Weddel's World

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W.& R. FLETCHER (N.Z.) LTD

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

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BRITAIN CHAMPIONS NZ CAUSE

One of Britain's most prominent retailers of New Zealand lamb believes that attitudes to an EEC common sheepmeats policy are becoming more liberal as a result of strong lobbying for continued entry of New Zealand lamb to its traditional UK market.

The managing director of Dewhurst's butchers chain, Mr Colin Cullimore, said the British Agriculture Minister had come out strongly recently in support of New Zealand's case.

He said the European community's agricultural policy was undergoing a period of change with more protection being given to the consumer.

This was the result of the growing stature of housewives groups and other consumer groups.

"Nothing that happened in previous agricultural policies, such as the so-call beef and butter mountains and the wine lake, has caused as much controvesy and correspondence as the common sheep meats policy," Mr Cullimore said.

"I have received formal letters from all the housewives groups in Britain to keep fighting for moves that will keep the traditional New Zealand lamb supply and resultant prices stable.

"These groups have now grown in stature to be even more influential than the farmers lobby in Britain, previously one of the strongest groups in the country.

"This has resulted in far more public assurances by the Government on its stance on the issue, and a consequent change in attitude in Brussells."

Mr Cullimore said that New Zealand lamb was a vital factor in Britain's counter inflationary programme, and any restriction on its supply would not only do irreparable damage to the New Zealand economy but would also destroy Britain's economic recovery programme.

There was no way that the community could replace the 210,000 tonnes of lamb sent to Britain annually, and any dimishing of supply would raise the price of lamb to a luxury item as it was in France.

This would lead to consumers being forced to look for alternative products such as pork and poultry.

"Any move that would result in a rise in the price of lamb, which is now one of the cheaper meats, would be strongly resisted by the British housewife," Mr Cullimore said.

"While we feel that the New Zealand producer is now getting a good return for his lamb we are very worried that any threat to their market could lead to a cut back in their supply, which would also lead to a rise in the price of lamb.

"New Zealand lamb has an important effect on meat prices in Britain as after locally produced beef it is the second most important product.

"New Zealand supplies some 53 percent of British lamb, and 72 percent of the lean lamb market.

"An important facet of the marketing of the product is the consistency of supply backed up by the consistent weight and quality of your lamb.

"The frozen product has the advantage of a long storage period which further guarantees the steady supply to maintain prices.

"Knowing this we can get the highest prices for the product over a yearly period to the benefit of the producer and still provide the market with a high quality good value meat.

"We believe the New Zealand lamb is now at its best value in the history of its trade, but there is still some concern over recent price increases.

"We achieved a six percent increase in consumption last year when prices were steadier, but this year prices have gone up some 25 percent while the inflation rate has dropped to about 10 percent."

The managing director of Dewhurst butchers chain, Colin Cullimore (right) reviews the state of the British lamb market with Fletcher's general manager, Mark Hinchliff, (left) and the chairman of the New Zealand Meat Producer's Board, Charles Hilgendorf.

Mr Cullimore was harshly critical of the Irish and French policy support for a strict sheepmeats regime describing them as selfish attitudes for a limited number of producers which would be of no benefit to the community.

"One of the greatest problems we have had on the lamb side is the Irish Minister of Agriculture who believes that rules should be applied to everyone except the Irish and the French.

"If you are a New Zealand farmer or a meat trader as I am you have a different attitude.

"Protectionist policies simply will not be tolerated."

Mr Cullimore said that the British meat trade was very impressed with the way the New Zealand Foreign Minister, Mr Talboys, and his delegation had put New Zealand's case to the EEC members.

"I would be very unhappy if New Zealand producers have been left with the feeling that Mr Talboys had not been strong enough.

"New Zealand's case for a sensible liberal entry to the British market is so strong that it can be played with coolness and firmness.

"Any over-emotive arguments could only damage this case.

"The door is open for your lamb."

Mr Cullimore added that the present six year transition period written into the draft policy was too short, and Britain was pressing for a far longer, more liberal, period.

"The moment you start to muck about with any successful operation then dangers occur. The lamb market is being operated by experts and we should be allowed to continue with the status quo."

The Vestey organisation's Dewhurst chain operates 1438 retail shops throughout Britain, 81 freezer supermarkets, five factories and several catering departments.

Dewhurst's service more than 3,000,000 housewives every week, with average sales of about £3 million.

New Zealand lamb accounted for about 15 percent of Dewhurst's annual turnover, with sales of some 1.5 million lambs worth £22.5 million, Mr Cullimore said.

New Zealand lamb totalled about 80 percent of the group's lamb sales, he added.

