

Weddel's World

★ WESTFIELD
★ TOMOANA
★ PATEA
★ KAITI - in conjunction with
Gisborne Sheepfarmers
Freezing Co. Ltd.

QUARTERLY NEWSLETTER
ISSUED BY
W. & R. FLETCHER (N.Z.) LTD

JANUARY 76

NEW ZEALAND NEEDS A LONGER KILLING SEASON

The new Assistant General Manager for W. and R. Fletcher [N.Z.] Ltd, Mr Peter Johnston, who transferred to Wellington from William Angliss and Company's Australian operations, says as a new arrival to the country, one of his initial reactions was the need for a longer killing season in New Zealand.

He says that at present the mutton and lamb chains are on average being utilised to a capacity of something like 34 percent compared to 60 percent in Australia while the beef chain has a lower than 50 percent utilisation compared to nearly 80 percent in Australia.

Cost Factor

"I feel the industry will have to research longer killing periods, as any extension in usage will help reduce the cost factor involved in production."

Mr Johnston sees two main problems confronting the meat industry today, the major one being the introduction of protectionist policies and trade barriers particularly in the present period of economic downturn preventing New Zealand from being able to sell its production to capacity.

Citing the European Common Market protectionist policy as a prime example, Mr Johnston says that sustained high prices had almost put meat out of the reach of the normal family even though there was a stockpile of 300,000 tonnes of meat.

While New Zealand was able to export mutton and lamb to the United Kingdom under a special E.E.C. agreement, the growers were being contained by special levies which were a harmful aspect to the trade.

"If the farmers' returns were based on the actual sale prices they would be in a very happy position."

Technological Problems

The second problem facing the industry was the increasing pressure from customers for technological improvements, particularly the new hygiene requirements, some of which seemed excessive.

Mr Johnston says the future expansion of New Zealand's meat exports will certainly be assisted by the growth of the industry's private sector.

Mr Johnston says the privately owned companies have developed an enormous sales network particularly in the present major consumer areas of Britain, the United States, Canada and Japan and private enterprise has always proved to be the greatest incentive in the development of a production industry.

Sales network

He says this network, which wasn't developed by accident but rather by efficient operations in the past 100 years, is vital for a highly perishable product which requires very expensive storage conditions. As a result, meat which is New Zealand's major export must be sold as it is produced as there is limited facility to stockpile the product as is the case with other traditional exports such as wool, dairy products and eggs.

Mr Johnston says that government controlled marketing is not a feasible alternative to combat market forces, and some of New Zealand's present major buyers would not find government to government dealings politically acceptable in their current competitively based commercial operations.

He notes that while New Zealand's traditional markets are still providing the necessary base for

its meat exports the new and developing markets hold the key to the future. In this respect Fletcher's had made encouraging inroads into more diversified markets and the company was particularly proud of having been selected as one of the few New Zealand companies granted importers' licences into West Germany.

Weddel's newly opened office in Iran was also an important development for future trade opportunities as it provided expertise in one of the world's most rapidly expanding meat consumer areas.

Future confidence

Despite its problems the New Zealand meat exporting industry must look at the future with ultimate confidence and there were already hopeful signs of market improvements particularly in Japan.

"The cheapest food and converter is grass and New Zealand has large areas of land devoted to farming.

"This means it can produce meat at competitive prices with heavily populated countries who have to resort to expensive stock rearing by hand feeding and feed lotting.

"With an imbalance of availability of meat even in the developed countries artificially bolstered prices cannot survive which puts our industry in the position of long-term confidence."

Mr Johnston sees New Zealand's lamb production and killing techniques in the forefront of world standards and says this position must continue to consolidate with the country's involvement in the industry as the world's major exporter of lamb.

High standard

Mr Johnston joined the Vestey organisation in London in 1951 as a trainee with Weddel. He says he first became really involved in the meat

industry when meat came off rationing in Britain in 1954 and he was sent to a Swindon works acquired from the Ministry of Works by Vestey's.

"This was a small works with a capacity of about 140 cattle a day and when the Ministry moved out in the morning they virtually took everything with them even down to pencils and notepaper. We moved in in the afternoon to face a deluge of 1200 cattle from Southern Ireland, which as you can imagine caused sheer pandemonium."

The following year he went to William Angliss and Company's Riverstone works just outside Sydney as a trainee getting practical experience in killing, boning and all facets of the production side of the business.

In 1957 he was Production Assistant to the Works Manager at the Townsville plant then recently acquired by Angliss and the following year was works manager at the Red Bank meatworks in Brisbane.

