

## REPORT.

### REVIEW OF PAST YEAR.

THE climatic conditions in most districts have, during the past year, been generally favourable for farming operations. Rainfall was not so evenly distributed throughout the seasons as could be desired, but, taken all round, the year was a productive one from most points of view.

The dairying industry has shown increased yields, which will, to some extent, compensate for lower prices. Large quantities of hay have been saved, although in some districts continuous wet weather spoilt the first crops. The rapid growth of grass, however, allowed satisfactory second cuts in many cases. Farming practice in the principal dairying districts is improving, and more attention is being given to top-dressing and the provision of winter feed. The raising of pigs on dairy farms seems to make but slow progress; but it will no doubt receive more attention in the future, when the advantages it offers under proper conditions receive more general recognition. Many dairy farms would also be improved by the running of a small number of sheep of good class.

The pastoral industry has had a very fair year, and the season's series of wool-sales can be considered satisfactory to the sheep-farmer. Good prices were obtained all round, and at times the bidding was extremely animated. Lambing percentages were good, and flocks have been well maintained. Prices for lamb and mutton have been steady and fairly satisfactory. The production of beef has shown a falling-off, and unfortunately there seems little doubt that the raising of beef-cattle is not as profitable as it should be. Any notable decrease in the numbers of beef-cattle is greatly to be deplored, as the proper management of so much of our pastoral country demands the carrying of a proper proportion of cattle.

Yields of wheat and oats have been generally good, and lower prices for cereals have been compensated to some extent by heavier yields. The prospects of the agricultural industry are, however, not particularly bright. It has to contend with heavy overhead expenses, and the steady decline in the use of oats presents a serious problem to the farmer.

Selections of Crown and settlement lands during the year totalled 456,590 acres. This subject is dealt with more fully at a later stage of this report. At the 31st March, some 36,292 tenants held under lease or license from the Crown, a total area of nearly 20,000,000 acres. Pastoral runs accounted for 9,620,000 acres, while approximately 1,816,000 acres were held under lease under the Land for Settlements Act by over 7,000 tenants.

The revenue has been fairly well maintained, and, although arrears have increased to some extent, the increase is not so much as might have been expected under prevailing financial conditions. These two subjects are discussed further under their appropriate headings.

With regard to settlement generally, it would appear that an increase of new settlement is not such a pressing matter as increased production from lands already occupied. Much land now in occupation is for various reasons not being farmed to the fullest extent, and a good deal of country is decreasing in carrying-capacity through inability to carry out necessary improvements. In many cases the areas held are proving too large for profitable occupation, and means will no doubt be provided in the near future, whereby subdivision may be encouraged. In other cases it is necessary to increase holdings that are on the small side, and so far as Crown tenants are concerned, the Department has already carried out a great deal of work in the direction of allotting additional areas to settlers who have shown they are capable of working larger farms to advantage.

Considerable progress has been made with the development of the Hutt Valley Settlement scheme, a special report on which will be found in Appendix IV. Practically all the sections so far offered have found purchasers, and the opportunity of acquiring desirable home-sites on reasonable terms in this locality appears to be fully appreciated by the general public. The new system of purchase on deferred payments spread over a period of  $34\frac{1}{2}$  years has proved very popular.

### LEGISLATION.

The following is a brief summary of the legislation passed in 1926 affecting the operations of this Department:—

*Land Laws Amendment Act, 1926.*—This Act introduced several new provisions of importance. The occupation-with-right-of-purchase system has been abolished, and in its place there has been established a new system of purchase on deferred payments by way of a license to occupy for a period of thirty-four and a half years, the payments thereunder being half-yearly instalments of purchase-money, with interest at the rate of  $5\frac{1}{2}$  per cent. per annum. The optional tenures under Part III of the Land Act will in future be cash, purchase on deferred payments, and renewable lease. Licenses to occupy on deferred payments will be subject to conditions with respect to approval of transfers, residence, improvements, rebates of interest, &c. In the case of lands purchased at auction, under the new system there will be no special condition generally further than the prompt payment of instalments. All leases or licenses of Crown land which carry the right of purchase may be converted to the new system of deferred payments, and leases in perpetuity and renewable leases of settlement land may also be converted.

With regard to the national endowment, the new legislation provides that lands within the endowment may be offered for sale. An absolute right of acquiring the fee-simple of their holdings is conferred on certain Crown tenants holding leases of national-endowment land, but the freeholding of national-endowment small grazing runs is, with exceptions in certain cases, restricted to areas involving a price not exceeding £7,500.