20. Implements, &c. 0 · 267 21. Farm buildings 0 · 183 22. Milking plant 0 · 247 23. Horse 0 · 129 24. Tractor and/or truck 0 · 139 25. Total depreciation (items 20 to 24) 0 · 965 26. Insurance (labour and fire, &c. (excluding house)) 0 · 059 27. Telephone 0 · 008 28. Rural delivery 0 · 008 29. Subscription to farmers' organizations 0 · 020 30. Accounting-expenses 0 · 016 31. Truck and/or car registration, and drivers license 0 · 051 32. Car expenses (for farm use only) 0 · 188 33. Other sundries 0 · 030 34. Herd-testing and calf-marking 0 · 079 35. Rates 0 · 376 36. Land-tax 0 · 014 37. Sundry overhead expenses (items 26 to 36) 0 · 910 38. Cow and pig food, &c., purchased 0 · 965 Main-working-expenses (items 20 to 24) 0 · 965 Sundry overhe		Depreciation—							Butter.	$\begin{array}{c} \text{Cheese.} \\ \mathbf{d.} \end{array}$
21. Farm buildings 0·183 0 247 0 22. Milking plant 0·247 0 0 129 0 23. Horse 0·129 0 0 129 0 0 129 0 0 129 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	20.	Implements, &c.								0.257
22. Milking plant 0.247 0 23. Horse 0.129 0 24. Tractor and/or truck 0.139 0 25. Total depreciation (items 20 to 24) 0.965 0 26. Insurance (labour and fire, &c. (excluding house)) 0.059 0 27. Telephone 0.069 0 28. Rural delivery 0.008 0 29. Subscription to farmers' organizations 0.020 0 30. Accounting-expenses 0.016 0 31. Truck and/or car registration, and drivers license 0.051 0 32. Car expenses (for farm use only) 0.188 0 33. Other sundries 0.030 0 34. Herd-testing and calf-marking 0.079 0 35. Rates 0.376 0 36. Land-tax 0.014 0 37. Sundry overhead expenses (items 26 to 36) 0.910 0 38. Cow and pig food, &c., purchased 0.965 0 Main-working-expenses (items 20 to 24	21.	Farm buildings								0.167
23. Horse 0·129 0 24. Tractor and/or truck 0·139 0 25. Total depreciation (items 20 to 24) 0·965 0 26. Insurance (labour and fire, &c. (excluding house)) 0·059 0 27. Telephone 0·069 0 28. Rural delivery 0·008 0 29. Subscription to farmers' organizations 0·020 0 30. Accounting-expenses 0·016 0 31. Truck and/or car registration, and drivers license 0·051 0 32. Car expenses (for farm use only) 0·188 0 33. Other sundries 0·030 0 34. Herd-testing and calf-marking 0·079 0 35. Rates 0·376 0 36. Land-tax 0·014 0 37. Sundry overhead expenses (items 26 to 36) 0·910 0 38. Cow and pig food, &c., purchased 0·277 0 Main-working-expenses (items 1 to 18) 2·917 2 Main-working-expenses (items 20 to 24) 0·965 0 Sundry overhead expenses (items 26 to 36) 0·910 0	22.	Milking plant								0.197
24. Tractor and/or truck 0·139 25. Total depreciation (items 20 to 24) 0·965 26. Insurance (labour and fire, &c. (excluding house)) 0·059 27. Telephone 0·069 28. Rural delivery 0·008 29. Subscription to farmers' organizations 0·020 30. Accounting-expenses 0·016 31. Truck and/or car registration, and drivers license 0·051 32. Car expenses (for farm use only) 0·188 33. Other sundries 0·030 34. Herd-testing and calf-marking 0·079 35. Rates 0·376 36. Land-tax 0·014 37. Sundry overhead expenses (items 26 to 36) 0·910 38. Cow and pig food, &c., purchased 0·277 Main-working-expenses (items 1 to 18) 2·917 Total depreciation (items 20 to 24) 0·965 Sundry overhead expenses (items 26 to 36) 0·910	23.	TO THE STATE OF TH								0.146
25. Total depreciation (items 20 to 24) 0.965 0 26. Insurance (labour and fire, &c. (excluding house)) 0.059 0 27. Telephone 0.069 0 28. Rural delivery 0.008 0 29. Subscription to farmers' organizations 0.020 0 30. Accounting-expenses 0.016 0 31. Truck and/or car registration, and drivers license 0.051 0 32. Car expenses (for farm use only) 0.188 0 33. Other sundries 0.030 0 34. Herd-testing and calf-marking 0.079 0 35. Rates 0.376 0 36. Land-tax 0.014 0 37. Sundry overhead expenses (items 26 to 36) 0.910 0 38. Cow and pig food, &c., purchased 0.277 0 Main-working-expenses (items 1 to 18) 2.917 2 Main-working-expenses (items 20 to 24) 0.965 0 Sundry overhead expenses (items 26 to 36) 0.910 0	24.									0.071
26. Insurance (labour and fire, &c. (excluding house)) 0.059 0 27. Telephone 0.069 0 28. Rural delivery 0.008 0 29. Subscription to farmers' organizations 0.020 0 30. Accounting-expenses 0.016 0 31. Truck and/or car registration, and drivers license 0.051 0 32. Car expenses (for farm use only) 0.188 0 33. Other sundries 0.030 0 34. Herd-testing and calf-marking 0.079 0 35. Rates 0.376 0 36. Land-tax 0.014 0 37. Sundry overhead expenses (items 26 to 36) 0.910 0 38. Cow and pig food, &c., purchased 0.277 0 Main-working-expenses (items 1 to 18) 2.917 2 Main-working-expenses (items 20 to 24) 0.965 0 Sundry overhead expenses (items 26 to 36) 0.910 0		, , , , , , , , , , , , , , , , , , ,			• •	• •	• •	• •	0 100	0.011
