

DISTRIBUTION OF GROSS RETURNS.

In Table 9 gross returns are broken up into maintenance expenses, labour reward, and interest surplus. Labour has been charged at £7 per cow milked, in order to effect uniformity with previous analyses. Owing to the heavy milking-capacity of farms in the higher groups particularly, the resultant labour figure appears very high. It must be remembered, however, that milking operations are heavy labour-demanders, and, even though it may be for a part of the year only, adequate help must be available when required if production is to be maintained.

Table 9.—Distribution of Gross Returns: Farms grouped according to Butterfat production per Acre (Productive).

Butterfat per Acre—Range.	Number of Farms in Group.	Maintenance.		Labour.		Interest.		Total.	
		Per 100 Acres.	Percentage of Total.	Per 100 Acres.	Percentage of Total.	Per 100 Acres.	Percentage of Total.	Per 100 Acres.	Percentage.
lb.		£		£		£		£	
160-179·9	5	220	18·1	488	40·2	507	41·7	1,215	100
140-159·9	8	263	22·6	469	40·3	431	37·1	1,163	100
120-139·9	10	202	20·6	407	41·5	372	37·9	981	100
100-119·9	14	188	23·4	371	46·1	245	30·5	804	100
80-99·9	15	180	26·3	314	45·9	190	27·8	684	100
60-79·9	9	180	35·9	284	56·7	37	7·4	501	100
40-59·9	8	130	34·5	231	61·3	16	4·2	377	100

This table stresses the fact that it does not pay to run a low-production farm unless production is incidental to the stage of development of the land and shows a progressive increase. Low production and high capitalization are a fatal combination, and even if such farms are not highly capitalized considerable reserve capital is essential for development if the state of production is to be altered in a reasonable period of time.

INTEREST SURPLUS.

Accepting the foregoing break-up of income as reasonable, the interest surplus can be converted into capital as a guide to the production-value of land under the conditions experienced in this district.

Table 10.—Interest Surplus and Capital: Farms arranged according to Butterfat production per Acre (Productive).

Butterfat per Acre—Range.	Number of Farms in Group.	Number of Cows milked per 100 Acres.	Interest Surplus per 100 Acres.	Gross Capital represented at 7 per Cent.
lb.			£	£
160-179·9	.. 5	69·7	507	7,240
140-159·9	.. 8	67·1	431	6,164
120-139·9	.. 10	58·1	372	5,319
100-119·9	.. 14	53·0	245	3,493
80-99·9	.. 15	44·8	190	2,719
60-79·9	.. 9	40·6	37	535
40-59·9	.. 8	33·0	16	223