Mr Cullimore is also chairman of the Mutliple Shops Federation whose members account for nearly two thirds of the country's retail trade.

While in New Zealand Mr Cullimore visited the W .. R Fletcher group operations in the North Island and inspected the operation of the Auckland Meat Company's chain of retail shops.

He also visited the New Zealand Meat Producer's Board for talks with the chairman, Mr Charles Hilgendorf and other Board members.

U.S. BILL THREATENS BEEF IMPORTS

New Zealand beef exports to the United States would be seriously threatened placing the New Zealand beef industry in a precarious position if a new United States bill is made law.

This is the chilling word from Mr John Ward, general manager of Tupman Thurlow, the Vestey Organisation's selling company in the United States, who was in New Zealand recently touring W & R Fletcher's killing facilities.

He said the bill poses a very real threat to NZ's beef industry as it was estimated that beef exports could drop by up to 25% in the next few years under quotas contained in the bill.

Mr Ward, who is also vicepresident of the Meat Importers Council of America (MICA), said the bill — the 'Poag Bill' — was designed on a 'counter-cyclical' concept which would ensure that when domestic production was high imports were cut back, with imports increasing only when local production was low.

Mr Ward said MICA was "very scared" of the bill.

"We are very much opposed to it. What it fails to take into account is that when United States beef production is down, so is production in Australia and New Zealand. They run on the same cycles.

"I doubt very much if New Zealand and Australia could comply with these demands unless they dropped production," he said.

The bill is designed to last the full cattle cycle of ten years.

Mr Ward said it had been estimated in the United States that 1979, 1980 and 1981 would be good years for exporters, following by a sharp drop in 1982 — a trend which could continue through until 1986.

"Exports would apparently begin to build again in 1987, but even then the 1987 figures would not be all that encouraging," he said.

He said total US beef imports next year were estimated at 1.650 billion pounds but that this would drop to something around 1.202 billion pounds in 1986.

"With New Zealand's present 22% share of the US beef import market, exports could be affected by up to 25% if the bill went ahead," Mr Ward said.

"We are opposing it entirely. We don't want any quotas at all."

Mr Ward said MICA was engaged in much lobbying in Washington over the issue: "But we are only 50 importers and I don't know how many catlement there are. They are opposed to importing but imports don't substantially hurt domestic demand".

The MICA case has been backed by the US International Trade Commission which recently voted unanimously that imports do not injure and do not threaten injury to US cattlemen, and by the US Council on Wages & Prices which said increased imports would help moderate prices.

"I think this is the most serious thing since the new import laws were introduced in the States in 1964.

"New Zealand could be asked to prepare for a declining beef industry. It is an extremely serious situation for both New Zealand and Australia.

"The concept has always been that we should have a share of an increasing market and that market is increasing as the population increases, even though the per capita consumption has probably reached a peak at 1261 lbs per year."

However, Mr Ward said the fast-food market could be the saviour for New Zealand beef exports.

"The fast-food market is increasing tremendously. It is estimated that 40% of all beef consumed in the United States will be grinding beef, some of it going into sausages, but the bulk of it used in hamburgers.

"One argument we have used is that the greater the American production, the greater the fat throwoff."

With US beef producers still producing fatty beef, imported beef is blended with fat trimmings from local beef to make up hamburgers. At present hamburger meat comprises 22% fat content.

"If imported meat is not coming in there would be an excess of fat, which would have to go to tallow — at a lower price," Mr Ward said.

"We have received good response to arguments of this kind."

Mr Ward said there was a chance that the President would veto the bill which was likely to be passed.

Or, he said, with Congress having a lot of work to get through in the next month and with the recess coming up before the elections, the President could leave the bill to lie on his table without his signature until the Congressional elections by which time it would not be able to be made law.

Mr Ward hinted that the bill could be illegal under the General Agreement on Tariffs and Trade (GATT).

"I am given to understand that this sort of quota could be illegal under GATT, but I doubt if New Zealand and Australia would be strong enough to enforce this.

"It is unfortunate that at times when the US will allow more imports under the bill — when domestic production is low — NZ beef production will also be low."

Talking about the threat of Textured Vegetable Protein (TVP) to meat, Mr Ward said it was always a threat when prices were too high, although generally consumers preferred full beef.

"Once grinding beef gets over $1 per pound, TVP will increase." At present prices of 96-97c/lb, beef was well priced, he said. "That should give New Zealand farmers a good return."

English-born, Mr Ward joined the Vestey organisation in 1949 when he was transferred to Argentina for 12 years. In 1965 he was appointed general-manager of Tupman Thurlow in New York, a position he still holds.

