

Serial Number 1950/7

**THE DAIRY INDUSTRY ACCOUNTS REGULATIONS 1950**

B. C. FREYBERG, Governor-General

**ORDER IN COUNCIL**

At the Government Buildings at Wellington, this 25th day of  
January, 1950

Present :

THE HON. S. G. HOLLAND PRESIDING IN COUNCIL

PURSUANT to the Dairy Products Marketing Commission Act, 1947, and to the Agriculture (Emergency Powers) Act, 1934, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, doth hereby make the following regulations.

**REGULATIONS**

1. (1) These regulations may be cited as the Dairy Industry Accounts Regulations 1950.

(2) These regulations shall come into force on the day following notification in the *Gazette* of the making thereof, and shall apply to all accounts published thereafter.

2. The Dairy Industry Accounts Regulations 1939\* are hereby revoked.

3. In these regulations, unless the context otherwise requires,—

“Co-operative dairy company” means a dairy company that is registered or is entitled to be registered as a co-operative dairy company under the Co-operative Dairy Companies Act, 1949 :

“Dairy company” means a company incorporated or deemed to be incorporated under the Companies Act, 1933, that carries on the business of a dairy factory and uses in the business milk or cream not wholly produced on land occupied by the company :

“Dairy factory” means a cheese-factory, butter-factory, or other factory at which whole milk or cream (including whey cream) is received and there manufactured into dairy-produce :

“Dairy-produce” means cheese, creamery butter, or whey butter :

\* Statutory Regulations 1939, Serial number 1939/38, page 178.

“Pay-out” means the amount credited or to be credited to suppliers for butterfat of all grades received during the period to which the accounts relate, expressed in terms of pence per pound of that butterfat, including dividends on share capital and amounts paid to other persons or organizations on behalf of suppliers, but not including cream-collection costs or any other costs chargeable to the manufacturing and marketing account in accordance with these regulations :

“Supplier” means any person engaged in the business of supplying whole milk or cream (including whey cream) to the owner or occupier of a dairy factory at any time during any period prescribed by these regulations :

“Surplus on buttermaking” means the amount remaining out of the proceeds of the sale of butter, including the value of unsold butter, after charging against those proceeds the costs as set out in form No. 3 (a) of the Schedule hereto applicable to the butterfat used in making that butter :

“Surplus on cheesemaking” means the amount remaining out of the proceeds of the sale of cheese, including the value of unsold cheese, and the proceeds of the sale or processing of the whey cream resulting from the production of that cheese and the proceeds, where applicable, of the sale of creamery butter made in a cheese-factory in winter months, after charging against those proceeds the costs as set out in form No. 3 (b) of the Schedule hereto which are applicable to the butterfat used in making that cheese and butter.

**4.** (1) The Directors of every co-operative dairy company shall prepare, or cause to be prepared, for laying before the annual general meeting of the company—

- (a) Their report with respect to the state of the affairs of the company in the form No. 1 in the Schedule hereto :
- (b) The balance-sheet, manufacturing and marketing account, appropriation account, and statement of statistics of the company in the forms Nos. 2, 3 (a) or 3 (b), as the case may require, 4 (a) or 4 (b), as the case may require, and 5 in the Schedule hereto.

(2) The said report, balance-sheet, manufacturing and marketing account, appropriation account, and statement of statistics of the company shall contain the information and particulars set out and indicated in the said forms and shall be prepared and compiled in accordance with the directions and instructions contained in the said forms, but those directions and instructions shall not be deemed to be parts of the said forms.

**5.** The auditor of every co-operative dairy company shall, in furnishing his report to the company, forward a certificate signed by him and certifying—

- (a) That the information and particulars contained in the directors' report relating to the pay-out to suppliers of the company have been prepared and compiled in accordance with the directions set out in the form No. 1 in the Schedule to these regulations ;

- (b) That the itemized costs per pound of butterfat and the total costs to f.o.b. per pound of butterfat as shown in the manufacturing and marketing account are correctly stated; and
- (c) That the directors' report, balance-sheet, manufacturing and marketing account, appropriation account, and statement of statistics have been prepared and compiled in accordance with these regulations.

6. The directors of every co-operative dairy company shall attach, or cause to be attached, to every copy of their report prepared and compiled in accordance with these regulations—

- (a) A copy of the balance-sheet, manufacturing and marketing account, appropriation account, and statement of statistics duly prepared and compiled as aforesaid; and
- (b) A copy of the certificate furnished by the auditor of the company pursuant to the last preceding regulation.

7. The directors of every co-operative dairy company shall, not less than seven clear days before the date of the annual general meeting of the company and in accordance with its articles, send or cause to be sent to every person, being a supplier of the company at any time during the year to which the directors' report relates, a copy of that report, together with a copy of every document which by these regulations is required to be attached thereto.

8. The directors of any dairy company, not being a co-operative dairy company within the meaning of these regulations, shall not send to any supplier of the company, other than a supplier who is a shareholder of the company, any document purporting to be or to have the effect of any of the following documents, namely:—

- (a) A directors' report to be laid before the company in general meeting:
- (b) A balance-sheet:
- (c) A profit and loss account:
- (d) A manufacturing account or marketing account or a manufacturing and marketing account:
- (e) An appropriation account:
- (f) A statistical statement of the working of the company,— unless the document—
- (g) Has been prepared and compiled in conformity with such one of the forms set out in the Schedule hereto as is appropriate to the document and in accordance with the directions and instructions contained in that form; and
- (h) Is accompanied by documents having the effect of each of the other documents enumerated in this regulation all duly prepared and compiled in conformity with the relative form in the said Schedule and in accordance with the directions and instructions contained therein and comprising the auditor's certificate hereinbefore prescribed.

9. (1) The owner or occupier of every dairy factory, not being a co-operative dairy company within the meaning of these regulations, and not being a dairy company that sends to its suppliers documents which comply with the requirements of Regulation 8 hereof, shall, not later than the 31st day of August in each year, forward to every person, being a supplier of the owner or occupier at any time during the period to which the statement hereinafter referred to relates,

a statement which shall contain the same information and particulars as is required by Regulation 4 hereof to be furnished by the directors of every co-operative dairy company in their report for laying before the annual general meeting of the company.

