

The uplift in the morale and general outlook of the people was immediate, and this improvement still continues. They have always manifested a keen interest in the progress of the scheme and are most anxious to make it a success.

The plan of work laid down for the year 1936-37 was proceeded with satisfactorily, with the exception that, owing to the great difficulty in obtaining supplies of posts and strainers, the fencing programme had to be curtailed. However, arrangements have since been made to manufacture concrete posts on the scheme, and this will greatly relieve the position in the future. During the year 153 acres of gorse and 110 acres of blackberry were cleared, 58 acres were grassed, 71 acres of turnips sown, 109 chains of roads repaired, 185 chains of new fencing erected and 279 chains repaired, and 2 cottages and 1 cow-shed were erected.

It is essential on this scheme to carry sheep for the purpose of checking the growth of ragwort. The sheep on hand as at 1st April, 1936, totalled 921, and 2,462 were purchased during the year. A number of units were also supplied with sheep and, with the high prices ruling, these farmers had a successful season.

As the result of culling the dairy herds, the total butterfat produced showed a decline compared with the previous season, the quantity for 1936-37 season being 54,631 lb., compared with 59,128 lb. for 1935-36. However, the gradings showed a distinct improvement, as the following schedule shows:—

				1936-37. Per Cent.	1935-36. Per Cent.
Finest grade	..	..	..	13·66	11·25
First grade	..	..	..	63·54	48·55
Second grade	..	..	..	22·80	40·20

The live-stock tally at 31st March, 1937, was 655 cows, 276 other dairy stock, 2,000 sheep, 48 horses, 40 bulls, and 84 pigs. The cash receipts for the past year comprised: Butterfat (Department's proportion one-third), £1,088; wool, £755 from a clip of 10,087 lb.; cattle sales, £128, and sheep sales, £1,667; and sundries, £289.

There are 25 units established on definite holdings, and the additional number of men now working on the scheme is 151, which, together with the 286 women and children, gives a total of 462 persons dependent on the scheme.

Once again the river road was impassable for almost the whole of the milking season, and this had its effect on the gradings, as only three collections per week were possible.

The prospects for the 1937-38 season appear very bright, and it is confidently expected that, with the closer supervision now possible, this scheme will show improved returns.

Whangaehu.

There is at present only one unit on this scheme, occupying an area of 77 acres situated in the Whangaehu Valley, about one mile from the Whangaehu Railway-station and half a mile from the local dairy factory. Although negotiations to obtain the consent of the owner of this section and the nomination of a unit were finalized prior to the close of the year under review, the scheme was not actually gazetted as subject to development legislation until 9th April, 1937.

The land comprises rich alluvial flats, which in the past have been subject to flooding. However a large drain now in course of construction will in future carry away all flood-waters and thus greatly increase the carrying-capacity of the land. Work on this drain did not commence until March, 1937, and, apart from this, no development has yet been commenced. There are great possibilities in this area, and the unit and her husband are most anxious to make a success of this scheme, which is the first in this locality.