

in many of the mixed-farming districts of the South Island. Oats and barley, unfortunately, met depressed markets. Prolonged drouthy weather, which was experienced by certain districts during parts of the season, fortunately did not affect the cereal or other main crops to any great extent.

In regard to the lesser industries, fruitgrowing experienced a fairly good year, and the export of apples to the British market was renewed, with encouraging results. Growers were guaranteed a minimum return on these shipments, but in no case was it necessary to make any payment. The trade with South America remained in abeyance, chiefly owing to the present rarity of sailings by the Cape Horn sea route. It is satisfactory to note, however, that more sailings by this route are now arranged. The poultry industry has made progress in spite of the handicap of high-priced and often scarce feedstuffs. The greatly increased wheat-production anticipated for the ensuing season should ease the position materially in this respect. Beekeeping and honey-production continued to advance. Although export prices fell from the abnormally high level which had ruled for some time, payable prices were obtained. Moreover, the local market is being more fully and profitably developed.

Several noteworthy features attach to the live-stock position. The 1920 enumeration of sheep disclosed a heavy decrease of nearly two millions in the country's flocks, and this has been followed by a further substantial fall in the past year. Altogether in the last three years there has been a reduction of over three million head in our sheep stocks. This movement is ascribed to several contributing causes, among which may probably be included over-exportation in connection with the frozen-meat trade of late years. Thus for the twelve months ended 30th April last the mutton and lamb shipped totalled approximately no less than ten million carcasses, while in the same period of 1919-20 the number was the also high one of some eight millions. In these exports, particularly as regards the first period specified, were included war and post-war accumulations; nevertheless depletion of sheep stocks is also indicated by the figures. A large increase recorded in dairy cattle corresponds with the steady expansion of the dairy industry. The cow is no doubt in many places trenching on what was until recently regarded as mainly sheep-country, this being another factor in the sheep-shrinkage. One satisfactory feature in the 1921 sheep returns is a good increase in breeding-ewes, which should help towards restoring the former level of the flocks. By better farming the country should be capable of maintaining a full quota of sheep on a lesser area. With regard to pigs, after a decline extending over several years, an upward movement seems to have become established. The statistics for 1919-20 showed a good increase, and this has been followed by another substantial increment for last season. It may be noted that this satisfactory development has coincided with the Department's special instructional activity in swine husbandry.

Dealing with the position and prospects of the farming industry in general, I am firmly of opinion that a reasonable optimism is justified, even as regards the pastoral section which has had such a severe setback. That the present world stocks of wool are not so abnormally heavy as may have at one time appeared is indicated by the recent gradual rising of the market. Again, the statistical position of the world's sheep stocks, showing very heavy reductions in the last few years, supports the view that a return to a fair remunerative level of wool-values cannot be long delayed, especially with a gradual resumption of more normal conditions on the Continent of Europe. As regards meat, our special lines—lamb and mutton—were at the close of the period reviewed still commanding well over pre-war prices on our best permanent market, that of the United Kingdom. Other lines can be brought within the present margin of profit by a reduction in ocean freights and freezing and handling charges. To mention one factor, undoubtedly great economies could be affected in shipping-costs by a better organization in the collecting and loading of outward cargo at the many ports and coastal roadsteads of the Dominion. As regards freezing-costs, apart from the question of actual wage-rates, labour could materially assist by getting back to pre-war individual output. The prospects of the dairy industry, while not at last season's peak level, are for good returns in the coming season. Decrease in prices promises to be largely made up by further increase in output. Most other lines of export produce seem assured of fair returns or are steadily improving their position.