51 G.—10.

Orete.

Situated on the north-east coast of the Bay of Plenty, this scheme comprises an area of 1,774 acres, of which approximately 3,600 acres are suitable for development. Originally in manuka with patches of heavy bush, the developed area consists of approximately 1,800 acres of good loam in terraced flats, 900 acres of undulating country of a lighter sandy loam, and 900 acres of easy hills, the majority of which is ploughable. The balance of the area gazetted is too steep to be brought into cultivation.

There are twenty-six settlers established as dairy-farmers, and in all 68 adults and 102 children are almost solely supported by the scheme. The health of the Natives has been good, and the housing conditions throughout are reasonably satisfactory. There are now approximately 1,856 acres in permanent and 265 acres in good temporary pasture, together with 68 acres which were used for cropping during the year. The permanent pastures are being well maintained with top-dressing and grass-harrowing and are throwing an abundance of feed; and sufficient hay and ensilage have been saved to carry the stock through the winter months.

The live-stock as at the 31st March, 1938, comprised 768 milking-cows, 26 bulls, 148 eighteenmonth heifers (i/c), 173 heifer calves, 41 working-horses, 22 working-bullocks, 573 breeding-ewes, and 280 M.S. hoggets. Cream deliveries were seriously hampered after the New Year by excessive flooding in the rivers *en route* to the factory, and settlers suffered very considerable

During the year four milking-machines and Diesel engines were installed, and a new engine was supplied to a settler whose old engine was faulty. Two houses were built, and three new cow-sheds were erected and engine-rooms added to four others during the period under review. A new and more powerful Diesel engine was acquired for the pumping plant of the water-supply, and with a complete system of reticulation settlers are assured of a plentiful supply for their sheds and stock. Most of the Orete settlers are doing good work and are becoming efficient farmers.

Orete No. 2.

The Orete No. 2 scheme, located some sixty miles east of Opotiki, contains 6,365 acres, of which 1,200 acres are in standing bush. No new work other than the erection of 60 chains of new fencing has been effected during the past year, but the improvements have been maintained, and the stock carried has done exceedingly well. The stock at 31st March comprised 705 run cattle and 2,204 breeding-ewes.

Four workers are kept in constant employment, and in all seven adults and ten children are dependent on the scheme.

Whangaparaoa.

Whangaparaoa, situated at the north-eastern extremity of the Bay of Plenty, has a gazetted area of 3,748 acres and consists of a relatively narrow strip of sea-coast frontage backed by steep hills. The area under development comprises approximately 1,560 acres of good sandy loam, flat to undulating in nature, 700 acres of easy hill country, the balance being mostly too steep for economical farming.

Sixteen settlers have been established as dairy-farmers, and their dependants number nineteen adults and fifty-six children. The health of the people in the district has been good, and the majority have satisfactory housing accommodation. Three houses were erected last year. With the completion of the year's building programme, all settlers will have good living quarters on their farms.

There are 815 acres in permanent and 700 acres in good temporary pasture, the balance of the gazetted area being covered with manuka and bush. There has been an abundance of feed throughout the year, and sufficient hay and ensilage have been saved for winter requirements.

The live-stock carried as at 31st March, 1938, consisted of 17 bulls, 555 cows and heifers, 72 eighteen-month heifers (R.W.B.), 78 heifer calves, 21 working-bullocks, 12 working-horses, 300 breeding-ewes, and 190 M.S. lambs.

Flooded rivers again seriously interfered with cream deliveries, and settlers suffered monetary loss in consequence. Farmers on the Whangaparaoa River also lost portions of the most valuable parts of their holdings through river erosion. A large water-reticulation system was completed during the year, and a smaller one is in the course of construction. These both operate on the small dam and ram principle, whereby water is pumped into a reservoir from which reticulation is made to the holdings. Three milking-machines with Diesel engines were installed during the period under review, and are giving good service. The settlers are becoming reasonably efficient farmers, and should shortly be able to carry on without much further financial assistance from the Department.

Te Piki.

The Te Piki scheme, near Cape Runaway, contains 4,245 acres, of which it is proposed to eventually develop 1,000 acres.

During the year 160 acres were cleared and 200 acres sown down in grass, 210 chains of new fencing erected, and 60 chains of new drains dug. There are now approximately 570 acres in permanent pasture. About 2 acres were worked up this year and laid out for a tree nursery, vearling trees being obtained from the Rotorna Nursery, while a quantity of seed was also sown. This nursery will be sufficient to supply trees to all schemes castward of Te Kaha. The situation and climate of this site is ideal, and as trees and seedlings are showing good growth it is considered that the action taken in the establishment of this nursery will be fully justified.

The stock on the scheme at the end of the year included 99 run cattle, 16 horses, 159 other dairy stock, and 508 sheep. All the stock has done particularly well, and the pasture areas have improved with the heavy stocking during the year.

There are twenty-two workers on the scheme, and in all some thirty-seven adults and forty-two children are dependent on the project.