(2) Every such statement shall be accompanied by a copy of a certificate certifying that the information and particulars contained in the statement have been prepared and compiled in accordance with such of the directions set out in the form No. 1 in the Schedule hereto as are applicable to the statement.

(3) If the owner or occupier of the dairy factory is a dairy company, the certificate shall be signed by the auditors of the dairy company, and in any other case by a public accountant.

**10.** The directors of every dairy company and the owner or occupier (not being a dairy company) of every dairy factory, when sending or causing to be sent to any person, being a supplier of the company or of that owner or occupier, any document which by these regulations is required to be sent to any such person, shall at the same time send or cause to be sent copies of that document to the General Manager of the New Zealand Dairy Products Marketing Commission, the Secretary of the New Zealand Dairy Board, and the Director of the Dairy Division of the Department of Agriculture.

**11.** The requirements of these regulations shall, in so far as they are not requirements of the Companies Act, 1933, or of any other Act or of any regulations made thereunder, be deemed to be in addition to and not in substitution for those requirements.

**12.** No dairy company shall publish or cause to be published a statement purporting to set out the pay-out of the company which is not computed in accordance with the definition of pay-out in these regulations.

## SCHEDULE

Reg. 4 (1) (a) ]

[Form No. 1

(Form of Directors' Report to be attached to Balance-sheet, Manufacturing and Marketing Account, Appropriation Account, and Statement of Statistics.)

THE ..... CO-OPERATIVE DAIRY Co., LTD.

Registered office : .....

Nominal capital : £....., in shares of £..... each.

Names of all directors at date of issue of report : .....

Names of officers at date of issue of report : .....

Manager : .....

Secretary : .....

THE ANNUAL REPORT ACCOMPANYING ACCOUNTS FOR YEAR ENDED ....., 19

[Notice of annual general meeting may here be inserted.]

*Directors' Report*

(1) Insert the information required by the Companies Act, 1933, to be laid annually before the company in general meeting so far as it is not required to be inserted elsewhere in this form or in documents to be attached thereto.

(2) Insert the following information relating to the payment to suppliers :—

(a) IN RESPECT OF THE PREVIOUS YEAR.—The estimated season-average pay-out per pound for butterfat (all grades) which was quoted in the report (if any) for that year, and the actual season-average pay-out which was finally made :

(b) IN RESPECT OF THE CURRENT YEAR.—The estimated season-average pay-out per pound for butterfat (all grades) which should result from the disposal of unsold dairy-produce at the values adopted in accordance with these regulations :

(c) IN RESPECT OF THE CURRENT YEAR.—In any case in which the suppliers of cream or any of them (as individuals) bear or pay the whole or part of the cream cartage costs, a statement in the following form must be included :—

“The amount charged to suppliers for carriage of the cream on which the above pay-out is calculated was £....., which represents .....d. per pound of the said butterfat.” :

(d) IN RESPECT OF BOTH THE PREVIOUS AND THE CURRENT YEARS.—Where payment for whole milk supplied for cheesemaking is made on any basis other than that of the amount of the butterfat contained therein, the report shall, in addition to the season-average pay-out as calculated in accordance with that basis, state the equivalent season-average pay-out per pound for butterfat of all grades that would have resulted if payment had been made on the basis of the amount of butterfat contained therein.

(3) Insert a statement of the rate per cent. of interest or dividend recommended to be paid on share capital, the total amount of that interest or dividend payment, and the amount proposed to be carried to any reserve fund, general reserve, or reserve account.

[The Balance-sheet of every dairy company shall show the information set out hereunder, but the actual form of presentation may be varied as desired. Shillings and pence may be omitted from the published accounts if desired.]

## The ..... Co-operative Dairy Co., Ltd.

## BALANCE-SHEET AS AT ....., 19..

		£	s.	d.	£	s.	d.			£	s.	d.	£	s.	d.
<b>CURRENT LIABILITIES—</b>															
Bank overdraft (Current Account) .. .. .	..	..	..	..	..	..	..	<b>CURRENT ASSETS—</b>		..	..	..	..	..	..
Sundry creditors .. .. .	..	..	..	..	..	..	..	Cash in hand and at bank .. .. .	..	..	..	..	..	..	..
Other demand or short-term liabilities .. .. .	..	..	..	..	..	..	..	Sundry debtors .. .. .	..	..	..	..	..	..	..
Amount due to suppliers for supply in final month .. .. .	..	..	..	..	..	..	..	Stocks—	..	..	..	..	..	..	..
Provision for proposed appropriations—	..	..	..	..	..	..	..	Butter .. .. .	..	..	..	..	..	..	..
Dividend or interest on shares .. .. .	..	..	..	..	..	..	..	Cheese .. .. .	..	..	..	..	..	..	..
Final payments to suppliers .. .. .	..	..	..	..	..	..	..	Other dairy-produce .. .. .	..	..	..	..	..	..	..
Total current liabilities .. .. .	..	..	..	..	..	..	..	Manufacturing materials and consumable stores .. .. .	..	..	..	..	..	..	..
<b>FIXED-TERM LIABILITIES—</b>															
Debentures .. .. .	..	..	..	..	..	..	..	Trading stocks .. .. .	..	..	..	..	..	..	..
Mortgages .. .. .	..	..	..	..	..	..	..	Other stocks .. .. .	..	..	..	..	..	..	..
Other fixed-term liabilities .. .. .	..	..	..	..	..	..	..	Total current assets .. .. .	..	..	..	..	..	..	..
Total fixed-term liabilities .. .. .	..	..	..	..	..	..	..	<b>INVESTMENTS .. .. .</b>							
<b>CAPITAL AND RESERVES—</b>															
Authorized capital: ..... shares of .. .. .	..	..	..	..	..	..	..	<b>FIXED ASSETS—</b>							
Less—	..	..	..	..	..	..	..	Shares in other companies (at cost) .. .. .	..	..	..	..	..	..	..
Unallotted shares .. .. .	..	..	..	..	..	..	..	Land and buildings (giving basis of valuation) .. .. .	..	..	..	..	..	..	..
Surrendered shares .. .. .	..	..	..	..	..	..	..	Plant and equipment (giving basis of valuation) .. .. .	..	..	..	..	..	..	..
Issued capital .. .. .	..	..	..	..	..	..	..	Total fixed assets .. .. .	..	..	..	..	..	..	..
Less unpaid capital .. .. .	..	..	..	..	..	..	..								
Paid-up capital .. .. .	..	..	..	..	..	..	..								
<b>Reserves—</b>															
General .. .. .	..	..	..	..	..	..	..								
Specific .. .. .	..	..	..	..	..	..	..								
<b>APPROPRIATION ACCOUNT</b>															
Total shareholders' funds .. .. .	..	..	..	..	..	..	..								
£ .....															
<b>CONTINGENT LIABILITIES [Specify].</b>															
£ .....															

