

The following table shows the number of crates and the value of all cheese purchased to the 31st March, 1919, during the several seasons mentioned above :—

Season.			Number of Crates.	Amount. £
1915-16	..	..	189,502	917,748
1916-17	..	..	518,326	3,295,557
1917-18	..	..	751,863	4,948,367
1918-19	..	..	679,296	3,576,380
			2,138,987	£12,738,052

The figures for the 1918-19 season include 461,359 crates awaiting shipment on the 31st March, a portion of which had been advanced against in accordance with the conditions of purchase.

Of this total quantity of cheese purchased and shipped it is interesting to note that only two shipments have failed to arrive at destination as a result of enemy action, and that the total quantity carried by the two steamers was 62,846 crates.

The conditions of purchase for the 1918-19 season apply also to all cheese manufactured up to and including the 1st July, 1920, and provide for the payment on delivery of the cheese f.o.b. ocean steamer, subject, however, to an advance of 90 per cent. in the event of the cheese remaining in store for a period of fourteen days prior to shipment.

All insurance risks up to the point of shipment are borne by factories, but the Imperial Government accepts the liability for storage if the average period during which the cheese remains in store exceeds two months.

BUTTER.

The requisition of butter on behalf of the Imperial Government has also been continued, and the present arrangements provide for the requisition of all butter manufactured in the Dominion up to and including the 31st July, 1920.

The 1917-18 output was purchased at the following rates :—

Creamery Butter.—First grade, 157s. per hundredweight, with a reduction of 1s. per hundredweight for each grade point by which the butter fell below first grade.

Whey and Dairy Butter.—First grade, 133s. 8d. per hundredweight, with a reduction of $\frac{1}{2}$ d. per pound for second grade.

Milled Butter.—First grade, 124s. 4d. per hundredweight, with a reduction of $\frac{1}{2}$ d. per pound for second grade.

In addition to the prices mentioned above it was also agreed by the Imperial Government that the New Zealand producers should participate in any profits resulting from the sale of the butter in the United Kingdom, and these profits were subsequently assessed at 34s. per hundredweight, of which the New Zealand factories received 50 per cent.

The total amount available under this heading was £307,997 1s. 6d., which was credited to an Equalization Fund, the administration of which is explained later in this report.

During the 1918-19 season, after prolonged negotiations, the following prices were fixed :—

Creamery Butter.—First grade, 181s. per hundredweight, with a reduction of 1s. per hundredweight for each grade point by which the butter falls below first grade.

Whey and Dairy Butter.—First grade, 162s. 4d. per hundredweight, with a reduction of $\frac{1}{2}$ d. per pound for second grade.

Milled Butter.—First grade, 148s. 4d. per hundredweight, with a reduction of $\frac{1}{2}$ d. per pound for second grade.

No provision was included in this latter contract regarding any division of profits, and the prices quoted above represent the final payment to the exporting factories.