He helped to form the Meat Importers Council of America in 1962, has been a director ever since and was chairman from 1969 to 1973.

Speaking in a cultured American accent — "they told me I should develop it" — he says his visit in New Zealand to Fletcher's Westfield, Kaiti and Tomoana freezing works have been very worthwhile.

"The rejection records are excellent and a great improvement from the 1960s," he said adding that the Tomoana plant will be one of the most modern in the world.

"It should be pointed out that the conditions which they (the Americans) are demanding of us here are no different than what they have there," he said.

A brighter moment for New Zealand trade as the general manager of Tupman Thurlow, John Ward, second from left, talks to, from left, Peter Johnston, general manager designate of W & R Fletcher (N.Z.) Ltd, Mark Hinchliff, general manager, and Terry Jones, assistant general manager designate.

Fletcher's Opening schedule Optimistic for Producers

W & R Fletcher (N.Z.) Ltd have announced an optimistic opening schedule $3.00 above last year's rate of $13.50 for P.M. lambs.

Not only has the new rate for P.M.'s risen to $16.50 a head but the new rate for the lighter PL lamb is $14.70 a head as against $12.56 (including premium) in 1977. The new rates are also well above the closing schedule of last season which reflected an improvement in overseas prices.

Fletcher's, who have traditionally set the opening lamb schedule, made the announcement earlier than usual because the ideal pastoral conditions pointed to some farmers requiring an early kill. Farmers make their decisions based on the values for various weights and grades so that announcing the early schedule will assist their planning.

Seasonal conditions and future cost rises indicate earlier killing this year than in the past seasons. Fletchers believe these factors resulted in the strong opening rates with returns unlikely to be bettered in subsequent months.

A significant feature of this season's schedule is the increased rates for the lighter weight lambs. These lighter weight lambs are preferred by the majority of customers in the U.K., the Mediterranean and Middle East countries and increasingly in the United States.

W & R Fletcher (N.Z.) Ltd have set this year's rates at: PL 93.9 cents per kilo; PM 90.7; PH 84.2; YL 89.0; YM 89.0 YH 84.2; OL 85.8; OM 85.8; and ALPHA 79.7 cents.

FAREWELL MESSAGE:
Thanks for the Help

As previously announced I retire from the position of Chief Executive of the W & R Fletcher Group of companies on 31 December 1978. It is not easy to express one's feelings adequately but I am glad of this opportunity on behalf of Mrs Hinchliff and myself to thank all those people who have given us so much support and friendliness both in and out of the company sphere. I would like to especially thank Mrs G. Stubley, my secretary, for her patience and conscientiousness.

No business can survive in the long run without the loyalty of its staff and their confidence in the enterprise. Our company has been established in New Zealand for over 60 years and I think we have earned our place in one of the most important export industries of this country. The past six years have not been easy ones and normal managerial considerations and decisions have been compounded by the dramatic impact of the new regulations associated with the hygiene requirements and procedures of our traditional trading partners. The speed with which these regulations have had to be implemented and the enormous cost and not least the human factors involved are not generally realised and in many ways have created misunderstandings and frustrations which have not been conducive to normal industrial relations which we all hope can be restored for the sake of the economy of New Zealand.

In relinquishing this responsibility I extend to my successor, Mr Peter Johnston, every good wish. Mr Johnston has been my main support for the past 2½ years and I know the business is in good hands. Also good wishes to Mr Terry Jones, the new Assistant General Manager. I am sure they will earn your co-operation and I hope they and their families derive as much satisfaction and happiness as we have had in New Zealand.

We intend to remain in Wellington and look forward to the usual readjustment from an "exciting" life to a more leisurely one. Finally I would like to thank the Vestey family for the confidence shown in me over the years and, like all of us on the staff, say how proud we are to be associated with people who work at their jobs and relate to people whether it is on the factory floor or on the golf course.

Our thanks to you all and good wishes for the future.

FROM JUNIOR AGED 14 TO ASSISTANT G-M

W & R Fletcher's assistant general manager designate, Mr Terry Jones, has come a long way since joining the Vestey organisation as an office junior in Melbourne twenty four years ago.

Mr Jones joined William Angliss and Co.'s Victorian office in Melbourne as soon as he left school at the tender age of 14.

In 1961 when he turned 21 he was appointed accountant of Weddel's Victorian operations, becoming one of the youngest company accountants in the Vestey group.

The following year he was transferred to Sydney as a member of a team of six appointed to implement the newly created centralised group accountancy system for Angliss's Australian operations.

Mr Jones moved to Townsville in 1964 to take up the position of assistant and relieving accountant with the Queensland Meat Export Company.

