

been the means of greatly assisting the dairy industry, which received a big set-back the previous year on account of drought. Farmers are now in a position to milk a very much larger number of cows, adding greatly to the milk-supply of the various creameries, which results in a very large monthly distribution of ready money.

The freezing of lambs has now become an established industry in Otago as well as elsewhere. The keen rivalry of the buyers sent out by the various firms and agents results in the highest prices being obtained by the settlers, increasing their income and providing them with the ready money so necessary for the following harvest. I think it may be safely said that the settlers in Otago, especially on the older established settlements, are progressing in a very satisfactory manner, and there is every reason to expect that those on the newer settlements will do quite as well after they are properly established on their holdings. The residence and improvement conditions are, generally speaking, being well carried out. This is especially noticeable on the Otekaike Settlement, which has been settled only a little over a year, and where the improvements are of a very substantial character, consisting of buildings and fencing (many miles of the latter having been erected), and there are very few settlers who are non-resident.

D. BARRON,
Commissioner of Crown Lands.

SOUTHLAND.

The operation of the system brought in by the Land for Settlements Acts has not been very extensive, but has been fairly successful. Up to the present time six estates have been purchased and opened up for settlement, of an aggregate area available for selection of 53,407 acres, and of this area only 353 acres remain unselected. The first settlement—Merrivale—was offered in 1895, after which followed, at intervals of from one to two years, Otahu, Beaumont, Ringway, Glenham, and finally, in 1904, Edendale, the largest and most successful of all. These settlements have provided homes for over two hundred and fifty selectors, who with their families number close on one thousand souls. For the most part, the original selectors have proved to be a fine class of settler, and the standard is well kept up where, by transfers, others have taken their place. The number of transfers that have taken place during the last year is twenty-three. In almost every case, in changing hands, a large amount has been paid by the incoming tenant by way of goodwill.

Improvements to the value of about £68,000 have been effected, and at the present time over 50 per cent. of the land is in grass or crop (white and green). The improvements in the way of fencing and draining are of a very substantial and permanent character, and in many farms a high state of cultivation is attained. Under the Act a certain amount of improvements is necessary, but at the present time this amount is exceeded by £36,745. A conspicuous feature of the improvements is the up-to-date nature of the steadings.

The old style of farmhouse—generally uncouth and often uncomfortable and insanitary—has given place to a modern house, convenient, compact, and generally of slightly, if not ornamental, appearance, which often has good surroundings in the way of gardens and orchards. The outbuildings are mostly of a substantial nature, and, in the case of the byres, are kept up to the fairly stringent requirements of the dairy regulations. Much good work has been done by draining and tilling in bringing into use the swamp lands, while the free use of lime has vastly improved much of what was considered the poorer lands in the settlements.

The class of farming carried on is mixed, but chiefly dairying. This year where land has been cropped the results have been very good, yields of oats up to 110 bushels to the acre having been obtained, while the green crop is well up to the usual high standard of Southland. Those settlers who go in for dairying may well be proud of their clover and grass paddocks, which enable them to get large profits from their milking-herds; and they are well off in the way of dairy factories, which can take as much milk as can be supplied. The dairymen are fully alive to the advantages of the milking-machines, there being many instalments on the farms.

In connection with the Edendale Settlement there are three factories, the principal one being a private one and the other two co-operative. They are capable of dealing with a large yield, as much as 13,000 gallons having been delivered at the Edendale and Brydone Factories in one day. The first-named factory has the honour of turning out some of the best cheese manufactured in the Dominion. At Glenham there is a factory owned by the Government, but which is used by the settlers and run as a co-operative concern. The other settlements depend on outside private factories to take their milk-supplies.

The Ranger's reports show that the conditions of lease have been well acted up to by the settlers generally, and that there has been no desire to evade them, while the general progress of the settlements has been very satisfactory and fully up to the rate of former years.

The advantages offered in the way of borrowing from the Advances to Settlers Department have been taken advantage of by 118 settlers, who have borrowed to the amount of £15,000. This amount is small in respect of the security, and represents the bulk of the money borrowed.

The past two seasons in Southland have been very favourable to farmers, and, though present prices are not so good for stock or produce, the end of the year finds the bulk of our settlers prosperous, contented, and hopeful.

E. H. WILMOT,
Commissioner of Crown Lands.