(Form of Creamery (or Whey) Butter Manufacturing and Marketing Account)

CREAMERY (OR WHEY) BUTTER MANUFACTURING AND MARKETING ACCOUNT FOR THE YEAR ENDED ....., 19..

Covering production from ..... lb. butterfat

Pence Per Pound of Butterfat.		£ s. d.	Pence Per Pound of Butterfat.		£ s. d.	£ s. d.
.....	CREAM-COLLECTION .. .. .	.....				
	MANUFACTURING CHARGES—	£ s. d.		SALES AND STOCKS OF BUTTER—		
.....	Wages .. .. .	.....		Export .. .. .	.....	.....
.....	Materials .. .. .	.....		Local .. .. .	.....	.....
.....	Fuel, power, and steam .. .. .	.....				
.....	Sundry .. .. .	.....				
	FACTORY OVERHEADS—					
.....	Depreciation .. .. .	.....				
.....	Repairs, maintenance, and consumable stores .. .. .	.....				
.....	Rates and land-tax .. .. .	.....				
.....	Insurance .. .. .	.....				
	CHARGES, FACTORY TO F.O.B. (IN- CLUDING CHARGES ON PRODUCE SOLD LOCALLY)—					
.....	Carriage and freight .. .. .	.....				
.....	Freezing and storage .. .. .	.....				
.....	Grading .. .. .	.....				
.....	Insurance to f.o.b. .. .. .	.....				
	GENERAL OVERHEADS—					
.....	Administration and office expenses .. .. .	.....				
.....	Directors' fees and expenses .. .. .	.....				
.....	Audit fee .. .. .	.....				
.....	Interest .. .. .	.....				
.....	Farm dairy instruction .. .. .	.....				
.....	Dairy Board levy .. .. .	.....				
.....		.....				
.....	Total costs .. .. .	.....				
.....	SURPLUS ON BUTTERMAKING, TRANSFERRED TO APPROPRIA- TION ACCOUNT .. .. .	.....				
.....		.....				
.....		.....				
.....		.....				
.....	MEMO.—Cream-collection charged to suppliers (not included above) .. .. .	.....				

*Directions for the Compilation of the Creamery or Whey Butter Manufacturing and Marketing Account*

(A) The Manufacturing and Marketing Account for creamery or whey butter shall be set out so as to show in terms of cash and in terms of pence per pound of the butterfat used in making that butter—*i.e.*, butterfat on which overrun is calculated—the surplus in respect of that year's manufacture as defined in Regulation 3 of these regulations.

(B) Where a company makes whey butter from cream received from other companies, it shall publish a separate Whey Butter Manufacturing and Marketing Account.

(C) Payments to suppliers for butterfat shall not be shown in this account, but in the Appropriation Account.

(D) At the head of the account shall be shown the number of pounds of butterfat to which the account relates.

(E) Each item of cost and revenue and the surplus shall be expressed in terms of cash (omitting shillings and pence from the published accounts if desired) and of pence per pound of butterfat to the third decimal place, the latter being balanced in the same manner as the cash figures.

The items of cost and revenue shall be set out under the headings and in the order set out below.

#### 1. CREAM-COLLECTION

CREAM-COLLECTION, which shall be the total cost to the company of transporting the cream used in buttermaking from the farm gate to a buttermaking factory (or, in the case of whey cream, from the supplying factory or factories), after charging a reasonable proportion of the transport costs to processes or activities other than buttermaking, where applicable, and shall include—

- (1) Railage on cream :
- (2) Lorry-running expenses, including licences, heavy-traffic fees, comprehensive insurance, registration, petrol, oil, repairs, maintenance and depreciation of vehicles, drivers' wages and employers' indemnity insurance thereon :
- (3) Cartage of cream by contract :
- (4) Transport of cream by any other means, including aunch-running expenses where applicable :
- (5) Premiums or other payments to suppliers for delivering cream to factory or delivery point.

#### 2. MANUFACTURING CHARGES

(1) WAGES, which shall include all emoluments connected with the manufacturing, packing, and despatching of the produce to which the account relates, other than those applicable to cream-collection, repairs, or administration or to any activities other than that process or to a previous season's operations, and shall include the cost of employers' indemnity and superannuation subsidies connected with the wages chargeable to this account. Any apportionment of the aforementioned charges to various products or activities shall be made on the basis of the time occupied thereon.

Where fuel, milk, or other items (excluding rental value of free house for the manager) are supplied to employees free of charge, the value of these items shall be included under this heading.

This account shall not include wages incurred in the collection of buttermilk from other factories or the cost of cleaning buttermilk chutes and ancillary plant, which shall be charged against the proceeds of buttermilk.

(2) MATERIALS, which shall include only those materials entering into the manufacture and packing of the produce to which the account relates, including the cost of transporting these to the factory, and shall not include materials which are applicable to repairs and maintenance of the factory buildings, plant, and equipment, or consumable stores.

Local market box differentials shall be included in this item.

