

Dairy Factory Payments

Practice of Short Crediting Condemned; Suggested Amendments To Present System

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SINCE the inception of the manufacture of cheese and butter on the factory system, the question of giving correct credit to suppliers for pounds of milk, cream, and butterfat has been evergreen. Payment by test was adopted in the early days of New Zealand dairy factory manufacture, and allegations of short credit on tests or weights, or both, have been coming forward since that time. It would appear that some factory managers have been visiting the sins of the fathers on the children for one or two generations, and that they may continue to the biblical three or four generations unless an amendment to the present system of crediting be made.

The great majority of the companies are evidently endeavouring to give their suppliers approximately right credit. It is not these companies which have inspired me to bring the general question forward, but there are a number of creameries and cheese factories evidently in the race for yield, some voluntarily, and some for self-protection, but probably they represent not more than 16 per cent. of the total.

Co-operative Ownership

Practically all the creameries and cheese factories in New Zealand are co-operatively owned, and it is recognised that, although short credits may be given by some managers, it makes no difference to the total amount of money which goes to that manufacturing dairy's suppliers as a whole. The manager of a co-operative factory obtains no monetary gain from short credits. The most outstanding reason that now presents itself in favour of amending the present procedure is that of unfair competition from some manufacturing dairies.

There is no desire on our part to do anything which will militate against efficient work on the part of the man-

The custom of certain dairy companies of short crediting suppliers either by weights or tests, or both, is condemned in this article by the Director of the Dairy Division, who states that moral suasion has failed to rectify this unfair practice. It is suggested that amendments should be made to the present system of crediting which would make it obligatory for correct credits to be made.

ager and his staff, and this factor is to be duly protected. It is suggested, however, that the time is ripe to consider ways and means of preventing managers from getting credit for efficiency to the extent that this is due to a capacity for receiving butterfat without crediting it to suppliers by weights or tests or both.

When butterfat is short credited it is inevitable that on a percentage basis some suppliers are penalised more than others. This imparts an element of unfairness in spite of the fact that the total money distributed may not be affected.

Inaccurate Instruments

Inaccuracies in milk and cream weighing scales and cream testing balances affect the yield as per lb. of butterfat. When these inaccuracies are exerting an influence towards a lower yield there appears to be a greater urge for early correction than when the variation tends towards a higher yield. Perhaps this inconsistency is merely in accord with human nature, but the fact remains that the great majority of variations in scales and balances which come under the notice of the Dairy Division are in

favour of a higher yield or tend to cause butterfat to be received without being credited to the supplier.

The Dairy Division has been carrying out a good deal of check testing at dairy factories. Glassware tested and marked is used by dairy companies, but manufacturers of test bottles have to be allowed some tolerance when considering the graduations on the test bottle. These variations are both plus and minus. The check testing officers' test bottles are very carefully selected, and only those considered to be absolutely accurate are used for checking dairy factory testing.

If the factory testing be done accurately and the results recorded honestly, the check tests should show some factory tests to be the same as the check tests and others above and below the check tests, and these variations should be within the limits of tolerance allowed at the time of testing the bottles and marking them correct. Over a large number of comparisons, according to the laws of chance, the plus variations and the minus variations due to the calibration of the bottles should be equal.

Check Tests Reviewed

A review of over 4000 check tests shows that where there is one variation in favour of the supplier there are four in favour of the company. This is not to suggest that in all cases there is a deliberate attempt to beat the supplier. In many instances, it is rather a case of making sure that the yield does not suffer by giving the supplier the benefit of the doubt.

The check testing has done much good by way of ensuring efficient and accurate testing appliances and more efficiency and less carelessness in carrying out the work of testing, but it has its limitations, and is inadequate to the present position. Further, the check testing officer has not control of