Mr Jones became the first Australian Accounting trainee to be posted overseas in 1965 when he spent three years in New York and London working for Tupman Thurlow and Union International respectively gaining further international experience.

When he returned to Australia in 1968, Mr Jones took up a different role as cost accountant with the Villawood Textile Company just outside of Sydney, which then ran all of the Angliss textile operations in Australia. He later took over as plant manager.

Mr Jones recalls this period as an exciting one as the company became the first operation in the world to produce a shrink proof pure woollen yarn.

In 1972 he was appointed manager of the Angliss management services division in Sydney having specific responsibility to the Australian group management for marketing, production, costing and works efficiency of Angliss's nine works and other associated companies, a position he held until his appointment to New Zealand.

Mr Jones says one of the most significant developments he has seen in the meat export industry was the introduction of containerisation which revolutionised the movement of the product and allowed more flexibility in its movement between cool stores and ships as the containers provided better temperature control.

Another important development in the Australian meat industry was the end of the long standing agreement between Australia and Britain in the 1950's, under which Britain guaranteed to absorb any surplus Australian beef production.

"Fortunately this tied in with the upsurge of demand in the United States and began a diversification programme for Australian beef that has now spread to Asian markets such as Japan and more latterly Korea."

Mr Jones noted that an important gain for the New Zealand meat export trade was the development of storage and handling facilities in the Middle East which could only help to stabilise trade to the area.

The introduction of a regular shipping service by the two Blue Port container vessels 'New Zealand Star' and the 'Australian Star' would help solve the past problem of irregular shipment for New Zealand exporters selling to the Middle East.

Mr Jones and his wife Patricia have two daughters, Christine, 9, and Katherine, 4.

Apart from playing the violin his main leisure hobbies keep him buried either in a golf course or a good book. In Australia he was a keen surfer and a member of a surf life saving club for many years.

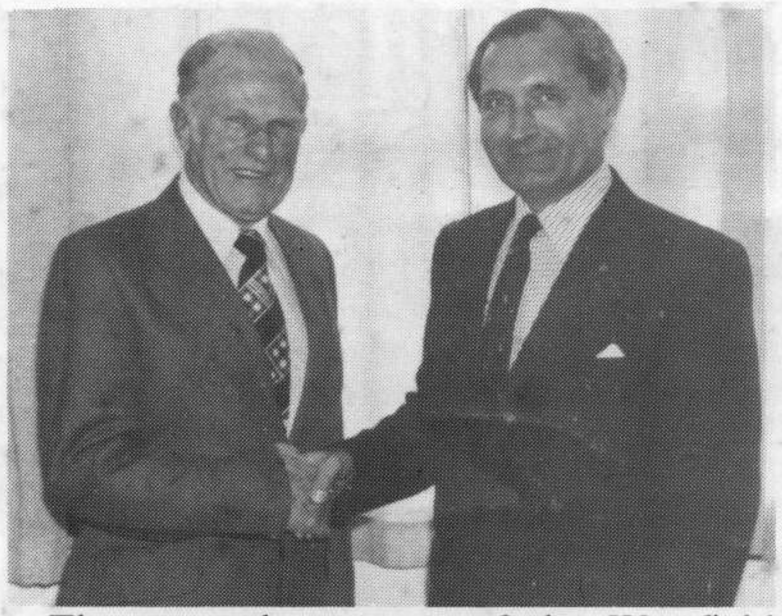
MR JONES

LIVESTOCK CORNER:
THE TEAM GETS TOGETHER

W & R Fletcher's Hawkes Bay livestock buying team got together in Hastings recently to prepare for the new killing season. With excellent conditions in the area the team met earlier than usual for the projected quick start to the season. The buying team also reviewed prospects for the coming year, and are enthusiastic in their outlook, a point that was reflected by the higher opening schedule announced by Fletcher's for the coming season.