In 1959 Mr Johnston became assistant works manager of Central Queensland's Meat Export Plant in Rockhampton and moved to Tenterfield as plant manager in 1961. In 1962 he became Assistant State Manager for Angliss' Victorian operations becoming manager in 1967. He transferred to Sydney in 1971 where as New South Wales State Manager he was involved in the design and construction of the group's new \$9 million plant at Riverstone. Last year he spent three months in New Zealand on a works project operating basically from Auckland.

During his long and varied career in Britain and Australia Mr Johnston has worked with many Fletcher men including Mr Hinchliff, General Manager, Gordon Taylor, Alan Parker, Sam Young and Michael Sanders.

Mr Johnston is married with two sons, Timothy 14 and Peter 9.



Mr Johnston gets to grips with the New Zealand meat export scene at a meeting of W. and R. Fletcher [N.Z.] Ltd's executives in Wellington. From left: Mr J.N. Baker, Gisborne Refrigeration Co.; Mr G.T. Taylor, Westfield Freezing Co.; Mr R.L. Stewart, Patea Freezing Co.; Mr R.M. Scott, company secretary; Mr M. Hinchliff, general manager; Mr Johnston; Mr M. Sanders, Nelson's N.Z. Ltd; and Mr C.C. Greenough, Auckland Meat Co.

G.M.'s New Year Message

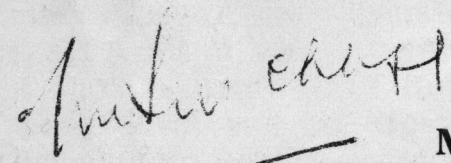
I am pleased to make a contribution to the New Year's issue of Weddel's World. This is the eighth quarterly publication and I am glad to say that our newsletter is now well established and sought after. We thank all our contributors, particularly those from our overseas associates.

This time last year we were not very cheerful about the prospects of an early improvement in the prices paid for our meat in the principal overseas markets, nor in the prospects of higher consumption of our products. In fact, as far as beef was concerned, Japan and Europe were virtually closed to New Zealand. Fortunately the U.S. market has been open but is restricted to an annual import quota. The exception was the lamb market where our killings were higher and prices better than anticipated.

The overall situation, however, was serious and had the effect of bringing closer together the various arms of our industry including the farmers, Meat Producers Board, Ministry of Agriculture and Fisheries, exporters and processors. Frequent consultation has hopefully enabled the industry to ride out the worst of the storms brought about by the world wide recession. We hope that the international supply position will influence an improvement in our markets during 1976.

To make the improvement effective, the cost of transport and services to the farmer will have to be contained and this can only be done by more efficiency and productivity. The farmer must be encouraged to re-invest and increase his flocks and herds so as to meet the increased demand when this comes about.

At this time I would like to thank all our staff and employees for their efforts on behalf of the company during the past year and to wish you all a happy and prosperous 1976.



M. HINCHLIFF
GENERAL MANAGER

WEDDEL OPENS IRAN OFFICE

Weddel International's Osaka office Manager, Mr John Woods, has transferred to Teheran to open a permanent marketing office in Iran for the Vestey organisation.

W. and R. Fletcher (N.Z.) Ltd — who are part of the Weddel group — see the opening of the Teheran office as an important step in dealing with the expected rapid improvements in Middle East market requirements.

Fletcher's believe that they are the first New Zealand meat exporting company to have a permanent office in the area, with other companies operating at this stage purely through local agents.

The company's export marketing manager, Mr Bruce Bishop, says the move reflects the importance the organisation places on the Arabian and Iranian markets and the future prospects in these markets, with the opportunity of major lamb sales to the area.

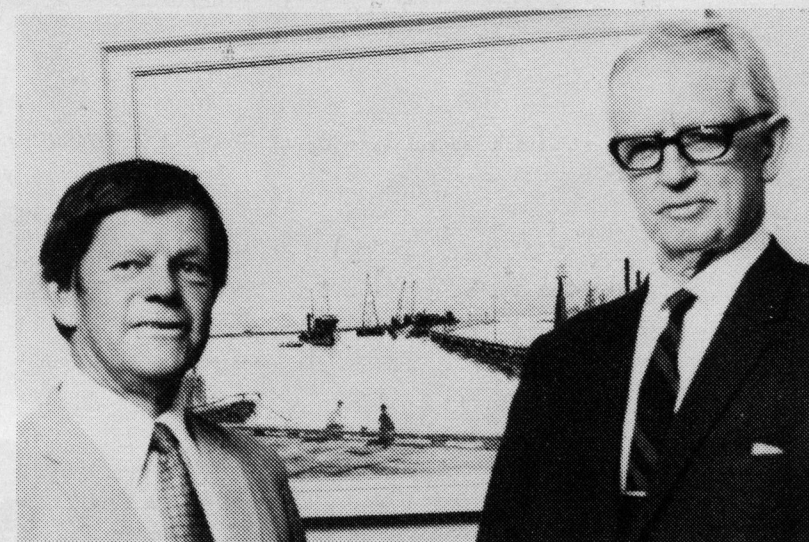
Mr Bishop says that up to the present time W. and R. Fletcher has only participated in joint meat supply contracts to the area negotiated by New Zealand companies as a group and the establishment of a permanent office would no doubt greatly enhance the company's sales prospects.

