

The latter supplier has generally managed to better his annual returns by pig-raising, but the price offering for pork has not given much encouragement. Although there has been an increase in the price paid for butterfat this season, still the low prices ruling in the 1926-1927 season are reflected in the present position of a number of suppliers, as these had to increase their indebtedness to merchants in the 1926-1927 season, and the reduction has to be met from this season's returns. The condition of the wool and fat-lamb market has been good, and pastoralists and sheep-farmers generally have had an excellent year. The general quality and weight of wool has shown an increase, which was reflected in the returns per sheep; and it is reported that this improvement has largely been assisted by the use of top-dressing by those on the low country. The prices for fat lambs have averaged about 4s. per head better than last season.

Owing to the dry condition, some settlers have found it necessary to use some of the turnips, &c., usually reserved for winter feeding; but against this a large amount of meadow-hay was saved in good condition, and the turnip crops look well, so there is every prospect of the coming winter being well provided for. Good grain crops have been general throughout the district, and the cutting and threshing of grass-seed has been carried out under the best conditions. There is every prospect of the grain-market being firmer than last season, and the price of fescue-seed is also reported to show every indication of a rise on last year's prices.

*Sawmilling.*—This industry has not been brisk. Heavy stocks are being carried, and few mills have worked up to their full cutting-capacity.

*Flax-milling.*—There is little movement to report under this heading, and the industry seems to have reached a point where there is no margin for the miller over cost of production, where the flax is difficult to get to the mill. Some fifteen mills are operating in Southland, and few of these are working full-handed. There are large areas of Crown lands near Invercargill which are considered unsuitable for farming, but with expenditure these areas might be found very suitable for the planting and growing of flax.

*Education Reserves.*—The passing of the Education Reserves Amendment Act, 1927, has given lessees of education reserves of rural lands an opportunity to convert their present lease to a tenure giving them perpetual right of renewal, also full protection for all improvements effected by the lessee. A number of tenants have made application under the legislation passed, one of the principal advantages gained being that the new lease gives better opportunity for financing.

*Conversions to Freehold.*—Seven sections, of a total area of 1,567 acres, were converted to freehold during the year.

*Crown Lands opened for Selection during the Year.*—Forty-one sections, comprising an area of 23,721 acres, were opened for selection during the year. Thirty-one sections were selected, with a total area of 19,551 acres. Also, thirty-eight miscellaneous leases were granted. The demand for unimproved land has not been in any way keen, and although there are a number of sections open in the Land Guide, comprising good bush lands partly improved, they do not seem to attract selectors. The selector of the present day does not seem inclined to take up a holding unless it is furnished with good gravelled road access or near a railway-station.

*Crown Lands to be opened for Selection.*—Eight sections at Gorge Road, in the Oteramika district, will be opened for selection at an early date; also sections in the Jacobs River district.

*Land Board.*—During the year twelve ordinary meetings of the Land Board were held, and a large amount of business transacted. As Chairman, I desire to thank the members of the Land Board for their co-operation and assistance in all matters coming before the Board.

*Revenue.*—The total revenue for the year amounted to £130,237, which shows an increase on last year. £66,134 was on account of interest and principal under the Discharged Soldiers Settlement Act.