



Weddel's World

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



WESTFIELD

TOMOANA

PATEA

KAITI - in conjunction with
Gisborne Sheepfarmers
Freezing Co. Ltd.

JULY 76

INCREASE IN N.Z. BEEF KILL

The Minister of Agriculture, the Hon. Duncan MacIntyre, in an interview with Weddel's World, has said that there has been a large increase in beef production this season. The adult cattle kill is running 17 per cent ahead of the same time last season.

On the other hand the adult sheep kill is about 6 per cent down, Mr MacIntyre said.

The Minister said: "This presages a swing out of beef and back to sheep. While the prospects for wool and lamb are good, we cannot afford an increase in production of these commodities at the expense of beef breeding capacity and beef cattle numbers.

"Breeding cow numbers were down by more than 50,000 head last season, and are expected to be down another 70,000 this year. Killing at this rate cannot be sustained without a marked fall in production in the next two seasons.

"As things appear at present it is likely that a drop in our own production will coincide with an improvement in world demand for beef and consequent higher prices.

"The United States is the major buyer of New Zealand's beef and therefore movements in the

Mr MacIntyre said: "The current drought in Europe is having its effect, and cattle slaughter rates in the EEC are unseasonably high. In the short term this could lead to an increase in the Community stockpile, but in the longer term, if breeding stock are being slaughtered, could result in a shortage of beef in Europe.

"Japanese production is expected to be down by about 10 to 15 per cent this year, and the forecast is for a further substantial reduction in 1977.

"If we are to take advantage of better market opportunities, production will have to be increased quickly, and beef type calves from the dairy herd are a readily available source of stock.

"Dairy farmers are very cautious about rearing beef type calves to the weaner stage because of fluctuations in market prices. Even the existence of a reasonably attractive guaranteed price at the time of slaughter has not changed this attitude.

"The result has been a very heavy bobby calf kill over the past two years. This has occurred in spite of fairly low bobby calf prices.

"If more calves are to be reared this spring,

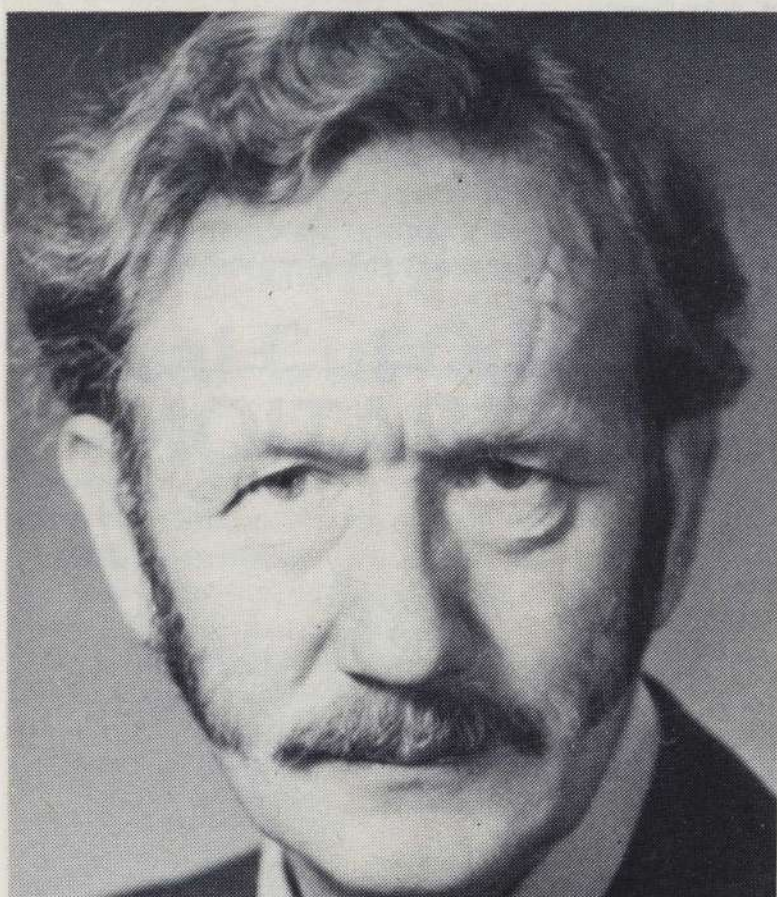
some of the uncertainty faced by dairy farmers in the returns for weaners has to be removed.

