

Crescent Cheese-factory, Woodlands Cheese-factory, Waianiwa Cheese-factory, Waimatuku Cheese-factory, Aparima Cheese-factory, Fairfax Cheese-factory.

I regret, through ill-health, during the month of December and part of January, not being able to give the desired attention to instruction at the factories. The work of ocular demonstration at the factories—which is of the utmost importance if we are to improve in the quality and uniformity of our productions—has developed several points of special importance, which will be referred to throughout this report. In the meantime this part of the work may be disposed of simply with the remark that as much work was done at the factories as time would permit. Outside the work of instruction at the factories much that has been done through correspondence cannot, of course, find its way into this report, being of interest only to the persons to whom answer has already been communicated.

A considerable territory has been visited during the year which I did not visit last year, and in many instances I found things in a bad state, involving some rather unpleasant work with the factory-managers and milk-suppliers. It is pleasing to note, however, a marked improvement in the majority of the factories visited during the two previous seasons—an improvement not only noticeable in the cleanliness of the factories, but in the quality of the goods manufactured. This statement is supported by communications received from several London and Glasgow dairy-produce brokers. In a letter under date the 18th March, 1892, Messrs. John McNairn and Co., 157, Ingram Street, Glasgow, write: "The quality of the factory cheese this year has been perfection. We have never seen finer New Zealand cheese, and if the same quality is kept up we shall always be able to get a price for it second to none." This statement deserves mention when it is known that a large portion of our best factory products from the South Island are handled by this firm. Again, London cables prove conclusively that our best New Zealand factory butter stands first of all Australasian manufacture. This is forcibly referred to in a London cable message published in New Zealand newspapers on the 26th February: "Butter is inactive. Inferior packing is proving deleterious to the colonial article, the favourite brands of New Zealand factory butter alone being the exception." Now, this cable alludes to Victorian and other Australian butter as well as New Zealand, but it certainly gives our factory butter the preference for superiority. Another London firm writes under date of the 30th March, "The continued irregularity of New Zealand dairy-produce, and the dishonest practices resorted to in branding, are barriers calculated seriously to interfere with the success of the colony's export trade. To-day I sold some splendid New Zealand factory butter at 126s. per hundredweight, while some consigned to me from a certain New Zealand firm under a factory brand, but which seemed to me to be only mixed butter, realised with difficulty 72s. per hundredweight. Perhaps this is the consignment you refer to in your note as having been bought in the colony for 2d. per pound." These statements are certainly very encouraging in so far as concerns the quality of our dairy-factory products. But it would seem from the "tricks of the trade," and the haphazard way it is thrown in the market with good, bad, and indifferent, that the whole system is very much like a lottery, as to which class of stuff the buyer gets hold of. From past experience, and from the above statement, the lesson to be learned is plainly this: that the shipping of farm-made butter, and that in the majority of cases jumbled together by grocers and others, and sent Home in boxes under a fictitious brand representing it to be New Zealand factory or creamery butter, is ruining our reputation in England, as it has done in Australia. The true solution of this difficulty would seem to me to lie in the expansion of the factory system, and by the enactment of competent legislation to protect such institutions when once established. The change of butter and cheese making from private dairies to public factories is a consummation highly to be desired, and it does not appear that the dairy-produce trade of the country will ever attain the sought-for commercial value until the factory system becomes more general. The business of co-operative dairying, even with its present difficulties, has shown, when followed with intelligence and good judgment on the part of the milk-suppliers and makers, to insure the farmers a good return for their labour. The returns for our best factory cheese from London and Glasgow during the past season have ranged from 56s. to 60s. per hundredweight. These prices, after allowing for railage, shipping, commission, and other charges, net at the factories 4½d. to 5d. per pound. The price realised for our factory butter in London and Glasgow has ranged from 112s. to 136s. per hundredweight, netting at the factory 9½d. to 10d. per pound.

The extent of our export transactions may be seen from an examination of the following table. The figures certainly show that the industry is undergoing steady development:—

EXPORT of BUTTER and CHEESE for 1891, and QUARTER ending 31st March, 1892, with corresponding VALUES for FIRST QUARTER, 1891.

Year 1891.						
					Cwt.	Value.
Butter ...	...	...	...	...	39,430	£150,258
Cheese ...	...	...	...	...	39,770	86,675
Quarter ending 31st March, 1892.						
Butter ...	...	...	...	...	25,185	£96,842
Cheese ...	...	...	...	...	20,176	45,450
Corresponding Values, First Quarter, 1891.						
Butter ...	...	...	...	...	...	£57,998
Cheese ...	...	...	...	...	...	34,125

These figures show satisfactory progress, and speak well for the future outlook and steady growth of the industry; for as yet we can only say that dairy factories are a comparatively a new feature in our agricultural work.