The rainfall for the period under review has been above normal, with the result that the pastures have given an abundance of feed throughout the season. The areas put into new grass in the autumn are now showing up well, and there is every indication of them stooling out into a good sward. All pastures were top-dressed with 2 cwt. of superphosphate during the year and the top-dressing over the last three years is now showing results. The yield of turnips was very poor, the heavy rain experienced after sowing being the chief cause of the failure.

Live-stock on hand comprised 8 horses, 22 bulls, 274 cows, 85 steers, 118 heifers, 145 yearlings M.S.,

50 rams, 1,980 ewes, 314 wethers, and 1,047 hoggets.

As a result of heavy culling the breeding ewes are now a very good line of sheep, well woolled and in first class condition. The two-tooth wethers are a fine line of well-grown sheep. Hoggets have not done very well this year owing to the wet season which resulted in the death-rate being about 15 per cent. Dogs have occasioned considerable trouble, and thirty-five hoggets were lost in one night. The majority of the ewes were mated with the Romney strain for the purpose of keeping up the flock. The average wool from grown sheep was $9\frac{1}{4}$ lb. and for lambs $2\frac{1}{2}$ lb.

The cattle have done well in spite of heavy crushing. This year two Hereford bulls were mated with some of the black Polled Angus cows in an endeavour to increase the calving percentages.

The wool-shed and shearers' quarters were painted during the year, and this has greatly improved the general appearance. On unit properties one dwelling and one cow-shed have been erected.

In addition to general station routine and top-dressing, the following work has been carried out during the past year with the assistance of unemployment labour: Clearing tea-tree, 500 acres; stumping, 140 acres; fencing (new and repairs), 700 chains, ploughing, 80 acres; drain-cleaning, 1,500 chains; sowing grass, 117 acres.

Omaio.

This scheme is situated at Omaio Bay in the Bay of Plenty district and adjoins the Maraenui scheme. The total area of the lands is 2,179 acres, of which it is proposed to develop 1,900 acres. There are now nineteen settlers within the scheme, all of whom are milking and supplying the dairy factory. The number of persons dependent upon the settlers is 126, of whom 39 are adults and 87 are minors. There has been an increase of one settler during the year and an additional two are supplying the dairy factory.

The area in permanent and temporary pasture is 1,310 acres, and the area sown down during the period under review is 46 acres. All permanent and portions of the better classes of temporary pastures are being well maintained and show improvement, due to consolidation and careful stocking, while the general quality of the sward, which previously held a large proportion of inferior grasses, has been improved. There still remains an area of temporary pasture of poor quality which is infested with blackberry and other weeds. An early spring followed by an excellent growing season resulted in an abundance of feed throughout the year.

Live-stock on the scheme as at the 31st March, 1937, comprised 475 cows, 79 heifers, 31 working-horses, 21 working bullocks, 73 heifer calves, and 26 steers and unbroken working bullocks.

The grading of all cream supplied has been good, reflecting the care taken by the settlers in observing cleanliness of sheds and utensils. The ample supply of water from the scheme system has enabled a high standard of cleanliness to be practised and maintained. Butterfat returns for the year under review and comparative returns for the previous year are as follows:—

	Year.			Total Butterfat.		Number of Cows milked.	Average per Cow.	
1936–37 1935–36	• • :			1b. 61,626 53,796	$2,948 \ 2,193$	376 343	lb. 163·9 156·8	$\begin{array}{ c c }\hline & \mathfrak{L} \\ 7 \cdot 8 \\ 6 \cdot 4 \\ \hline \end{array}$

The installation of the scheme water-supply is producing very beneficial results. The majority of the settlers are now connected with the system. Most of the settlers have erected one or more troughs, and further troughs are being constructed, which will shortly provide all paddocks with water.

Due attention is being given to providing adequate housing and shed accommodation for the settlers. Construction of new buildings and renovation of those existing is under consideration.

Work carried out during the past year was as follows: A total of 493 chains of new boundary and subdivisional fencing was erected; 66 chains of general fence repairs were also undertaken by settlers; 1,796 posts and 5,250 battens were split and packed out on to unit holdings; 23 chains of new drains were opened, and general cleaning and deepening carried out; 33 acres of clearing, principally blackberry and second growth, were undertaken; 71 acres of stumping, mainly blackberry grubbing and manuka stumping, were completed; 54 acres were ploughed and, with the exception of 8 acres, sown in permanent pasture.

Those settlers, whose properties are still in the course of development and whose proportion of dairying returns has been small have been assisted from the Employment Promotion Fund to develop their holdings. In this way development has been carried on and work found for a number of men within the scheme area.

The progress made by the settlers has been generally satisfactory and supervision and instruction is being maintained. The scheme foreman displays keenness in carrying out his duties.