

APPLICATION OF STANDARDS.

When the foregoing standards of efficiency and standard allowances, with the exception of that for housing and other perquisites, are translated into costs' items to be included in the calculation of the price per pound for butterfat produced on cream-producing farms, the result is:—

	d.
Working and maintenance costs (including depreciation)	5·695
Capital charges (interest)	3·375
	9·070

To this total of 9·070d. must be added an amount to cover the management and labour reward of the producer and the appropriate labour reward of the male and female labour, whether family or hired, employed by him; and from the gross total must be deducted the allowance of 1·54d. for pig returns.

REWARD OF MANAGEMENT AND LABOUR.

The Committee recognizes that the assessment of the reward of management and labour cannot be decided on statistical data alone, but that the consideration of non-monetary factors is also involved.

Importance must be attached to the fact that, if prices are based on the standards of efficiency adopted by the Committee, the costs and charges of every efficient farmer, other than labour-costs, are completely covered. Further, any excess of per-acre, per-cow, and per-labour-unit efficiency above those standards represents an additional return to the producer. The converse, of course, is equally true. If usual conditions and normal circumstances exist, the efficient producer cannot make a loss, and he is assured of making an additional return for every degree of increased efficiency.

The Committee realizes that the hours worked by dairy-farmers are longer than those worked by employees in urban industries, and that the dairy-farmer exercises in addition a managerial function. While no entirely satisfactory comparison can be made, it is possible to attempt a comparison between the dairy-farmer and the small storekeeper, whose hours are longer than those prescribed for his employees, and who has also the responsibility of management, though without any protection against the vicissitudes of trade and business. The security of tenure enjoyed by a dairy-farmer and the protection afforded to him against market fluctuations are important non-monetary factors that can properly be set off against the long hours required to be worked by him. The Committee realizes, too, that in the majority of cases a man will cheerfully work longer hours than his fellows if he is working for his own interests and maintaining his independence and improving his position.

It is recognized that the major difficulty with which those dairy-farmers who are dependent for the working of their farms on being able to engage hired labour are at present faced is that of obtaining and retaining adequate suitable labour. Though some weight must be given to the relative permanence and continuity of employment on a dairy-farm, as contrasted with the casual and non-continuous nature of work in other avenues of employment, in which a worker loses time between engagements and also loses time during his periods of engagement owing to weather conditions, slackness of trade, &c., and though weight must also be given to the fact that some men prefer farm life to any other, and are desirous of saving money and acquiring experience of farm-work with a view to becoming independent farmers, it must nevertheless be conceded that the higher wages and shorter hours now being offered in other avenues of employment more than balance these considerations. The result is that labour is being attracted from the dairy-farms, and an adequate supply of fresh labour to replace it is not forthcoming. It is essential, if the dairying industry is to be stabilized, that it should be in a position to pay wages reasonably in line with those offered in other occupations, due allowance being made for the considerations that lead men to prefer farm-work to other classes of work.

The Committee adopts the view expressed by the majority of the former Committee regarding the essential nature of the organization of labour on dairy-farms. It is primarily organized on a co-operative family-unit basis. There is nothing essentially reprehensible in the utilization, within reasonable limits, of family labour, and it is generally regarded as a means of building up the dairy-farmer's equity in his farm or stock. It is recognized, too, that it is impossible to equate the production of most farms to the capacity of an integral number of whole-time adult male labour-units, and that the fractional labour-units required are usually made up by the employment of family labour. The Committee accepts the existence of a certain amount of family labour as a fact, and in its consideration of the problem of labour reward it has made full allowance for all labour, family or hired, employed on a dairy-farm. At the same time, however, the Committee has recognized the necessity of fixing the labour reward at a rate sufficiently high to attract an adequate supply of hired labour and thereby render it unnecessary to make undue use of family labour. It has also recognized the impossibility, even with an undue use of family labour, of maintaining production on the larger dairy-farms without an adequate supply of hired labour.

The Committee has reached the conclusion that the standard allowance to be made for the reward of management and labour, when related to the standards of productive efficiency that have been adopted, should be at the rate of 9·22d. per pound of butterfat.

This allowance, in the case of a typical efficient dairy-farm on which the dairy-farmer and one adult male hired worker are employed on a full-time basis, represents the equivalent of £6 per week (£4 10s. money reward, and £1 10s. representing the money value of housing and perquisites) for the farmer, and £4 per week, including 17s. 6d. for board and lodging, for the hired worker. For every additional unit or fraction of a unit of labour employed a further allowance for management and labour is made at a rate equivalent to £221 for each additional 5,750 lb. of butterfat produced. In