IRAN DEAL

W. and R. Fletcher were recently involved in another lamb deal to Iran.

The company received a 25 percent share of the 2,200 tonne order negotiated by the two exporting companies, Dalgety and Wrightson-N.M.A.

New Gisborne Chairman



The new chairman of the Gisborne Refrigerating Co. Ltd, Mr H.B. Williams [left] pictured recently with the retiring chairman, Mr P.F. Barker.

Mr Barker, a long serving director of the Gisborne Sheepfarmers Mercantile Co. Ltd, has also been a director of the Gisborne Sheepfarmers Freezing Co. Ltd since 1953 and chairman for the past 17 years. Both companies hold an equal shareholding with the Weddel Organisation in the Gisborne Refrigerating Co. Mr Barker joined the Kaiti board 22 years ago and was chairman for the past 17 years.

Mr Williams has been a director of all three companies for about 20 years and has been deputy chairman to Mr Barker for 16 years. His father was chairman of directors of the Gisborne Refrigeration Company from its inception in 1931 until 1957.

Both Mr Barker and Mr Williams are from prominent East Coast pioneering families and both are well known for their many interests not only in farming but in other varied spheres. Both are involved in beef studs well known through New Zealand and overseas, Mr Barker through the Acton Farm Hereford Stud and Mr Williams with the Turihau Aberdeen Angus Stud.

LIVESTOCK CORNER:

In Demand As Judges



As an introduction to the many facets of W. and R. Fletcher [N.Z.] Ltd's livestock activities and services, Alex Gillespie [left] and Gordon Ansford, provincial livestock managers for the Waikato and Hawkes Bay respectively, are pictured judging cattle at a Hawkes Bay Agricultural and Pastoral Association Annual Show. Alex and Gordon are much sought after in both islands by various A. and P. Associations for their judging of cattle and sheep in export competitions. In addition their expertise and judgement is widely acknowledged by the various Stud Beef Breed societies and again keen demand is placed on their services.

Schedules Lead — Again!

W. and R. Fletcher [N.Z.] Ltd again posted the highest lamb schedules in New Zealand at the beginning of the 1975-76 season.

Their opening schedule of 56.2 cents a kilogram for prime medium lamb was significantly above the Meat Board's posted price and also above those announced by the country's other freezing companies.

The schedule would see a return to the farmer of \$9.50 for a prime medium lamb in comparison to less than \$7.50 posted in the previous year's opening schedule.

This included the company's offer of a bonus payment of three cents a kilogram for lambs arriving in Britain before the end of December.

The opening of the season saw an active trade in New Zealand lamb on the British markets and with the continued demand the market firmed significantly.

The reason for this was the early kill of home produced lamb with a consequent diminishing of local supplies. This was the result of a mild winter with an earlier lambing season than normal.

As a result W. and R. Fletcher's are confident of the future trend for New Zealand lamb in Britain.

Slupe Wool — A Vital New Zealand Industry

The production of lamb and mutton for export had a valuable subsidiary industry in wool and pelts that are often overlooked in a full appraisal of the industry.

W. and R. Fletcher (N.Z.) Ltd's wool department is a success story in the company's extensive operations in New Zealand and is a prime example of its market research aimed at getting the best returns for the country's primary produce.

The wool returns from the national kill form about 15 percent of the total annual clip, a formidable total considering the wool taken from stock killed is significantly lower than the fleece cut from fully grown sheep.

And the financial returns are also high as the wool and pelts earn on average about 30 percent of the yield from lambs, obviously fluctuating with variances in the international markets for meat and wool.

The wool department is supervised from the Wellington head office which controls stocks and shipments, estimates forward production — a major and time consuming facet of the organisation — supervises distribution of type samples which is the basis of the method of selling and finally supervises the scouring and blending done from samples sent in from the works.

