The whole question of the grain-grading service is under review, and various recommendations for improvements in system are receiving consideration.

In my last year's report reference was made to the co-operation effected by the Department with Canterbury Agricultural College in connection with the seed-improvement work carried out at the College, particularly as regards wheats. The related work of pure-seed maintenance and distribution had been carried out during the past few years by the Canterbury Seed-growers' Association, but this business had outgrown the capacity of that organization. It was therefore arranged that the Department should take over the work of crop-inspection and seed-distribution. The work was placed in charge of the Instructor in Agriculture, Christchurch, and a large quantity of certified pure wheat-seed has been distributed among growers at practically cost price. This development promises to be of very great practical benefit to wheat-production in the Dominion.

After somewhat lengthy preliminaries the transfer of the Pacific Phosphate Company's interests in the phosphate deposits on Nauru and Ocean Islands to the Governments of the United Kingdom, Australia, and New Zealand was duly effected as from 1st January last, and the Commissioners appointed by them now have full control of the undertaking. The New Zealand Commissioner is Mr. A. F. Ellis, a gentleman possessed of lengthy experience of the phosphate industry of the two islands, who has made his headquarters at Auckland. The Department of Agriculture has been entrusted with the responsibility of controlling at this end the supplies of phosphate from Nauru and

Ocean Islands.

It was a matter for the deepest regret that Mr. D. Cuddie, Director of the Dairy Division, had to give up official duty on account of serious ill health. He was a most capable officer, whose work throughout had been of the highest standard, and his cessation from duty constituted a heavy loss not only to the Department, but also to the dairy industry. Fortunately, a highly efficient officer, Mr. W. M. Singleton, was available to carry on.

In concluding this brief review of the more salient features of the Department's work I must express my sincere appreciation of the efficient support accorded to me by the Assistant Director-General, the heads of Divisions and Sections, the Superintendent of Experimental Farms, and the

staff generally.

C. J. Reakes, D.V.Sc., M.R.C.V.S., Director-General.