main lines of production, an appreciable increase in butter more than counter-balancing a slight decrease in cheese. Our exportable surplus of butter and cheese has now reached the impressive quantity of 75,000 tons for each of these products. Dried milk and casein also showed increased production during the year. It is satisfactory to record that, following the preceding lean year, the financial returns to the industry were on a considerably higher level, and final payments to suppliers of consigning factories are likely to be still better in proportion, owing to the steady rising of market prices in the latter part of the season. The country's stock of dairy cows is again on the up grade in point of numbers, while herd-improvement activities are steadily gaining in volume and practical results.

The veal-export trade—in effect a subsidiary of the dairy industry—is now stabilizing on a good footing, and promises to become quite a large business, especially when combined with the value of the calf-skins. The manufacture of gelatine as a related industry is an important potential development which is now being investigated.

Pig-raising and pork-production are showing all-round expansion. The last statistical returns recorded a further large increase of pigs in the Dominion, and the season's exportation of pork, promoted by co-operative enterprise and assisted by a Government subsidy on the shipping freight, increased by nearly 70 per cent. Problems connected with the industry are now being attacked by trained investigators, and various practical measures for improvement in breeding, &c., are under way. This country, in short, has set out to win, on merit, a much larger share of the market for pig-products provided by the Motherland.

The chief feature of the arable cropping section was a substantial increase in the area under wheat, combined with a very high average yield. At over 38 bushels per acre, a total yield of some ten million bushels seems assured when threshings are completed, which would render the Dominion more than independent of wheat importations for some time to come. Among other cereals somewhat heavy shrinkages were recorded in the area of oats and barley, though satisfactory per-acre yields were secured. Maize remained practically stationary.

The fruitgrowing industry excelled itself during the year by exporting for the first time in its history over a million packages of apples and pears, besides making due provision for domestic consumption. The British market, however, has not given such good returns as in the preceding season, when a smaller yield was compensated by exceptionally favourable prices. Under good organization, however, the industry is facing the future confidently.

As regards the poultry industry, the export of eggs is being resumed this year with financial support from the Government, taking the form of a guaranteed return to produce-shippers. Poultry-keeping as a side-line for our small farmers and farm workers has great possibilities, and the industry is worthy of every attention.

A good honey crop was secured by beekeepers in general, and the exportable surplus of this product seems likely to increase. In line with the Government's policy of promoting the smaller rural industries, it has been decided to also extend financial support to the beekeeping industry in connection with the export trade, and arrangements are now in hand. Special encouragement is being given to small culture in various other directions—for example, by the introduction of better species of mulberry-trees for sericultural purposes. With the steady growth of our population these minor rural activities are every year gaining in extent and scope. The development of a strong force of small-holders in this country—complementary to the larger-scale rural industries—is eminently desirable.

The hemp (phormium fibre) industry of late has had to meet much less favourable market conditions than have prevailed for a considerable time, and production has also shown some shrinkage. However, with the help of certain economic adjustments, scientific research, and more general improvement in milling practice—all of which factors are receiving attention—a return to prosperity may be confidently anticipated.

Matters connected with artificial fertilizers were again to the fore. The price-cutting war between rival manufacturers, referred to in the last annual report, came to an end during the year. Under the agreement between the parties the price of superphosphate was raised to a point about midway between the old and