Milking was commenced late last season and 6,368 lb. of butterfat were produced. During the period under review 12,378 lb. butterfat have been obtained from 141 cows and heifers. One milking machine has been installed.

Five cow-sheds, six cottages, and a store-shed have been erected on the scheme.

Some of the holdings are naturally watered, whilst six farms are being supplied by a gravitation system from a spring on Haparangi Mountain.

The scheme is served by internal roads, which will require improving.

Horohoro: Turanganui.

This subdivision of 640 acres is situated on Bryce's Road, about three miles in from the Atiamuri-Rotorua Road turn-off. Development operations were commenced in June, 1931, and it is anticipated that eight dairying settlers will ultimately be established on the scheme.

An area of 260 acres in grass carried 100 bullocks, which will be sold in April.

This scheme was originally initiated to provide work for Maoris of the Te Aitanga-a-Mahaki tribe of Gisborne, but, unfortunately, these people did not settle down to the conditions of their new homes and, with the exception of one family, they gravitated back to the East Coast. The perseverance of the remaining settler will be rewarded by the allocation of the first section available for allotment.

There are at present eight whares and a dining-hall erected on the scheme, and these dwellings

will later be replaced by adequate cottages.

The condition of Bryce's Road has not permitted cartage in wet weather, and this access will

require to be improved.

Work carried out during the year consisted of top-dressing of the grassed area and clearing and cultivating of 25 acres.

Horohoro: Waikaukau.

Extending along the Rotorua-Atiamuri Road and adjoining the Tuhourangi scheme and the Ngakuru Settlement, the Waikaukau subdivision contains a total area of 1,193 acres. There are ten settlers established on the scheme, and of these, five are dairying. Their dependants number thirty people.

Of the total area, 680 acres are in grass and 160 acres fallow. The pastures on the dairying sections are in good order. The greater part of the land is still in the process of development and is gradually being brought up to the standard required for desiration.

being brought up to the standard required for dairying.

The following live-stock was on the scheme as at the 31st March, 1937: 47 beef cattle, 147 dairy

cows, and 62 heifers and calves.

Milking was commenced late in the last season, and the aggregate quantity of butterfat produced by 80 heifers was 10,163 lb. For the period under review the butterfat output from 129 cows was 17,902 lb. which, under the circumstances, may be regarded as satisfactory. One milking machine has been installed.

Seven cottages and five cow-sheds have been erected, and extensions of two rooms to three of the cottages are to be made. The settlers were previously housed in a large communal dwelling which was erected for the purpose.

The scheme is adequately watered by the Waikaukau Stream, but further extensions by reticulation

will be required.

Work undertaken during the period under review included top-dressing 680 acres, clearing 74 acres, draining 134 chains, fencing 111 chains, ploughing 316 acres, 176 acres cultivating and sowing in grass. In addition to this work, ordinary seasonal operations were carried out on the dairying sections.

Arawa.

Consequent upon the requests of settlers on three farms of an aggregate acreage of 252 acres in the vicinity of Rotorua for assistance under Part I of the Native Land Amendment Act, 1936, the areas in

question were taken under development during the year.

The first gazetted holding containing 49 acres, and, comprising undulating terraces and flats of a black soil with a pumice subsoil, is situated on the main Rotorua–Ngongotaha Road, three miles from Rotorua. Though overrun with gorse and blackberry, it is estimated as being ultimately able to carry 25 cows. Meantime sheep are being grazed on the property. Owing to its splendid situation the prospective value of the farm should increase, irrespective of any improvements undertaken. The Supervisor estimates that it will cost £25 per acre to fully develop and subdivide the area, but when completed it should result in a first class small farm.

One of the remaining two properties contains 130 acres, of which area 20 acres had been cleared, stumped, and burned at 31st March last. Preparations are in hand for the erection of three miles of fencing and the grassing of about 90 acres. When fully developed the land should carry about 40 dairy

cows.

The third section of 73 acres contains soil of a good loam on pumice which responds quickly to top-dressing. Development-work is being taken in hand immediately.