

season, 1,268,571 cwt. My suggestion is that the British Government did not pay a price for butter on a parity with the price for cheese, and that our milk-supply was being diverted from the making of butter to cheese to such an extent that our butter graded has shown the reduction evidenced by the figures.

3. *Right Hon. Mr. Massey.*] The production of dried milk would cut into butter, would it not?—Yes, to some extent.

4. *Mr. McCombs.*] Have you the figures in support of the statement that a parity was not paid?—Yes, you could easily get that.

5. *Right Hon. Mr. Massey.*] I think it ought to be explained that the demand for cheese was on account of the fact that cheese was the army ration during the war, while butter was not?—Yes, that is so. In addition, there is the statement that the increased price which the British Government is offering this season is due to the fact that they wish to encourage the production of butter. The retail price of the imported butter in England is, I understand, 3s. per pound. The Home make was 3s. 6d. in June last; and Sydney (New South Wales) butter, 2s. 10d. cash over the counter, and 2s. 11d. booked and delivered. I expected to have the prices from Montreal and New York this morning, but some delay has taken place in getting them. The matter of the cost of production is one in which I have been interested since we started the cow-testing associations. I wish to say that in 1917 the Chicago Milk Commission made an investigation into the price of milk for the supply of Chicago. That investigation showed that the farmers were receiving 2 dollars 60 cents per 100 lb. when the cost of production was 3 dollars 28 cents. The Commission determined that the dairy-farmer was not only entitled to interest on his investment and the value of his labour and all costs, but that he was also entitled to 10 per cent. profit on his costs as recompense for his venture. Mr. Stone has given the Committee a lot of figures with regard to particular dairy farms. I have been in touch with that evidence, or the data on which Mr. Stone gave his evidence. I may state that many of those dairy-farmers which Mr. Stone's figures referred to are men who are producing butterfat at a less cost than a lot of others from whom I could not get figures. We could only get the figures from a number of the men who were written to for balance-sheets. We communicated with the secretaries of the dairy companies asking them to give us the names of a number of those likely to be able to supply figures, and it was through that channel that we got the names of the men who supplied the figures. Now, I have been going into the question of the cost of cow-keep for some years. I have a table here which is an estimate made out on the basis of certain farm figures, and it was checked from district to district by the experience of prominent dairymen in the district as to what they consider would be the rate for their own district. I am only submitting this table as an estimate of about the average conditions. I have taken the figures for the 1914-15 season and the 1919-20 season, the latter being based on the cost of the land bought during the last two years. Then I have shown the cost of keeping the average dairy cow in 1914, the charges for a number of items which the dairy-farmer has to buy, and in 1919-20 the charges and the increases. Taking the figures which have been submitted by me, I have shown the increase in wages is estimated at 66 per cent. In regard to the labour item in each of the statements, I have allowed 8d. an hour for labour in the 1914 season, and 1s. per hour for the 1920 season—an increase of 50 per cent. as against the 66 per cent. which the farmer has to pay. The price of land has increased since 1914-15. A man had then to invest about £90 in land per cow, and during the last few seasons for a cow of the average production he has to invest about £150.

6. *Mr. McCombs.*] What would you show the interest as in the one case?—I showed the interest as £5 8s. on the £90, and £9 on the other. There is an increase of 66 per cent. in labour, and an increase of 66 per cent. in the price of land according to the figures I have prepared. Then, for casual labour the returns which I have received show 1s. per hour in 1914 as against 2s. 6d. in 1920. Now, I would like to point out that this table of the cost of cow-keep cannot be taken as applying to cows with productions which are very much above what I have indicated. I have gone up to 220 lb. of butterfat per cow. When you get up to 250 lb. per cow the aggregate cost of cow-keep will be higher, because it is necessary to have better land. I have in my comparison taken the cow at 180 lb. For all cows, in milk and dry, 180 lb. is perhaps a liberal estimate for the production per annum. The estimated cost of producing a pound of butter in the 1914-15 season was 16·5d. per pound, and the factory paid 13·5d. per pound, showing a loss of 3d. per pound. That is the average pay-out at quite a number of the butter-factories, and for the last season the average price received from the factory was 19·4d., and the estimated cost of producing butterfat from the 180 lb. cow was 2s. 4d. per pound. The farmer was actually losing more money last season than in 1914 on those figures. The complete statement I have prepared is as follows:—

APPROXIMATE ANNUAL COST OF KEEPING AND MILKING A COW; THE RESULTANT COST OF PRODUCING BUTTERFAT IN NEW ZEALAND: SEASON 1914-15.

Labour—	£	s.	d.	£	s.	d.
Per cow per annum—say, 150 hours at 8d.	..	..	..	5	0	0
Feed—						
Grass from £90 worth of land per cow—rent or interest at 6 per cent. . .	5	8	0			
Extra winter feed—food for two horses, and regrassing and artificial fertilizers (per cow)	1	2	6			
Rates and taxes on land grazing one cow, varying in districts to 15s. (say) . .	0	10	0			
				7	0	6
Herd upkeep—						
Interest on cow worth £8 10s. at 6 per cent.	0	10	2			
Loss from deaths and diseases	0	12	4			
				1	2	6
Milk-delivery—						
Interest on money invested in horse, cart, and harness; depreciation, repairs, and renewals on same; horse-shoeing and upkeep of tinware—						
for average-sized herd of 30 cows, £11 10s. Per cow . .				0	7	8