

Flemington Dairy Factory, Ashburton, has been in operation two years. Great improvements have been made upon the first year's operations. Considerable loss was sustained through not being able to deliver their cheese in London at the proper time. This year, through the excellent arrangement of the New Zealand Shipping Company's fine fleet of steamers, the cheese has been delivered in London in prime condition, and at the proper time for making the highest price. A quantity of this cheese was delivered in London last May, when it was not more than twelve weeks old. The weather was exceedingly hot when the cheese was delivered, and the only complaint was that some of the consignment of 14 tons was soft, and would not realize the price of cheese matured with age. The quantity of cheese made this year is near 50 tons; the whole was sold as it matured for safe delivery, and many applications have been made which could not be supplied. One ton of Ashburton cheese was purchased at 71s. 6d. per cwt., and placed in a prominent position in the great Health Exhibition in London. The report of the operations of Flemington Factory, as given by Mr. Harding, the manager, is interesting and instructive, and is attached.

Wanganui Dairy Factory, Okoia: Opened in January, 1884, four miles from Wanganui, and close to the railroad. The factory is a substantial brick building, with a fine supply of cold spring-water. The water-tank is cut out of the rising ground on the side of the building; one tap supplies the engine-boiler with water and every part of the building where cold water is required. The whey-tank is also placed upon rising ground, and so situated that one person could serve any quantity of pigs by the removal of a plug: this arrangement is excellent, and saves a vast amount of manual labour. The season was far advanced before they commenced operations, consequently the milk-supply was small. About 14 tons of excellent cheese have been made this season, which found a ready market at good prices—from 6d. to 8d. per lb. Only 1 ton has been sent to London, to test its value in that market as a guide for future operations. The average percentage of cream varies in this district considerably, which led to considerable discussion whether milk ought not to be valued, and paid for according to its merits. The idea seems just, but for many reasons impracticable: milk varies in quality considerably during the season.

Greytown North Dairy Factory: The present year is the second of its operations. According to reports the past has not been remunerative, nor is it possible that it ever can be a paying speculation to the shareholders, unless different arrangements are entered into with the parties who supply the milk. No fault can be found with the manager. The cheese was sound and possessed of good keeping properties, and will take a respectable position either in the colonial or London market. The quantity sent to London realized 66s. per cwt., a little over 7d. per lb. If I am correctly informed, the farmers make no conditions, saving the price of the milk. They are at perfect liberty to supply the factory when milk is plentiful and butter cheap; but, when butter rises in value and milk is richer in quality, they politely withdraw their patronage, and the factory is closed ten weeks earlier than it ought to be. In the flush of the pasture the milk is thin and will not make much more than 14oz. of cheese to 10lb. of milk; in March and April you may safely calculate upon from 17oz. to 18oz. of cheese from 10lb. of milk; so it will be seen the milk is worth considerably more at the close of the season than it is at the beginning. The whey of some factories has returned the company over £100, but the Greytown Factory made the farmers a present of this valuable commodity.

Carterton Dairy Factory has been in operation during the former part of last grass season, but closed its operations, like the Greytown Factory, ten weeks earlier than it ought to have done. To engage expensive labour, and leave little to do for the manager for part of his time, is only the road to ruin. The quality of the cheese now on hand, valued at £62, is mild and of a pleasant flavour, and would be classed with the double Gloucester in London. The factory is conveniently situated in a fine district for keeping cows: any amount of milk may be procured, and, with proper management, a splendid Cheddar cheese may be made, worth in London from £65 up to £74 per ton.

Pukekohe Dairy Factory: This is the first year of its operations. It commenced business late in the season, and closed soon. If I am correctly informed about 14 tons of cheese were made in about twelve weeks. As butter sold at 1s. 6d. per lb., it was thought prudent to close the factory and keep the milk at home. Now, this factory possesses rare advantages. It is placed in a fine district contiguous to the main line of rails and not more than thirty miles from Auckland. With such an excellent market so near, and connected with the railroad, if all energies were devoted to butter-making and pig-feeding the company would find it to suit their purpose well. Factory butter, near a busy prosperous town like Auckland, will average 1s. 2d. or 1s. 3d. per lb. the year round.

Te Awamutu Dairy Factory: This is the second year of its operations, and has been well patronised. In the prime of the season 1,500 gallons of milk have been delivered, equal to near 14cwt. of cheese per day. The quantity made is larger than any factory on the Island, and has been sold in Australia and London. The pigs at this factory are reported to have paid 200 per cent. The balance of the year is on the wrong side, but bright hopes are entertained for the future.

Paterangi Dairy Factory commenced operations this year. This is the only factory which is conducted upon the co-operative principle, and is a model for all other factories. A number of respectable farmers in this fine open district agreed to build a factory and supply the milk. The entire management is in their own hands. The milk is weighed as delivered, and placed to the farmer's account, but no price is fixed. They engage their manager, and pay all expenses connected with the factory, and the balance is divided according to the amount of milk delivered. Then they are able to determine the value of their cows. This is the sound principle upon which they commenced in America, and upon which they continue to prosper. There are now considerably over 2,500 factories in America.

Waikato Dairy Factory, Hamilton: The report of its first year's operations is now published, and is attached. The document is drawn up with great care, and may be relied upon for correctness. This factory has paid £95 for the conveyance of its cheese by railroad.