

the inclement spring weather, and although the shortage was steadily reduced as the season progressed it was never quite overtaken. The grading returns indicate a decrease of between 5 and 6 per cent. in butterfat-production for export butter and cheese. It must not be overlooked, however, that the human population of the Dominion has increased by some 135,000 during the last five years, or at the rate of 27,000 per annum. Local absorption of foodstuffs is thus steadily growing in total volume, and this must be especially taken into account with a product such as butter, the *per capita* consumption of which is very high in New Zealand. During the season under review cheese-manufacture was in the ascendant, rather less butter being made than in the previous year.. This movement has coincided with market values, which distinctly favoured cheese-production. In neither branch, however, did average returns quite come up to those of the preceding season. As regards the future of the dairy industry, a very fine progressive spirit exists at all points, with a determination to keep to the front in production and quality. During the present session of Parliament it is intended to amend the Dairy Industry Act in various directions, introducing, among other new provisions, compulsory grading of cream, together with differential payment for the several grades.

In regard to cereal-production in the grain-growing districts, it was confidently hoped that the wheat crop of the year under review would be appreciably increased, the goodwill of growers generally being undoubted. Unfortunately, owing to continued wet weather during the autumn and winter sowing-period in Canterbury, arable farming operations were seriously hampered, and considerable areas could not be put down in wheat as intended. The result was a further moderate shrinkage in the total wheat area. The per-acre yield of the crop, as shown by the threshing returns, was above the average. It has been necessary, however, to continue to supplement stocks by importation. The policy of the Government is definitely for the Dominion to be self-contained in the supply of essential breadstuffs, and administrative measures have been taken towards this end. Weather and soil conditions in Canterbury during autumn of the current year were favourable for tillage and grain-sowing, and there is reason to believe that the area in wheat for next harvest will show a substantial increase. Notwithstanding suggestions to the contrary, indications are not lacking that wheat-growing will continue to find a place in the crop-rotations of Canterbury and north Otago. The satisfactory increase in oat-growing recorded for 1924-25 was not maintained during the past year, but the portion of the crop threshed for grain has given an increased per-acre yield. Importation of oats into this country should be quite unnecessary in normal seasons.

The fruitgrowing industry has been very much to the fore this year. A record crop of apples necessitated greatly increased exportation, and the total quantity shipped was over treble that of 1925. The Government guarantee of 1d. per pound net was extended to three quarters of a million cases, enabling the shipments to be readily financed. Unfortunately, this great expansion of export business has coincided with a very depressed market in Britain, especially for the later shipments, largely the result of industrial troubles, together with strong competition from North America, and heavy calls on the guarantee have become inevitable. Provision has been made for this on the estimates of the Department. Shipments to Argentina realized better prices. The importance of further developing the local market for fruit on better lines, including standardization, is becoming more generally realized, and doubtless definite action on the part of the growers' organizations will follow in the near future. Ample supplies of moderately priced good-quality fruit are essential to the health of the people, but the requisite production cannot be relied upon unless the industry is receiving reasonably profitable returns.

The poultry industry has been carried on under considerable disabilities. At the commencement of the season the strike of seamen on British overseas vessels completely held up business during the limited period suitable for export, and no shipments were made. Former difficulties in connection with feeding-stuffs have been very much eased by special facilities made available by the Government for importations of Australian wheat. By way of further aiding the industry the Department intends to establish a small poultry-research station near Wellington.