Mr. E. J. FAWCETT examined. (No. 8.)

The Chairman.] What is your full name, Mr. Fawcett ?—E. J. Fawcett.

And your official designation ?—Farm Economist, Department of Agriculture.

You wish to give evidence before this Committee ?—Yes, with respect to the poultry industry.

So far as wheat is concerned with the poultry industry and other particulars ?—Yes.

Will you proceed with your statement ?—Well, gentlemen, so far as the poultry industry is concerned, in association with the wheat industry, I may say that the poultry industry is in value to the Dominion—that is, to the farmers of the Dominion—practically as valuable as the wheat industry is to the farmers who grow wheat. In other words, the poultry industry is valued at the present time at about £2,500,000 to the farmers, and the value of the wheat industry to the farmers is approximately the same. Therefore the poultry industry is an important thing in New Zealand economics, and as such should be considered. So far as the consumption of wheat and wheat by-products is concerned, so far as we can see, the poultry industry consumes approximately two million bushels of wheat per year, besides other products. The total number of poultry in New Zealand is approximately four million birds. In those flocks where poultry-farming has become specialized, or partly specialized, the practice is to feed approximately a bushel of wheat per bird and about $\frac{3}{4}$ bushel of other feed. The value of wheat needed for such poultry works out at about 10d. per dozen eggs produced. But as there are four million birds and only approximately 2,000,000 bushels of wheat used, it means that a great proportion of the poultry do not receive that ratio. In other words, farmers have poultry running on open range and as a side-line to farming, and the amount of wheat consumed is not so great. The North Island is at a disadvantage so far as poultry-production is concerned, it being farthest away from the food-supply. The interesting point, however, is that the North Island market is a better one than the South Island market, this being due to the intensity of poultry in the two Islands. The average intensity of all birds over the whole of New Zealand is approximately 2·78 birds per head of population. In the North Island the intensity is 2·56, and in the South Island 3·16. Therefore you naturally get a movement from the high-intensity areas to the low-intensity areas, the low-intensity areas offering the best market. Wellington, therefore, is the best market in New Zealand for poultry products. On the other hand, the prices right throughout the North Island do not compensate for the extra prices paid for wheat in the North Island. I have a rough draft here, which I would like to pass round to members [diagram passed round], which shows that as the price of wheat rises there is an accompanying rise in the price of eggs. That is consistent in the four centres, and therefore it would appear that so long as the prices in the two Islands are uniform, as wheat-prices rise or fall there will be an accompanying rise or fall in the price of eggs. You will notice by that diagram that that is carried out fairly consistently. But, as I say, the North Island is under that disadvantage as compared with the South Island, and if the price of wheat in the North Island were reduced there would undoubtedly be an increased production of poultry products in the North Island. But at the present time, unfortunately, it would not be economic to do that, because we are in a state of overproduction anyhow ; and the poultry industry appears to be on the downward swing at the present time. That will mean a reduction of the number of birds, which will bring about a consequent rise in prices within probably the next two years. As I say, there is an overproduction at present as compared with what there was last year, and the Government has been called upon to subsidize the poultry industry on its export of eggs, and that will have to continue, or else a reorganization will have to take place within the poultry industry to allow of the marketing of all our poultry products within New Zealand. That undoubtedly seems to be the proceeding which must take place. There must be a reorganization within New Zealand, so that we can consume locally the whole of our eggs which are fit for consumption, and probably raise the consumption per head of population. If we can do that, then the problem of the disparity in the price of wheat and eggs in the North Island and the South Island would disappear.

Hon. Mr. Forbes.] You say that the wheat ration for the fowls would amount to 10d. per dozen eggs ?—Yes ; that is with wheat at 7s. 6d. per bushel. That is the price in the North Island. They pay a little less in the South Island.

In addition to that you have to add the cost of other grain used ?—Yes. That is in addition to the bushel of wheat.

What would that make the cost of the eggs ?—There are two specific types of poultry-keepers : one is the person who specializes in poultry and has to buy everything for the poultry, and the other is the person who keeps fowls and lets them run on open range, and therefore does not have to buy so much feed as the specialist. For every bushel of wheat the specialist uses you would have to add 3s. or 4s. worth of other products.

So that would make the cost of the eggs 1s. a dozen ?—It is easily 1s. a dozen.

That would be 1s. for the cost of food per bird per dozen eggs ?—Yes ; I should say it would cost all of that.

What difference would it make in the cost of the production of eggs if the price of wheat was reduced by 2s. per bushel—from 7s. 6d. to 5s. 6d. ?—A reduction in the price of wheat of 1s. per bushel would approximately make a difference in the cost of producing eggs of $1\frac{1}{2}$d. per dozen : every 1s. reduction would do that. Of course, that is in cases where they are feeding a bushel of wheat per bird.

That would be in cases of what we would call commercial poultry farming ?—Yes. That is putting the average production down at nine dozen eggs per bird. With the specialist poultry-farmer the production would range from eight to fourteen dozen, with a predominance on farms within the lower range.

That is the average ?—Yes, I have taken that over the whole of New Zealand. The professional poultry-keeper perhaps gets a little higher than that.

That would reduce the cost of producing the eggs ?—Yes, that would reduce further the cost per dozen of eggs on those farms producing more than nine dozen eggs per bird, and would also reduce the difference in cost for any reduction in the price of wheat per bushel.