

APPENDIX IV.—EXTRACTS FROM REPORT ON SMALL-FARMS SCHEME.

(A. B. JORDAN, Superintendent of Land Development, Te Kuiti.)

The work of the branch has again considerably increased in all directions. The number of blocks on which work is actually being proceeded with has risen from forty to forty-nine, and the total area under development or being considered has increased to 45,776 acres.

The total area of new grass has increased from 3,872 acres to 7,278 acres, of which 5,052 acres have been sown on cultivated ground and 2,226 acres have been surface sown. In addition, some 7,060 acres of old pasture have been grazed and the weeds controlled, and the greater portion of it may be recovered by top-dressing and fencing.

During the year all of the blocks which were formerly administered in conjunction with the Public Works Department have been taken over by this branch except three in this district and those in the Raetihi-Ohakune area.

It is desired to place on record appreciation of the valuable work which has been carried out by the Public Works Department in the past, and to express thanks to the Engineers and their staffs for their courtesy and help, without which the work could not have reached the stage in which it is now.

The whole of the accounts have been taken over from the Commissioners of Crown Lands, Auckland, New Plymouth, and Wellington. It has been found necessary to establish a stores branch to purchase and keep the records of the huge supplies which are necessary. This has been done to the complete satisfaction of the Audit Department, although the system was only instituted at the 1st November, 1937, and was required to include previous transactions. In the last quarter of the year purchases, excluding live-stock, amounted to £6,706 12s. 7d.

A central store is being erected, and it is intended to purchase certain requirements in bulk and issue them from the store. This will reduce handling charges and will enable quick deliveries of necessities to be made.

A costing system has also been instituted and has already proved its value in connection with the satisfactory preparation of the trading accounts and balance-sheets. The information which this system will produce will be valuable in the future for purposes of estimates, and will show quickly any abnormal movements in the farming operations of the individual blocks or settlers and will also indicate the efficiency of the work on any block which is brought under its operations.

At 31st March the development-work employed some 340 men. This necessitated the setting-up of a special pay branch for the payment of wages twice monthly, in addition to the keeping of records of pay, service, and holidays of each man. One hundred and twenty men formerly on sustenance were employed through the Placement Service at Auckland, Wellington, Hamilton, and Taumarunui, and fifty through the Certifying Officers at Te Kuiti, Otorohanga, and Te Awamutu, while 204 already employed were taken over by this branch during the year.

The above activities have necessitated a large increase in the staff, and it is very satisfactory to report that the work has been well carried out; the stores and costing systems are completely new, and this has necessitated a very large amount of foundation work, while the taking-over of accounts has also required much detailed inquiry and adjustments to bring them up to date and effect reconciliations to the requirements of this branch. It was found necessary to analyse all expenditure made by the district offices prior to 31st March, 1937.

The total live-stock on the blocks (thirty-seven) at 31st March, 1938, was :—

	Number.
Sheep	47,229
Dairy cattle	1,130
Run cattle	2,385
Horses	187
Pigs	245

Trading accounts will be presented in connection with sixty separate accounts, and the following summarizes the position :—

Price of land—	£	s.	d.
Freehold	36,804	10	3
Improvements purchased at valuation	12,773	9	8
			£ s. d.
			49,577 19 11
Development-costs chargeable			450,210 5 9
Standard valuation of live-stock on hand			70,142 14 0
Interest at 5 per cent. on expenditure to date			23,776 19 4
Gross returns from live-stock, produce, &c.			108,364 17 3

The position as shown in the live-stock trading operations is very considerably affected by the fact that standard values have been used, instead of the "reasonable market value" in last year's report—*e.g.*, wethers which cost approximately £1 10s. have been taken in at £1.

This position will continue until such time as the live-stock requirements are bred. The expenditure on live-stock in 1937 was £40,167 10s. 10d., and in 1938 £71,173 15s. 3d.