

The Department during the year took over certain duties upon the winding-up of the Food Controller's Office and the Ministry of Supply. These operations are, to a large extent, temporary in that they involve commodities under international allocation, in short supply, or subject to subsidy. As soon as the supply position warrants their reversion to private trading, this action will be taken. As an example, the Department during wartime imported certain scarce fertilizers under international allocation. When the allocation system was abandoned in 1949, the Department ceased its operations and advised the trade accordingly.

An important development has been that the New Zealand Apple and Pear Marketing Board, which was granted full autonomous powers, has found it advantageous to appoint the Department as its master agent for the physical handling and marketing of its products. I have to record that this arrangement has worked to the satisfaction of the Board who have asked that it be allowed to continue.

The Department has again contracted for main-crop potatoes for the 1949-50 season, but this should be the last year as negotiations are taking place for the creation of a Potato Marketing Authority which will be representative of growers and other interests. This Authority will be vested with the functions of a marketing authority for this commodity.

The policy of devolution in milk treatment has been continued, and where treatment stations have been acquired steps have been taken to arrange for local corporations representing producers and consumers to take over. A new public corporation has been set up in Invercargill and given control of the treatment station which was purchased, and discussions are proceeding to hand over the treatment facilities in Christchurch to a company composed of representatives of the producers and of the local milk authority.

The Department is assisted in its operations by marketing committees including principally producers' representatives, and I wish to express my appreciation of the valuable assistance and co-operation which has been given to the Department by the members of these committees.

EGG SECTION

On the 29th November, 1948, wholesale egg-prices throughout New Zealand advanced by a $1\frac{1}{2}$ d. per dozen to offset the increase in egg-production costs. This was followed on the 24th January, 1949, by an additional $\frac{1}{2}$ d. per dozen in the North Island only, to meet the increase in the price of standard poultry mash. On 11th July, 1949, prices were increased by a further 1d. per dozen in both the North and South Islands.

The subsidy on wheat was abolished on the 31st January, 1949, and its equivalent of $3\frac{1}{2}$ d. per dozen was added to the existing 4d. per dozen egg-floor subsidy.

Though the egg-floor subsidy has attracted more eggs to the egg floors, it seems clear that the improvement in the feed-supply position has resulted in an over-all increase in production. All areas show marked increases in intake on the previous year's figures. Consumer demand for fresh eggs during the winter months has not been fully met, but plentiful supplies have been available during the current "flush" production period. For the first time for several years retailers have displayed eggs to encourage sales. The following figures compare the intake of eggs through approved egg floors during 1st October, 1948, to 30th September, 1949, with the total for the previous year:—

			Dozens.
1st October, 1948, to 30th September, 1949	12,787,101
1st October, 1947, to 30th September, 1948	11,186,815
Increase	1,600,286