26. Insurance (labour and fire, &c. (excluding house)) 0.059 0 27. Telephone 0.069 0 28. Rural delivery 0.008 0 29. Subscription to farmers' organizations 0.020 0 30. Accounting-expenses 0.016 0 31. Truck and/or car registration, and drivers license 0.051 0 32. Car expenses (for farm use only) 0.188 0 33. Other sundries 0.030 0 34. Herd-testing and calf-marking 0.079 0 35. Rates 0.376 0 36. Land-tax 0.014 0 37. Sundry overhead expenses (items 26 to 36) 0.910 0 38. Cow and pig food, &c., purchased 0.277 0 Main-working-expenses (items 1 to 18) 2.917 2 Main-working-expenses (items 20 to 24) 0.965 0 Sundry overhead expenses (items 26 to 36) 0.910 0	2 5.	Total depreciation (items	20 to 24	:)					0.965	0.838
28. Rural delivery 0.008 29. Subscription to farmers' organizations 0.020 30. Accounting-expenses 0.016 31. Truck and/or car registration, and drivers license 0.051 32. Car expenses (for farm use only) 0.188 33. Other sundries 0.030 34. Herd-testing and calf-marking 0.079 35. Rates 0.376 36. Land-tax 0.014 37. Sundry overhead expenses (items 26 to 36) 0.910 38. Cow and pig food, &c., purchased 0.277 Main-working-expenses (items 1 to 18) 2.917 Yotal depreciation (items 20 to 24) 0.965 Sundry overhead expenses (items 26 to 36) 0.910			e, &c. (ez	cluding	house))				0.059	$\overline{0.061}$
29. Subscription to farmers' organizations 0 · 020 0 30. Accounting-expenses 0 · 016 0 31. Truck and/or car registration, and drivers license 0 · 051 0 32. Car expenses (for farm use only) 0 · 188 0 33. Other sundries 0 · 030 0 34. Herd-testing and calf-marking 0 · 079 0 35. Rates 0 · 376 0 36. Land-tax 0 · 014 0 37. Sundry overhead expenses (items 26 to 36) 0 · 910 0 38. Cow and pig food, &c., purchased 0 · 277 0 Main-working-expenses (items 1 to 18) 2 · 917 2 Main-working-expenses (items 20 to 24) 0 · 965 0 Sundry overhead expenses (items 26 to 36) 0 · 910 0				• •					0.069	0.070
29. Subscription to farmers' organizations 0 · 020 0 30. Accounting-expenses 0 · 016 0 31. Truck and/or car registration, and drivers license 0 · 051 0 32. Car expenses (for farm use only) 0 · 188 0 33. Other sundries 0 · 030 0 34. Herd-testing and calf-marking 0 · 079 0 35. Rates 0 · 376 0 36. Land-tax 0 · 014 0 37. Sundry overhead expenses (items 26 to 36) 0 · 910 0 38. Cow and pig food, &c., purchased 0 · 277 0 Main-working-expenses (items 1 to 18) 2 · 917 2 Main-working-expenses (items 20 to 24) 0 · 965 0 Sundry overhead expenses (items 26 to 36) 0 · 910 0		Rural delivery							0.008	0.007
31. Truck and/or car registration, and drivers license 0.051 0 32. Car expenses (for farm use only) 0.188 0 33. Other sundries 0.030 0 34. Herd-testing and calf-marking 0.079 0 35. Rates 0.376 0 36. Land-tax 0.014 0 37. Sundry overhead expenses (items 26 to 36) 0.910 0 38. Cow and pig food, &c., purchased 0.277 0 Main*working-expenses (items 1 to 18) 2.917 2 Total depreciation (items 20 to 24) 0.965 0 Sundry overhead expenses (items 26 to 36) 0.910 0		Subscription to farmers'	organizati	ons	, .				0.020	0.020
32. Car expenses (for farm use only) 0.188 33. Other sundries 0.030 34. Herd-testing and calf-marking 0.079 35. Rates 0.376 36. Land-tax 0.014 37. Sundry overhead expenses (items 26 to 36) 0.910 38. Cow and pig food, &c., purchased 0.277 Main-working-expenses (items 1 to 18) 2.917 Total depreciation (items 20 to 24) 0.965 Sundry overhead expenses (items 26 to 36) 0.910									0.016	0.016
33. Other sundries 0.030 0 34. Herd-testing and calf-marking 0.079 0 35. Rates 0.376 0 36. Land-tax 0.014 0 37. Sundry overhead expenses (items 26 to 36) 0.910 0 38. Cow and pig food, &c., purchased 0.277 0 Main-working-expenses (items 1 to 18) 2.917 2 Total depreciation (items 20 to 24) 0.965 0 Sundry overhead expenses (items 26 to 36) 0.910 0		Truck and/or car registra	ation, and	l drivers	license				0.051	0.061
34. Herd-testing and calf-marking 0.079 0 35. Rates 0.376 0 36. Land-tax 0.014 0 37. Sundry overhead expenses (items 26 to 36) 0.910 0 38. Cow and pig food, &c., purchased 0.277 0 Main-working-expenses (items 1 to 18) 2.917 2 Total depreciation (items 20 to 24) 0.965 0 Sundry overhead expenses (items 26 to 36) 0.910 0		Car expenses (for farm u	ise only)						0.188	0.177
35. Rates									0.030	0.030
36. Land-tax.	34.	Herd-testing and calf-ma	rking						0.079	0.061
37. Sundry overhead expenses (items 26 to 36)		Rates							0.376	0.424
37. Sundry overhead expenses (items 26 to 36)	36.	Land-tax								0.016
Main-working-expenses (items 1 to 18) 2.917 2 Total depreciation (items 20 to 24) 0.965 0 Sundry overhead expenses (items 26 to 36) 0.910 0	37.	Sundry overhead expense	es (items	26 to 36)	• •	• •			0.943
Total depreciation (items 20 to 24)	38.	Cow and pig food, &c., 1	purchased		• •				0.277	0.273
Sundry overhead expenses (items 26 to 36) 0.910)				$2 \cdot 917$	$2 \cdot 873$
Sundry overhead expenses (items 26 to 36) 0.910 Cow and pig food, &c., purchased (item 38) 0.277 0		Total depreciation (ir	tems 20 t	o 24)					0.965	0.838
Cow and pig food, &c., purchased (item 38) 0.277		Sundry overhead exp	penses (ite	ms 26 t	o 36)				0.910	0.943
		Cow and pig food, &	m 38)		• •		$0 \cdot 277$	$0 \cdot 273$		
Total working and maintenance expenses 5.069 4		Total working a	nd mainte	enance e	xpenses	• •		G &	5.069	4.927

