

The contest between the countries which are making a specialty of dairy-farming is every year becoming keener. In the fight for supremacy three factors, all of which are wholly within our own jurisdiction in New Zealand, can be made to bring the best of the trade to ourselves. In the competition for cheaper foods to sustain the great masses of wage-earners in manufacturing centres, the tendency is towards lower prices for several of the principal articles of diet. Our opposite seasons give us a good hold, in that we are only competitors when prices tend to rule highest. The economy which can be carried out in the cost of production, compared with our producing and commercial rivals, and especially in the manufacture of concentrated foods, is an item of the greatest value. The third factor which will enable us to win success and maintain our place in the foreign markets is that of producing and exporting only the best quality of goods, and of guarding with zealous care a reputation that all our dairy-products are genuine and pure. The protecting of our dairy factories in their desire to gain a reputation of exporting honest, pure, and fine dairy-products is the only way to enable us to lay a sure foundation upon which to build up a trade of ever-increasing dimensions with a certainty of continued profits. In fact, it would seem to me to be the very essence of commercial folly to allow the colony's name to be held so cheap as it has been during the past few years in the exportation of indifferent dairy-products, by neglecting to take steps to prevent it. Especially is this so when we know that such a step would not be costly to ourselves, and certainly not injurious to the consumers.

For the above reasons, and in view of the practices in vogue, I would suggest for your careful consideration the expediency of an enactment providing against frauds in the supplying of milk to dairy factories, and to prevent deception in the branding of dairy-products. In fact, any legislation having a tendency to stop the tampering with our dairy-products is of the utmost importance to both consumer and producer. It would have a beneficial effect in extending our export trade and in maintaining the confidence necessary to a large consumption of the products. It is acknowledged that large quantities of mixed farm-made butter have been exported under a brand representing it to be New Zealand factory or creamery butter. It is also alleged that a considerable quantity of factory cheese, made from milk from which a part of the cream is first extracted, has been shipped Home branded "New Zealand Full-cream Cheese," or without any designating mark to distinguish it other than "Full-cream Cheese." Surely such proceedings are exceedingly harmful to New Zealand dairy interests, and more especially as many of the dairy factories are only emerging from heavy pecuniary difficulties.

For the purpose of obtaining information concerning the dairy interests of the colony, with a view of drawing together important facts thus obtained for the benefit of the department, over two hundred circulars were prepared, and mailed to proprietors of dairy factories and other persons known to be in possession of information desired.

During the year many inquiries have come to this office seeking information regarding the establishment of cheese- and butter-factories, the style, size, cost of buildings and utensils required. These inquiries have been attended to, although perhaps not so fully as many thought desirable, considerable time being required in their preparation. To meet this want it is my intention to have plans of factory-buildings, with general information and suggestions, prepared. This will greatly expedite my work, and assist the department in the speedy circulation of the desired instructions.

In previous reports I have dwelt upon the importance of the formation of dairy associations in the advancement of the industry. The Middle Island Dairy Association has unquestionably already accomplished for the business a large amount of useful work, and gained for the factories concessions that could never have been obtained by individual effort. The weight and influence of an organization of this character as a medium for enabling factories and others interested to make a concentrated effort in demanding a recognition of their just rights is great, and ought to be appreciated by many who incline to give it the cold shoulder. By the pecuniary assistance rendered by the Government, the association has been able to carry out much desirable work. The work undertaken and accomplished by this body will be made known by a perusal of the annual report and balance-sheet of the committee, which will be furnished you at an early date. The annual meeting of the association is to be held on the 23rd June, and will take the form of a conference lasting probably two days.

An attempt was made during the year to form a similar association to watch and guard the interests of the industry in the North Island, but through want of desired support the project was given up. As several factories are now being erected in the Wellington and Taranaki Provinces, another attempt will be made to establish an association for the North Island before the commencement of the shipping season. Through the increased number of factories it is expected sufficient support will be forthcoming. I would again commend for your consideration the desirability and need of encouraging the formation of dairy associations, under certain stipulations as to membership, &c., by grants-in-aid from the fiscal revenue of the colony, as is done in other advanced dairying countries. I feel sure that such aid given would be well laid out, and would not only prove of general satisfaction to the public, but highly beneficial to the industry referred to.

I am not certain that the employment of peripatetic dairies would result in the good a few earnest advocates seem to think. After all, it would only result in the manufacture of thousands of small lots of different brands and qualities of butter and cheese, which cannot be said to be of any advantage in our export trade. Not only so, but if provision be made for the employment of two assistant instructors for the ensuing working season, any district, on application to the Department of Agriculture, can avail itself of their services. Butter- or cheese-making at private dairies is not to be commended in so far as New Zealand is concerned, the products having to be subjected to the vicissitudes of a long and risky homeward trip. Neither can I clearly see how a farmer can supply himself with proper buildings and a first-class manufacturing plant, and manufacture his products as cheaply at home as he can get it done at a factory. Of course, if it can be shown that