

to be largely by way of decreased costs of production and improved quality of products. Relative to these a good deal is already in the hands of the industry itself, and in this connection it seems noteworthy that, despite the generally recognized advisability of national farm-dairy instruction, only eighty-four of a total of 368 dairy companies operating in the Dominion are at present co-operating with the Department in the employment of farm-dairy Instructors. Some other important matters bearing on quality and costs call for specialized effort beyond what can be undertaken by practising farmers. These matters include disease of dairy stock and the manufacturing and marketing of produce. The Department is concentrating much effort on both the control of stock-diseases and on manufacturing processes in respect to which the special investigation in cheese-manufacture at Rukuhia may be cited.

The economic importance of the diseases of dairy-stock may be measured from the fact that the annual losses occurring in the Dominion from mammitis and from reproductive troubles are very heavy. That such serious losses are far from peculiar to New Zealand dairying is indicated by the standing committee of the Council of Agriculture for England, which, in a report published in July, 1935, showed a heavy incidence of contagious abortion and mastitis. These have been and continue to be the subject of much investigation overseas, the results of which are followed closely by New Zealand veterinary workers, who also, as indicated in the appended report of the Director of the Live-stock Division, have been actively investigating mammitis and reproductive troubles in New Zealand.

THE SHEEP-FARMING POSITION.

The markedly buoyant condition of sheep-farming in 1934 was replaced by a much less satisfactory one in 1935. The change was due primarily to the great change in the price for wool. The quantity exported during the year ended 30th June, 1935, fell by 239,633 bales (29 per cent.), and the average declared value per bale (£10 17s. 2d.) was 33 per cent. less than the previous year's figure of £16 3s. 2d., with the result that the declared value of wool exported in the year ended 30th June, 1935, was less by £6,959,665 than in the corresponding previous year. On the other hand it has been computed by the Census and Statistics Office that the quantity of wool in store in New Zealand at 30th June, 1935, represents approximately 87,300,000 lb. in the grease, as compared with 49,800,000 lb. at 30th June, 1934, and 78,600,000 at 30th June, 1933.

Statistically the world wool position appears distinctly satisfactory from the viewpoint of producers. While estimates of the world sheep population may be far from accurate, it is noteworthy that recent decreases in the flocks of the major sheep-producing countries have been observed in almost every case. On the other hand the sheep population of New Zealand has increased in both 1934 and 1935, so that at 30th April, 1935, it is 29,078,678, compared with 28,649,038 at the same date in 1934: the 1935 total is only about 6 per cent. lower than the peak-level attained in 1930. Further, statistics indicative of the stocks of wool on hand in the principal consuming countries point to lower totals than at the corresponding times last year—*e.g.*, stocks of wool in warehouses in the principal ports in the United Kingdom totalled 165,000,000 lb. at 30th April, 1935, compared with 215,000,000 lb. at the same time last year, and stocks of raw wool in Japan at the end of February, 1935, were 45,800,000 lb., whereas at the same date in 1934 they were 60,000,000 lb. Finally, data relative to the trade in woollen goods are encouraging to producers. Though returns compiled by the British Board of Trade reveal slightly decreased activity in the woollen and worsted and hosiery trades in the first quarter of 1935, compared with the position in the corresponding period last year, the exports of woollen goods during the five months ended 31st May, 1935, were higher on the average than during that period of 1934. Activity in the woollen-manufacturing industries in the United States recently has increased substantially, but this is offset by the fact that in France and Germany it is at a lower level than was the case last year. The export trade of Japan in woollen goods has increased substantially during the past year.

The generally favourable weather prior to shearing was reflected in the condition of the wool-clip, in which there was more combing wool than in the previous season. The "binning" by wool-brokers of the wool of owners of small flocks, which is becoming standard practice, is justified by the results.

The serious decrease by over half a million in breeding-ewes in 1932 was followed by an increase of 146,637 in 1933, and another increase of 361,729 in 1934. Interim figures give an increase of 237,493 in 1935, resulting in a total of 17,808,919 breeding-ewes at the 31st April, 1935—the highest number ever recorded. The estimated average percentage of lambing in 1934 (89.24 per cent.) was slightly less than in 1933 (89.82 per cent.), but appreciably above the average of the twelve-year period ending 1934.