Note.—To the total working and maintenance cost per pound of butterfat for farms supplying cheese-factories, approximately 0·14d. per pound of butterfat should be added, being the assessed farm portion relating to costs of milk-delivery to factory not elsewhere shown.

The standard for pig returns was 1.54d. per pound of butterfat. This figure is probably below the average of efficient farmers as the Dominion average was taken; this average includes farms where no pigs are kept and farms supplying casein-factories. In all other cases the standards were worked out on the investigations made and the information obtained. In considering the figure for pigs it should also be noted that the figure for dairy-farm working and maintenance costs includes (a) purchased pigfoods, medicines, &c., and (b) depreciation on piggeries, and in the allowance for cow capitalization there is provision for the investment on pigs and pig equipment.

The allowance for factory-costs and all other costs to f.o.b. ocean steamer was for butter 2·25d. per pound of butterfat and for cheese 3·25d. per pound of butterfat. In the overrun of 21·75 per cent. and the cheese-yield of 2·45 lb. there is a margin in favour of reasonably efficient factories working under average conditions.

The allowance on a two-unit farm for housing and other perquisites was 30s. a week, and labour reward for the farmer at £4 a week.

The history of the dairy industry shows clearly that high prices do not necessarily promote the stability of the industry, because of the tendency to capitalize the benefits in inflated land and stock values. The guaranteed price should not be such as will induce persons to capitalize its benefits, especially as the trend of land and stock prices in 1936–37 was of a hardening nature.

The standards of efficiency are greatly exceeded by the more efficient dairy-farmers of New Zealand, and the allowances for working and maintenance costs are on such a scale that, if they are expended for the purposes specified, only an inefficient farmer, or a farmer working under unusual conditions or in abnormal circumstances, could fail to attain the average of the per-cow per-acre and per-man standards mentioned. Any excess of efficiency above these standards and any increase in pig returns represents an additional return to the efficient farmer. And it must be remembered that an efficient farmer in usual circumstances and in normal conditions is fully protected from the vicissitudes of the external market.

With the allowances for labour there is no justification for any unpaid or sweated labour to be utilized on any efficient dairy-farm in New Zealand, and if there is any unpaid labour employed the farmer is increasing his own personal income. It should, of course, be stressed that there is nothing essentially reprehensible in the utilization, within reasonable limits, of family labour. By the adoption of 6,250 lb. of butterfat as the production of a full-time labour unit a reasonable payment is provided for all labour units employed, whether male or female labour, members of the family, or employees. The data collected show that approximately only 20 per cent. of the labour employed in the industry is hired labour.

The new procedure has been organized for the purpose of inducing the average efficient farmer to work his holding and to pay him for his knowledge and experience, and for time worked, whilst freeing him from the menace of price-fluctuations.