Live-stock on the scheme as at the 31st March, 1937, comprised 33 bulls, 836 cows, 162 heifers, 147 heifer calves, 29 working bullocks, 54 working horses, 9 steers or unbroken bullocks. All live-stock on the scheme is in good condition, and very few were lost through ragwort poisoning.

The grading of all cream supplied to the factory has been uniformly good, although a fairly large quantity of only first-grade cream was supplied during the early part of the season. This may be attributed rather to feed flavours than to lack of cleanliness as there is a distinct improvement in the standard of cleanliness maintained by settlers. The following is a statement of butterfat supplied for the year ending the 31st March, 1937, showing the average and value per cow, together with a comparative table for the preceding four years:—

	Year.		Total Butterfat.		Number of Cows milked.	Average per Cow.	
, , , , , , , , , , , , , , , , , , , ,	·	<u> </u>	lb.	· £		lb.	£
1936–37			129,718	7,122	757	171.4	$9\cdot 4$
935-36			118,998	4,632	671	176.6	6.9
934-35			76,739	2,482	507	151.0	4.9
933-34			94,038	3,479	631	$149 \cdot 0$	$5.\overline{5}$
932 - 33			81,407	3,164	499	$163 \cdot 0$	$6 \cdot 3$

The water-supply system for this scheme provides adequate and efficient service, particularly for those settlers in the central areas. Two small supplementary systems will require to be installed in the near future in order to provide supplies of water for settlers at either end of the scheme whose present supplies are inadequate. The situations of these holdings render their connection with the main supply excessively costly.

Six cottages and four cow-sheds are in the course of erection, and the building programme for the coming year provides for the erection of twelve cottages and eleven cow-sheds, with alterations to four existing houses. With the completion of this programme the majority of the settlers within the scheme will be comfortably housed and have proper milking facilities.

As previously mentioned, there is a high incidence of ragwort within the scheme. This is most prevalent on lands adjacent to the Torere River as the result of reseeding from major floods. Systematic control treatment with sodium chlorate and lime has been undertaken, and the situation is improving.

Work carried out during the year is as follows: 580 chains of boundary and subdivisional fencing have been erected or heavily renovated, and of this work, 273 chains were carried out by settlers; 2,550 posts and 8,100 battens were split and packed out on to unit properties; 26 chains of new drains were opened and 63 chains were cleaned and deepened; 147 acres of scrubbing and stumping were done by means of unemployed labour and 29 acres done by settlers, a total of 176 acres cleared for the year; 111 acres were ploughed, and of this area 32 acres were sown in green feed to be reploughed in the autumn, and the balance sown in permanent pasture.

Generally, the standards observed by the settlers on this scheme are high, and there is an indication of keenness to progress and to take advantage of the opportunities offered in the development of their lands. The foreman is a practical farmer and carries out his duties efficiently.

Waiohau.

Good progress has been maintained during the year in the development of this scheme, which comprises a total area of 7,425 acres situated on the Rangitaiki River, some twenty-eight miles inland from Whakatane. The area in permanent pasture is 410 acres, in rough feed 100 acres and in turnips 120 acres, whilst the total area sown during the period under review was 250 acres. There are fifty-one adults and fifty-five minors dependent on the scheme.

The season has been ideal for this class of country. There has been an abundance of feed throughout the year. With improved consolidation the pastures will become more dense and produce a better sward. All pastures have been top-dressed with 3 cwt. of superphosphate and present a good appearance. Good crops of hay have been saved from each unit farm in addition to two large stacks for general scheme use. The turnip crop, although badly checked by the white-butterfly pest in the early part of the season, recovered well and produced a fair average yield.

Settlers' live-stock on the scheme comprised 6 bulls, 165 cows, 85 heifers, 20 heifer calves, 473 wethers. In addition, 342 wethers and 847 hoggets from the Ngatiawa scheme are being grazed, temporarily.

Three dwellings and six sheds were erected on the scheme during the year.

Ragwort and gorse are the principal noxious weeds to be contended with, and both these are kept under control.