The following shall be credited to the Materials Account : —

(a) Discount, rebates, and other allowances in respect of those materials, those received after the closing of the accounts for that year being credited to Appropriation Account :

(b) Premium received by companies for parchoil, special packaging, and other special items of materials.

(3) FUEL, POWER, AND STEAM, which shall include only that used in processing the butterfat to which this account relates, and shall include the cost of transporting fuel to the factory and the cost of factory lighting.



(4) **SUNDRY CHARGES**, which shall include only those items of factory expense directly applicable to the receiving and processing of the milk or cream and the packing and despatching of the produce to which this account relates.

### 3. FACTORY OVERHEADS

(1) **DEPRECIATION** on the buildings, plant, and equipment used in the manufacture of the produce to which this account relates, not including the depreciation of vehicles, office buildings and equipment, let properties, or special buttermilk-collection equipment.

(2) **REPAIRS, MAINTENANCE, AND CONSUMABLE STORES**, which shall include—

(a) Repairs and maintenance on the buildings, plant, and equipment used in the manufacture of the produce to which this account relates, other than the repairs and maintenance of vehicles, office buildings and equipment, let properties, or special buttermilk-collection equipment; and

(b) Consumable stores, being those which do not enter into the manufacture and packing of that produce.

There shall be credited to this account the discounts, rebates, or other allowances applicable to materials charged thereto.

(3) **RATES AND LAND-TAX** on property used in the manufacture of the produce to which this account relates, other than charges on let properties or administration block.

(4) **INSURANCE** on assets used in the manufacture of produce to which this account relates, including fire, earthquake, explosion, burglary, and public-risk insurance, but not including insurance on vehicles, employers' indemnity insurance, insurance of produce, special buttermilk equipment, let properties, or administration block.

### 4. CHARGES, FACTORY TO F.O.B.

(Including charges on produce sold locally)

(1) **CARRIAGE AND FREIGHT**, which shall include all costs of transporting the produce to which this account relates to the grading-store (in the case of produce intended for export) or to the buyer's store or other final delivery point (in the case of produce for the local market), and cartage, railage, and coastwise shipping costs where applicable.

Where a company operates vehicles used in the carriage of the finished product from the factory it shall charge the appropriate proportion to this account.

Where transport and handling charges are paid to freezing companies in respect of the handling of produce after it has been delivered to the grading-store, those charges shall be included under the heading of "Freezing and Storage."

(2) **FREEZING AND STORAGE**, which shall include the freezing, storage and handling charges on the produce to which this account relates, and the costs of transporting that produce from the grading-store to the ship's hold for export, less rebates received or receivable in respect of that produce.

(3) **GRADING** of produce to which this account relates paid or payable to the Department of Agriculture.

(4) **INSURANCE** to f.o.b., which shall also include insurance on produce sold locally.

### 5. GENERAL OVERHEADS

(1) **ADMINISTRATION AND OFFICE EXPENSES**, which shall include salaries, office expenses, and depreciation and maintenance of office buildings and equipment, so far as these are applicable to the produce to which this account relates, any apportionment of these expenses to be made on the basis of the time occupied in connection with the various activities.

Commissions and other fees received by the company in connection with the collection of accounts from suppliers shall be deducted from this item.

(2) **DIRECTORS' FEES AND EXPENSES**, so far as these apply to the produce to which this account relates.

(3) **AUDIT FEE**, so far as it applies to the produce to which this account relates.

(4) **INTEREST** on current account, so far as it applies to the manufacturing and marketing of the produce to which this account relates.

(5) **FARM DAIRY INSTRUCTION**, applicable to the butterfat used in the process to which this account relates, including both the "supplier" and "butterfat" charge, any apportionment to be made on a butterfat basis.

(6) **DAIRY BOARD LEVY** on the produce to which the account relates.

## 6. SALES AND STOCKS

(1) SALES, EXPORT, which shall also include the value of stocks held at balance date and intended for export, valued at the equivalent of the guaranteed price applicable to those stocks.

(2) SALES, LOCAL, which shall also include the value of stocks held at balance date and intended for the local market, valued at the wholesale price applicable thereto.

Where local market differential payments are receivable by the company in respect of the above produce they shall be included in this item.

Where local market differentials are payable by the company in respect of the above produce they shall be deducted from this item.

*General Directions.*—The Manufacturing and Marketing Account shall not include the proceeds of the disposal of the previous year's produce, the disposal of buttermilk, milk or cream disposed of otherwise than in buttermaking, service charge or administration levy collected from suppliers, interest, dividends, net rents, trading profit, commissions, transport operation, or any other items of cost or revenue not directly applicable to the process to which the account relates.

Cream diverted from the creamery-butter to the whey-butter process shall be treated as cream sales and therefore not shown in the Creamery Butter Manufacturing and Marketing Account, but in the Appropriation Account.

Accounts accrued or paid in advance shall be brought to account under the respective headings.

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*Directions for the Compilation of the Cheese Manufacturing and Marketing Account*

(A) The Manufacturing and Marketing Account for cheese shall be set out so as to show in terms of cash and in terms of pence per pound of the butterfat used in making the produce the surplus in respect of that year's manufacture as defined in Regulation 3 of these regulations.

(B) In the case of a cheese-factory making whey butter from its own whey cream only in the same factory as the cheese from which that whey is recovered, the costs of producing that whey butter may be included with the cheesemaking costs, but this shall not be construed as prohibiting the publication of separate accounts for whey butter in those cases. In all other cases a separate Whey Butter Manufacturing and Marketing Account shall be published in accordance with form No. 3 (a).

(C) In the case of a cheese-factory making creamery butter on its own premises during periods not exceeding ten weeks during winter months from milk or cream received from its own suppliers, the costs of producing that creamery butter may be included with the cheesemaking costs, but this shall not be construed as prohibiting the publication of separate accounts for creamery butter in those cases. In all other cases where a factory makes creamery butter a separate Creamery Butter Manufacturing and Marketing Account shall be published in accordance with form No. 3 (a).

