

From New Zealand, imports for 1911 were 276,446 cwt., as compared with 362,674 cwt. in 1910. Imports for the first quarter of 1911 were practically identical with those of the same period of the previous year. Of the difference—86,228 cwt.—over 46,000 cwt. is accounted for in the last four months of the New Zealand butter season 1910–11. Again, in 1910 there were arrivals from the Dominion each month, totalling to 4,034 cwt. during the “off” season; but in the present year there were no imports during August, September, and October. The November, 1911, figures were greater than those of 1910 by 9,000-odd hundredweights, but the remainder of the above-noted decrease occurred in December, when imports fell short of those of December the previous year by over 44,700 cwt. For the first quarter of 1912 the New Zealand imports have amounted to 197,297 cwt.—an increase of 18,600 cwt. on the previous year’s total for the same period.

In regard to the state of the markets during the period under review, I need not do more than briefly indicate the course of events, as the produce cables sent to Wellington have given a full and complete account each week.

At the commencement of the official year New Zealand butter was fetching 108s. on the London market for choicest quality, Danish being quoted at 118s. The weather at this time was bitterly cold—a lower temperature being recorded in London during the first week in April than had been noted for forty years, and this, no doubt, aided the market somewhat. New Zealand and Australian butters were in short supply, and met a good demand, choicest being scarce and firm. Towards the end of the month the temperature became warmer, and by the middle of May the weather had improved greatly, summerlike conditions prevailing all over the United Kingdom. This proved of much assistance to the pastures here, and supplies of pure grass butter were more and more replacing the colonial article. A point of interest here is that Australian arrivals and shipments were exceptionally large for the time of the year. The fine weather continued right through to the middle of June, by which time there was very little New Zealand butter on the market, and at the time of the Coronation the quotation was 108s. for choicest. A break occurred in the weather towards the end of June, but not enough to have any marked effect, and conditions again became tropical. By the middle of July the milk-supplies at Home and on the Continent were greatly affected, and showed a marked shrinkage. The worst feature was that, in addition to there being an entire absence of rain, the temperature was extremely high; and these conditions—existing practically in every one of the butter-producing countries of Europe—caused the drought to be the worst experienced for over fifty years. August saw the strike amongst the transport workers, and prices at the end of the month were higher than they had been for thirty years, due partly to the labour disturbances and partly to the drought. In Denmark the pastures were burnt up, and the receipts of butter were reported to be weekly getting less. In this country the production had fallen off about 20 per cent., and it was not until the middle of September that the drought broke and beneficial rains were experienced generally. By the end of the month conditions had become more normal, but prices reflected the effect of the extraordinary season, and were the highest ever recorded, in the case of Australian, since the inception of the trade. Supplies on the market were short, and indeed the same state of affairs existed in all Continental markets. In the cable of the 7th October I reported that the price of Danish butter had reached 148s. per hundredweight—a quotation that had not been equalled during October since the year 1884. The first new season’s butter arrived from New Zealand at the beginning of November, and, as has been indicated, the market conditions were very favourable. The quality was found to be excellent, and gave every satisfaction to buyers, and the first quotation was 130s. per hundredweight, 5s. lower than the current Danish price. Home supplies were rapidly falling off, and by the middle of December another 1s. was obtained for our choicest butter. The high price, however, affected business somewhat, and there was a slight drop at Christmas-time, buyers holding back expecting prices to go lower. This expectation, however, was not realized just then, as immediately afterwards a brisk demand set in and prices advanced. Arrivals were steadily cleared, and by the middle of January prices had gone to 135s. for New Zealand and 139s. for Danish, with Australian correspondingly high. These rates caused a great deal of comment in the provision trade, and it was alleged by some, who evidently hoped to “bear” the market, that merchants at this end were manipulating the supplies. As a result, demand sagged a little, and prices declined, but the inherent strength of the position manifested itself, and it was evident that there were no accumulated stocks in store here. Early in February it became apparent that, owing to the drought being experienced in some of the Australian States, butter was scarce and high-priced there, and this also had its effect on the London market, choicest making within 2s. to 3s. of New Zealand, which at the end of the month was selling at 132s. per hundredweight. Trade at the beginning of March was less active, owing to the shadow of the threatened coal strike, and on this being declared prices went down to about 127s. for New Zealand and 136s. for Danish. Buyers continued to act with caution, the demand being only of a hand-to-mouth description, and the official year closed with a slow, dragging trade, and quotations at 125s., 121s., and 132s. for choicest New Zealand, Australian, and Danish butter respectively. The strike has disorganized business to a large extent, but at the time of writing has been happily settled, and it remains to be seen as to what the ultimate effect of the dispute will be.

Cheese.

The year has been a very profitable one in the cheese trade, and there have been only six weeks during the period when quotations for New Zealand finest cheese have been below 60s. per hundredweight. This compares well with the previous official year, as exactly the opposite was then the case: there were only about eight or nine weeks when quotations rose above 60s. White and coloured cheese have met practically the same demand, and prices, when they varied at all, have not shown more than 6d. or 1s. difference. The average price for the official year, as