Table showing the Grading-points scored by the Creamery Butter and Cheese graded throughout New Zealand for the Year ended 31st March, 1921.

				Butter.		Cheese,	
	Grading	points.		Number of Boxes.	Percentage of Total.	Number of Crates.	Percentage of Total.
76 1					••	435	0.0505
78				339	0.0264		
$78\frac{1}{2}$						433	0.0502
9				304	0.0237	20	0.0023
01				43	0.0033		
31				15	0.0011	148	0.0171
311				701	0.0547		
$\mathbf{\hat{2}}^{\mathbf{z}}$				266	0.0207	1,112	0.1291
$32\frac{1}{2}$		• •		246	0.0192	1,568	0.1820
33	• • • • • • • • • • • • • • • • • • • •	• • •	• • •	1,146	0.0894	1,013	0.1176
$3\frac{1}{2}$			• • •	895	0.0698	2,251	0.2613
34		• •		5,037	0.3933	6,035	0.7007
34 1	• •	• ••		3,634	0.2837	4,553	0.5286
55	• •	• •		12,812	1.0004	9,704	1.1268
$35\frac{1}{5}$	• •	• •	• •	17,266	1.3483	10,253	1.1905
86	• •	• •	• •	28,104	2.1946	19,284	2.2392
$66\frac{1}{2}$	• •	• •	• •	20,415	1.5942	8,766	1.0177
87	• •	• •	• •	465	0.0363	71	0.0082
88	• •	• •	• •		1.4891	33,826	3.9277
	• •	• •		19,070			
$88\frac{1}{2}$	• •	• •	• •	31,459	2.4566	42,169	4.8965
39	• •		• • •	56,167	4.3861	81,847	9.5038
$39\frac{1}{2}$	• •	• •	• •	54,479	4.2542	99,555	11.5600
0	• •	• •	• •	67,660	5.2836	125,088	14.5249
$0\frac{1}{2}$	• •	• •		99,405	7.7625	116,632	13.5430
1			• •	122,665	9.5789	102,872	11.9452
$1\frac{1}{2}$	• •	• •		147,087	11.4861		8.9237
2	• •			183,992	14.3680	62,183	7.2205
$2\frac{1}{2}$				162,399	12.6818	27,113	3.1482
3				106,601	8.3245	17,798	2.0666
$3\frac{1}{2}$	• •			65,564	5.1199	7,007	0.8136
4				39,865	3.1130	2,368	0.2749
$4\frac{1}{2}$				18,359	1.4336	100	0.0116
5				10,815	0.8445	140	0.0162
$95\frac{1}{2}$				2,471	0.1929		
6				819	0.0639		

Charge for Grading Butter and Cheese.

A charge for services rendered by this Division in the grading of butter and cheese has been under consideration on various occasions. In the earlier days of the industry the work of grading was undertaken as a national duty for the purpose of improving the quality of butter and cheese manufactured for export. The developments since then bear testimony to the wisdom of the plan and methods adopted. Keener competition evidenced in the disposal of butter and cheese for export caused buyers to give more attention to quality. The grade-note was accepted in lieu of a buyer's examination, and this has grown into a custom which saves buyers considerable expense as compared with present practice in North America and elsewhere. The grade-note has therefore practically become a commercial document.

The costs relating to the grading of dairy-produce and the instruction at dairy factories have been increasing during recent years owing to the growth of the industry and the payment of higher salaries. It was therefore deemed necessary to institute as from the 1st January, 1921, a charge for the services rendered, and a fee of 1d. per box of butter and 1½d. per crate of cheese was authorized. It is only fair to state that no complaint has yet been heard from any dairy company against such fee being charged.

CASEIN.

The increase in the production of butter was accompanied as a consequence by an increase in skim-milk. There was a greater inclination to convert the latter into casein, and the output of this product showed a very considerable increase, the export at 1,760 tons denoting an increase of some 75 per cent.

Both lactic and rennet casein were manufactured, a large proportion of the latter being produced toward the end of the season. This variety improved somewhat in quality this season, but it is considered there is still a good deal of room for improvement before the New Zealand article attains to the degree of excellence maintained by French rennet casein, which supplies the highest class at