63 Gr.—10.

Sixty settlers, who support 322 dependants, have been established—fifty-six are dairying, and at the same time running a few sheep; while the remaining four are exclusively sheep-farming. The general health of the people is good. Satisfactory progress has been made with the establishment of permanent water-supplies for settlers, but as lack of water is the chief drawback on this block considerable work in this direction remains to be done.

Live-stock tallies at 31st March, 1938, were 943 milking-cows, 260 other dairy stock, 78 run cattle, 3,533 breeding ewes, 1,458 dry sheep, and 71 horses. The butterfat produced totalled 87,300 lb. Five new dwellings and four cow-sheds were erected during the year, and although much remains to be done in regard to housing, this work is being pursued as speedily as conditions permit. The settlers are gradually realizing their responsibilities and are paying more attention to the welfare of their dairy herds. Progress is naturally slow, but the interest being shown augurs well for the future prospects of these Maori farmers.

Waihua.

Known also as Ngamahanga, this scheme is situated seven miles inland from the main East Coast highway and approximately twenty miles south of Wairoa. It covers 4,300 acres, of which 4,130 acres have been cleared and surface sown. The country is light and of pumice formation, fairly steep, and extensively cut up by deep gullies. There are 200 acres only of flats, and these are being felled, stumped, ploughed, cropped, and laid down in good-quality pasture. The entire block was covered with mixed scrub and light bush prior to development, and will require careful management and efficient stocking to prevent deterioration. The area is being farmed as a sheep station.

The live-stock comprises 400 run cattle, 3,039 breeding-ewes, and 3,213 dry sheep.

Kahungunu.

Located four miles inland from Raupunga Railway-station, at the southern end of the Mokaka scheme, this block of 8,230 acres comprises approximately 4,000 acres of developable land, of which 1,500 acres have been settled, the balance being in fern and scrub with the exception of 200 acres of light bush. The land is poor light undulating country, difficult to hold, but is responding well to top-dressing and careful management.

The settlers, who are of a good type, and whose health is satisfactory, total ten, with sixty-one dependants. Better housing accommodation is an immediate necessity and is being provided with all possible expedition. The developed sections are all dairy-farms, and, although only established last year, they are showing reasonable returns. There was ample feed last year and sufficient hay was harvested for the winter months.

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The live-stock at 31st March, 1938, totalled 90 milking-cows, 37 other dairying stock, 989 breeding-ewes, and 238 dry sheep. The butterfat production amounted to 10,184 lb., and three new cottages and four new cow-sheds were erected during the year. The settlers' prospects are quite bright, and they should eventually be able to earn a good living for themselves and their families on their holdings.