

DIVERSIFIED AND SUPPLEMENTARY PRODUCTION.

108. Introduction :

The fall in dairy-produce prices resulting in reduced incomes from dairying has led to discussions regarding the possibilities of augmenting dairy-farmers' incomes by means of other commodities that might be produced on dairy-farms. Whilst the proposal for enlarging the incomes of dairy-farmers in this way has some merit, it must be stated that the successful production of most of the commodities which can be suggested as suitable to supplement dairying requires highly specialized knowledge. In many cases it is unreasonable to expect that dairy-farmers who until now have devoted their whole attention to dairying can immediately adapt themselves to the production, on a competitive and profitable basis, of these commodities.

A number of witnesses who appeared before the Commission advocated a policy of greater diversification of production on dairy-farms, and also stressed the advantages to be gained from the fuller exploitation of supplementary production. In no case, however, were their recommendations supported by full information concerning the types of products which might profitably be produced on dairy-farms; nor did the witnesses fully explore the possibilities of market outlets or the trade complications that might result from greater diversification and increased production of supplementary products. The subject must therefore be discussed in general terms, to indicate the limitations of and complications arising from any such policy.

109. Classification of Dairy-farms :

Dairy-farms can be classified in three broad types: (a) Specialized dairy-farms on which no diversification of production exists, but on which pigs are used for the consumption of skim-milk, whey, or farm-grown foodstuffs; (b) farms where diversification is practised in varying degrees, such diversification being in the form of sheep-farming or mixed sheep-farming and cropping. On these farms the income from dairying compared with that from other sources ranges from comparative unimportance to major importance; (c) small farms where dairying provides an income supplementary to small salaries or intermittent wages, or where it represents a diversification of intensive production.

Farms of types (b) and (c) can, in general, be viewed as diversified undertakings. In a great number of cases it is undoubtedly true that the diversification practised is sporadic rather than consciously planned, and production may fall far short of the maximum possible. In general, these types are not representative of the New Zealand dairying industry, and are not fundamental to the problem under discussion.

Farms of type (a) are most truly representative of dairying in the Dominion, and accordingly we are specially concerned with the possibilities of diversified and supplementary production on farms of this type. It must be borne in mind that there are certain factors governing the scope and elasticity of operations on these dairy-farms. The farms generally are limited in size, and the whole of their area or, in the case of semi-developed farms, the improved portion is at present fully stocked with dairy cows and replacement stock. In the majority of cases capital is not available for any programme of extension or development. The percentage of North Island dairy-farms which are equipped with sufficient horses and tillage implements to permit of an extensive policy of cropping is very small. Further, all dairy-farmers have endeavoured to reduce farm labour to a minimum compatible with reasonable efficiency, and the labour requirements of any additional activity would require to be considered.

Any policy directed to the extension of the range of products taken from a farm, or to the intensification of existing forms of production, will necessitate either the setting-apart for the purpose of some portion of the farm, or the use of additional capital or labour; or it may require a combination of all three. No such policy can be sponsored unless market outlets and payable prices are assured. If any policy of diversification of production is found to be practicable, its acceptance by individual dairy-farmers will depend entirely upon the relation of the additional burden of cost likely to be incurred to the added income likely to accrue.

Owing to the limited area of most dairy-farms, it is not generally practicable to allocate any considerable area of individual farms for diversified production without unduly lowering the income from dairying. Therefore, land so used is likely to be small in area, and a policy of diversification to be successful must imply the intensive use of the land. This envisages the growing of heavy-producing crops which may be fed to stock, or, alternatively, cash crops such as cereals, fruit, or vegetables. The production of feed crops would be necessary if pigs, vealers, wool-producing rabbits, or poultry were to be fully exploited. Apart altogether from the general costs of producing suitable crops, their labour requirement is high in relation to the area grown. The care and feeding of the stock is specialized in the case of rabbits and poultry, and would involve additional labour or additional responsibility on labour already available. The question of pigs and pig products will be dealt with at a later stage, but the other items can be briefly discussed.

110. Vealers :

It has been demonstrated that vealers can be profitably raised on dairy-farms by the intensive feeding of whole milk and crops, and that the use of whole milk in this way is profitable when prices for butterfat are low. The outlet for vealers is, however, limited to the local market; for veal, to be profitable, must realize fairly high prices, which are not obtainable in external markets for any appreciable quantity.