Where milk or cream is sent to another factory the proceeds shall be treated as milk or cream sales and therefore not shown in the Cheese Manufacturing and Marketing Account, but in the Appropriation Account.

(D) Payments to suppliers for butterfat shall not be shown in this account, but in the Appropriation Account.

(E) At the head of the account shall be shown the number of pounds of butterfat to which the account relates, no deduction being made for loss of butterfat in whey.

(F) Each item of cost, revenue, and the surplus shall be expressed in terms of cash (omitting shillings and pence from the published accounts if desired) and of pence per pound of butterfat to the third decimal place, the latter being balanced in the same manner as the cash figures.

The items of cost and revenue shall be set out under the headings and in the order set out below.

## I. MANUFACTURING CHARGES

(1) **WAGES**, which shall include all emoluments connected with the manufacturing, packing, and despatching of the produce to which the account relates, other than those applicable to repairs or administration or to any activities other than that process or to a previous season's operations, and shall include the cost of employers' indemnity and superannuation subsidies connected with the wages chargeable to this account. Any apportionment of the aforementioned charges to various products or activities shall be made on the basis of the time occupied thereon.

Where fuel, milk, or other items (excluding the rental value of the free house for the manager) are supplied to employees free of charge, the value of these items shall be included under this heading.

(2) **MATERIALS**, which shall include only those materials entering into the manufacture and packing of the produce to which the account relates, including the cost of transporting these materials to the factory, and shall not include materials which are applicable to repairs and maintenance of the factory buildings, plant, and equipment, or consumable stores.

The following shall be credited to the Materials Account :—

(a) Discount, rebates, and other allowances in respect of those materials, those received after the closing of the accounts for that year being credited to Appropriation Account :

(b) Premium received by companies for colouring and waxing of cheese, special packaging, and other special items of materials.

(3) **FUEL AND POWER**, which shall include only that used in processing the milk to which this account relates, and shall include the cost of transporting fuel to the factory and the cost of factory lighting.

(4) **SUNDRY CHARGES**, which shall include only those items of factory expense directly applicable to the receiving and processing of the milk and the packing and despatching of the produce to which this account relates, and shall include the costs, if any, of disposing of separated whey otherwise than by sale.

## 2. FACTORY OVERHEADS

(1) DEPRECIATION on the buildings, plant, and equipment used in the manufacture of the produce to which this account relates, other than the depreciation of vehicles, office buildings and equipment, or let properties.

(2) REPAIRS, MAINTENANCE, AND CONSUMABLE STORES, which shall include—

- (a) Repairs and maintenance on the buildings, plant, and equipment used in the manufacture of the produce to which this account relates, other than the repairs and maintenance of vehicles, office buildings and equipment, or let properties; and
- (b) Consumable stores, being those which do not enter into the manufacture and packing of that produce.

There shall be credited to this account the discounts, rebates, or other allowances applicable to materials charged thereto.

(3) RATES AND LAND-TAX on property used in the manufacture of the produce to which this account relates, which shall not include charges on let properties or administration block.

(4) INSURANCE on assets used in the manufacture of produce to which this account relates, including fire, earthquake, explosion, burglary, and public-risk insurance, but not including insurance of vehicles, employers' indemnity insurance, or insurance of produce, let properties, or administration block.

## 3. CHARGES, FACTORY TO F.O.B.

(Including charges on produce sold locally)

(1) CARRIAGE AND FREIGHT, which shall include all costs of transporting the produce to which this account relates to the grading-store (in the case of produce intended for export), or to the buyer's store or other final delivery point (in the case of produce for the local market), and cartage, railage, and coastwise shipping costs where applicable.

Where a company operates vehicles used in the carriage of the finished product from the factory it shall charge the appropriate proportion to this account.

Where transport and handling charges are paid to freezing companies in respect of the handling of produce after it has been delivered to the grading-store, those charges shall be included under the heading of "Chilling and Storage."

(2) CHILLING AND STORAGE, which shall include the chilling, storage, and handling charges on the produce to which this account relates, and the costs of transporting that produce from the grading-store to ship's hold for export, less rebates received or receivable in respect of that produce.

(3) GRADING of produce to which this account relates paid or payable to the Department of Agriculture.

(4) INSURANCE to f.o.b., which shall also include insurance on produce sold locally.

## 4. GENERAL OVERHEADS

(1) ADMINISTRATION AND OFFICE EXPENSES, which shall include salaries, office expenses, and depreciation and maintenance of office buildings and equipment, so far as these are applicable to the produce to which this account relates, any apportionment of these expenses to be made on the basis of the time occupied in connection with the various activities.

Commissions and other fees received by the company in connection with the collection of accounts from suppliers shall be deducted from this item.

(2) DIRECTORS' FEES AND EXPENSES, so far as these apply to the produce to which this account relates.

(3) AUDIT FEE, so far as it applies to the produce to which this account relates.

(4) INTEREST on current account, so far as it applies to the manufacturing and marketing of the product to which this account relates.

(5) FARM DAIRY INSTRUCTION, applicable to the butterfat used in the process to which this account relates, including both the "supplier" and the "butterfat" charge, any apportionment to be made on a butterfat basis.

(6) DAIRY BOARD LEVY on the produce to which the account relates.

## 5. SALES AND STOCKS

## (1) SALES OF CHEESE FOR—

- (a) EXPORT, which shall also include the value of stocks held at balance date and intended for export, valued at the equivalent of the guaranteed price applicable to those stocks :
- (b) LOCAL, which shall also include the value of stocks held at balance date and intended for the local market, valued at the wholesale price applicable thereto.

Where local market differential payments are receivable by the company in respect of the above produce they shall be included in this item.

Where local market differentials are payable by the company in respect of the above produce they shall be deducted from this item.

