

(iii) *Recompense to Dairy Companies for Increased Wages paid to Dairy-factory Employees in Terms of Arbitration Court Award dated 29th May, 1943*: In addition to the foregoing dairy-factory and farm-costs allowances, the Government agreed that butter- and cheese-manufacturing companies should be recompensed for the increase in wages of dairy-factory employees granted by the Arbitration Court. This increase in wages applied from 22nd February, 1943, and the method of recompense was that dairy companies should claim on the Marketing Department for the arrears of wages paid in terms of the award covering the period 22nd February, 1943, to 28th May, 1943, and that from 29th May, 1943, the recompense should be by allowances to butter-manufacturing companies of 0·022d. per pound butterfat and to cheese-manufacturing companies of 0·076d. per pound butterfat.

(iv) *Effect of Payment of Dairy-factory and Farm-costs Allowances on Standard Average Payments by Dairy Companies to Suppliers for Butterfat for 1943-44 Season*: The standard resulting average payments by dairy companies to suppliers for butterfat for the 1943-44 season are estimated to be 17·5d. per pound of butterfat for butter-manufacture and 19·5d. per pound of butterfat for cheese-manufacture. The composition of these figures is as follows:—

	d.
Working and maintenance costs	6·107 (includes allowance of 0·767d.)
Capital charges (interest)	3·24
Labour reward	9·45 (includes increase in guaranteed price of 0·61d.)
	18·797
Less return from pigs	1·54 (1938 assessment)
	17·257
Plus butter-factory costs allowance	0·269
Standard payment for butterfat for butter-manufacture	17·526

The corresponding standard payment for butterfat for cheese-manufacture is 19·556d., made up as follows: 17·257d. (as above) plus differential margin 2d., and plus cheese-factory costs allowance 0·299d., equals 19·556d.

The purchase and payment procedure for dairy-produce was varied from the commencement of the 1941-42 season: the new arrangements provided for payment to be made by the Marketing Department "in store" instead of at the point of f.o.b. ocean steamer as formerly. The terms of this new arrangement are set out on page 5 of the annual report for the year ended 31st July, 1942.

PREMIUMS FOR QUALITY, AND QUANTITIES OF BUTTER AND CHEESE PAID FOR (OR TO BE PAID FOR) AT DIFFERENTIAL PRICES

Under the Dairy-produce Export Prices Order 1939 provision is made for additions to or deductions from the basic purchase-prices for butter and cheese according to quality as disclosed by the grading-points awarded to the dairy-produce. This system of price differentials provides a stimulus to the production of dairy-produce of higher quality.

The following tables show for the 1942-43 season the quantities of butter and cheese purchased and to be purchased and paid for at the respective differential prices. For comparison purposes the totals for the previous two seasons are also shown:—

CREAMERY BUTTER (IN TONS): QUANTITIES PURCHASED OR TO BE PURCHASED AND PAID FOR AT DIFFERENTIAL PRICES

	Total.	Finest Grade.		First Grade.		Second Grade.
		94 Points and over.	93 to 93½ Points. (Basic Price.)	92 to 92½ Points.	90 to 91½ Points.	
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
1942-43	101,696	35,046	47,417	11,464	7,426	343
1941-42	100,432	40,497	40,106	9,507	9,043	1,279
1940-41	133,337	43,569	63,470	14,828	10,757	713
1939-40	128,274	51,624	51,004	15,437	9,570	639
Percentages of qualities—						
1942-43	100	34·47	46·63	11·27	7·30	0·33
1941-42	100	40·32	39·93	9·47	9·00	1·28
1940-41	100	32·67	47·60	11·12	8·07	0·54
1939-40	100	40·25	39·76	12·03	7·46	0·50