

which is the present freight. The freezing companies have also reduced their costs from $\frac{1}{2}$ d. per pound to $\frac{3}{4}$ d., and even less; and the Home charges and insurance have also been reduced considerably; so that the total cost of killing, freezing, freight, and selling the mutton is now 2d. per pound, as against fully 3d. when the business first started.

With Messrs. Nelson's price of 2d. per pound for the bare carcase unfrozen, a cross-bred wether averaging 60lb. would, with skin and fat, be worth 14s. to 14s. 6d. in April and May; and in October and November, when there is nearly a full fleece, 16s. to 16s. 6d. This last season, however, sheep have been selling at more than that, as in the South Island we have been getting from 17s. 6d. to 18s. 6d. for a 60lb. wether on the station, which suits the farmer much better than taking the risk of shipping on his own account.

The grading of sheep has been rather a vexed question of late. The general idea seems to be that cross-bred sheep (wethers and maiden ewes) weighing from 55lb. to 65lb. should be classed as prime, and that anything above or under those weights should be reckoned as second rate. Nelson Brothers have an elaborate system of grading, having no less than six classes for wethers, which I consider unnecessary and troublesome. My idea is that more attention should be given to the quality of the mutton than to the weight, and, so long as the quality is good, that from 50lb. to 70lb. may be fixed as the limits. We all know that a 50lb. sheep, if fat, is likely to be better quality than a 65lb. one in the same condition. The small Welsh mutton is the most valuable in England. When the trade was first started ten years ago the wethers were mostly three and four years old, averaging 80lb., and were considered first class; but we have been gradually working down the stock until now our wethers are only about a year and a half old, very few being shorn a second time, and the average weight is about 60lb. Heavy sheep are considered unsuitable for the London market, being objected to by the Home consumers.

In the early stages of the trade the shipping companies insisted upon getting guarantees that certain quantities of sheep would be supplied to their steamers, and the freezing companies got the farmers to take up the bulk of the space. Now, however, that system has been abandoned to a great extent, and the steamers have to take their chance. The cause of this alteration, with us in the South Island anyhow, is the fact that most of the sheep are bought by speculators and the shipping companies; the farmer gets his money on the spot, and is saved the risk of the Home market. This last winter the bulk of the sheep sent from the South Island were dealt with in this manner, principally in Christchurch and the Bluff; and remarkably good prices were given, as already stated. Cross-bred wethers weighing from 60lb. to 65lb. were sold for 16s. and 19s. a head in the country. We only hope that this state of things will continue. In the North Island the practice has been rather different from the South, as the refrigerating companies have done most of the buying and exporting on their own account, and, so far, have been fairly successful. The average prices obtained in London since the trade commenced has been calculated for ordinary mutton at $6\frac{1}{2}$ d. a pound in 1883; $5\frac{1}{2}$ d., 1884; 5d., 1885; $4\frac{1}{2}$ d., 1886; 4d., 1887; $4\frac{1}{2}$ d., 1888; $3\frac{1}{2}$ d., 1889; $4\frac{3}{4}$ d., 1890; $4\frac{1}{2}$ d., 1891; and this year it has been about 4d.

The manner of putting the mutton on the London market has been a source of much discussion amongst those interested, and various suggestions have been made from time to time, but no one seems to have sufficient courage to alter the present system of selling through agents. When once a business gets into a groove in London it is very difficult to shift it; and, although the firms may compete against one another at times, and lower prices, I am afraid it would be difficult to avoid that even if we had a special agency of our own, as there would always be outsiders in the market to compete with.

The treatment of the meat from the time it arrives at the London docks till the time it is located in the frozen stores seems to be very defective, and some radical change is necessary at that point. Too much time is lost, and the mutton is exposed to a great deal of risk by the system of disembarking and lightering on the Thames, which should be remedied by our representatives on the other side.

The total value of frozen meat exported for the year ending the 30th June last, according to the Customs returns, was £1,140,577, which is a very creditable amount, and shows what the country can do. In the South Island the bulk of the land suitable for growing English grass and turnips has been cultivated, and, as sheep are all fattened on these, we can hardly expect to increase our output to any great extent unless by reducing grain-growing; but the North Island is in a different position, having large tracts of rich soil covered with bush, which when cleared will carry and fatten sheep well. I should say there is every prospect of New Zealand being able to export 4,000,000 sheep ten years hence as easily as we do 2,000,000 now.

This brings me to the consideration of the future of the frozen-meat trade. At present New Zealand has the command of a section of the trade—that of cross-bred mutton; but as there are districts in Australia which are suitable for the production of similar sheep, and seeing that freezing has again been taken up in Australia, we are likely to have strong opposition ere long, and the prospect from our point of view is not a very pleasant one. At present Australia ships merinos principally, and these compete more with the South American mutton than with ours; but it is better mutton than the South American, and to a certain extent must affect our trade; and, if the Australians take to breeding cross-breds, it is then we shall feel the competition.

The natural pastures fatten sheep in Australia as well as our English grasses, and the consequence is that mutton can be produced at less cost there than here; hence they can afford to undersell us. We have the advantage of possessing a cooler climate, which is better suited for the operations of killing, freezing, &c.; in consequence, we should be able to put our mutton on the market in better condition than that from Australia, and so secure better prices and a readier sale.

Much of Australia has the disadvantage of being a long distance from a seaport, whereas our pastures are all close to the coast, and no distance from a port. Then, again, they have periodical droughts, which will make a break in their trade. Yet, notwithstanding these drawbacks, I am afraid that ere long we shall feel the effect of their exportation, and, with this in view, it will be to