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potatoes, field-peas, and swedes. The entomological officers have secured and imported parasites which are hoped to prove useful in combating pear-midge, and further distributions of ladybirds to eradicate the so-called blue-gum scale have been made from time to time. The seed-testing branch has continued to carry out satisfactory work. A complete summary of the activities of this laboratory is given in the report of the Fields Division.

FRUITGROWING, HORTICULTURE, AND BEEKEEPING.

The officers of the Horticulture Division, which covers these activities, have had very busy year, particularly during the fruit-export season, the quantity of fruit coming forward for export in the 1926 season being greatly in excess of any previous year. The best possible supervision has been maintained as regards the quality of the fruit shipped, and growers generally have done their best to assist in this direction.

Notwithstanding the large quantity of fruit exported, the figures supplied show that there will still be sufficient for local requirements under present conditions. It is a matter for regret that some better methods of marketing local fruit have so far been unobtainable to any extent, and the unfortunate position still prevails under which the consumer who buys small quantities pays a relatively high price, while the net return to the grower is very small. This is a bad condition of things from more points of view than one, as there is no doubt but that if the consumer could obtain fruit at a cheaper rate the consumption in New Zealand would increase greatly, and the surplus needing to be exported, possibly at a loss, would be correspondingly reduced. An examination of the position does not appear to disclose that in any one phase of the handling of fruit between grower and consumer unreasonable profits are being made, but indicates that it is rather the system as a whole which is responsible. The position is certainly one calling for careful thought directed towards endeavouring to bring about an improved system of marketing which will reduce the intermediate charges and enable both producer and consumer to benefit.

One phase of the industry—namely, that of lemon-production—deserves special attention. Under present conditions growers of lemons find themselves very seriously handicapped by the competition brought about by imports, and while there may be instances where the New Zealand lemon is markedly inferior in quality to the imported article, there can be no doubt that a large quantity of good fruit is produced in the Dominion, and there should be a good market provided for it. Lemons can be grown well in some of the northern districts, and this branch of the fruit industry deserves the fullest consideration from the point of view of both merchants and retailers doing their best to assist growers in marketing their fruit to advantage.

Instructional officers of the Division find their time very fully occupied in advising fruitgrowers on various matters connected with their work, and it is very satisfactory to note the excellent feeling which exists between growers and the Department.

Considerable attention has been paid to the question of the cool storage of fruit, both as regards fruit held in the Dominion for local consumption and that shipped for sale abroad. The co-operation of the Biological Laboratory staff with the officers of the Horticulture Division, aided by the ready assistance, when needed, of growers and owners of cool stores, has enabled useful and progressive investigation work to be done. It is hoped that this may ultimately result in means enabling a greater quantity of apples to be kept in good condition for a longer period, thus lessening the necessity for importations of apples from the Northern Hemisphere and enabling New Zealand to be entirely self-contained in respect of her apple supplies.

The Te Kauwhata Horticultural Station has given a good result for the financial year, this being largely due to increased sales of wine. A considerable revenue is also derived from the sale of wattle-bark from the plantation on the property. Further information regarding this station is contained in the report of the Horticulture Division.

The Orchard-tax Act will automatically expire during the coming year, and it becomes a question as to whether it should be renewed. The establishment of the Fruit-export Control Board and the collection of a levy on export fruit by the Department have largely reduced the necessity for this tax, and it is doubtful whether its renewal is desirable or necessary.

The New Zealand Institute of Horticulture is making progress, but there is still a good deal to be done before it can be looked upon as being established on a sound and permanent basis. It undoubtedly has in it possibilities for being of great benefit to horticulture generally.

Tobacco-culture has made some development, and the manufacturing plant established in Hawke's Bay has provided a means for utilizing the leaf produced. Its possibilities in this respect, however, are for the time being limited, and it is proposed to make arrangements for sending to England the samples of New Zealand leaf with a view to ascertaining whether a market is obtainable there for any surplus not required or capable of being dealt with in the Dominion.