

COMMERCIAL REPORTS.

BRITISH DAIRY-PRODUCE MARKETS.

THE High Commissioner for New Zealand, reporting on the dairy-produce market, under date of London, 13th December, writes,—

When reporting to you on the 22nd November concerning the market in this country for New Zealand butter and cheese I indicated that, although I was not then hopeful of an immediate recovery in prices, there was one noticeable feature of the butter-market to which attention might be directed: that was that Danish butter had not participated in the decline, but had been firm, and its value had been fully maintained.

Having this in view, and recollecting my statement of the 1st November that the outlook might be described as doubtful and speculative, and that a "bear" effort might be expected, the peculiarity of the butter-market during the past three weeks may to some extent be understood. During the week following my last report the depression in the dairy-produce trade continued, and became somewhat intensified. My quotations for choicest New Zealand butter were 120s. to 116s. per cwt.; at these figures buyers were holding back. Naturally, holders were not desirous of putting fresh arrivals into cold-store to add to the accumulations and to risk deterioration in quality. The result was that further reductions were made in order to induce trade, and as low as 116s. to 114s. was accepted for choicest butter in the week following the despatch of my report to Wellington.

This rapid drop—6s. in a fortnight—especially as there was then a difference in price established between Danish and New Zealand butter of 14s. per cwt., naturally directed attention to shipments from the Dominion. Buyers began to offer more freely to purchase at the reduced values, and holders, taking advantage of the position, fortunately agreed to fight for satisfactory prices and to keep the market firm. This, it will be recollected, is what I indicated in my report of the 1st November would have to be done.

Retailers throughout the country, having been induced by the reduction in price to place New Zealand new-season's butter before their customers, and the quality this season proving satisfactory, found that they must continue to stock it, so that each week shipments have been successfully disposed of at an advance in quotations. The reduced prices taken for the first shipments must therefore be accepted by consignors as satisfactory, in that they have had the effect of inducing a good consumptive demand throughout the country, which must eventually tell, and the preliminary losses sustained should be written off by them as "advertising expenses." The outlook has now greatly improved, and it is to be hoped that the high prices again ruling may be continued after Christmas and well into the New Year.

Cheese, while now showing slightly more firmness, has not advanced in price as butter has done. There are many who are of opinion that when New Zealand shipments become heavier, as they are expected to do after Christmas, all that can be hoped for is that present values may be maintained. First-grade New Zealand cheese is now realizing from 60s. to 62s. per cwt. for white and 61s. to 63s. for coloured, according to quality.

First-grade New Zealand butter is now fetching from 118s. to 126s. per cwt., according to quality, the former price being accepted for lots of very ordinary quality, and the latter being paid for a few choice brands. It will have been noticed that so far this season, in cabling weekly quotations, commencing with the arrival of the s.s. "Turakina" shipment, which was the first of the new season, I have given a range of prices for butter of several shillings. This I have done, as it was found impossible in the unsettled, fluctuating state of the market to give a reliable average price that would be acceptable. The custom in former years has been to give the average price of choicest quality only, and this practice I shall recommence when I find the settlement of the market warrants it.