A very tight watch is also kept on quality control with an extensive back-up library of type samples on hand as a reference for buyers' needs and a method of recording changes in production styles. This library covers the past three seasons of production and involves about 2,700 tinned samples of the various blends of wool produced.

W. and R. Fletcher produces between 40,000 and 45,000 bales of wool annually from the lamb kill. That's approximately 6.5 million kilograms, of which at least 90 percent is earmarked for export. Of this a minimum of 40 percent is used in carpet yarns with the rest spread through the woollen trades ending up as weaving and hand knitting yarns, knitwear and hosiery etc.

The marketing operation overseas is conducted mainly on a direct sales basis to the end users, such as mills, and ties in with Weddel International's extensive world-wide marketing operation and expertise, rather than using brokers as middle men in the operation.

The company is the only freezing company in the world trading in "slupe" wool that has trained wool salesmen and outlets throughout the world, backed by extensive marketing knowledge and experience.

The slupe wool, or wool that is chemically removed from pelts after killing rather than by shearing, is handled basically in two ways.

Larger consignments are baled in job lots, while the smaller lots which are more difficult to market are scoured and blended to achieve a uniform result.

The process of treating the wool, whilst being a relatively simple one, involves much expertise to

achieve the top class end product.

When the skin is taken from the carcase it is washed to get it clean and reduce the body heat to preserve the pelt, which is as valuable as the wool, for use as leather.

The skin is then put through a centrifuge, or spin drying process, to remove the excess moisture after which it is then bulk classed. In the next stage of process the skins are placed on a conveyor belt where a team of men trim and flatten them in preparation for the "painting" process. This involves the pelts being sprayed with a mixture of lime and sulphide which works its way through the pelt and loosens the wool for easy removal.

The skins are hung for 24 hours after which a team of pullers, who are in effect skilled wool classers, literally pull off the wool and class it. The pullers can process up to 100 skins an hour, sorting the wool on each pelt in to anything up to six grades. The pelt is then sent for processing and the wool is mechanically dried and goes into conditioning bins which allow it to regain its true normal moisture content before being baled prior to its despatch to wool stores.

Nine years ago Fletcher's became totally involved in scouring wool in New Zealand for the dual reason of blending oddments and treating the wool for developing markets which were not used to handling raw slupe wool.

The principal agent for the processing of the wool is the Independent Wool Commission scouring plant at Tomoana, which not only handles the full production from the company's four North Island plants, but also processes wool for other brokers on a commission basis.

The task is not an easy one with the vast variance in wool quality from area to area with up to 20 different breeds of lamb being processed.

However, in the first six years, sales doubled every year to its present day secure position in an industry vital to the New Zealand economy in foreign exchange earnings.

Those years of expansion saw a significant increase in sales of slupe wool to the then developing markets of Japan and other Far Eastern countries, and coincided with the opening of the Weddel office in Japan, the first representing any New Zealand freezing company in that country.

The head of the wool department, Alan Chapman, says the company's development of the slupe wool trade was anything but a hit or miss venture.

OBITUARY:

Mr F.G. Knight

Mr F.G. [Frank] Knight, a previous General Manager of the Westfield Freezing Co. Ltd, has died in Auckland.

Mr Knight joined W. and R. Fletcher (N.Z.) Ltd in 1918 and rose through various positions to be Acting General Manager of the Group and General Manager of the Westfield Freezing Co., a position he held from 1944 until his retirement in 1965.

When Head Office was moved to Wellington in 1935 Mr Knight came down as chief of the Costing Department. On the outbreak of war in 1939 he was closely associated with the Government Marketing Department involving the control and bulk selling of New Zealand meat. He also assumed the position of Controller of Canneries and, as such, played a major part in ensuring the efficient flow of New Zealand meat to the United Kingdom.

For a long period Mr Knight was Chairman of the New Zealand Freezing Companies' Labour Committee and his wide knowledge of the freezing industry gained him universal respect. He is survived by his wife.



The main scouring train at Tomoana showing the fork lift [at bottom] loading wool into the hopper.

"We have highly qualified wool salesmen around the world and this, combined with the ability to get a uniform product, vastly increased our markets.

"For example smaller lots of say three bales are as costly to sell as large consignments and in addition the seller is in the disadvantageous position of having to accept a discounted price for his product because of the small size of the order."

Mr Chapman often visits Far East manufacturers to keep up to date with their needs and ensure they are getting the wool product that they want.

