

1972/63



THE DAIRY INDUSTRY STABILISATION REGULATIONS 1972

ARTHUR PORRITT, Governor-General

ORDER IN COUNCIL

At the Government Buildings at Wellington this 27th day of March 1972

Present:

THE RIGHT HON. J. R. MARSHALL PRESIDING IN COUNCIL

PURSUANT to the Economic Stabilisation Act 1948, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Dairy Industry Stabilisation Regulations 1972.

(2) These regulations shall come into force on the 28th day of March 1972.

2. Interpretation—In these regulations, unless the context otherwise requires,—

“Co-operative dairy company” means a co-operative dairy company within the meaning of the Co-operative Dairy Companies Act 1949:

“Council” means the Dairy Industry Loans Council established under section 58 of the Dairy Board Act 1961:

“Current year”, in relation to a co-operative dairy company, means the financial year of the company which is current at the date of the commencement of these regulations.

3. Administration of regulations—The powers and functions of the Minister under these regulations and any powers or functions which the Minister may exercise under the Act for the purposes of these regulations shall be exercised by the Minister of Agriculture.

4. Limit on payout by co-operative dairy companies—(1) The season-average per pound payout, expressed in terms of cents per pound of milk fat, made by any co-operative dairy company to its suppliers of whole milk shall not, in respect of the current year, exceed 47 cents per pound at farm shed:

Provided that, if after making provision for normal depreciation of the company's assets, a further amount is available for transfer to reserves

or for distribution to those suppliers as part of the payout, then not more than 25 percent of that amount may be distributed to those suppliers as part of the payout:

Provided further that any additional payout made pursuant to the first proviso to this subclause shall not raise the season-average per pound payout to the suppliers of whole milk to the company, expressed in terms of cents per pound of milk fat, to more than 50 cents per pound at farm shed.

(2) Payments made by a co-operative dairy company to its suppliers in respect of whole milk which they have supplied shall not be taken into account in calculating the company's season-average per pound payout for the purposes of subclause (1) of this regulation if the price that the company has received for that milk is the town milk producer price under a contract with the New Zealand Milk Board.

5. Surplus to be invested—(1) At least 75 percent of the further amount referred to in the first proviso to subclause (1) of regulation 4 of these regulations shall be invested by the co-operative dairy company, not later than the 20th day of July 1972, in special New Zealand Government Securities to be issued by the Minister of Finance under the New Zealand Loans Acts 1953.

(2) The minimum amount required to be invested pursuant to subclause (1) of this regulation may be reduced from time to time if the Council is satisfied that the reduction would be in accordance with the stabilisation policy of the Government as communicated to the Council from time to time in writing by the Minister and that the money is required by the company—

- (a) To redeem a loan made from the Dairy Industry Capital Account;
- or
- (b) To carry out new capital works; or
- (c) For any other purpose approved by the Council:

Provided that the total of the reductions shall not exceed 50 percent of the amount so required to be invested unless the Council is satisfied that there are special circumstances.

6. Evasion of regulations—No person shall enter into any transaction or make any contract or arrangement, whether orally or in writing, for the purpose of or having the effect of, in any way, directly or indirectly, defeating, evading, or circumventing the operation of these regulations in any respect.

P. J. BROOKS,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations limit the payout to suppliers of milk which may be made by co-operative dairy companies in respect of the current year.

The companies are to be required to invest the surplus in special New Zealand Government Securities. It is intended that the term of these securities be 12 months and that the interest rate be $4\frac{1}{2}$ percent for the full year.

It is an offence against section 18 of the Economic Stabilisation Act 1948 to act in contravention of the provisions of these regulations.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 27 March 1972.

These regulations are administered in the Department of Agriculture.