

Since the commencement of operations over 2,000 tons of line fibre have been produced and nearly 1,000 tons of tow. Exports of line fibre and tow to the British Ministry of Supply to the end of March, 1943, amounted to 2,255 tons, valued at approximately £343,900 (New Zealand currency).

In addition to the supply of fibre urgently required by Great Britain for war purposes it has been possible to supply New Zealand manufacturers of rope and twine with materials to replace those which are no longer available from overseas. Markets for tow not suitable for other purposes are being developed with fibrous plaster and carpet manufacturers and upholsterers, and the possibility of utilizing tow fluff or dust for the filling of soft toys is being explored. An inquiry has also been received for straw rakings and tow, as supplied to fibrous plasterers, for use in the manufacture of a substitute for cotton-waste. Samples of the substitute material appear most promising.

A factory erected at Dunedin to manufacture linseed-oil, and which will shortly be in operation, will absorb all the surplus linen-flax seed produced. This new development will be of very material benefit to users of linseed-oil at a time when the obtaining of adequate supplies from overseas is presenting a serious problem.

Total sales of products and by-products to 28th February, 1943, are as shown hereunder:—

				Line Fibre.	Tow and Pluckings.	Seed.	Chaff and Meal.	Other By-products.	Total.
Tons	..	..	..	1,886	1,005	4,205	1,138	..	..
Value	..	..	..	£404,033	£75,034	£111,102	£2,984	£1,078	£594,231

The establishment of the linen-flax industry, in addition to supplying Great Britain with fibre urgently required for the manufacture of aeroplane fabric, canvas hose, webbing, &c., is thus proving of very great value to New Zealand in meeting shortages of vital materials. The whole of our requirements of seaming-twine are being manufactured locally from linen fibre, and supplies of medium-grade fibre and tow are now being made available for the manufacture of shop and ham twines.

Increasing use is being made of female labour in the industry to replace men called up for military service and to provide an adequate number of workers at each factory. Of a total staff of 1,105 at 28th February, 1943, 281 consisted of females. To accommodate the women workers five hostels have been established in localities where no ordinary accommodation is available, and at other centres lunch and retiring rooms have been built.

Two matters of particular interest since the last annual report are the setting-up of a Growers' Central Advisory Committee and Local Advisory Committees and the institution of a Crop Insurance Scheme. The Growers' Central Advisory Committee was set up by growers about the middle of 1942 and comprises a representative from each of the six provinces in which linen flax is grown and the Secretary of the New Zealand Farmers' Union. Local Advisory Committees representative of growers have been set up in each district in which a factory is located. The function of the local committees, of which the local Instructor in Agriculture is also a member, is to ensure greater co-operation between growers and departmental officers in the growing and handling of linen-flax crops.

The Central Committee handles matters affecting growers generally, and regular meetings are held in Christchurch between it and the Linen Flax Management Committee.

An innovation in the contract with growers drawn up in respect of the 1942-43 season was the provision made for the setting-up of a Crop Insurance Fund. In the 1940-41 season growers were guaranteed a minimum price of £5 per acre, but so many anomalies were created that the minimum price was abandoned next season. To recoup growers unfortunate enough to lose their crops through circumstances beyond their control for the cost of sowing and cultivation it was decided in the 1942-43 season to introduce a Crop Insurance Scheme. Participation in this scheme is compulsory on all growers. In the case of total failure, growers will be paid £4 per acre and no charge made them for seed supplied, the necessary funds being provided by the levying of a 5 per cent. premium on the net amount due to each grower.

1941-42 Season.—The total area sown was 19,912 acres (amended since last report), the following being the results:—

Accepted for line fibre	..	..	16,713 acres=84 per cent.
Accepted for tow	..	..	1,023 acres= 5.2 per cent.
Accepted for seed	..	..	1,717 acres= 8.6 per cent.
Total failures	..	..	459 acres= 2.2 per cent.

The percentage of the total acreage sown accepted for fibre and tow—viz., 89.2 per cent.—represented a considerable improvement on the figure for the previous season—namely, 67 per cent.

The failures occurred mostly in the south—at Otautau, 191 acres; Tapanui, 107 acres; Winton, 48 acres. Dry spring conditions in north Canterbury resulted in short crops, and a large proportion had to be harvested for seed only.

The total yield of crop was approximately 36,900 tons.

1942-43 Season.—An area of approximately 21,600 acres was grown and is estimated to yield 35,800 tons.

One of the most satisfactory features of linen-flax production has been the ready response of farmers who have grown crops each year up to the full requirements of the industry. So enthusiastic have they been in regard to this new cash crop that no difficulty whatever has been experienced in most districts in securing an adequate acreage