

but also by the expanding manufacture of dried milk. Present developments of the latter business, however, are mainly for the production of skim-milk powder combined with buttermaking. Greater production of butter is also being stimulated by the rising world-market conditions and prices for that product. In considering the Dominion's production of butter, the fact should be kept in mind that our domestic consumption of this food is very heavy, amounting to about a third of the total output. As regards the lesser branches of the dairy industry, the manufacture of casein has shown a further increase, and condensed-milk manufacture is prospering, but the market for sugar of milk has been depressed.

The position created by the termination of the Imperial purchase contracts for meat and wool, and the resumption of open-market conditions after some five years of controlled and protected business, demands careful handling. The Government has drawn up plans to meet any emergencies of finance, &c., and has the advice of an able committee appointed in connection with the recent conference of producers and related interests. There is good reason to anticipate that the Imperial Government will agree to provide shipping-space for privately owned meat in conjunction with its own stocks. It is estimated that not more, and possibly less, than three million carcasses will be in store in New Zealand when the new season opens, while prospects for a good supply of tonnage to lift meat and other export products are satisfactory. The marketing of a quantity of lamb in America on behalf of the Imperial Government has already done a great deal towards relieving the prevailing congestion of stocks here and consequentially in Britain, and the American market bids fair to become a useful one. London advices indicate a general improvement in the position as regards reducing the great accumulations of mutton, and it is hoped that market conditions will be back to normal before the new season's shipments from New Zealand arrive heavily. It must be realized that 1919 created a record in the total volume of meat exported from the Dominion in any one year, and given satisfactory clearances of storage in Britain, *plus* the forecasted substantial additions to the fleets of the shipping companies in this trade, even better should be done in 1920-21. These companies, it may be noted, expect next year to have refrigerated tonnage capable of transporting ten million carcasses in a twelvemonth, after allowing for dairy-produce.

The fruitgrowing industry has been favoured with heavy crops during the past season. After a closing of export outlets for several years owing to shortage of shipping-space, overseas shipments on a moderate scale have been made to the United Kingdom. Next year it is intended to largely increase exports, including a resumption, if possible, of the South American trade. The local market, however, must remain the first consideration, and the Department is co-operating with the growers' central organization in endeavouring to bring about a better system of marketing and distribution within the Dominion. Poultry-keeping is steadily gaining in strength as an organized industry. It has been handicapped by the prevailing shortage and high price of foods—wheat in particular—but commercial poultry-keepers who secured fair supplies have made handsome returns, owing to the high average values ruling for eggs. The beekeeping industry has had a good measure of prosperity, and continues to expand in spite of certain difficulties of its own. Exports of honey showed a substantial increase.

A further decrease in output has to be recorded in regard to the flax-milling (phormium) industry, this being ascribed mainly to prices falling to unprofitable levels, except in the case of exceptionally well-situated mills, combined with the increased cost of production. The market, however, improved towards the end of the year. It is satisfactory to note that on the gradings quality showed an appreciable all-round improvement. Another good feature was the much greater margin in values as between the different grades, this being the best incentive to millers to raise the quality of their fibre. Improved steam communication recently established with the Atlantic seaboard of North America should prove of much assistance in the marketing of the output.

The supply of artificial fertilizers for the Dominion's agriculture, depending as it does very largely on importation, has much exercised the minds of all concerned during the last two or three years, shrinkage of supplies being accompanied by steadily rising prices. During the twelvemonth under review the supply of phosphates (the most essential fertilizer for this country) received from overseas showed a considerable improvement, with the important exception of superphosphate. Competition for supplies of Australian bonedust and other classes of manure, it may be noted, is being increasingly felt from Eastern Asiatic countries. The Peace Treaty arrangement regarding Nauru and Ocean Islands has now assured our position as regards phosphates for many years to come, and it is hoped that supplies will be coming to hand shortly. Arrangements for the treatment and distribution of the phosphate are well in hand, the business involving considerable industrial development within the Dominion. The potash famine due to the war is now being relieved by supplies of Alsatian as well as German material. The Alsatian deposits have been proved to be of great volume and richness, and should be well developed under the French regime.

The Board of Agriculture has rendered valuable service during the year. Various important matters bearing on the agricultural and pastoral industries were referred to the Board, and the recommendations made by it have been on sound lines and of material aid in dealing with the questions involved. I desire to express my hearty thanks to the Chairman of the Board and his colleagues for their work. The annual report of the Board is printed as a separate document.