct to retailers, dealing being forbidden.

## WHOLESALE PRICES.

The High Commissioner's last cabled market report, dated 15th July, gives the following quotations: New Zealand mutton, 8½d. per pound; New Zealand ewe mutton, 8¼d. per pound; New Zealand lamb, 9½d. per pound.

The f.o.b. prices paid in New Zealand for these classes of meat are: New Zealand mutton, 4½d. per pound; New Zealand ewe mutton, 4d. per pound; New Zealand lamb (Canterbury), 5½d. per pound.

To these f.o.b. prices must be added the charges incurred before the meat can be realized on by the Imperial authorities. The exact amount of London charges cannot be ascertained, but it is considered that, including a reasonable estimate of these, it costs the Imperial Government at least 2½d. per pound, and probably 2½d. per pound additional to the f.o.b. price here, before the meat can be realized on. Taking the lowest estimate of 2½d. the figures work out as follows:—

	F.O.B. Price, plus Charges (2½d.).	Market Price in England (July 15).	Profit made by Imperial Government.
Mutton ... ..	7d.	8½d.	1½d.
Ewe mutton ... ..	6½d.	8¼d.	1¾d.
Lamb ... ..	8½d.	9½d.	1½d.

Thus, on a 36 lb. lamb a profit of 4s. 1½d. is shown in favour of the Imperial Government. But it must be remembered that the supply of New Zealand meat on the market is now very limited, and this has tended to bring about abnormal market conditions.

It must not be thought that the margin of profit made by the Imperial Government on its wholesale sales has been at this level throughout. Last year, for the months of September and October, it was estimated that after allowing all charges the sales in London showed the following results:—

	Mutton, per Pound.	Ewe Mutton, per Pound.	Lamb (Canterbury), per Pound.
September	½d. profit	¾d. loss	¼d. loss
October	½d. „	¾d. „	½d. „

Since the 1st January of this year the estimated average profits made by the Government's sales are as follows:—

	January.	February.	March.	April.	May	June.
Mutton	⅞d.	¾d.	⅞d.	¾d.	1 ⅞d.	1 ⅞d.
Ewe mutton	¾d.	¾d.	1 ⅞d.	1d.	1 ⅞d.	1 ⅞d.
Lamb	⅞d. (loss)	⅞d.	⅞d.	¾d.	1 ⅞d.	1 ⅞d.

These figures are arrived at by taking the top weekly quotations for each class of meat and taking the average of these for each month.

Taking the transactions as a whole, the present position of the Imperial Government on the point of profit and loss is shown in the following extract from Sir Thomas Robinson's letter to the High Commissioner on the 23rd May: "There is grave doubt as to whether the prices which have been realized up to the present time have been sufficient to cover the actual cost and expenses, and upon the figures which can, at this stage, be made available it is not possible to satisfy the Board of Trade that they will avoid a loss when the final balance can be made up."

#### Retail Prices.

Apart from the sales by the Imperial Government, the question of retail prices in England has been raised. This is one over which the New Zealand Government naturally has no control, but realizing that it was at the same time one for serious consideration by this Government, the High Commissioner was communicated with early in the present month, and communications on the subject are still passing. At present retail prices in England are on a high basis, and this appears to be due to four causes, viz.,—

- (1.) The small quantity of New Zealand meat being placed on the market:
- (2.) The almost total absence of supplies from Australia consequent upon the drought:
- (3.) The fact that Argentine meat is free from control by the British Government:
- (4.) Efforts at economy (apparently misplaced) on the part of consumers in purchasing frozen meat instead of British, and thereby increasing the demand for it.

As a result retail prices all round are at a higher level than should be the case; and while British-grown meat is still by far the most costly, wholesale prices for Argentine mutton and lamb have of late risen considerably above those for New Zealand mutton and lamb, the demand being so keen in May and June that importers from the Argentine are said to have been able to get whatever prices they asked. The fact of Government-controlled New Zealand meat selling at a considerably lower figure would not be unreasonable if the consumers in Great Britain were receiving the benefit of it, but they do not, and instead, the retailers, having to pay high prices for Argentine meat, balance things up by selling the cheaper, though better, New Zealand meat at high retail prices.

It has been suggested that speculation in New Zealand meat after its sale on behalf of the Home Government, and before it gets into the hands of the retailers, is largely responsible for the present position. No evidence in proof of this is available, but careful inquiry is still being made.

It must be borne in mind that it is only on a comparatively small proportion of the whole of our export meat that these large retail profits are now being made, and were the British Government able to release larger quantities for sale daily the position would be eased. But we may be sure that the holding in store of large quantities is done with good reason. Another factor operating is the fact that large stocks of meat are still in store in the Dominion awaiting shipment. Were our meat arriving in England more freely the market would be adjusted if the Government liberated more for sale, as it no doubt would do under such circumstances. But the best possible is being done with the ships available, and the position as affecting New Zealand from a shipping standpoint is as good as could be expected under existing war conditions. When all the facts are taken into consideration, and due regard given to the practical difficulties existing, the present position as regards marketing conditions in England cannot be regarded as being in any way satisfactory, and at the beginning of the present month this Government, as already stated, communicated with the High Commissioner over the whole question, and communications are still passing, the High Commissioner being also in communication with the British Board of Trade. It is hoped that this action already initiated will result in the matter being placed on an altered basis, one fair to both producer and consumer, and calculated to operate to the best advantage of both the Mother-country and the Dominion.

*Approximate Cost of Paper.*—Preparation, not given; printing (850 copies), £1 10s.