

DISTRIBUTION OF GROSS RETURNS.

In Table 9 the effect of low maintenance expenses and a comparatively low labour reward resulting from the smaller number of cows milked per 100 acres is reflected in certain sub-groups in the interest surplus. This is especially noticeable in the second sub-group, where the number of cows milked drops from 67.2 to 51 per 100 acres. Thus, with this sub-group, if family labour only is depended upon, the interest surplus becomes inflated at the cost of the family reward for labour. This is a typical instance of where a higher price may be paid for land than is warranted by its production, through an underestimation of the worth of labour.

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.		£		£		£		£	
140-159.9	3	185	18.5	470	47.0	345	34.5	1,000	200.0
120-139.9	10	193	19.2	357	35.5	456	45.3	1,006	100.0
100-119.9	18	184	22.2	361	43.6	283	34.2	828.	100.0
80- 99.9	24	151	21.3	319	45.0	239	33.7	709	100.0
60- 79.9	20	109	20.6	247	46.6	174	32.8	530	100.0
40- 59.9	21	94	23.4	216	53.7	92	22.9	402	100.0
20- 39.9	14	71	27.2	146	55.9	44	16.9	261	100.0

INTEREST SURPLUS.

The following table illustrates the effect of the point just noted, the interest surplus being converted into a high gross capital as a result of low maintenance expenses and labour reward.

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.			£	£
140-159.9	.. 3	67.2	345	4,929
120-139.9	.. 10	51.0	456	6,514
100-119.9	.. 18	51.5	283	4,043
80- 99.9	.. 24	45.5	239	3,414
60- 79.9	.. 20	35.3	174	2,486
40- 59.9	.. 21	30.8	92	1,314
20- 39.9	.. 14	20.9	44	629

Owing to a lesser number of cows being milked per 100 acres, the value of stock and plant is also lower throughout than in the Ruawai group. This again tends to show a better capital position on land and improvements, as shown in Table 11.