

Gross capital covers land and improvements, stock and plant. Therefore if the value of stock and land is subtracted one arrives at a figure on which the average farm in this district earns 7 per cent. interest after paying maintenance expenses and a labour reward on the basis of £7 per cow milked.

Table 11.—Capital Position: Farms grouped according to Butterfat-production per Acre (Productive).

Butterfat per Acre—Range.	Number of Farms in Group.	Number of Cows milked per 100 Acres.	Gross Capital.	Valuation of Stock and Plant.	Net Capital—Land and Improvements.	Value of Land and Improvements per Cow milked.
lb.			£	£	£	£
160-179·9	5	69·7	7,240	1,178	6,062	86·97
140-159·9	8	67·1	6,164	1,220	4,944	73·68
120-139·9	10	58·1	5,319	945	4,374	75·28
100-119·9	14	53·0	3,493	901	2,592	48·91
80- 99·9	15	44·8	2,719	830	1,889	42·17
60- 79·9	9	40·6	535	806	- 271	..
40- 59·9	8	33·0	223	629	- 406	..

Those groups of farms having a high average production are earning on a per-acre capital basis quite comparable with that of farms in older-established districts, but they are doing so by milking a large number of cows, which reduces the capital value per cow milked. The falling-off is very rapid in low-production groups.

It is of interest to compare the capital value, as assessed above, with Government valuations. As is to be expected, these valuations are below the apparent earning-value on high-production farms, but on farms producing below 120 lb. of butterfat per acre they are considerably above. The variations in management efficiency and in farm improvements make it very difficult to assess a fair valuation for taxation purposes.

Table 12.—Valuations: Farms grouped according to Butterfat-production per Acre (Productive).

Butterfat per Acre—Range.	Number of Farms in Group.	Value of Land and Improvements per 100 Acres.	Government Valuation per 100 Acres.
lb.		£	£
160-179·9	5	6,062	3,826
140-159·9	8	4,944	4,263
120-139·9	10	4,374	3,752*
100-119·9	14	2,592	3,493†
80- 99·9	15	1,889	3,459
60- 79·9	9	- 271	3,419
40- 59·9	8	- 406	2,960

\* Eight farms.

† Twelve farms.

#### SUMMARY.

Dairying in the Ruawai district has developed along lines suited to conditions prevailing locally. Owing to the swampy nature of the country and availability of hill country adjoining, wintering-off occupies an important place in herd and pasture management. Owing to the