

Work undertaken during 1935-36.—Generally, the programme relating to building, fencing, and clearing was proceeded with satisfactorily, more especially towards the close of the season, due to there being more fencing material available and to the increase in wages. During the year 126 acres of gorse were grubbed, 114 acres were cleared of blackberry, 21 acres were ploughed, and 9 acres sown in turnips. Repairs to 100 chains of fencing were completed and 302 chains of new fences were erected. A water-supply service for cottages and milking-sheds has already been established, and this is extended from time to time as required. No work of this nature was carried out last year, but all sections have a sufficient supply of water for stock.

Particulars of Live-stock at 31st March, 1936.—The stock owned by the units comprise 24 bulls, 601 dairy cows, 137 springing heifers, 142 yearling heifers, 38 horses, 16 rams, and 686 ewes. In addition, stock charged to the scheme, but not yet allocated to the settlers, includes 8 bulls, 903 ewes, 18 rams, and 7 horses. The carrying-capacity of the land in pasture is a beast to $2\frac{1}{2}$ to $3\frac{1}{2}$ acres, together with 1 sheep to the acre.

Sheep.—The ewes continue to check the growth of ragwort on the scheme area, and the year's operations have shown a small profit. The grazing of sheep on this area must necessarily be maintained and extended wherever possible on account of ragwort. Several of the units have been supplied with sheep with satisfactory results. Sales for the year were as follows: 19 bales wool, £170; 621 lambs, £458; 1,392 ewes, £1,208; 19 rams, £86.

Cattle.—The dairy cows and young stock came through the past season quite well, and all are in good condition and should winter satisfactorily.

Dairying.—Butterfat returns for units: Finest grade, 6,648 lb. (11.25 per cent.); first grade, 28,717 lb. (48.55 per cent.); second grade, 23,763 lb. (40.20 per cent.): total, 59,128 lb.

The past year from a butterfat producing point of view was not as successful as anticipated, the early part of the season and the autumn not being favourable.

The dairy cows did not respond as was expected, but the fall in production is not attributed entirely to this cause, the need of closer supervision of the units' operations being a contributing factor, and this will be given special attention in the future. A further important factor in the heavy fall in the percentage of finest grade was the disruption of the daily cream service owing to the closing of the Wanganui River road. The river service boats make the down trip on Monday, Wednesday, and Friday only, thus necessitating the holding over of each alternate day's cream production, and in some instances the mixing of two and three days' cream. The grading consequently suffered.

From a chart showing the total number of pounds of butterfat produced by Ranana units the following figures have been extracted: 1930-31, 41,053 lb.; 1931-32, 47,006 lb.; 1932-33, 65,786 lb.; 1933-34, 67,946 lb.; 1934-35, 62,461 lb.; 1935-36, 59,128 lb.

From the inception of the scheme until the end of the 1934-35 season there has been a continual increase in the percentage of finest grade and a large decrease in second grade, while first-grade butterfat showed a decline corresponding largely with the increase in finest. From graphs prepared, the violent fluctuations in this season's gradings, due to dislocation of the daily cream service, have been clearly indicated.

Buildings erected.—These comprise six cottages (22 ft. by 10 ft.) of two rooms and porch, and one milking-shed. More cottages, and additions to cottages, will be made during the coming season. The health of the people in the scheme area is of the utmost importance, and better living conditions are reflected in the general improvement of the health of the community.

State of Areas.—The new pastures are holding well, and the old pastures on the whole are in fair order. The subdivision of the various holdings into smaller paddocks assisted towards better grazing methods, but top-dressing and resowing in parts will be required to revive the old pastures.

Units and Advances.—The number of dairying units are twenty-five, who are supporting fifty-three adult and sixty-nine minor dependants. Advances from development funds at 31st March, 1936, amounted to £12,742 (principal, £12,383; and interest outstanding, £359).

Unemployment Subsidies.—The sum of £1,077 was expended from unemployment funds in respect of the following works: fencing, gorse-grubbing, scrub and blackberry cutting, erection of buildings, and miscellaneous works.

Living Quarters and Health.—The improvement effected during recent years has been maintained. The erection of two-roomed cottages (with privies), in place of punga whares and shacks, has vastly improved the living conditions and health of the inmates. The improved water-supply has also contributed to this general uplift, but much yet remains to be done and will be attended to gradually.

People and Hapus.—The improvement in the general outlook of the people (Ngati-Ruaka and Ngati-Hau hapus) since the inception of the scheme has been maintained. They continue to exercise a keen interest in the work, and are anxious to see that their scheme is a success. The Whanganui tribe as a whole is maintaining its interest in the progress of the scheme, which, with the Morikau farm, is the only area of any extent available for the maintenance of its mana and the settlement of its young men on the land.

Outlooks and Prospects for coming Season.—The prospects for the 1936-37 season appear bright, and increased production is anticipated. Negotiations are in train for a speeding-up of the cream service. The steady progress of recent years has been maintained and, if it were not for a shortage of labour in the scheme area, the progress would be accelerated. Despite the increased rates of pay offering for those engaged on public works, &c., there appears to be no inclination on the part of the settled units to leave their holdings.