

“Statement of Cost of Production of Butterfat.”

“The figures hereunder are based on the value or cost of the land required to carry one cow as being £120. It will be found, however, that in a great many of our principal dairying districts this amount is altogether too low, the prices now being paid being in many cases up to £250, and the average price to-day is probably at least £180 for the required area. It must also be borne in mind that this price of £120 is less than the prices paid for dairying-land by large numbers of returned soldiers who will have to depend solely for their living on the return they obtain from these farms.

“The average production of butterfat per cow is set down at 180 lb. per annum, although the official figures state it to be only 161 lb.

“The items of expenditure are all well within reason, and are not intended to cover extraordinary losses of stock caused by unduly severe climatic conditions, which sometimes wipe out as many as one-fourth of the whole herd, or from disease or from calving troubles. No allowance has been made for depreciation of farm buildings, or for repairs, painting, insurance, or any other cost relating thereto. No allowance is made for the annual expenditure incurred in keeping down noxious weeds, which in many of our dairying districts are the cause of largely increasing the cost of working the farms.

“For a farm to carry thirty-three cows and other necessary live-stock, the following would be the approximate capital expenditure:—

	£
Land (including buildings)	4,000
Thirty-three cows at £25	825
One bull	25
Two horses	60
Cart, harness, cans, and general farming implements	190
Total	£5,100

“Annual cost:—

	£
Interest on capital cost at 6 per cent.	306
Rates and taxes	40
Manure and seeds	60
Fencing-material	35
Repairs and upkeep	25
Renewals of herd	80
Labour—one man at £3 10s. per week and £1 10s. for keep	260
One boy at £3 per week for forty weeks	120
	926
Less value of by-products (calves and pigs) at £4 per cow	132
	£794

“The total annual production of the thirty-three cows at 180 lb. each would be 5,940 lb. of butterfat, and at the above figures this works out at a cost of 2s. 8d. per pound of butterfat.”

I might mention that the amount put down for the item “Cart, harness, cans, and general farming implements”—namely, £190—is very low.

4. Do you know anything about the figures contained in the statement that would enable you to give evidence on behalf of Mr. Morton?—Those are Mr. Morton’s figures, and they were typed in my office, but I know nothing beyond the figures.

5. *Mr. Powdrell.*] You can say that those figures represent Mr. Morton’s experience of his own herd?—Absolutely.

6. *Mr. McCombs.*] Does that statement purport to be a balance-sheet in connection with a man’s farm?—Yes, his own farm.

7. Everything is in round figures?—Well, from my knowledge of the cost to-day of material wanted for working on a farm I consider, although I am not farming myself except through my sons, that the estimates there given by Mr. Morton of the cost—

8. They are estimates?—The actual figures there put down by Mr. Morton are far below what would be the actual cost of those things.

9. *Mr. Kellett.*] But they are only estimates and not absolute figures in regard to the transactions?—

10. *Mr. J. R. Hamilton.*] Are those the actual figures of the cost of running his farm, or only estimates based on his experience?—I believe they are the actual cost of running his own farm.

11. *Mr. Powdrell.*] Is it not a fact that in assessing the value of cows a man can only assess them at £25? For instance, bulls vary?—I want to say in connection with that, that supposing, for instance, Mr. Morton has bred some of those cows he is milking to-day, would you say that is not the value of them if put into the market to-morrow if they brought £40? Before you put any questions to me, I just want to say this for the assurance of the Committee: that Mr. Morton is absolutely a straightforward and honourable man. I am only sorry that he is unable to be here this morning to back up his own figures. The figures he has given, I am convinced in my own mind, are absolutely accurate and his own working-expenses. In questioning me you will be asking me on that balance-sheet to criticize my chairman’s figures.

12. *Mr. Kellett.*] We are not doubting his figures?—No.

13. *The Chairman.*] The point is that with your knowledge of farming and your knowledge of that statement, after conversation with Mr. Morton you may be able to answer any questions put to you by the Committee. If you would rather not you need not do so?—I quite understand that.