

VALUE OF EXPORTS.

Prices for dairy-produce have, on the whole, been fairly satisfactory when compared with those ruling for the previous year. Owing, however, partly to a decreased production consequent upon the unfavourable season the total value of all classes of dairy-produce exported shows a decrease of £3,092,256. Including butter, cheese, dried milk, casein, condensed milk, and milk-sugar, a total value of £15,746,904 was reached, as compared with £18,839,160 for the previous year. Stocks of butter and cheese in store as at 31st March, 1926, were, however, greater by 1,254 and 7,059 tons respectively than at the end of the previous financial year, these quantities approximating in value £1,000,000.

SHIPPING-CONDITIONS.

The strike of British seamen on steamers carrying dairy-produce as part cargo between New Zealand or Australia and the United Kingdom interfered materially with the timely delivery of our spring-made butter and cheese to Britain. Not only did this factor tend to upset continuity of supplies from this Dominion to overseas customers, but it increased costs at this end by way of storage, and caused an increase in prices of dairy-produce to the British public—the advantage of which went largely to countries other than New Zealand and Australia, and such as were exporting butter to the United Kingdom at the time. The fact that the factors which influenced the seamen to strike did not pertain in any manner to New Zealand or Australia did not make the dislocation of trade any more acceptable to the losers in this Dominion.

CASEIN.

The quality of casein manufactured in the Dominion is now of a high standard, a noticeable improvement in the green curd being evidenced. Manufacturers are now producing a high-grade rennet casein containing a minimum quantity of butterfat. This casein has a high marketable value. Production has not been so high, this being to some extent attributable to a number of dairy companies reverting to cheese and home separation during the year. The quantities graded for export amounted to 1,126 tons lactic and 624 tons rennet casein, a total of 1,750 tons.

TESTING BUTTER FOR WATER CONTENT.

The testing for moisture of a box of butter from every churning forwarded to the grading-stores is still being carried out, and it is noticeable that dairy companies have during the year paid very close attention towards maintaining a more even water content in their butters. One hundred and twenty-six thousand nine hundred and seventy-two churnings for export were tested, and these have shown an average water content of 15.174, which is slightly higher than the average of the previous year.

It is pleasing to state that no complaints have been received from the United Kingdom regarding excess of water in New Zealand butter.

INCREASED MINIMUM POINTS FOR FIRST-GRADE BUTTER AND CHEESE.

The increase in the minimum points for first-grade butter and cheese from 88 to 90, which was brought into operation at the almost unanimous wish of producers, has been in operation during the whole year. Improvement in the quality of both butter and cheese during the year has been very noticeable, and many dairy companies have increased their average grade as a result.

The percentage of second-grade cheese for this year, with the 90-point minimum for first-grade, is almost identical with the percentage of two seasons since, when the minimum points for first grade was 88 points. The butters grading 90 points and over have during the two years increased from 87½ to 94½ per cent. of the total. These figures not only show that the increased minimum was politic, but they are some indication of the satisfactory improvement which has been effected.

CREAM-GRADING.

Although the grading of cream and payment on a differential basis according to grade has made some extension on the voluntary basis during the year, the general position is still unsatisfactory in a number of our dairying districts. At factories where this method is in operation the cream-graders are doing good work, and the system is giving general satisfaction to the suppliers concerned. Although the voluntary grading of cream would be preferable, it would appear that this is not attainable, and the only alternative appears to be that grading should be made compulsory. Legislation is necessary in this respect, and it is urged by all those who have the interests of the industry at heart that this be given effect during the coming session.

FARM DAIRY INSTRUCTION.

As evidence of the growing popularity of the system it may be mentioned that 38 farm dairy instructors are now employed in this important and necessary work. Of this number, 33 are located in the North Island, and 5 in the South Island. From recent inquiries received from dairy companies not yet linked up with this branch of work it is evident that a further extension of this service will be requested before the commencement of the next dairying season. The value of this work is much more widely recognized, and it is the opinion of those most qualified to judge that the greatest improvement which has taken place in the quality of the raw material is at those factories which have a farm dairy instructor.

INSPECTION OF NEW ZEALAND DAIRY-PRODUCE IN THE UNITED KINGDOM.

This work is still under the able direction of Mr. Walter Wright. Recognizing the necessity for an extension of this valuable service, owing to the enormous quantities of dairy-produce now