

seriously at fault, being unsound and not infrequently decidedly objectionable. The cheese which was found to be defective in flavour when comparatively new became, as a rule, much worse with the advance of maturity. This was more especially the case with cheese which was also defective in body and texture. Irregularities of the latter type were by no means uncommon, and they require to be rectified before the produce can give satisfaction to the merchants and consumers. Moreover, both the cheese of good quality and that which was found to be more or less inferior suffered heavy deterioration at those shipping-ports where no proper cool storage was available—but this phase of the season's operations is dealt with elsewhere in this report.

IMPERIAL GOVERNMENT CHEESE-SUPPLIES.

By an Order in Council dated the 16th January, 1917, the whole of the output of cheese available for export from New Zealand was in effect requisitioned on behalf of the Imperial Government. The price fixed was 9½d. per pound, f.o.b. ocean steamer, for first grade, with a reduction of ¼d. per pound for any second grade. Provision was also made for the payment of an advance up to 90 per cent. of the value of cheese which had been in store awaiting shipment over one month. On the recommendation of this Division advance payments were subsequently made on any cheese six weeks after manufacture, irrespective of the time it had been held in a grading-store.

The usual trade custom of accepting grader's weights, less an allowance of 2½ per cent. for shrinkage, was observed. This, however, did not work out quite fairly all round, as those dairy companies which were able to send their cheese forward promptly gained an advantage over others who were compelled to hold the cheese in their own stores owing to the congestion which took place at some of the grading-ports. In the latter case the cheese were of greater age and had already lost considerable weight through shrinkage; consequently a deduction of 2½ per cent. on that basis proved a disadvantage as compared with those dairy companies that were more fortunate in despatching their cheese without any delay. Any adjustment in this connection is extremely difficult, and it is doubtful whether it can be arranged.

Special conditions were laid down with respect to the packing of the cheese, in that heavier centre-boards with double nailing of battens to same, and the use of scale boards, was required for all consignments packed after the cheese was purchased. Immediately these consignments began to come forward a distinct improvement was noticed in the condition of the packages. The crates were strengthened in this way, and stacked to better advantage in the stores; and, what is more important, they maintained the cheese in better condition. It is therefore hoped that all dairy companies will continue to pack their cheese in this manner for the future, whether it be sold to the Imperial Government or placed upon the open market in the usual way.

The purchase of the cheese by the Imperial Government has entailed a considerable amount of extra work for the Dairy Division, more especially for the Dairy-produce Graders, who were made responsible for the grading and the checking of weights and specifications of each consignment. But the work has been carried through up till now with little or no friction, and where any mistakes have occurred these have been rectified without any serious difficulty. From the commencement of the purchase of the cheese this office has kept in close touch with the Department of Imperial Government Supplies, and has endeavoured to lend whatever assistance was required in that connection.

STORAGE OF CHEESE.

Owing to the shortage of cargo-space for cheese on the steamers loading for the United Kingdom large quantities of this produce has accumulated at the various shipping-ports. The stores have been greatly congested almost from the beginning of the season, and have not yet reached normal conditions. Never before in the history of the New Zealand cheese industry has the need for the cool storage of all cheese been so strongly emphasized as during the past summer months.

It is safe to say that anything from £25,000 to £30,000 has been lost to the dairy-farmers of the Dominion through the excessive shrinkage of cheese alone, to say nothing of a loss in quality caused by overheating. These losses have occurred mainly in the cheese produced in the provinces of Taranaki and Wellington. Large quantities of the cheese have been damaged owing to being held in buildings the temperature of which could not be properly controlled. The dairy companies making cheese in the Auckland Province, however, have been in the fortunate position of being able to cool-store the whole of their cheese, the Auckland Farmers' Freezing Company having provided suitable accommodation for the entire season's output. Therefore all cheese shipped from Auckland has been sent away in good order, and excessive losses in shrinkage have been avoided.

A portion of the cheese coming forward for grading at New Plymouth has been partially cool-stored, but neither the temperature of the various chambers nor the circulation of air has been properly regulated. Consequently the cheese stored at this point has been more or less detrimentally affected. These irregularities have been brought under the notice of the storage company concerned, and it is hoped that by the opening of next season better provision will have been made for the storing of cheese. In addition to the cheese held at the freezing-works many thousands of crates had to be stored in other buildings in order to relieve the pressure for room at the factories. The cheese in these stores suffered badly during the warmest weather, and caused much anxiety to those responsible for its supervision.

At Patea also the cheese-stores were greatly overtaxed, and the receiving of cheese had to be discontinued on several occasions during the season. Although the West Coast Refrigerating Company had provided some extra accommodation it was found insufficient to deal with all the cheese offering. Here again the temperatures of the different chambers could not be controlled as desired, but everything possible was done to make the best of the facilities available. Altera-