He says one drawback in slupe wool is the remnants of chemicals from the treating process and their effect on dyes but modern neutralising processes have combatted this effectively.

However the product has many advantages over traditional shorn wool because of the methods of production. With a widespread kill of lambs of a constant age the wool quality and length is constant giving a far more uniform product, thus requiring less blending than shorn wool.

In fact slupe wool is usually so uniform that manufacturers can buy it with confidence knowing that the quality and length of the blend is virtually guaranteed.

Britain still remains the largest customer of slupe wool, though heavy competition is now coming from European markets, principally Germany, Belgium and France.

With much of the sales done on a forward basis, an important facet of the wool department's operations is to keep fully abreast of market and production trends, values and possible shortages of supply.

Fletcher's also operate a well defined trainee system whereby new recruits to the department attend a wool course at Massey University and then spend training periods at the works where they get experience in all facets of wool production.



Alan and Roger checking a wool sample from the "library" to meet a customer's demand.



Alan Chapman [right] and his assistant, Roger Paton, appraising varying slupe wool samples for quality control before scouring.

Prime Trophy Returns to Nelson's

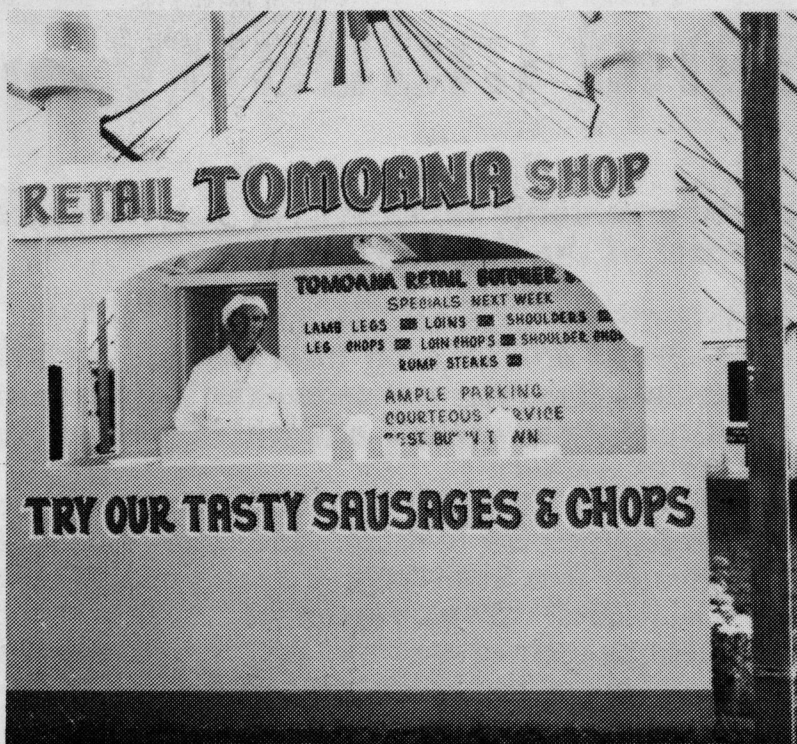
Nelson's N.Z. Ltd recently won the coveted Charles Douglas Memorial Cup for the trade exhibit at the Hawkes Bay A. and P. Society Spring Show after an absence of six years.

The main theme of Tomoana's stand dealt with trade with the Middle East, and it featured models of an oil rig, and an Arab with his camel set in a surrounding of palm trees.

Much credit must go to Ron Coleman and his willing band of assistants who set up the tent which drew large crowds.

Other features included a Tomoana retail shop (pictured above) which gave cooked samples of the works' "first class" sausages and chops to visitors, exhibits of the stockfoods operation, meat buying and processing operations and the commission wool scour as well as fashion parades featuring men's and women's clothing made from wool and leather.

One of the biggest drawcards was the weight guessing competition for the combined weights of a large Friesian-Charolais cross steer named "Jodie" and the former All Black, Kel Tremain. All proceeds from this competition went to the Intellectually Handicapped Children's Society.



OBITUARIES:

Joe MacDonald

It is with regret we announce the death of Joe MacDonald of the New Zealand Stockfoods Company. Joe joined the Westfield Freezing Co. Ltd on his discharge from the Army in 1944 and was immediately put in charge of office sales and despatch of the newly established stockfoods department.

Over the years until his untimely death he looked after the interests of the stockfoods company and its many customers with a devotion to duty which could not be surpassed, even though the operation grew vastly in size resulting in many more problems in the running of the division. Joe solved these with patience and tact which soothed irate customers and colleagues alike.

