

SEASON 1937-38: COSTS IN MANUFACTURE AND DELIVERY OF CHEESE TO F.O.B. OVERSEAS  
STEAMERS.

(In pence per pound of butterfat.)

	Manu- facturing Charges.	Depreciation.	Repairs and Maintenance.	Charges: Factory to f.o.b.	Overhead Charges.	Total Charges.
Auckland .. ..	2·087	0·157	0·213	0·683	0·188	3·328
New Plymouth .. ..	2·014	0·128	0·119	0·490	0·243	2·994
Patea-Wanganui .. ..	2·015	0·123	0·161	0·507	0·254	3·060
Hawke's Bay - Gisborne .. ..	2·178	0·195	0·147	0·772	0·376	3·668
Wellington .. ..	2·216	0·108	0·128	0·666	0·310	3·428
Marlborough-Nelson-Westland .. ..	2·489	0·289	0·118	0·858	0·502	4·256
Canterbury .. ..	2·373	0·212	0·187	0·636	0·691	4·099
Otago .. ..	2·668	0·209	0·207	0·678	0·499	4·259
Southland .. ..	2·597	0·163	0·215	0·638	0·442	4·055
New Zealand average—						
1937-38 season .. ..	2·151	0·141	0·166	0·589	0·290	3·337
1936-37 season .. ..	2·056	0·134	0·146	0·577	0·226	3·139

### ACCOUNTS.

The method of presentation of the accounts which was adopted in the first annual report of the Department was found quite satisfactory, and has therefore been followed in this report. For convenience in publication of the accounts, shillings and pence are omitted. The accounts now submitted are in terms of New Zealand currency, and they show, first, the completed financial operations for the 1936-37 season, and, secondly, the operations of the Department in the purchase and sale of export dairy-produce for the 1937-38 season.

The completed operations for the 1936-37 season are referred to on page 3 of this report. The relevant accounts show that in the case of creamery butter and cheese the actual realizations for produce which was unsold at balance date exceeded the estimates. In the case of whey butter the actual realizations were less than the estimates. The net result is that at the date of closing the accounts (21st June, 1938) the actual deficit for the 1936-37 season was £272,109. In the accounts published with last season's report the deficit for the 1936-37 season was estimated at £548,750. Interest at 1½ per cent. is allowed on the deficit of £272,109 from 21st June, 1938, to 31st July, 1938, bringing the deficit for the 1936-37 season at 31st July, 1938, to £272,482.

The accounts for the 1937-38 season cover all export butter and cheese which was manufactured from 1st August, 1937, to 31st July, 1938, the quantities being—

Creamery butter .. ..	137,542 tons.
Whey butter .. ..	1,796 tons.
Cheese .. ..	83,078 tons.

The approximate average f.o.b. purchase prices paid or payable for this produce in terms of the Primary Products Marketing Act are as follows:—

Creamery butter .. ..	13·7122d. per pound.
Whey butter .. ..	12·608d. per pound.
Cheese .. ..	7·769d. per pound.

The approximate average f.o.b. realizations for produce (actual and estimated) as shown in the accounts are as follows:—

Creamery butter .. ..	14·0576d. per pound.
Whey butter .. ..	13·2847d. per pound.
Cheese .. ..	7·8986d. per pound.

In the compilation of the accounts butter and cheese unsold at balance date were taken in at the following values:—

Creamery butter (shipments partially sold): 120s. per hundredweight sterling gross.  
 Creamery butter (in store awaiting shipment): 110s. per hundredweight sterling gross.  
 Whey butter (shipments partially sold): 110s. 6d. per hundredweight sterling gross.  
 Whey butter (in store awaiting shipment): 100s. per hundredweight sterling gross.  
 Cheese (shipments partially sold): 70s. 3d. per hundredweight sterling gross.  
 Cheese (in store awaiting shipment): 70s. per hundredweight sterling gross.