"I believe that the Government's Dairy Beef Market Guarantee Scheme will help to remove that uncertainty. If more of these beef type calves are reared to maturity, the whole country will benefit, as well as the dairy farmers who decide to take it on.

"Underwriting the price for beef weaners will not bring about any increase in production in the short term at least, because of the reduction in the numbers of breeding stock and the lower turn off of animals expected during the next two years. Rather, these calves will be needed if a marked decline in total cattle numbers is to be avoided."

The Minister said the new price stabilisation arrangements for meat would provide a reasonable measure of security on beef prices in the future, and this should be reflected in weaner prices next summer.

As the extra dairy beef raised would tend to offset the gap in the supply of traditional weaners and in the face of an expected improving market outlook, any disruption to the traditional weaner fairs next autumn should be minimal.



Mr MacIntyre

U.S. price for imported manufacturing beef are most significant to us.

"From the beginning of the year, prices moved slowly upward. They have eased back somewhat in recent weeks, but the upward trend is expected to return as the demand for beef continues to improve with the improvement in the U.S. economy and the domestic supply falls in the latter half of this year."

Mr MacIntyre said the U.S. Crop Reporting Board had indicated that the number of cattle and calves in feedlots at June 1 in the seven major cattle feeding states totalled 7,254,000 head, 24 per cent higher than last year's record low for June.

This is still 8 per cent fewer head than at the same date in 1974, but it did indicate the trend.

The movement of cattle into feedlots along with a declining cow kill would reduce the quantity of manufacturing beef available, and with increases in the price of prime beef, the demand for manufacturing grades was expected to rise.

Markets in other importing countries were also expected to improve over the next two years.

According to the U.K. Meat and Livestock Commission quarterly report, domestic beef production in the United Kingdom this year was estimated to just exceed 1.03 million tons, or almost 14 per cent less than in 1975.

TOURING THE WORKS



Mr Edmund Vestey a Director of Union International Ltd, with [from left] Mr Arthur Lineham and Mr Don Jolly the Production Manager and Manager respectively of the Wanganui Mild Cure Bacon Co. and Mr Mark Hinchliff, General Manager of W. & R. Fletcher [N.Z.] Ltd, during his recent three week visit to New Zealand.

He also visited Kaiti and the Organization's works at Westfield, Tomoana and Patea and discussed the various plans for improvements at these respective plants. Hastings Tannery and a number of other freezing works in both the North and South Islands were visited as well.

With his wife, who knows New Zealand well from the time she lived here, Mr Vestey took the opportunity to meet a number of prominent farmer clients, and stock station companies, Federated Farmers and as many of the staff as possible.

In Wellington he called on the Prime Minister Hon. R.D. Muldoon, Deputy Prime Minister, Hon. B.E. Talboys, Minister of Agriculture, Hon. D. MacIntyre, Chairman of the Meat Producers Board, Mr C. Hilgendorf, C.M.G. and the other Producer Boards.

Before leaving for home, Mr Vestey told Mr Hinchliff how much he had enjoyed his visit, and how valuable it had been to see the changes that have taken place in the industry and in farming since he last travelled all around New Zealand.

FLETCHER'S WIN SIGNIFICANT KOREAN CONTRACT

W & R Fletcher [N.Z.] Limited has won a contract to supply 500 tonnes of prime bone-in beef, worth half a million dollars, for delivery to Korea by the end of next month.

The company's sales manager, Mr Bruce Bishop, says the order is the first to Korea of any significance and it is required to fill both a shortfall in local production and to help control increasing domestic prices.

Mr Bishop, who has just returned from a tour of New Zealand's Asian markets, says the Korean order looks optimistic for the New Zealand farmer.

He says since the beef requirement is for local consumption it indicates an increasing standard of living amongst the Korean population and this should inevitably lead to an increase in meat consumption of which an increasing part must go to overseas suppliers.

Negotiations for the sale were conducted by W & R Fletcher's agent in the Republic of Korea, Korea General Foods Company Limited.