A measure of the esteem in which he was held in the business was demonstrated by the vast number of letters and messages of condolence that were sent to his widow from business associates all over the North Island.

Sir Noel Cole

Well-known building contractor, Sir Noel Cole, who was involved in extensive building operations of W. and R. Fletcher (N.Z.) Ltd's freezing works, died in Auckland late last year. Sir Noel rebuilt most of the Tomoana Freezing Works after the Hawkes Bay earthquake in 1931, and also carried out extensive building work at Westfield from 1923. His Australian business was formed in 1933 and it operated mainly for the Vestey organisation on their various freezing works projects.

Westfield Takes Golf Title



The 1975 annual works golf tournament was won by Westfield who (the sports editor says he has been reliably informed) sent down a team of burglars for the classic held at Wairakei's international course which features 99 bunkers and two lakes.

The team, pictured above from left standing, B. Clark, G.A. Gillespie, B. Grigg, B. Sills (kneeling), N. Burnside, P. Lambert, T. Queenin and B. Palmer, scored 28 points out of a possible 36, comfortably ahead of Patea, 21.5 points, who had overtaken Wellington head office (15.5) on the final round. Tomoana took the wooden spoon with 7, proving there are evidently few bunkers and no lakes on Hastings' golf courses!

The W. and R. Fletcher trophy for the best individual performance was won by Alex Gillespie (Westfield), the popular Provincial Livestock Manager from Hamilton who was making his first appearance in the tournament. Head Office Shipping Manager, Stewart Pauling, who recently created a precedent when he became the first Freezing Company representative to win the prized MOSK cup in the Annual Mitsui-OSK golf tournament at the Hutt course in Wellington, had been confidently expected to notch up his third successive trophy, but obviously he had peaked for the MOSK Cup and had subsequently "trained off".

The Cryovac Cup, newly presented by W. and R. Grace (N.Z.) Ltd for the best single nett round, was taken out by Duncan Young from Patea.

RETIREMENT

Molly Lyons recently retired from Wellington Head Office after 23 years' service. Molly was a most popular member of the staff, with a never failing smile, and her fellow staff members and friends join together in wishing her a happy and fruitful retirement.

A Crack Shot



One of New Zealand's outstanding trapshooters, Vic Ball, a foreman on the Westfield Freezing Co.'s mutton board, pictured with two of his prize guns. The guns, valued at \$2,000 each, are an MX8 Perrazi, personally fitted by Enno Matteralli who was the Rome Olympic gold medalist, a world champion and is now the managing director of the Perrazi Firearm Co. of Brescia, Italy, and a Rottwell Skeet Gun, which took eight of the first ten placings in the last world championships.

Vic, who has been at Westfield for 20 years, first represented New Zealand in 1967 and his list of achievements since then makes impressive reading. He was in New Zealand representative Commonwealth teams in 1967, 1968, 1969, 1970 and 1975, and numbers numerous international, island, provincial and club championships among his successes.

His skill, demeanour and sportsmanship led to his appointment as captain and tour leader of the New Zealand clay target team which had a very successful tour of Canada and the United States in the first half of 1975. Vic says this tour gave him his greatest thrill in the sport, citing one instance when in Dayton, Ohio, the team took part in the "biggest" shoot in the world, with 4,000 competitors in a field of over two miles long — that's more than 12 times larger than New Zealand's biggest event.

COMPANY PROFILE

Mr Eric Williams, the head of the Cost Department, has had a long and varied career with the Vestey organisation. He joined Weddel International in 1935 in London as a trainee on the works operation in South America. In 1937 he transferred to the administrative side of Donald Cook's cannery factory in London, which processed New Zealand meat. The cannery closed just before the outbreak of World War II and all the plant was transferred to New Zealand. During the war Mr Williams was attached to the Dominion divisions in East Africa and the Middle East, where he was taken prisoner during Rommel's push on El Alamein. After the war he returned to Weddel's South American division in London before moving on to the Australasian side of operations. In 1950 he went to South America, working in the Cost Department operations in Argentina and Brazil. He returned to London in 1951 and the following year came to New Zealand as head of the Cost and Production department, which in those days had only two people in it! He returned to London in 1962 as Mr W.P.N.G. Griffith's number one, and in 1967 came back to Wellington to resume control of the Cost Department. He has now served under four general managers in Britain and four in New Zealand. Mr Williams and his wife Ellen have four children, all of whom were born in New Zealand.

