As regards sheep, the increase in the number slaughtered for export is much less noticeable. The following are the figures for the three years ending March 31st:—

			Sheep.	Lambs.
1913-14	 	 	 $3,036,\overline{4}38$	4,221,626
1914-15	 	 	 3,085,351	4,356,151
1916-16	 	 	 3,147,915	3,969,446

(Note.—The reduction in the number of lambs in 1915-16 is doubtless largely due to the fact that, owing to lack of rain in Canterbury and North Otago, lambs were very backward in becoming fit for slaughter, and consequently a large number which under ordinary seasonal conditions would have been killed before the 31st March were still alive.)

It should be borne in mind, however, that while on the one hand year by year more previously unoccupied land comes under settlement and needs to be stocked, our sheep returns show no noticeable increase in the number of sheep, and last year showed a decrease in the number of breeding-ewes, on the other hand the number of sheep killed shows a slight progressive increase.

The present values of store sheep, which are actually on a level with the values of fats, afford a practical illustration of the fact that the Dominion is understocked with sheep, especially when full consideration is given to the plentiful supply of feed available in most parts of the country.

ANIMAL DISEASE.

Horses.

No serious disease conditions of any kind have come under notice during the year.

No doubt as a result of the unusual climatic conditions prevailing in Canterbury there occurred on several properties in Canterbury and on two farms in the Wairarapa (where unusually dry weather was experienced) cases of a peculiar nerve disorder among horses, the most noticeable symptom being an exaggerated form of stringhalt. Inquiries show that occasional cases had occurred in previous years on at least two places, far apart, in the North Island. This disorder is well known in Australia, where it usually appears under drought conditions, and is there considered to be dietetic in origin and not infectious. Our own observations point to the same belief. Research work is being carried out in an endeavour to ascertain its real cause, which is not at present exactly determined.

Ringworm was troublesome in horses in the military camps during the winter, it having evidently been introduced by horses bought in country districts. This affection is easily curable if the proper form of treatment, which is simple and effective, be applied with due care and attention

Cattle.

Tuberculosis.—Statistical information as regards the extent of the prevalence of tuberculosis, gained from the records of inspection at the slaughterhouses and abattoirs, shows that the decrease noted last year has not been continued, this being partly due to the fact that a greater number (an increase of 1.39 per cent.) of the bulls slaughtered were found to be affected. The figures for the past three years are as follows:—

			Number of Cattle examined.	Number found affected in any Degree.	Percentage found Tubercular.
1913-14	 	 	207,381	15,182	7.00
1914-15	 	 	283,217	18,759	6.62
1915 - 16	 	 	308,305	22,202	7.20

It is evident that still more active steps are necessary to get this disease properly in hand. Though the condemnation and destruction of openly affected animals is a necessary feature of repressive measures, the most valuable and most effective in the end would be the co-operation of stockowners with the Department in adopting preventive measures of a practicable and reasonable nature, and I have confidence that this co-operation will be forthcoming.

Contagious Abortion has given some trouble, but no special outbreaks of a serious nature have been brought under notice.

Contagious Mammitis.—A number of cases of contagious mammitis have occurred, but this troublesome disease is evidently better understood now by farmers, and precautionary methods and proper treatment are adopted to a greater extent than before.

Blackleg continues to give trouble in the affected areas in the Waikato district, and the lately gazetted regulations relating to these areas will have to be enforced thoroughly during the coming season. It is desirable that a small additional area contained in Taupo County, immediately over the border of Waipa County, be included in the operation of these regulations, and a recommendation to this effect has been made. In Taranaki the enforcement of the regulations has proceeded smoothly and satisfactorily, and blackleg has given no trouble to farmers, with whom the inoculation of their calves has now become a recognized part of the animal routine of farm operations.

Malnutrition has occasionally manifested itself outside the recognized "bush sick" area, usually in the form of so-called "Waihi disease." The internal administration of phosphoricacid compounds (the simple or the compound syrup of phosphate of iron, for instance) brings about recovery, but the application of phosphate manures to the pastures is the really necessary treatment, seeing that, while preventing the onset of the trouble, it restores the herbage to its proper nutritive value.