

coagulant. Fortunately, supplies of rennet have come forward from Denmark and Sweden in fairly large quantities, and some has also been obtained from England, thus enabling dairy companies to carry on the manufacture of cheese.

For some time past rennet has been supplemented to a considerable extent by the use of pepsin, but for some reason best known to themselves many of the cheesemakers have preferred to use rennet only, instead of eking out their short supply by utilizing a proportion of pepsin, as recommended by the Dairy Division. This is also more surprising in view of the fact that the price of pepsin has been considerably lower as compared with that of rennet, and the latter is equally suitable for the purpose when used along with rennet-extract. Some of the more enterprising factory-managers have prepared small quantities of rennet from the calves' vells obtained in their own district, but the volume of this locally manufactured article has been comparatively small.

The Co-operative Rennet Company, which was formed by the various dairy companies throughout the Dominion becoming shareholders, has so far not been successful in the attempts made to provide a suitable supply. The principal reason for the non-success of this business up to the present time is due to the company being unable to secure the services of a skilled and experienced man to prepare the rennet. While a considerable amount of the raw material in the form of vells has been collected, it would seem as if the company would be compelled to ship this material to some of the manufacturers of rennet in Great Britain, and it is believed that this is the company's intention. There are, however, several firms in New Zealand who are keenly interested in the production of rennet, and who have already devoted a considerable amount of time to this particular work, and probably some of these firms will be eventually successful in producing a good rennet of a uniform strength. For the time being dairy companies will have to depend very largely upon obtaining their supplies from Continental countries, and large orders have already been placed and accepted to fill these requirements. Providing no serious delay occurs in connection with the shipment of these consignments, dairy companies will be well provided for in this respect for at least another year.

SALE OF BUTTER AND CHEESE TO THE IMPERIAL GOVERNMENT.

Early negotiations were commenced for the sale of the season's output of cheese to the Imperial Government, and after some delay a final offer of 10d. per pound f.o.b. for first grade, with a reduction of $\frac{1}{4}$ d. per pound for second grade, was obtained, and accepted on the same terms as agreed upon in connection with the sale of the previous year's cheese, with the exception that the producers had to meet the cost of storage up to an average of three months, and also the expense of insuring the cheese until placed on board ocean steamer.

While the price obtained for New Zealand cheese on this occasion was about $\frac{3}{4}$ d. per pound below the price paid by the Imperial Government for Canadian cheese during the year 1917, the large majority of New Zealand producers willingly accepted the lower price, which constitutes a record for New Zealand Cheddar cheese.

The sale of the cheese at such a profitable price, with the added assurance that shipment would take place within a reasonable time, created some anxiety amongst butter-producers, and this and other considerations led up to a proposal being made for the sale of the exportable surplus of creamery butter to the New Zealand Government. This proposal, however, fell through in favour of a sale being effected to the Imperial Government. After a protracted delay in arriving at an understanding as to the price to be paid, it was subsequently agreed to sell the butter to the Imperial Government at 157s. per hundredweight f.o.b., with a reduction of 1s. per hundredweight for each point below first grade.

The final arrangement provided for an addition to the price of 50 per cent. of any profit made thereon being paid to the producers; the terms as to storage and insurance being the same as in the case for cheese. The financial arrangements in connection with the purchase of both cheese and butter have been extremely satisfactory, in that a payment of 90 per cent. of the value of the produce was made available free of interest as soon as the cheese or butter was twenty-eight days in store, thereby eliminating inconvenience to owners requiring financial aid before shipments could be made.

GRADING OF BUTTER AND CHEESE.

This branch of the divisional work has been continued without alteration for the year, the usual standard for the different classes of produce being adhered to. It was not considered advisable to raise the standard for first-class creamery butter to include only butter scoring 90 points and over, as formerly suggested and afterwards supported by a resolution passed at the annual conference held in Palmerston North in June of last year. When the matter was discussed the attendance at the conference was very meagre, therefore the resolution could not be accepted as representing the opinion of a majority of those engaged in the industry. Moreover, the time was not considered opportune to make such a change, owing to the fact that factories are being carried on under conditions which are more or less abnormal. For example, many of the experienced employees have joined the Expeditionary Forces, and their places have been filled by men with less experience, which makes it difficult to maintain the present standard of quality; to say nothing about the improvement that is desired as the result of raising the points for first grade in accordance with the proposal.

As soon as the country is again free from the stress of war conditions the question of altering the score for butter can be finally decided, at which time the raising of the standard for first-grade cheese, which is of equal importance, might be taken into consideration.