

LEVY ON LEAF.

Year by year since 1937 the Board has sought to assist growers by either reducing or eliminating the levy on leaf. In 1937-38 the levy was reduced from $\frac{1}{2}$ d. to $\frac{1}{4}$ d. per pound on leaf of the 1938 harvest used for local manufacture. In 1939 the Board decided to waive the levy in respect of leaf of the 1939 crop. This procedure was again adopted in connection with the leaf of the 1940 harvest, but recently, in order to meet its share of the expenditure in connection with the research programme, it was decided that a levy of $\frac{1}{4}$ d. per pound be made on all leaf of the 1941 crop sold for local manufacture.

STATISTICS OF TOBACCO-GROWING.

As was stated in last year's report, a long-range plan for the industry was fully implemented during 1939 as a result of considerable effort on the part of the Government and the Board. The result of the encouragement thus extended to the growing industry is now beginning to be evidenced in a marked increase in production, and the following table provides a comparison between the year under review and previous years. The figures for 1941 are not final figures and must therefore be considered as approximate:—

Statistics of Tobacco-growing

Season.	No. of Licensed Growers.	Acreage.	Contracts Placed		Quantities Purchased		Totals.
			For Local Manufacture.	For Export.	For Local Manufacture.	For Export.	
			lb.	lb.	lb.	lb.	lb.
1935-36 ..	499	1,969	1,242,855	287,000	1,118,118	79,043	1,197,161
1936-37 ..	508	2,770	2,501,075	119,000	1,539,425	70,068	1,609,493
1937-38 ..	442	2,563	2,203,500	215,000	1,895,831	171,996	2,067,827
1938-39 ..	342	2,225	2,118,500	119,000	1,423,610	Nil	1,423,610
1939-40 ..	339	2,570	2,480,000	Nil	2,185,918	Nil	2,185,918
1940-41 ..	381	2,963	2,913,700	Nil	Harvesting operations in progress	Nil	Estimate 3,000,000 (approx.)

As indicated above, the 1940-41 crop was a record in the history of New Zealand tobacco-production. The above table is particularly interesting, showing as it does that production has increased during the last four or five years although the number of licensed growers has fallen considerably. At the time of writing indications for the 1940-41 season are that there will be a 12-per-cent. increase in the number of growers and a 15-per-cent. increase in the area planted. A gradual and regular extension such as this will not only increase the usefulness and importance of the growing side of the industry, but it will also develop it along sound lines, whereas a very sudden increase in production might have undesirable repercussions.

WHEAT, FLOUR, AND BREAD.

The rationalization scheme for the wheat, flour, and bread industries which was introduced in 1936 has been continued upon the same basis as last year. In June, 1940, breadmaking was declared a controlled industry under the provisions of the Supply Control Emergency Regulations. The control now introduced means, *inter alia*, that no person shall commence to carry on business in the industry or sell or transfer the control of any undertaking or of any part of an undertaking in the industry unless he has the prior consent of the Minister of Supply.

Since control was introduced there have been quite a number of voluntary amalgamations and regroupings within the industry, all of which have tended to bring about a greater measure of efficiency. In particular, substantial savings in delivery costs are being effected and there are schemes now under consideration for the rationalization of the industry in particular areas.

It is possible that in some centres delivery companies will be promoted which will take over bread delivery.

The price of wheat to the grower remains the same as last year—*i.e.*, 5s. 9d. per bushel f.o.b. for March sales of Tuscan. This price also applies to the next harvest, an announcement having been made early in order that growers might know where they stood in so far as autumn sowings this year were concerned.

The 1940 harvest is expected to yield 8,400,000 bushels from 244,000 acres, which quantity falls just short of New Zealand's requirements of round about 9,000,000 bushels. The quality of the wheat harvested and flour gristed this year is good. The shortage in our requirements has been made up by importations from Australia and because of war conditions a substantial volume of emergency stocks of wheat has also been imported and stored. Stocks of flour for national emergency purposes have been built up at points not readily served by mills.

The membership of the Wheat Committee this year is the same as for the previous years.

It is expected that a large area of wheat will be sown for harvest in 1942, and indications point to the desired area of 300,000 being reached or even passed. A good autumn contributed largely to this position.