

I append a few remarks regarding the past and prospective markets for the principal items mentioned in the foregoing table.

Wool.—Competition for our output of wool has been keen throughout the season's sales, and the prospects for next season's supplies are bright. There has, it is true, been a weakening of prices in coarser grades at the closing sales, yet the demand generally has been good, and there has been no evidence that the market has been satisfied.

One interesting feature of the wool-sales during the last five years has been the change in relative values of merino and crossbreds. In 1902 merino was worth about £5 per bale more than crossbred; from that year to date a gradual reversion has taken place, with the result that the 1906 sales have shown that the crossbred value per bale has exceeded the value of merino by £1 5s. to £1 10s. The turning-point appears, however, to have again been reached, the latest advices showing a clear improvement in the finer grades and a relative decline in the coarser.

The following statistics, showing the decrease of the number of sheep throughout the world, have a very direct bearing on the wool-market. These figures go to show that there has been a reduction in the number of sheep amounting to forty million in ten years, and consequently a very heavy falling-off in wool-supplies, while the demand has increased, hence the high prices recently realised.

	1895.	1905.
North America	51,223,983	50,631,619
South America	102,847,134	99,998,573
Europe (including Asiatic Russia)	198,194,214	186,871,991
Asia (except China and Asiatic Russia)... ..	21,957,752	19,043,711
Africa	31,890,052	27,452,722
Australasia	120,770,000	103,000,000
Totals	526,867,135	486,998,556

Net decrease just under 40,000,000.

NOTE.—Figures for North America and Australasia are to year ending 31st December, 1906.

Lamb and Mutton.—These two commodities both show a large increase, and the prices realised have been satisfactory. It is also gratifying to note that exports of meat from New Zealand head the London market, lamb averaging in many cases 1d. per pound and mutton $\frac{3}{4}$ d. per pound over Australian and Argentine shipments.

At the beginning of the season a leading meat-salesman in London reported that there had been very keen competition for the few available New Zealand lambs; one small parcel was reported to have changed hands at $7\frac{1}{4}$ d. per pound, and a small consignment of North Island realised $7\frac{1}{2}$ d. to $7\frac{3}{4}$ d. per pound.

Beef.—Better prices have been obtained for beef shipped during the year, and it will be noted that hindquarters have latterly averaged about $3\frac{3}{4}$ d. and forequarters $3\frac{1}{4}$ d. per pound. The increase in weight shipped amounted to 165,729 cwt.

Salted Beef.—It will be noted that this commodity is increasing in value, the bulk of shipments going forward to the north of England and Scotland.

Live-stock.—The small decrease in the value of exports is accounted for by the fact of the high prices ruling for stock, and also the increase in shipments of frozen meat.

Preserved Meats.—Notwithstanding the Chicago scandals, it is gratifying to note that the increase in preserved meats for last year was 14,523 cwt.

Rabbits and Hares.—The demand for New Zealand frozen rabbits and hares has not been quite so keen during the year. The largely increasing shipments from Australia, and the consequent lowering of prices, has no doubt affected the New Zealand export trade in these lines. Shipments to West Coast of England ports are, however, now increasing.

Bacon and Hams.—The export trade in these lines has never been a large one, and the small increase may be accounted for by increased export to the islands. Great care has to be taken in packing the New-Zealand-cured article for export to warm climates; double cloths and husks and thick layers of coarse salt have to be used in practically all cases.

Hides.—A steady demand has been experienced throughout the year from Australia and the United Kingdom. This is doubtless due to the high class of hides shipped. In Australia competition is very keen, New Zealand hides being used for the manufacture of best leather.

Sheep and Rabbit Skins.—The demand has been very keen throughout the whole season for all classes of skins and sheep pelts, both from the United Kingdom, the United States of America, and Canada, and it is a notable fact that, although the decrease in the number of skins shipped amounted to 2,094,899 skins, the increase in value as tabulated is £94,668, which, of course, goes to prove the enhanced values that importers are ready to pay for shipments from here.

Tallow.—All markets have been particularly firm throughout the year, and prices have maintained a high level. Although the increase in weight amounted to 6,579 tons only, the increase in value—namely, £205,382—is a matter for congratulation.

Sausage-skins.—The demand for casings is mostly confined to America, and standing orders are held by some of the largest packers to ship as much of their output as possible to that country.

Butter.—There has been particularly keen competition in the United Kingdom butter trade, and it is gratifying to note that owing to the excellent quality of the New Zealand article it stands second only to Danish as far as imported butters are concerned. Prices average from 4s. to 7s. per hundredweight over the productions of Australia, Argentine, and Siberia, this notwithstanding the time occupied in transit. At the beginning of October prices touched 118s., and the lowest recorded for the year ending the 31st March was 99s.

Many British buyers visit this country annually, and a number of the larger firms maintain permanent representatives here. The greater portion of last season's butter was sold to buyers