

when low prices to the producers prevailed. Once the Council, however, were placed on fixed margins covering their operations over the whole year the usual recovery could not be made.

When the situation was made clear to the Government, special authority was given to the Milk Marketing Division to make payment of this loss for the change-over period.

(8) *Payment of Administrative Margin to Producers' Associations*

With the introduction of the full national milk scheme it became evident that a considerable amount of accountancy work would be associated with the purchase and sale of milk in each milk district.

As an alternative to the establishment of district offices to handle this work, the Milk Marketing Division entered into an agreement with each producer association whereby the monthly returns required by the Division for administrative purposes were completed by the secretarial staff attached to each association. As recompense for this service each producer association was paid an administrative levy of $\frac{1}{4}$ d. per gallon on milk sold direct to vendors for distribution and $\frac{1}{8}$ d. per gallon on milk sold to treatment houses for processing.

(9) *Payment of Local-body Levies*

In terms of sections 73 and 74 of the Milk Act, 1944, each local Milk Authority may, in consultation with the Central Milk Council in order to meet administrative costs, impose a levy on milk sales within each milk district up to $\frac{1}{4}$ d. per gallon, or, under special circumstances and with the written consent of the Central Milk Council, up to $\frac{1}{2}$ d. per gallon. This levy is payable by sellers of milk within the district, but as all vendors and treatment houses under the national milk scheme have been placed on fixed service margins the payment of the local Milk Authority levy is reimbursed to all sellers by the Milk Marketing Division.

(10) *Wellington Thirty-mile Milk Producers: Payment of Special Winter Feed Allowance*

The report of the Milk Commission, 1943, had made special reference to the increased costs of winter feed incurred by town milk producers operating within the thirty-mile radius of Wellington. This situation was the subject of a cost investigation during the early part of 1945, and, after consideration the Minister of Marketing, in recognition of additional costs involved in producing milk from this area for supply to the Wellington Metropolitan Milk District, agreed to a special payment of $\frac{1}{2}$ d. per gallon on all sales made by the Wellington Dairy Farmers' Association during the 1945-46 milk year.

(11) *Summary of 1945-46 Operations*

(a) On the 31st August, 1946, there were in operation thirty-three producer associations guaranteeing 73,229 gallons of milk per day, an increase of seven in the number of organizations and an increase of 11,829 in gallonage over the figures for the previous milk year. A schedule detailing the names of the organizations and the daily quantity of milk guaranteed is contained in Appendix D of this report.

(b) Sales of the various types of milk purchased and sold under the national milk scheme were as follows: raw, 9,207,492 gallons; pasteurized, 20,665,957 gallons; bottled, 14,180,588 gallons; loose, 15,692,861 gallons.

(c) Total expenditure for the period amounted to £397,782, and details of expenditure are contained in Appendix E included in this report.