

1947  
NEW ZEALAND

---

# AGRICULTURAL AND PASTORAL COMMITTEE

SPECIAL REPORT IN RELATION TO LIME AND FERTILIZER  
(MR. ORMOND WILSON, CHAIRMAN)

---

*Laid upon the Table of the House of Representatives*

---

## ORDER OF REFERENCE

---

*Extract from the Journals of the House of Representatives*

THURSDAY, THE 16TH DAY OF OCTOBER, 1947

*Ordered*, "That it be an instruction to the Agricultural and Pastoral Committee that it have power to consider—

(1) The effect of including the cost of fertilizer, lime and freights thereon in the purchase price of dairy produce and meats in lieu of the previous practice of meeting part of such costs out of the Dairy and Meat Industry Accounts and out of the Consolidated Fund; (2) To what extent the utilization of back country and marginal land may be retarded by the lack of adequate applications of lime and/or fertilizer at the new costs; and to make such recommendations in connection with these matters as it thinks fit."

---

## REPORT

---

I AM directed to report that the Agricultural and Pastoral Committee received evidence from the Stabilization Commission, Dairy Products Marketing Commission, Meat and Dairy Boards, and various farmers' organizations, lime companies, and other bodies, and also from the Departments of Agriculture, Scientific and Industrial Research, and Railways.

The Committee was specifically directed to consider “to what extent the utilization of back-country and marginal land may be retarded by the lack of adequate applications of lime and/or fertilizer at the new costs”, and it is in particular reference to this matter that most of its evidence was taken and to which its recommendations are directed.

Having considered all the evidence, the Committee is of the opinion that the abolition of the subsidies on fertilizer and on the railage of lime have operated inequitably over certain sections of the farming community. Some farmers, particularly those on first-class and developed land will receive, through the increases in the prices of meat and butterfat, as much as or more than they previously received through the operation of the subsidies. Other farmers, and particularly those on marginal and undeveloped land, will not receive adequate compensation for the increased costs. It would therefore appear that developmental work on these lands will in many cases be handicapped and hindered, with a corresponding decline of production from these marginal lands.

The Committee is of the opinion that the prosperity of the whole of the primary industries of New Zealand is bound up with the development of our marginal lands. It therefore views its own work in studying the question of lime and fertilizer as merely part of a much wider problem of the full utilization of the resources which are available for development in our back country. The Committee feels, however, that the recommendations it has to make, if carried out, will be a worthwhile contribution towards this.

The Committee's recommendations deal separately with the questions of lime and fertilizer.

#### *Lime.*

The Committee recommends:—

- (1) That the free railage on lime up to 100 miles be not restored.
- (2) That in order to assist particularly those areas where transport costs are high and where developmental work has still to be undertaken, a new system of subsidy on a graduated scale, covering both rail and road transport, be introduced, namely:—

*Rail:* The farmer to pay in full for the first 25 miles of all carriage of lime by rail, and a subsidy of 50 per cent. of the charges be paid on any distances between the 25th and the 75th mile, the subsidy being increased to 75 per cent. on distances beyond the 75th mile.

*Road:* A flat subsidy of 4d. per mile.

(NOTE.—As road haulage charges are proportionately higher for shorter than for longer distances, the effect of the subsidy will be of correspondingly greater benefit for the longer distances.)

- (3) The Committee further recommends that because the benefit of these subsidies will go mainly to those engaged in the meat and dairying industries, the Government discuss with the representatives of these industries the appropriate means of meeting their cost.

#### *Fertilizer.*

The Committee recommends:—

- (1) That the former subsidy be not restored.

(2) That in order to assist in the improvement of marginal lands which require considerable amounts of phosphatic fertilizer to develop their potential productive capacity, the tonnage of phosphatic fertilizer reasonably required and available be reserved for this purpose; the tonnage to be allocated to farmers for the development and improvement of these lands; and the allocations to be subsidized so as to reduce the price of these allocations to a reasonable level.

(3) The Committee, as already stated, is strongly of the opinion that the development of marginal lands and the resulting increase in production will not only increase our exportable surplus, but will be to the direct advantage of the whole of the primary industries of the country through bringing more land into use and increasing the supply of store stock. In view of this and because this purpose appears clearly in accordance with the terms of subsection 2 (b) of section 22 of the Dairy Products Marketing Commission Act, 1947, which state that out of the Dairy Industry Account may be paid "any moneys which the Commission, the Dairy Board, and the Minister agree shall be payable . . . for any purpose which they deem to be of benefit to the Dairy industry"; and because this purpose is also in accordance with the agreement between the Government and the Meat Producers' Board, as stated in the letter from the Prime Minister to the Chairman of the Board, 30th November, 1944, which declared that "the balance finally remaining in the Meat Pool Account and the Meat Industry Stabilization Account belong to and shall be held for the benefit of the Industry", the Committee is of the opinion that the cost of the subsidy should come out of these accounts, and it accordingly recommends that the Government open discussions with the representatives of the Meat and Dairying industries with this object in view.

7th November, 1947.

ORMOND WILSON, Chairman.

*Approximate Cost of Paper.*—Preparation, not given; printing (630 copies), £4 10s.

---

By Authority: E. V. PAUL, Government Printer, Wellington.—1947.

Price 3d.]

