

steamer offer no scope for substantial cost reduction. Butter and cheese manufacturing costs have been declining since about 1925, and the present total costs to f.o.b. ocean steamer are, approximately, for butter 1½d. per pound butterfat, and for cheese 2½d. per pound butterfat. The steady reduction in manufacturing and other costs since 1925 is shown in the following table :—

**BUTTER-MANUFACTURE.—APPROXIMATE TOTAL COSTS AND CHARGES FROM FARM GATE TO F.O.B. OCEAN STEAMER (INCLUDING CREAM-COLLECTION) AT PER POUND OF BUTTERFAT.**

			d.				d.
1925	..	..	2·65	1930	..	..	2·00
1926	..	..	2·63	1931	..	..	1·97
1927	..	..	2·59	1932	..	..	1·95
1928	..	..	2·21	1933	..	..	1·69
1929	..	..	2·06	1934	..	..	1·67

**CHEESE-MANUFACTURE.—APPROXIMATE TOTAL COSTS AND CHARGES FROM “IN FACTORY” TO F.O.B. OCEAN STEAMER AT PER POUND OF BUTTERFAT.**

			d.				d.
1925	..	..	4·00	1930	..	..	3·20
1926	..	..	3·91	1931	..	..	3·02
1927	..	..	3·68	1932	..	..	2·83
1928	..	..	3·41	1933	..	..	2·62
1929	..	..	3·39	1934	..	..	2·50

From these figures it will be seen that, however desirable further cost reductions may be, they cannot have any material effect on the financial position of dairy-farmers, and they are certainly not justified if they can be obtained only by lessened labour efficiency and by the use of inferior materials of manufacture.

In the section of the report dealing with quality of dairy-produce, reference is made to factory labour, to the seven-day week, and to the necessity for making factory working-conditions attractive to men of good type.

## REORGANIZATION OF THE DAIRY-PRODUCE CONTROL BOARD.

### 268. Present Administration of the Dairy Industry :

The present administration of the dairy industry concerns the Department of Agriculture, the Dairy-produce Control Board, the National Dairy Association, the South Island Dairy Association, and a number of voluntary district federations and associations of co-operative dairy companies.

Before the Dairy-produce Control Board was established in 1923, the nominal head of the industry in the North Island was the National Dairy Association, and, in the South Island, the South Island Dairy Association, but leadership and guidance of the industry in matters of policy were left to the Dairy Division of the Department of Agriculture. Reforms and progressive measures were discussed at conferences of the industry called by the two dairy associations, and if sufficient support for the proposals were forthcoming at these conferences, the necessary dairy regulations would be gazetted by the Government. In addition to its responsibility in matters of policy, the Department of Agriculture undertook the work of inspection, instruction in manufacture, and grading of dairy-produce, and still carries on that work.

### 269. Annual Dairy Association Conferences :

The National Dairy Association and the South Island Dairy Association have, since the advent of the Dairy-produce Control Board, become trading concerns. Their only remaining interest in policy matters is in the holding of annual conferences, at which proposals relating to any phase of the industry have been submitted for the discussion of the dairy company delegates in attendance. These conferences, or “dairy parliaments,” in giving an indication to the Department of Agriculture of the measure of support to be expected for any proposal brought forward, have become a factor in the introduction of proposed reforms. Now that the Dairy-produce Control Board is established and has taken over from the dairy associations their more important functions, it has been suggested that the dairy associations, having become trading concerns, should relinquish their annual conferences, and that these conferences should be conducted in future by the Dairy-produce Control Board. It seems somewhat inappropriate that the conferences should be conducted by the dairy associations, which cannot possibly be so well informed in regard to current problems as the Dairy-produce Control Board.

### 270. District Associations :

In different dairying districts, federations or associations of companies have been formed for the purpose of protecting and furthering the particular interests of those districts. These associations are of value in promoting discussions on matters connected with the welfare of the industry and in providing a “rallying-ground” for the companies in their districts. Further, they can bring to the notice of the Dairy-produce Control Board matters or problems peculiar to their own areas.