

4. *If the purchase of meat for the local market on a schedule basis is deemed desirable and practicable, whether the auction system of disposing of stock for the local market should be continued; and if so, to what extent.*

As stated, we do not recommend the purchase of meat for the local market on a schedule system. We consider that under existing conditions auction sales play an essential part in New Zealand's farm economy and should be maintained.

More particularly it was claimed, with some justification, principally by farming organizations, stock firms, and freezing companies :—

- (a) That through the operation of the auction system the farmer receives an incentive to retain his stock in a prime condition. This tends to ensure an even distribution of supplies in the winter and early spring months.
- (b) That in the South Island in particular the larger saleyards would cease to function if fat stock were not sold there and they were limited to the sale of store stock.
- (c) That the auction system facilitates the purchases of stock by graziers and fatteners for fattening, which has the effect of providing a greater supply of fat stock.
- (d) That the auction system as operated in New Zealand gives farmers at all times an immediate opportunity to dispose of their stock; and the large saleyards, being central points, give purchasers a wide selection to fill their particular requirements.
- (e) That the auction system has had many years of trial and has been found successful and workable. It has provided, in the main, a fair and constant distribution of fresh meat for the public, and its abolition may lead to a decrease in production.

Evidence before us showed that, particularly in the South Island, a very high proportion of all fat stock sold to butchers is purchased through the various saleyards, and the Commission considers that to eliminate saleyards at the present time would lead to chaotic conditions.

5. *Whether, in the event of the auction system being continued, it is desirable to encourage the practice of group buying by butchers.*

From the evidence submitted there appeared to be three main types of group buying, namely :—

- (i) A single butcher or agent going to the saleyard or into the field and buying on behalf of a group of butchers.

This form of buying obviously provides savings on overhead costs to the members of the group and, in addition, it tends to modify price-fluctuations.

- (ii) A co-operative organization of butchers and producers.

The Commission heard evidence on an Auckland scheme under which a group of butchers and producers had formed a co-operative concern on a voluntary basis for the supply of fat stock. This organization appears to have been quite successful and of value to the butchers and farmers alike. We consider that the further extension on a voluntary basis of these butcher-producer co-operatives is a worthwhile development and should be fully explored by the butchers.