

All this must necessarily be covered by the prices to be fixed, if the provisions of the Act are to be implemented.

The Committee applied its own knowledge and experience to the consideration of the evidence, and determined standards of efficiency and standard allowances that would enable it to construct a foundation for its recommendation.

STANDARDS OF EFFICIENCY AND STANDARD ALLOWANCES.

The Committee had before it the standards of efficiency determined by the Committee that advised the Government regarding the guaranteed prices to be fixed for the export season 1937-38. It considered itself as being at liberty to revise those standards where it appeared, in the light of the more complete evidence and information available to it, necessary and proper to do so. The Committee considers, however, that it is undesirable that, in the absence of specially cogent reasons, standards of efficiency once definitely established should be altered from year to year. As a general rule, these standards should remain constant for a term of years, and should be revised only when there is evidence of changed conditions.

1. STANDARD OF EFFICIENT FARM.

A survey of the butterfat production per acre in all districts from North Auckland to Southland disclosed a wide range of extremes. Production per acre depends on a number of factors apart from the more generally recognized factors of soil and climate. The Committee found that in some districts allowance had to be made for a large percentage of dairy-farms being in an early developmental stage. Allowance had to be made, too, for a relatively high return from sales of surplus stock in the case of dairy-farms within the lower butterfat-production groups. It was necessary also to allow for returns from sheep (particularly in Southland), stock-fattening, and crops. In some districts, more especially in the South Island, pure dairy-farming was found to be the exception, dairying being merely a single item in a system of mixed farming.

The individual farms differ in rough correspondence with the condition of the districts in which they are found, and range from pure dairy-farms, large in some districts and small in others, to dairy-farming mixed in varying degree with sheep-raising, cattle-fattening, cropping, &c. Further, no two farms are exactly alike. The human equation enters into the problem, and each individual farmer has to adapt his organization and management to his own resources and to the conditions he has to meet. The consequent differences in farm organization apply to both land-management and herd-management, and the results of these differences are seen in the wide range of butterfat-production per acre and per cow, and in the variation in the supplementary returns received for pigs, stock, &c.

It is from this field, with its extensive range, and almost infinite variation, that the Committee has had to choose those standards which will approximate most closely to the requirements of the Act, and which will give the efficient producer, working under usual conditions and in normal circumstances, a net return sufficient to provide a reasonable state of comfort. The method followed has been to choose appropriate standards, and after full consideration of costs and returns, to provide the equivalent of piece rates for production on pure dairy-farms, where the costs of dairy-production can be most effectively isolated, and then to apply those rates to dairy-production on farms on which dairying is associated with other farming activities, and in respect of which the effective separation of costs and returns for the different farm activities is impracticable.

It was impossible for the Committee to be dogmatic within narrow limits on the matter of a Dominion standard of per-acre efficiency for dairy-farms; and, after a full consideration of all available data, it accepted the range adopted by the former Committee, of 100 lb. to 175 lb. of butterfat per acre, as the standard of farm efficiency.

2. STANDARD OF LABOUR EFFICIENCY.

Here again the range of efficiency variation is very wide, and the Government Statistician's average figure of 4,540 lb. of butterfat per full-time male adult equivalent is far below the average figures of 6,095 lb. (cream farms) and 7,396 lb. (whole-milk farms) supplied by the Department of Agriculture. The volume of labour devoted to development work, sheep, cropping, and other farming activities involves, in many cases, a low butterfat-production per unit of labour employed. At the other end of the scale, however, there are cases in which a butterfat-production of more than 10,000 lb. of butterfat per unit of labour is attained. In considering the figures given by witnesses it is necessary to allow for a considerable margin of error, for "part-time employment" of a woman or a child may range between occasional assistance in the flush of the season and regular daily duty in the milking-shed. The Committee has accepted for whole-time adult male labour a weighting of 7. This weighting applies to the labour of youths who are full-time employees. A weighting of 6 has been applied to full-time female labour, and a weighting of 3 to all labour, whether of males or females, adults or juniors, employed only in the milking-shed. These differ from the weightings adopted by the Government Statistician (Year-Book, 1938, pages 440 and 441).

As in the case of the assessment of farm efficiency, so also in the case of the assessment of labour-unit efficiency, the Committee has endeavoured to translate into terms of butterfat-production the labour devoted on mixed farms to activities other than dairying. The problem has been a very difficult one, but the Committee has arrived at the conclusion that a reasonable standard of efficient production per full-time male adult labour equivalent is 5,750 lb. of butterfat. This is somewhat lower than the figure of 6,250 lb. of butterfat adopted by the majority of the former Committee, but is accepted by all members of the present Committee as being in conformity with the weight of the evidence now available to it.