In addition to the above contract, Fletcher's have also sold 1200 tonnes of lamb carcasses during the current killing season which, in agreement with Korea General Foods, was further processed by them for distribution on the Japanese market.

ASIAN TOUR

Mr Bishop's tour also took in the Philippines, Okinawa, Japan, Guam and Honolulu.

On the Philippines, he said market potential was for aged and frozen meat rather than the traditional product frozen immediately after processing.

He said that with an apparent upturn in the local tourist industry and more hotel construction, together with several important international conferences planned for the area, including the International Monetary Fund conference later this year, the outlook appeared hopeful for New Zealand for prime quality meat export.

Mr Bishop said that despite New Zealand's poor shipping service to Okinawa compared with Australia, the high standard of the New Zealand product had maintained its sales and with projected shipping improvements, New Zealand could expect a major part of Okinawa's 4000 tonne annual beef quota.

SHIPPING PROBLEMS

Shipping, he said, also presented a great problem to New Zealand producers for the supply of beef to Japan. New Zealand could not expect a great percentage of the 49,000 tonne quota of beef announced by Japan to the end of the year since, even though a container service would start in October, between New Zealand and Japan, the one vessel would not be sufficient to allow New Zealand to compete with the regular service to Australia.

He added that even the introduction of a second vessel next year would not put New Zealand on a level footing with Australia and the New Zealand producers would still need suitable and expensive equipment and facilities to provide the chilled beef container service to Japan.

However, the mutton market to Japan looked hopeful, though Mr Bishop struck a word of caution on quality standards as, even though mutton was now in demand because of declining fish catches, it was still facing strong competition from the cheaper substitutes of horse-meat and pork, together with cheaper meat supplied by its main competitor, Australia.



The new manager of the meat division of Weddel Limited, Montreal, Canada, Mr Brian Whitty (left) having talks in W. and R. Fletcher N.Z. Ltd's Wellington head office with the export sales manager, Mr Bruce Bishop and the shipping manager, Mr Stewart Pauling. Mr Whitty was on a familiarisation tour of New Zealand and Australia during which he saw various key personnel of the Vestey organisation in both countries,

before visiting Weddel's head office in London on his way home.

Canada is an important outlet for New Zealand beef and Mr Whitty said that his visit had given him an invaluable perspective of Weddel operations "down under". He also added that he found Weddel's World of great interest and that it would assist him in making his clients aware of the organisation they were dealing with.

A VALUABLE DEMONSTRATION



W and R Fletcher [NZ] Ltd's provincial livestock manager for Hawkes Bay, Gordon Ansford, conducting the live cattle appraisal at the Hawkes Bay Meat Industry Field Day held at the Tomoana Showgrounds, adjacent to the Tomoana Freezing Works of the W & R Fletcher Group.

Gordon, who is in keen demand throughout New Zealand as a stud cattle judge, explained that the purpose of the demonstration was to pick borderline cattle which could fall into differing grading categories than those expected by the farmer on despatching them to a freezing works.

The demonstrations, which were held at hourly intervals throughout the day, drew large crowds of more than 300 farmers at each showing. At the

end of the appraisals, which covered all grades of beef, Gordon then opened the session for question and answers which drew a lively response from the farmers.

Many farmers commented afterwards that the demonstrations had given them a far wider insight into the new beef grading system and the factors which differentiate some of the gradings, particularly in the manufacturing beef grades.

Nelsons (NZ) Ltd., who operate the Tomoana Works also actively participated in the field day, and set up a joint display of by-products of the beef and sheep industry, in conjunction with two other works.

ON THE MEND

We are pleased to hear from London that Mr R.A. Vestey is making good progress after his serious accident in February. His leg which was badly broken has mended, and he has just been allowed to leave hospital and return home to start on a course of physiotherapy. He expects to be fully recovered shortly.

N.Z. LAMB GETS GOOD U.K. PRESS

A correspondent in London, Alan Tristram, in his British Newsletter to the Journal of Agriculture [June '76] says the British media is really driving home to the housewife what a good buy New Zealand lamb is.

