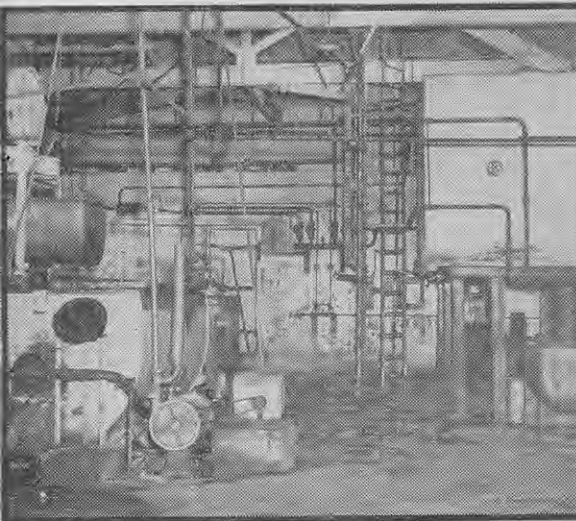


The Progress of the Town-milk Industry



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New Zealand

ANALYSIS

<p>Title</p> <p>1. Short Title.</p> <p>2. Interpretation.</p> <p style="text-align: center;">PART I</p> <p style="text-align: center;">Milk Directors</p> <p>3. Constitution of milk districts.</p> <p>4. Union of districts.</p> <p>5. Alteration or abolition of districts.</p> <p>6. Financial arrangements on alteration or abolition of districts.</p> <p>7. Creditors not affected by union, alteration, or abolition of districts.</p> <p style="text-align: center;">PART II</p> <p style="text-align: center;">Milk Authorities of Milk Districts</p>	<p>14. Combined districts.</p> <p>15. Alteration of constituent districts not to affect constitution of Milk Board.</p> <p style="text-align: center;">Election and Appointment of Members</p> <p>16. Election of members of Milk Board.</p> <p>17. Date of first election of Board.</p> <p>18. In default of election, Governor-General may appoint members.</p> <p>19. Date of coming into office of members.</p> <p>20. Appointment of additional members in certain cases.</p> <p style="text-align: center;">Disqualification and Vacancies</p> <p>21. Qualification of members.</p> <p>22. Vacation of office by members.</p> <p>23. FILLING OF VACANCIES</p>
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IN no other foodstuff lies a greater potential for injury to public health than in milk, so that any improvements in the town-milk industry are indirectly improvements in the health of the people. This fact is confirmed by the degree to which most countries exercise supervision over the industry. In New Zealand the industry is rapidly realising the aims envisaged for it by the Milk Commission in 1943 and more clearly defined in the Milk Act of 1944. This article by T. P. J. Twomey, Superintendent of Market Milk, Department of Agriculture, Wellington, traces the progress of recent years.

In exchange for this guarantee of a satisfactory price, town-milk producers were obliged to form themselves into local co-operative milk-supply companies or associations. Each supply association undertook to guarantee a fixed quantity of milk daily to the consumers in its area. This quota is re-assessed yearly.

THE town-milk industry is composed of three fairly clearly defined sections, production, treatment, and distribution, all of which seek to serve the interests of the housewife. For any one section of the industry to progress independently of the others would be manifestly unbusinesslike, and one of the most pleasing features of progress to date in New Zealand is the way in which the industry as a whole has advanced, each section playing its full and expected part. Though the Milk Commission in 1943 was obliged to confine its investigations to the town-milk industry in the four major cities, anybody reading the commission's report would soon draw the conclusion that conditions outside these four areas were no less open to criticism.

and unfair competition; and lack of a clearly defined policy for the future of the industry.

The major external weaknesses affecting the customer were periodic shortages; varying quality; erratic treatment standards; and varying price.

The quota is guaranteed by the producers acting as a company or association, but individual producers agree on their own daily quotas with the supply company of which they are members. As town-milk producers know from experience the difficulties involved in guaranteeing a fixed daily quantity of milk, special provision is made for the payment of the guaranteed price for a certain surplus over the nominated quantity. In general, the guaranteed price is paid for the nominated quantity plus 17 per cent. surplus in summer and plus 10 per cent. surplus in winter.

The payment of a guaranteed price for a guaranteed quantity has largely removed the fear of winter shortages of town milk, and most supply companies now have waiting lists of dairy farmers anxious to produce milk for town supply. The guarantee of a minimum quota has had the added advantage to the consumer of tending to avoid the necessity for winter milk supplies being drawn from predominantly seasonal producers.

Major Weaknesses

Many factors had combined to bring about the state of affairs which led to the sitting of the Milk Commission. One set of factors was primarily internal; that is, it affected the people in the industry; the other set was largely external in that it affected the consuming public rather than the industry itself.

The principal internal weaknesses were lack of stability; undercutting

As the result of the Milk Commission's findings a general reorganisation of the town-milk industry was planned. To bring this about the Milk Act of 1944 was passed and the Marketing Department (then the Milk Marketing Division) was charged with the duty of implementing the Government's plans for agreeing on a guaranteed price with the farmer; arranging with the trade guaranteed margins for such services as milk collection, treatment, and delivery; and initiating improvements in existing milk-treating stations. The major improvements resulting from that planning are reviewed in this article.

Production

The problem of recurring shortages and flushes was attacked by ensuring a guaranteed price to the town-milk producer. As first negotiated this price took into account the higher cost of non-seasonal production and was fixed at a figure suitably in excess of the guaranteed price payable to suppliers of milk and cream to dairy factories. This price was later negotiated on a different basis, but the intention to pay the town-milk producer a higher reward for his more onerous responsibility has been maintained.

Treatment

When the Milk Commission sat in 1943 the standard of many milk-treatment stations in New Zealand was regrettably low, the position being aggravated by wartime conditions. On the other hand, a few stations were of a high standard and were being operated with praiseworthy technical competence; the municipally-owned Wellington depot was an example.

The effecting of substantial improvement in the average milk-treatment station presented many problems, not least being the very high cost of milk plant and other equipment in the immediate post-war years. This fact was recognised by many of

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