

VALUE OF EXPORTS.

Prices for both butter and cheese have been substantially lower than for the previous year, and despite the increased output the returns for these two main classes of dairy products show a decline of £390,725. Including butter, cheese, dried milk, casein, condensed milk, and milk-sugar, a total value of £15,232,471 was reached, as against £15,746,904 for the previous year—a total decrease of £514,433.

CASEIN.

The quality of casein continues to be of a uniformly high standard. Rennet casein commands a high market value, being particularly low in butterfat content. Quantities manufactured for export show a slight increase over the preceding year of 14½ tons, the figures being 1,613½ tons lactic and 151 tons rennet casein, as against 1,126 tons lactic and 624 tons rennet.

TESTING BUTTER FOR WATER CONTENT.

This work continues to be carried out with very satisfactory results, buttermakers having maintained a very even water content in their butter during the year. 133,206 churnings were tested, the average water content being 15.15 per cent. as against an average of 15.174 per cent. during the previous year. The number of churnings over the legal limit represent a percentage of 0.694, and these were returned to the dairy companies to be reworked with drier butter.

BRANDING OF DAIRY-PRODUCE WITH NATIONAL BRAND.

Soon after the Dairy-produce Control Board functioned consideration was given to the establishment of a national brand for creamery butter and factory cheese intended for export, and after collaboration with the Division it was finally decided that the time was opportune to institute a brand of this description for all “finest” and “first” grade creamery butter and factory cheese, as from August, 1926. Competitive designs were invited and a prize offered to the successful designer. The brand finally decided on took the form of a fern-leaf with the word “New Zealand” through the centre of the leaf, and replaced the factory brand through the centre of the usual circular impress die.

CREAM-GRADING.

Although the grading of cream and the payment of a differential price for different classes had extended on a voluntary basis during the year, the general position in many districts was still unsatisfactory. For some time the consensus of opinion amongst the majority of suppliers and those in control of dairy factories was that the grading should be made compulsory, and during the year the Department was requested to prepare the necessary legislation to give effect to this proposal. Regulations along this line were therefore gazetted on the 25th November, 1926, and became operative from that date. Two months' time was allowed dairy companies to appoint the necessary cream-graders. The Division fixed the standards for “finest,” “first,” and “second” grade creams, carried out the examination of all applicants, and issued certificates to successful candidates. To date, these certificates number 481. Generally speaking, dairy companies fell into line without any undue delay, and this new system is now working comparatively smoothly.

FARM DAIRY INSTRUCTION.

It is regretted that this work has had a temporary setback in so far as the number of Farm Dairy Instructors is concerned, there now being thirty-three of these officers, as against thirty-eight last year. Two new appointments were made during the season, and one dairy company terminated the official engagement of seven officers in order that work outside of the scope of the Division could be undertaken in addition to that of farm dairy instruction.

That this branch of the service is of inestimable value to the industry is evidenced by the advancement in quality of the dairy-produce manufactured by dairy companies employing an officer of this status. Now that cream-grading is in general operation, dairy companies would be well advised to give serious attention to the employment of these officers. The ideal method would undoubtedly be to make the work general throughout the Dominion on the block system, as in operation at present in the Manawatu and Palmerston North districts.

INSPECTION OF NEW ZEALAND PRODUCE IN GREAT BRITAIN.

This work is still being carried out by Mr. Walter Wright, with the assistance of Mr. A. C. Ross. Many reports have been received on the quality of dairy companies' exports, and copies of these have been forwarded to the factories concerned. Subjects of importance to the Division have also been fully reported on. The value of the work carried out by these officers is fully recognized by the industry.

PRESERVATIVES IN BUTTER.

Dairy companies are reminded that the use of preservatives in butter consumed in the United Kingdom will be prohibited as from the 1st January, 1928. The majority of dairy companies in New Zealand manufacture their butter intended for export free of boron compounds, and the period of grace allowed since this regulation came into force should enable those dairy companies which have been using preservatives to make the necessary adjustments in ample time.

DAIRY LABORATORY AND EXPERIMENTAL FACTORY.

When the previous annual report of this Division was prepared it was anticipated that before now the Division would have had in operation its bacteriological and chemical laboratories and small