He says that every British newspaper and all the main radio stations feature regular "best buy" shopping bargains, and if a food item is mentioned in these lists sales climb steeply, which is why New Zealand producer board representatives take a very close interest in them.

"So far this year, New Zealand lamb has been doing well in the consumer stakes. Here is a recent example from London's second-largest evening paper, the Evening News. It deplores the high prices for home-produced meat, but shows how New Zealand lamb can help the housewife keep down the cost of her weekly shopping basket. The article says: 'British farmers now find they are getting a higher price for beef if they sell into cold store under Common Market intervention. That means less beef available for the British housewife now, and higher prices'."

Mr Tristram points out that the French can afford to spend more on meat than the British, and with local lamb fetching as much as £1 (about NZ \$1.80) a pound, whole shoulders of New Zealand lamb at only 38 pence (about NZ 68 cents) a pound are a good buy.

In addition the BBC radio programme "You and Yours" which reaches several million homes daily put legs of New Zealand lamb as the best buy on its weekly shopping list.

Mr Tristram concludes: "So, whatever else is happening here, our meat is certainly getting a good press!"

Meat Cut Oddities

Meat cut terminologies of today bear faint resemblance to the traditional nomenclature, but the differences in terminologies used now can even confuse members of the industry.

The following is an example of the situation faced by our production staff.

The silverside is a standard prime portion taken from the hindquarters of a beast. This cut, when marketed in North America, became known as an outside, then as an outside round.

However, it is possible to separate this cut into two further portions, one is the eye of round and the other is [believe it or not] the round outside square! — otherwise known as the outside small or outside flat.

Meat Board Visitors



Recently the Chairman of the New Zealand Meat Producers Board, Mr C. Hilgendorf C.M.G., accompanied by Mr John Daniell, Board Member and the General Manager, Mr H.C.M. Douglas inspected the Westfield Works.

From left to right: Mr A.A. Parker, Works Manager; Mr Daniell, Mr Hilgendorf, Mr M. Hinchliff, General Manager, W. & R. Fletcher; Mr Douglas and Mr L. Souness Assistant General Manager, Westfield Freezing Company.

Surveying The Export Product



The New Zealand deputy Prime Minister, Hon. Brian Talboys, inspecting a cut of New Zealand chilled beef airfreighted to Hong Kong during a recent visit to the Hong Kong Refrigerating Company Ltd. as part of an official tour of the area. Explaining the packaging and marketing procedures for the New Zealand product is [left] the company's manager, Mr J. Hodkinson, with the New Zealand Commissioner to the colony, Mr B.R. Finny, on the right, and in the rear, the New Zealand Trade Commissioner, Mr R.E. Tyrie.

Mr Talboys expressed a deep interest in all aspects of the Hong Kong refrigerating Company's dealings with New Zealand during his one and a half hour visit to the plant and cold stores. Apart from meat, wool, by-products and leather that the company distributes from New Zealand it is also the agent for both the Egg and Dairy boards and imports New Zealand fish.

Mr Hodkinson took the opportunity of the visit to mention shipping difficulties in the past between New Zealand and Hong Kong and the need for a more efficient container service.



The site manager for the re-development of Nelson's N.Z. Ltd's Tomoana works, Mr W.G. Chalmers [centre] going over a site plan with the resident engineer, Mr Andy Copland [left] and Fletcher's production manager, Mr Robin Reid. Although he recently retired as chief engineer for the Union International [U.K.] world-wide group of companies, Mr Chalmers welcomed the opportunity to come to New Zealand for 12 months to supervise the Tomoana redevelopment plan.

LIVESTOCK CORNER: Fletcher Buys ...



... That's the call from Warwick Batger (top), well known and popular Dalgety head auctioneer at a recent Westfield cattle sale. At the bottom of the photograph, W. and R. Fletcher livestock buyers John Gracie of Tuakau and Peter Williams of Papakura, record their knockdown prices. In the off-peak periods of the cattle season Fletcher's buyers regularly attend all saleyards, thereby supporting the farmers who prefer this method of selling. This, of course, is in addition to their regular visits to farms where their clients receive a personal and friendly service.

The weekly Westfield sale, while not as large today as in former years, still in the main plays its part in setting wholesale prices for the large Auckland retail market.