

DAIRY DIVISION.

REPORT OF D. CUDDIE, DIRECTOR.

Wellington, 19th May, 1916.

The Secretary of Agriculture, Industries, and Commerce. .

I submit herewith the annual report of this Division for the year ended 31st March, 1916. In presenting this report I wish to acknowledge the assistance rendered to me throughout the year by Mr. W. M. Singleton, Assistant Director, in connection with the work of the Division.

D. CUDDIE,
Director of Dairy Division.

THE SEASON.

Happily for the dairy industry in New Zealand many years have come and gone without bringing anything in the nature of general adverse climatic conditions. The year under review has in this respect been no exception to that rule—in fact, it has been one of the most profitable seasons ever experienced for the majority of farmers engaged in this important industry.

It is, however, to be recorded that the absence of sufficient rain in Canterbury and North Otago districts during the year materially affected the growth of feed for stock, consequently the production of milk was considerably reduced in these areas. Then, too, some of the districts on the east coast of the North Island were for a time similarly affected, although to a lesser extent. Nevertheless it can be said that practically all other districts where dairying is carried on extensively have been favoured with a remarkably good year for the production of milk. The Auckland, Taranaki, and Southland dairy-farmers may be mentioned as being the most fortunate of all in this connection.

On the other hand, this highly favourable season has not been without its disadvantages. For example, the average summer temperature was above normal during the busier months, and found the majority of farmers unprepared with facilities for the proper cooling of their milk and cream. Therefore these supplies reached the dairy factories in a condition unsuitable for the manufacture of cheese and butter of the best quality, the result being readily detected when the produce was graded prior to shipment. To make matters worse, the unavoidable delay in shipping large quantities of cheese, owing to the shortage of cargo-space due to the war, caused heavy deterioration in quality, as well as an excessive loss in weight by shrinkage.

Another drawback to the industry during the season has been the extreme difficulty of obtaining sufficient help on the farm, and also in many of the dairy factories, owing to such large numbers of experienced men joining the Expeditionary Forces. Both farms and factory-managers, although greatly inconvenienced on this account, have not complained, but the standard of quality in cheese and butter has to some extent been lowered thereby. Yet, even when allowance is made for these and other minor disadvantages, it can be affirmed that the year has been one of prosperity for all concerned.

BUTTER AND CHEESE PRICES.

For the past year the prices obtained in the British markets for New Zealand butter and cheese reached the highest average value since the dairy industry began, the next highest average being that for the preceding year. If we take the High Commissioner's weekly table of London prices as the basis of calculation it is found that the average value of butter and cheese works out at 150s. and 88s. per hundredweight respectively, which represents an increase of 20 per cent. in the value of the former and an increase of 17·33 per cent. in the value of the latter when compared with the average prices received for the year 1914–15. Compared with the season 1913–14 the market rates for the period under report equal a rise of 29 per cent. for butter and 39·7 per cent. in the case of cheese.

These higher values are unquestionably due mainly to causes governed by the war. Supplies of butter to the English market from Denmark have been considerably less than usual owing to the higher prices offering for butter in Germany. The interference with shipping greatly reduced the quantity of butter reaching England from Siberia. The embargo placed upon the export of butter by the French Government, and the disastrous drought experienced in the Commonwealth of Australia were also operating in favour of higher prices for butter on the market of Great Britain. The prices for cheese were influenced principally by the large quantities required by the British War Office for the use of the Army, the remainder being insufficient to meet the demands of the ordinary trade.

It should be remembered, however, that the expenses incurred in the marketing of dairy-produce from New Zealand have increased since the outbreak of war, freight on butter being 50 per cent. and that of cheese 37½ per cent. above normal rates, with additional charges for marine insurance amounting to 33½ per cent., and a war risk of 21s. per cent.