

1941.
NEW ZEALAND.

INTERNAL MARKETING DIVISION.

ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31ST MARCH, 1941.

Presented to both Houses of the General Assembly pursuant to the Provisions of the Primary Products Marketing Act, 1936.

INTRODUCTORY.

THE year ended 31st March, 1941, was marked by a continued increase in the activities of the Division and by the handling of a greater volume of business generally.

While the Sections dealing with dairy-produce, imported fruits, and general produce expanded their operations, the new sections—Purchasing, Canteen, and Apples and Pears—had also a strenuous and successful year. A report upon the activities of each Section follows.

During the year under review Mr. F. R. Picot, Director of Internal Marketing and Food Controller under the Ministry of Supply, conducted several negotiations in Australia with regard to the disposal of out potato surplus and other matters. Later he visited Australia and the East to attend the Eastern Group Conference at New Delhi. The information and experience thus gained in conferences and investigations abroad is expected to prove of benefit to the Division in its activities, and to the Government generally.

This report includes a complete review of the operations of the apple and pear marketing scheme for the 1940 crop and the results from that scheme.

Another subject of special interest covered in this report outlines the steps taken to relieve the producers' difficulties in connection with the heavy potato surplus in 1940.

Staffing throughout the Division has been a difficult problem, and further difficulties will have to be faced through officers joining the armed Services. Similar problems affecting business firms are intensifying the demand for juniors and experienced men above military age.

BUTTER.

The activities of the Division have been devoted more to changing war circumstances than to the anticipated ordered progress towards better and more economic distribution. The alteration in the method of allotting grades to butter sold on the local market has not proceeded to any degree. Conversations with the Director of the Dairy Division of the Department of Agriculture evolved a system of grading which would eliminate the necessity for forwarding one box from each churning of local butter to the grade port by the submission of a small container, either posted or delivered to the produce grader, and, while this assistance by the Dairy Division would have removed one of our principal difficulties, the impossibility of securing the kind and type of container on account of war conditions has again held up our proposals in regard to this improvement. The adjustment in the savings on empty returned boxes has worked smoothly during the year and there have not been any difficulties experienced in this direction. The distribution allowance of $\frac{1}{2}$ d. per pound has generally proved to be a correct amount for this service. Where factories do their own distribution in their local area and do not provide special facilities, there is an advantage, even at this figure. Where, however, distributors have to provide storage accommodation, special delivery and office staff, the $\frac{1}{2}$ d. per pound has not been unduly attractive. It is more a matter of the geographical location of a factory in relation to a large consumer demand which makes the distribution allowance a factor in the return for locally sold butter. The climatic allowance of $\frac{3}{8}$ d. per pound which was paid to distributors in Auckland City area has now been removed, so that all licensed distributors throughout New Zealand are working on the same margin of allowance. The removal of this allowance, which was given as a temporary measure, will do away with an anomaly that has been exercising the industry for some time.