

The following table shows the number of boxes, purchase prices, and value of all butter purchased from the inception of the purchase contracts up to the 31st March, 1921 :—

Season.	Butter.	Number of Boxes.	Value, including Storage and Charges.
			£
1917-18	Creamery butter, first grade, 157s. per cwt. ; 1s. per cwt. less for each grade-point below first grade Whey and dairy butter, first grade, 133s. 8d. per cwt. ; ½d. per lb. less for second grade Milled butter, first grade, 124s. 4d. per cwt. ; ½d. per lb. less for second grade Plus half profits realized on sale by Imperial Government, which ultimately amounted to 17s. per cwt.	724,695	3,137,965
1918-19	Creamery butter, first grade, 181s. per cwt. ; 1s. per cwt. less for each grade-point below first grade Whey and dairy butter, first grade, 162s. 4d. per cwt. ; ½d. per lb. less for second grade Milled butter, first grade, 148s. 4d. per cwt. ; ½d. per lb. less for second grade		
1919-20	Same as 1918-19		
1920-21	Creamery butter, first grade, 280s. per cwt. ; 1s. 6d. per cwt. less for each grade-point below 88 points Whey and dairy butter, first grade, 261s. 4d. per cwt. ; ½d. per lb. less for second grade Milled butter, first grade, 247s. 4d. per cwt. ; ½d. per lb. less for second grade		
	Totals	3,148,510	16,979,748

The butter held in store awaiting shipment on account of the Imperial Government at the 31st March, 1921, was 251,029 boxes.

The total cost of administration chargeable to this section of the Department's activities has amounted to 0·050 per cent., or 12d. per £100.

Great assistance has been rendered to the Department throughout the whole term of the purchase of dairy-produce by the Dairy Division of the Department of Agriculture, particularly in regard to certification of stocks for advances, issue of store warrants, collection of insurance policies, &c.

EQUALIZATION FUNDS.

Various funds have been administered by the Department to equalize the returns of factories selling butter for household consumption within New Zealand with the returns of factories exporting butter. The funds under administration at the 31st March, 1921, were as follows :—

1918-19 and 1919-20: The New Zealand Government, under the authority of clause 16 of the Appropriation Act, 1919, assumed the liability of equalizing the profits on local butter-sales, a payment being made to manufacturers of 1·955d. per pound, plus a winter-storage allowance, on all such butter sold at not more than 1s. 5d. per pound bulk in boxes at factory-door, a deduction being made to the extent of any excess price charged.

The payments to the 31st March, 1921, made in respect of the 1918-19 season amounted to £208,717 and in respect of the 1919-20 season to £277,364.

1920-21: Authority was given under section 12 of the Appropriation Act, 1920, for the payment of sums to equalize the returns of factories selling butter for household consumption with the returns of exporting-factories, payments being made at the rate of 6d. per pound on all such butter sold after the 18th October, 1920, and prior to the 31st March, 1921, at not more than 1s. 11½d. per pound bulk in boxes at factory-door, a deduction being made to the extent of any excess price charged, the total payments made to the 31st March, 1921, being £95,855.

Interim payments have been made during the 1919-20 and 1920-21 seasons on monthly returns forwarded by the factories, the final payments being made after the returns of factories have been duly audited by the Department's Travelling Auditors.