The wool-market exhibited a marked change when the new clip came forward for sale. Under the conditions created by the Imperial Government purchasing contract prices had been good, but the purchased wool had not gone into consumption at anything like the rate of production. Sellers of the new (1920–21) clip found themselves faced with a market heavily depressed by a large accumulation of Government-owned wool, and values fell to a much lower level, especially for crossbreds, which form the bulk of our wool-production. The values ruling at the opening of the season, however, were relatively good when compared with those which were later obtainable. In order to strengthen the marketing position in the interest of the growers, Wool Industry Regulations were framed and brought into operation in June last, together with an officially appointed Wool Committee. This authority, working in co-operation with the "Bawra" organization, is now exercising a very beneficial control.

Both meat and wool producers had to face a further serious handicap in the heavy charges for freezing and shearing, and in the high freight-rates for shipment to overseas markets. The freight-rates especially gave cause for serious concern, and, while the cost of running and maintenance of shipping was undoubtedly high, a general feeling existed that the regular shipping-lines, which had given good services in pre-war times at reasonable rates and had admittedly made good profits during the war period, were not exhibiting the full measure of consideration for producers which might have been expected when everything was taken into consideration. This feeling became accentuated when freight-rates for non-refrigerated vessels in other trades fell heavily, while those for refrigerated tonnage remained practically unaltered. The experience was such as to bring home forcibly to producers their dependence upon overseas shipping services, and the natural result has been a strong movement for the establishment of a Dominion owned or controlled line of refrigerated vessels, which is still in progress and contains great possibilities.

Apart from the question of freight-rates, the existing shipping-lines provided a satisfactory service with sufficient refrigerated tonnage during the season. It was found necessary, on decontrol of refrigerated space by the Imperial authorities, to make a meat-freight contract with the shipping companies, covering the period up to 31st August, 1922, this being effected through the agency of the associated freezing companies. The dairy industry representative organizations also made similar forward freight-rate arrangements for butter and cheese.

It may be rightly claimed that the dairy industry "saved the situation" for the Dominion in the past year. With a high-water-mark price of 280s. per hundredweight from the Imperial Government for the bulk of season's output of butter, the industry responded in remarkable fashion, almost doubling the production as compared with the preceding season, and setting up a record for annual output. Cheese-manufacturers were also favoured with higher ruling prices than anything heretofore recorded, and, notwithstanding an extensive turnover to butter, the output of cheese was well maintained at near the previous season's big volume of production. These results were obtained in a season in which weather conditions were by no means uniformly favourable for dairying. The production of dried whole milk also showed some increase, while the manufacture of skim-milk powder was commenced on a good scale. Condensed milk, sugar of milk, and casein also contributed substantially to the production of milk-products comprised within the dairy industry. The part taken by the industry in the economic and trade position of the Dominion is well represented by the export statistics for the twelve months ended 30th June last (a period which covers the seasonal movement better than the official year), during which the shipments of butter and cheese were valued at £16,823,693 out of total exports of £50,831,881, or over 33 per cent. of the latter. To this may be added, in round figures, another million for the other milk-products mentioned.

Arable farming, with special reference to grain-growing, made a good showing for the season as regards area and yield. There was an excellent wheat-yield of over 31 bushels per acre, with the result that no further purchase of Australian wheat has been necessary. The wheat-growers received a good guaranteed price, the substantial amount of money thus distributed proving of timely assistance