

we have not enough men. It is not proposed to increase the number of testing officers at the present time. There are some nine of these officers, but they are not appointed for that special purpose. They are engaged chiefly in the testing of purebred dairy stock, and they deal with ordinary dairy herds as time permits, and they endeavour to persuade farmers to join an association for the purpose. The importance of this matter has been brought prominently before farmers from the North Cape to the Bluff for many years past. I do not know that we can do any more than keep hammering away in regard to the same thing, and we may create an impression by and by. There is quite a development in connection with the preparation of casein at the present time. It is extending throughout the North Island to a considerable extent. Prior to the war the only market for casein from New Zealand was in Germany, but since then there has been a market in England, and there is every likelihood of the latter market continuing. Within the last twelve months one of the officers of the Dairy Division has discovered a process of saving casein from buttermilk, which in the past has been more or less a waste product in many factories. Dairy companies are now manufacturing a considerable quantity, and it is expected that others will take the matter up before long. The value of casein at the present time varies according to quality. I think the present value is in the neighbourhood of £70 per ton. It is believed that the price will be maintained owing to the fact that new uses are being found for the material. There is no difficulty in maintaining the manufacture provided the factory is situated near a drying-station. There are only two stations in the North Island. When the factory is situated a long way away there is difficulty in forwarding the material for drying. We are not in a position to recommend that further drying-factories be established at present, but in time that will come. At present there is not a sufficient quantity being made to warrant the expansion. They might probably extend the system at Taranaki, and I believe that is now under consideration. We have an officer who devotes practically the whole of his time to this question. The Government sent him Home some years ago for the purpose of gaining the necessary experience and information about it. The result has been the production of an article of very high quality—an article which has been favourably spoken of on the market. Prior to the war sugar of milk was selling at from £50 to £60 per ton, but it appeared as if there was not an unlimited demand for it. During war-time the price has risen to over £200, and has even gone up to £300 per ton. Of course, that is a war price. It is very hard to say whether it will go back to £50 a ton; it depends upon the production. It would pay at £56 a ton. A moderate-sized factory would cost about £15,000. A large amount of coal would be required in connection with the manufacture. It could only be established on a payable basis where fuel is obtainable at a reasonable cost. As to the cost, we are not able to give information about that. As a matter of fact, the Government is sending a man away to get full information about sugar of milk and dried milk. I suggested the sending of that officer away to get the information. It may be necessary to bring a man to New Zealand later on, but unless we have one of our own men here who knows the industry we would be altogether in the hands of the imported man, and he might not be the man we want. We are making inquiries, and we expect to get some good information. We expect our officer to leave here in April, and he ought to be back in about six months' time. He is going to the United States and Canada. The information will be available as soon as he returns—about next October or November. In regard to dried milk, they are paying up to 2d. per pound on butter-fat above that paid at cheese-factories. That is the guaranteed price. The price for butter-fat for milk supplied to milk-powder factories is 3d. per pound over butter and 2d. per pound over cheese. It has to be remembered, of course, that the farmer gets nothing back—no skimmed milk or whey. That is the guaranteed price whatever happens. I think there is a minimum price, but there is no maximum; it depends upon the price of butter-fat at the cheese and butter factories. They base their price on the highest price paid. The machines for drying milk are practically all patented. We believe they are purchasable in some cases by paying a royalty or by purchasing the rights for New Zealand. They are American machines; but some are made in Sweden and Denmark, and also in England. Some of the machinery can be manufactured in New Zealand, but not all of it. A dried-milk factory requires large supplies. The consumption of coal is very heavy, for it requires sufficient to dry off all the water from the milk. In regard to rennet, it ought to be a practical proposition to manufacture here the rennet required in New Zealand. We have had in the past a large supply of the raw material—calves' vells. But here again the farmers seem to be very careless about the whole thing. They will not take the necessary trouble in regard to it. Lambs' vells are being used now. They are only experimenting with them. We require about 30,000 gallons of rennet per annum in New Zealand. Before the war the price was £2 10s. per 10-gallon keg, and during the war the price has been £25 per keg. We have just managed to get a sufficient supply to carry on, but a considerable quantity of pepsin has been imported from America to be used in conjunction with rennet. Rennet is manufactured principally in Denmark, also in Sweden, and to some extent in England; our main supplies come from Copenhagen. There are several brands on the market; Hansen's is one of the leading brands. I doubt very much if the price of rennet will revert back to the pre-war level, owing to the fact that so many cattle have been destroyed during war-time. The main supply of vells in the past came from Russia and Austria-Hungary. I think we should endeavour to establish the rennet industry here. The Government is not assisting in the establishment of the industry here except in this way: as the result of action taken by the Government a considerable number of vells have been saved; a pamphlet was issued telling farmers how to save them, and officers of the Livestock Division gave demonstrations in the saving of vells, but no vote of Parliament was taken or expended for the purpose. The processes of the manufacture of rennet are somewhat intricate, and there are said to be certain secrets in connection with the manufacture, more especially in connection with its standardization. It would be impossible for an officer to go abroad and get the necessary information unless he worked in a factory for some time. I think a thoroughly