(2) REVENUE from the sale or processing of whey cream, or from off-season creamery-butter making, under such of the following headings as may be applicable :—

- (a) SALES OF WHEY CREAM.—Where all or part of the whey cream resulting from the cheesemaking process is sent to another factory, there shall be shown here the proceeds of that sale without deduction of the costs of transporting that cream to buttermaking factory or other delivery point :
- (b) SURPLUS FROM WHEY BUTTER MAKING.—Where a separate Whey Butter Manufacturing and Marketing Account is kept, there shall be shown here the surplus resulting from the manufacture of the whey cream recovered from the process to which this account relates. That part of the surplus on whey butter making which is applicable to cream received from other factories shall not be shown here, but in the Appropriation Account :
- (c) SALES OF WHEY BUTTER.—Where, in accordance with paragraph (B) of these directions, the costs of producing whey butter are included with the cheesemaking costs, there shall be shown here the proceeds of the sales of that whey butter for—

- (i) EXPORT, which shall also include the value of stocks held at balance date and intended for export, valued at the equivalent of the guaranteed price applicable to those stocks ; and
- (ii) LOCAL, which shall also include the value of stocks held at balance date and intended for the local market, valued at the wholesale price applicable thereto.

Where local market differential payments are receivable by the company in respect of the above produce they shall be included in this item.

Where local market differentials are payable by the company in respect of the above produce they shall be deducted from this item.

- (d) SALES OF CREAMERY BUTTER.—Where, in accordance with paragraph (C) of these directions, the costs of producing creamery butter are included with the cheesemaking costs, there shall be shown here the proceeds of the sale of that creamery butter for—

- (i) EXPORT, which shall also include the value of stocks held at balance date and intended for export, valued at the equivalent of the guaranteed price applicable to those stocks ; and
- (ii) LOCAL, which shall also include the value of stocks held at balance date and intended for the local market, valued at the wholesale price applicable thereto.

Where local market differential payments are receivable by the company in respect of the above produce they shall be included in this item.

Where local market differentials are payable by the company in respect of the above produce they shall be deducted from this item.

*General Directions.*—The Manufacturing and Marketing Account shall not include the proceeds of the disposal of the previous year's produce, the disposal of separated whey, milk or cream disposed of otherwise than in cheesemaking, service charge or administration levy collected from suppliers, interest, dividends, net rents, trading profit, commissions, transport operation, the cost of milk cartage, or any other items of cost or revenue not directly applicable to the process to which the account relates.

Amounts accrued or paid in advance shall be brought to account under the appropriate headings.

Reg. 4 (1) (b) ]

[Form No. 4 (a)

(Form of Creamery or Whey Butter Appropriation Account)  
 CREAMERY OR WHEY BUTTER APPROPRIATION ACCOUNT

Previous Year, 19.../..

£	s.	d.		£	s.	d.
Adjustments of appropriations provided for at last balance date (under the headings specified in respect of the current year) .. .. .				Balance brought down .. .. .		
Deficit on final disposal or settlement of any product or activity (under the headings specified in respect of the current year) .. .. .				Adjustments of appropriations provided for at last balance date (under the headings specified in respect of the current year) .. .. .		
Balance carried down .. .. .				Surplus on final disposal or settlement of any product or activity (under the headings specified in respect of the current year) .. .. .		
			£ .....			£ .....

Current Year, 19.../..

£	s.	d.		£	s.	d.
Provision for taxation .. .. .				Balance brought down .. .. .		
Provision for proposed appropriations (other than pay-out)—				Surplus from Manufacturing and Marketing Account (creamery or whey butter) .. .. .		
Transfer to general reserve .. .. .				Net proceeds of sale or disposal of buttermilk .. .. .		
Transfers to specific reserves .. .. .				Net proceeds of milk or cream sales (not condensed or dried) .. .. .		
Other proposed appropriations .. .. .				Net proceeds of milk or cream condensed or dried (including casein) .. .. .		
Pay-out on .. .. . lb. butterfat (creamery or whey)—				Service charge or administration levy collected from suppliers .. .. .		
Advances to suppliers .. .. .				Interest, dividends, and net rents .. .. .		
Payments on behalf of all suppliers (block subscriptions, veterinary service, &c.) .. .. .				Trading profit and commissions .. .. .		
Provision for proposed dividend or interest on shares .. .. .				Transport service .. .. .		
Provision for proposed final payments to suppliers .. .. .						
Balance .. .. .						
			£ .....			£ .....

*Directions for the Compilation of the Creamery or Whey Butter Appropriation Account*

Separate appropriation accounts shall be published for creamery and whey butter respectively, and the information shall be set out under the headings specified below.

(1) PREVIOUS YEAR

The first part of the appropriation account shall relate to the year previous to the one to which the accounts relate, and shall show in respect of that year—

- (a) The amount, if any, brought forward at the date of the last balance-sheet :
- (b) Adjustments, if any, resulting from the final payments and transfers made in accordance with the appropriations provided for at the last balance date and approved by shareholders at the annual general meeting, set out under the headings specified in respect of the current year :
- (c) Additional revenue or deficit, if any, resulting from the final disposal or settlement of each product and activity, set out under the headings specified in respect of the appropriation account for the current year :
- (d) The amount, if any, carried forward to the second part thereof.

(2) CURRENT YEAR

The second part of the appropriation account shall relate to the year to which the accounts relate, and shall show—

