

REPORT OF THE DIRECTOR-GENERAL.

Wellington, 31st August, 1933.

THE HON. THE MINISTER OF AGRICULTURE,—

I beg to submit the following report on the work of the Department for the year ended 31st March last, including the usual divisional reports and statement from the Phosphate Commissioner, also detailed reports on activities of the Chief Chemist, the Plant Research Station, and the Veterinary Laboratory.

THE AGRICULTURAL AND PASTORAL POSITION.

The production season 1932-33 has in every respect been favourable to primary producers. Climatic conditions have on the whole been conducive to the growth of both arable crops and pastures, and are reflected in heavy per-acre yields of grain and an extensive advance in butterfat output.

The percentage of the total estimated butterfat production exported has varied slightly year by year, but on the whole exhibits a definite upward trend, especially over the past eight seasons, having risen in that time from 72 per cent. to 79 per cent., losses in separation for all buttermaking being credited to local consumption. Local consumption of dairy products, however, was well maintained during this latter period, and that for butter has actually risen by roughly 2 lb. *per capita* per annum since the depression began, the *per capita* consumption for 1931-32, based on the total population as at 31st December, 1931, working out slightly in excess of 37 lb., which is the highest rate in the world for all countries having such data available. (Had the mean population figure been used it would work out higher than 37 lb.) Export shipments of butter and cheese for the twelve months ended 31st July, 1933, according to grading port returns, amounted to 124,376 tons and 100,672 tons respectively.

The total number of dairy cows in milk or dry as at 31st January, 1933, was approximately 1,839,000. The rapid increases recorded during the past three years are associated with the general price level for farm products. Many sheep-farmers have gradually built up herds of varying sizes to augment their cash income. It is to be expected, however, that a return to more normal price conditions for meat and wool will be accompanied by a regressive movement in this respect. A similar trend was experienced in the slump years of 1920-21, and was followed by a four-years static period from 1923 onwards, consequent upon sheep-farmers giving up milking for factory supply.

The estimated average production per cow for the 1932-33 season is in the vicinity of 218 lb. butterfat, or an advance of approximately 18 lb. over that of 1931-32. Although in matters of this kind it is impossible to correctly relate this to the individual responsible factors, it may be accepted that all the increase cannot be credited to the difference in seasons experienced. It must be remembered that the number of dairy cows has increased so rapidly of late years that the average age must now be lower possibly than ever before, and as a result lower average production might be anticipated. With rapid increases in stock numbers culling is neither so effective nor so heavy as with smaller increases in total herd, and the proportion of replacement young stock coming forward, being greater, is not so select. Also the amount of top-dressing applied per cow has fallen materially for the last two or three seasons. Therefore we arrive at the conclusion—and there are many supporting indications at present discernible—that dairy-farm management as a whole has improved appreciably to make up for the various handicaps experienced. Undoubtedly most farmers have made a real effort to offset lower prices by increased production. With the knowledge that appreciable improvement of land partially developed or not previously utilized is too costly under present price conditions, there remains but one main avenue to increased production, and this is by way of improved management.

The sheep industry continues to feel the full force of the price depression, although there are indications that wool, at least, is likely to be in better demand than for the past three seasons. Although the most noticeable advances in price have been in respect of fine wools, it is to be expected that the movement will be reflected in the coarser types representing the major portion of the Dominion's clip. The most serious aspect of the financial stringency among sheep-farmers is reflected in the reduction of breeding-ewes by over half a million in 1932. This movement is typical of depressions, flock-owners being forced into realization on mature stock and lambs in an attempt to find liquid cash. If this trend can be permanently arrested rapidly, recovery in sheep numbers will be expedited.