

The guaranteed prices for the 1937-38 season are so fixed that the average pay-out to suppliers of milk to cheese-factories should be 2d. per pound of butter-fat in excess of the average pay-out to suppliers of cream to butter-factories. This margin of 2d. per pound butterfat in favour of cheese manufacture is designed to compensate cheese-factory suppliers for the costs of delivery of milk to factories and for their somewhat lower return from by-products as compared with suppliers to butter-factories. In the past the market returns for cheese and butter have not shown the margin in favour of cheese that is necessary to maintain cheese production, and the pooling of returns from butter and cheese and the provision of the 2d. margin cheese over butter has done much to stabilize the cheese industry.

**Guaranteed
prices for
ensuing
season.**

The question of fixing the guaranteed prices for the coming season is now receiving consideration. There has been some controversy in regard to the method of determining of the guaranteed prices. Suggestions have been made that the prices should be fixed by an independent tribunal under the presidency of a Judge of the Supreme Court. Representations to this effect were made by the Dairy Board Conference and by a Conference of the New Zealand Farmers' Union. The Government, after consideration, intimated that if this were the wish of the dairy industry the Government would give favourable consideration to the appointment of the tribunal asked for. However, the proposal was negatived at the recent National Dairy Association Conference, and a unanimous resolution was carried to the effect that the fixing of the prices should remain the responsibility of the Government, but that an advisory tribunal should be set up to submit recommendations to the Government. The Government understands from the resolution of the National Dairy Association Conference that the dairy industry is content to leave the final decision respecting prices to the Government.

Accepting the spirit of the representations which were made on behalf of the dairy industry, the Government decided to appoint a Committee for the purpose of making the fullest inquiry into the costs and other factors associated with the production of butter and cheese.

**Advisory
Committee.**

This Committee, consisting of Sir Francis Frazer (Chairman), Messrs. C. P. Agar, H. M. Caselberg, G. A. Duncan, W. Marshall, N. H. Moss, and Professor Tocker, has been appointed by the Government, and arrangements have been made for Mr. G. M. Pottinger to act as Secretary.

The personnel of the Committee should ensure a thorough and complete investigation of the costs and other factors associated with the production of dairy-produce.

Sir Francis Frazer has special qualifications for the office of Chairman. He holds the degrees of M.A. and LL.B., and during his University course he specialized in economics. His experience as a former Judge and as Chairman of the Dairy Industry Commission of 1934 will be of great service, and the fact that during his term of office as Deputy Chairman of the Executive Commission of Agriculture he has been in close contact with the dairying industry in all parts of the Dominion will enable him to view the problems before the Committee from a national standpoint.

Mr. C. P. Agar was formerly a member of the New Zealand Dairy Board. He has had a wide commercial experience, and is Managing Director of the Tai Tapu Co-operative Dairy Co., Ltd.

Mr. H. M. Caselberg is Supervising Valuer for the State Advances Corporation. His knowledge of farm finance, farm costs, and farm management is extensive. Before joining the State Advances Corporation, Mr. Caselberg was associated with leading stock and station companies, and gained a wide and varied experience.

Mr. G. A. Duncan is a recognized expert in dairy-industry administration, is a qualified accountant, and was also a member of the Dairy Industry Commission of 1934. As Director of the Dairy-produce Export Division he is fully conversant with all matters relating to the marketing of butter and cheese.

Mr. W. Marshall is a prominent dairy-farmer and is the Acting-Chairman of the New Zealand Co-operative Dairy Co., Ltd.

Mr. N. H. Moss is a barrister and solicitor at Stratford. He has a very complete knowledge of farm budgeting, and as a practising member of the legal profession in a dairying centre he is conversant with the problems of the dairy-farmer.