- (a) The amount, if any, brought forward from the first part thereof :
- (b) The surplus from the creamery or whey butter manufacturing and marketing account, as the case may be, arrived at in accordance with the requirements of these regulations as set out in form No. 3 (a) :
- (c) The net proceeds from the sale or disposal of the buttermilk resulting from the buttermaking process to which the said account relates :
- (d) The net proceeds from the sale or disposal of liquid milk or cream (but not including milk or cream which is condensed or dried by the company) after charging against these proceeds a reasonable proportion of the cream-collection, operating, and overhead expenses :
- (e) The net proceeds from the disposal of milk or cream in processes other than butter or cheese making (including condensed milk, dried milk, and casein), after charging against these a reasonable proportion of the cream-collection, operating, and overhead expenses :
- (f) Amounts collected from suppliers as service charge or administration levy for the services of the company in relation to the butterfat supply :
- (g) Any other income (or deficit where applicable) not connected with the processing or sale of milk or cream by the company, after charging against that income a reasonable proportion of the operating and overhead expenses, set out separately under the following headings :—
  - (i) Interest, dividends, and net rents :
  - (ii) Trading profit and commissions :
  - (iii) Transport service :
- (h) Provision for taxation on the company's income :
- (i) Provision for appropriations, other than pay-out, proposed by the directors as set out in the directors' report, shown separately under the following headings :—
  - (i) Transfer to general reserve :
  - (ii) Transfers to specific reserves :
  - (iii) Other proposed appropriations :
- (j) Pay-out, specifying the number of pounds of butterfat to which the payments apply, and shown separately under the following headings :—
  - (i) Advances to suppliers for butterfat supplied during that year :
  - (ii) Milk cartage to factory paid by the company :
  - (iii) Payments made by the company on behalf of all suppliers, which shall include block subscriptions to farmers' organizations and periodicals and the cost to the company of veterinary and other services carried on by the company for the benefit of suppliers :
  - (iv) Provision for the proposed payment, if any, of dividend or interest on shares :
  - (v) Provision for the proposed final payments to suppliers for butterfat supplied during that year :  
(Where payments are to be made to separate groups of suppliers at differing rates per pound of butterfat, the provision for such payments shall be shown separately, specifying in each case the number of pounds of butterfat on which payments are to be made.)
- (k) The balance, if any, to be carried forward.



Reg. 4 (1) (b) ]

[Form 4 (b)

(Form of Cheese Appropriation Account)

CHEESE APPROPRIATION ACCOUNT

*Previous Year, 19.../..*

	£	s.	d.		£	s.	d.
Adjustments of appropriations provided for at last balance date (under the headings specified in respect of the current year) .. .. .				Balance brought down .. .. .			
Deficit on final disposal or settlement of any product or activity (under the headings specified in respect of the current year) .. .. .				Adjustments of appropriations provided for at last balance date (under the headings specified in respect of the current year) .. .. .			
Balance carried down .. .. .				Surplus on final disposal or settlement of any product or activity (under the headings specified in respect of the current year) .. .. .			
	£.....				£.....		

*Current Year, 19.../..*

	£	s.	d.		£	s.	d.
Provision for taxation .. .. .				Balance brought down .. .. .			
Provision for proposed appropriations (other than pay-out)—				Surplus from Manufacturing and Marketing Account—			
Transfer to general reserve .. .. .				Cheese .. .. .			
Transfers to specific reserves .. .. .				Creamery butter (where applicable) .. .. .			
Other proposed appropriations .. .. .				Net proceeds of sale of separated whey .. .. .			
Pay-out on .. .. . lb. butterfat—				Net proceeds of milk or cream sales (not condensed or dried) .. .. .			
Advances to suppliers .. .. .				Net proceeds of milk or cream condensed or dried (including casein) .. .. .			
Milk cartage to factory paid by the company .. .. .				Service charge or administration levy collected from suppliers .. .. .			
Payments on behalf of all suppliers (block subscriptions, veterinary service, &c.) .. .. .				Interest, dividends, and net rents .. .. .			
Provision for proposed dividend or interest on shares .. .. .				Trading profit and commissions .. .. .			
Provision for proposed final payments to suppliers .. .. .				Transport service .. .. .			
Balance .. .. .							
	£.....				£.....		

*Directions for the Compilation of the Cheese Appropriation Account*

The information shall be set out under the headings specified below

## (1) PREVIOUS YEAR

The first part of the appropriation account shall relate to the year previous to the one to which the accounts relate, and shall show in respect of that year—

- (a) The amount, if any, brought forward at the date of the last balance-sheet :
- (b) Adjustments, if any, resulting from the final payments and transfers made in accordance with the appropriations provided for at the last balance date and approved by the shareholders at the annual general meeting, set out under the headings specified in respect of the current year :
- (c) Additional revenue or deficit, if any, resulting from the final disposal or settlement of each product and activity, set out under the headings specified in respect of the appropriation account for the current year :
- (d) The amount, if any, carried forward to the second part thereof.

## (2) CURRENT YEAR

The second part of the appropriation account shall relate to the year to which the accounts relate, and shall show—

- (a) The amount, if any, brought forward from the first part thereof :
- (b) The surplus from the cheese manufacturing and marketing account arrived at in accordance with the requirements of these regulations as set out in form No. 3 (b) ; and the surplus, where applicable, from the creamery butter manufacturing and marketing account arrived at in accordance with the requirements of these regulations as set out in form No. 3 (a) :
- (c) The net proceeds from the sale of separated whey resulting from the cheesemaking process to which the said account relates :
- (d) The net proceeds from the sale or disposal of liquid milk or cream, including transfers to creamery or whey butter processes (but not including milk or cream which is condensed or dried by the company), after charging against these proceeds a reasonable proportion of the operating and overhead expenses :
- (e) The net proceeds from the disposal of milk or cream in processes other than butter or cheese making (including condensed milk, dried milk, and casein), after charging against these proceeds a reasonable proportion of the operating and overhead expenses :
- (f) Amounts collected from suppliers as service charge or administration levy for the services of the company in relation to the butterfat supply :
- (g) Any other income (or deficit where applicable) not connected with the processing or sale of milk or cream by the company, after charging against that income a reasonable proportion of the operating and overhead expenses, set out separately under the following headings :—
  - (i) Interest, dividends, and net rents :
  - (ii) Trading profit and commissions :
  - (iii) Transport service :
- (h) Provision for taxation on the company's income :
- (i) Provision for appropriations, other than pay-out, proposed by the directors as set out in the directors' report, shown separately under the following headings :—
  - (i) Transfer to general reserve :
  - (ii) Transfers to specific reserves :
  - (iii) Other proposed appropriations :
- (j) Pay-out, specifying the number of pounds of butterfat to which the payments apply, and shown separately under the following headings :—
  - (i) Advances to suppliers for butterfat supplied during that year :
    - (ii) Payments made by the company for the cartage of that butterfat to the factory :
    - (iii) Payments made by the company on behalf of all suppliers, which shall include block subscriptions to farmers' organizations and periodicals and the cost to the company of veterinary and other services carried on by the company for the benefit of suppliers :
    - (iv) Provision for the proposed payment, if any, of dividend or interest on shares :
    - (v) Provision for the proposed final payments to suppliers for butterfat supplied during that year :
 

(Where payments are to be made to separate groups of suppliers at differing rates per pound of butterfat, the provision for such payments shall be shown separately, specifying in each case the number of pounds of butterfat on which payments are to be made.)
- (k) The balance, if any, to be carried forward.

