

DAIRY DIVISION.

REPORT OF W. M. SINGLETON, DIRECTOR.

THE SEASON.

Taken as a whole, the year ending on the 31st of March has been a very disappointing one for dairymen in the Dominion, owing to the very dry weather conditions which have prevailed in those districts in which the greater bulk of our export dairy-produce is made. Following a dry period in the summer of 1938, there was a great growth of grass in several districts, which, in the Auckland Province, was followed by an outbreak of facial eczema which caused a rapid drying off of the cows affected. This was followed by a cold winter and spring, which resulted in a serious shortage of feed in practically the whole Dominion. As a consequence, paddocks could not be shut up for hay until several weeks later than usual, with very serious results, as later events showed.

From December until the date of writing, what may be termed drought conditions have prevailed in the greater portion of the North Island and in Marlborough and Nelson. Other parts of the South Island have been more fortunate, and the dairying season in Southland has been the best recorded for many years.

PRODUCTION.

In addition to the reduction due to climatic conditions, there has been an inclination to reduce the number of cows milked on individual farms, and this also has tended to reduce the output of dairy-produce generally.

While in some districts there has been a certain amount of change over from cheese to butter which has resulted in the closing of a number of the smaller cheese-factories, chiefly in Southland, there has been in others a change in the reverse direction, and one large new cheese-factory has been erected in the Auckland Province.

A minor factor which has caused a reduction of the output, principally of cheese, has been the increased demand for liquid milk for the milk-in-schools scheme. On the other hand, owing to the low price offering for casein, six comparatively large dairy companies decided to cease the manufacture of butter and casein and revert to the manufacture of cheese.

The net position as shown by the returns for the twelve months ending 31st March, 1939, is that 129,277 tons creamery butter and 84,236 tons cheese were received for grading, as compared with 145,596 tons butter and 86,012 tons cheese for the previous year, a decrease of 16,319 tons butter (11.20 per cent.) and 1,776 tons cheese (2.06 per cent.). In terms of butterfat the decrease represents 14,282 tons, equal to 9.25 per cent. Of the total amount of butter received for grading 92,501 tons were produced in the Auckland Province, as against 104,307 tons during the previous year, a decrease of 11,806 tons, which gives a clear indication of the unfavourable dairying weather experienced in that area.

EXPORT VALUES.

Basing export values on Customs figures and including all dairy-produce—butter, cheese, casein, dried milk, sugar of milk, and cream—there was a decrease of £1,782,010 in the value of this year's dairy-produce, the total values for the two financial years 1938-39 and 1937-38 being £22,455,952 and £24,237,922 respectively. Customs values are based on realization values.

While the price levels for butter during the year were rather higher than during the previous one, the price of cheese was lower, so that the reduction in value is obviously due to the substantial reduction in output.

ZONING.

The work of zoning the supplies to dairy factories has been continued by the Executive Commission of Agriculture and has now been practically completed in Central and North Taranaki, Bay of Plenty, and Poverty Bay. Adjustments have been made in a number of instances where these have been shown to be necessary in the light of changing circumstances, and attention is at present being given to a number of cases which were not finalized when larger schemes were being dealt with.

As a result of this work, combined with causes such as decreasing supply to some of the smaller cheese-factories already referred to, the number of dairy factories registered has shown a reduction from 412 on 31st March, 1938, to 402 on the same date this year.

As a result of the zoning of supplies there has been very little difficulty through illegal transfers of supplies from one factory to another during the year, and reports indicate that a better understanding between dairy companies has developed, while very definite savings in the cost of cream cartage have been shown in many instances.

CREAMERY BUTTER.

It is pleasing to be able to report that, in spite of a number of factors all tending to reduce the quality, there has been a slight improvement when compared with the previous year as indicated by the average grade, which was 93.373 points, against 93.371 for 1937-38. Of the 129,277 tons of butter received for grading, 106,561 tons, or 82.42 per cent., was classed as finest, 22,056 tons, or 17.06 per cent. as first, and 660 tons, or 0.51 per cent., under first grade.