Reg. 4 (1) (b) ]

## STATISTICS

[Form No. 5

—	Previous Year, 19 .	Current Year, 19 .
Suppliers on 31st December—		
Butter .. .. .	..	..
Cheese .. .. .	..	..
Factories (number and type) .. .. .	..	..
<i>Creamery Butter Making</i>		
Pounds of milk received .. .. .	..	..
Milk-grading percentages—		
Finest .. .. .	..	..
First .. .. .	..	..
Second .. .. .	..	..
Pounds of cream received .. .. .	..	..
Cream-grading percentages—		
Finest .. .. .	..	..
First .. .. .	..	..
Second .. .. .	..	..
Pounds of butterfat in milk .. .. .	..	..
Pounds of butterfat in cream .. .. .	..	..
Total butterfat received .. .. .	..	..
Average butterfat test—		
Milk .. .. .	..	..
Cream .. .. .	..	..
Pounds of butterfat used in creamery butter making		
Pounds of butterfat in milk sold (not condensed or dried)		
Pounds of butterfat in cream sold (not condensed or dried)		
Pounds of butterfat in milk or cream condensed or dried (including casein)		
Pounds of creamery butter made .. .. .	..	..
Tons of creamery butter made .. .. .	..	..
Overrun of creamery butter .. .. .	..	..
Average grade of creamery butter .. .. .	..	..
Total charges to f.o.b. as per Manufacturing and Marketing Account		
Disposal of stocks held at last balance date (pounds)—		
Sold for export .. .. .	..	..
Sold for local consumption .. .. .	..	..
Total .. .. .	..	..
Disposal of current season's make (pounds)—		
Sold for export .. .. .	..	..
Sold for local consumption .. .. .	..	..
Stocks at balance date intended for export .. .. .	..	..
Stocks at balance date intended for local consumption .. .. .	..	..
Total .. .. .	..	..
Pay-out per pound of butterfat (all grades)—		
Previous year (on .. . . . . lb. butterfat) .. .. .	..	..
Current year (on .. . . . . lb. butterfat) .. .. .	..	..
Advance .. .. .	..	..
Estimated final payment .. .. .	..	..
Total .. .. .	..	..
<i>Whey Butter Making</i>		
Pounds of butterfat from own whey cream .. .. .	..	..
Pounds of butterfat from own creamery butter department		
Pounds of butterfat in whey cream purchased from other companies		

## STATISTICS—continued

	Previous Year, 19 .	Current Year, 19 .
Pounds of butterfat in cream purchased from other companies		
Total butterfat received in whey butter department		
Pounds of butterfat used in whey butter making ..		
Pounds of butterfat in whey cream sold ..		
Pounds of whey butter made ..		
Tons of whey butter made ..		
Overrun of whey butter ..		
Average grade of whey butter ..		
Total charges to f.o.b. as per Manufacturing and Marketing Account		
Disposal of stocks held at last balance date (pounds)—		
Sold for export ..		
Sold for local consumption ..		
Total ..		
Disposal of current season's make (pounds)—		
Sold for export ..		
Sold for local consumption ..		
Stocks at balance date intended for export ..		
Stocks at balance date intended for local consumption		
Total ..		
Pay-out per pound of butterfat (all grades)—		
Previous year (on ..... lb. butterfat) ..		
Current year (on ..... lb. butterfat) ..		
Advance ..		
Estimated final payment ..		
Total ..		
<i>Cheesemaking</i>		
Pounds of milk received ..		
Milk-grading percentages—		
First ..		
Second ..		
Pounds of butterfat in milk ..		
Average butterfat test of milk ..		
Pounds of milk used in cheesemaking ..		
Pounds of butterfat used in cheesemaking (no deduction for loss in whey)		
Pounds of butterfat in milk sold (not condensed or dried)		
Pounds of butterfat in cream sold (not condensed or dried)		
Pounds of butterfat in milk or cream condensed or dried (including casein)		
Pounds of cheese made (graders' weights) ..		
Tons of cheese made (graders' weights) ..		
Pounds of milk to make 1 lb. cheese ..		
Pounds of cheese to 1 lb. butterfat (yield) ..		
Average grade of cheese ..		
Total charges to f.o.b. as per Manufacturing and Marketing Account		
Pounds of butterfat recovered from whey, expressed as a percentage of the total butterfat used in cheesemaking		
Disposal of stocks held at last balance date (pounds)—		
Sold for export ..		
Sold for local consumption ..		
Total ..		

## STATISTICS—continued

—	Previous Year. 19 .	Current Year, 19 .
Disposal of current season's make (pounds)—		
Sold for export .. .. .	..	..
Sold for local consumption .. .. .	..	..
Stocks at balance date intended for export .. .. .	..	..
Stocks at balance date intended for local consumption .. .. .	..	..
Total .. .. .	..	..
Pay-out per pound of butterfat (all grades)—		
Previous year (on .. . . . . lb. butterfat) .. .. .	..	..
Current year (on .. . . . . lb. butterfat) .. .. .	..	..
Advance .. .. .	..	..
Estimated final payment .. .. .	..	..
Total .. .. .	..	..

T. J. SHERRARD,  
Clerk of the Executive Council.

Issued under the authority of the Regulations Act, 1936.

Date of notification in *Gazette*: 2nd day of February, 1950.

These regulations are administered by the Dairy Products Marketing Commission.