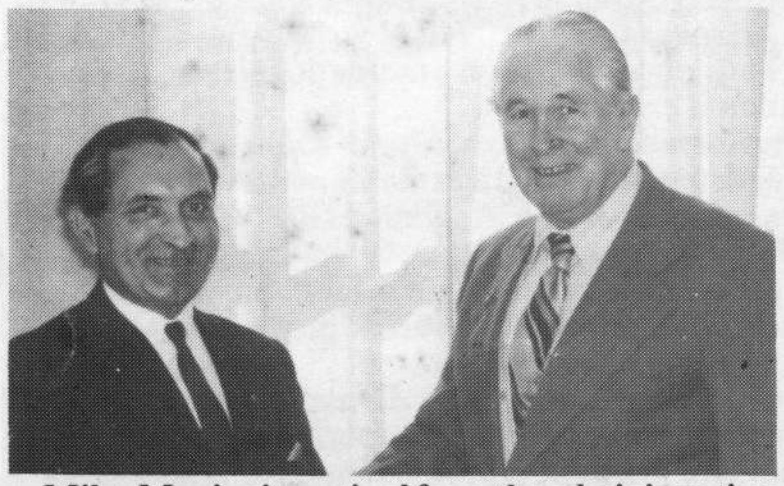
Pictured during a break at the meeting the team is: back row from left: Phil Lamason and Duncan McMillan of Dannevirke; Ross Goodall, Hastings; Ken Bell, Waipukurau; Peter Smith, Hastings; Gordon Harty, Waipukurau; Jeff Russel, Hastings; Owen Price, Dannevirke; Robin Finlay, a newcomer to the team at Palmerston North; Front row: Alister Maclean, Waipukurau; Phillip de la Parreille, who recently transferred from Gisborne to Hastings; Neville Willoughby, Hastings; Jim Searancke, Eketahuna; Gordon Ansford, Fletcher's livestock manager based in Wellington; Terry Goldstone, Hawkes Bay livestock manager and Noel Wootton, Taupo.

The meeting also marked the retirement of Phil Lamason after 25 years' service in the Dannevirke area.



The general manager of the Westfield Freezing Company, Gordon Taylor, thanks Alf Robinson for his lengthy service with the company at a recent retirement function.

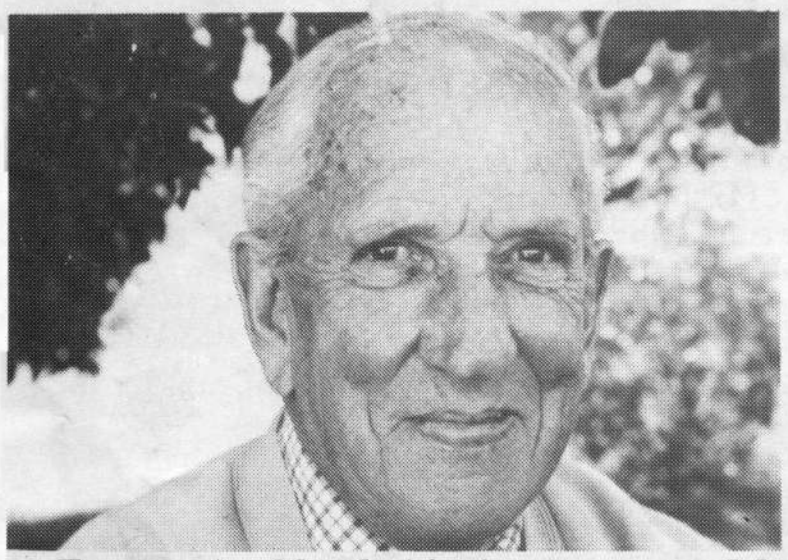
The Westfield staff presented Alf, who had been a member of their Pacific Island sales team, with a handsome cheque to give he and his wife a good start to their retirement days.



Miles Maginnity retired from the administration staff of the Westfield Company recently after having served for 12 years as ledger controller.

Pictured above, Miles is being congratulated by Westfield general manager Gordon Taylor after receiving a farewell presentation at his retirement function.

Where are they Now?



Former Auckland shipping manager, Mr D.A. (Dick) Leslie is thriving in his retirement years, with his major pastimes covering the upkeep of his garden and handyman jobs about the house.

Dick had a distinguished career with the W & R Fletcher group which spanned only months short of a half a century on his retirement eight years ago.

He joined Nelsons Brothers in Gibson in 1921 as a junior when the company's operations were being carried out at the Taraheru Freezing Works.

Two years later he was transferred to Fletcher's head office, which was then situated in Auckland in the Endeans Building in Queen Street, but later moved to the top floor of Union House in Quay Street.

When the head office was moved to Wellington in 1935, the majority of the staff, except some of the shipping department, were given the option of transferring to Wellington or joining the Westfield Freezing Company. Dick elected to stay in Auckland.

He spent time in most of the Westfield departments, but finally finished up in the shipping department, which at this time also acted as Auckland agents for the Blue Star Line when it began trading to New Zealand.

When Blue Star opened its own branch office in Auckland after the Second World War, Dick was appointed Fletcher's Auckland shipping manager, a postition he held until his retirement.

PATEA WINS GOLF TITLE

The Patea golf squad posted the best overall cards to win the Tony Rowlands Challenge Shield in the annual interworks tournament played recently at the Taupo Golf Club.

Patea showed they are more at home in ideal conditions, having carded only a mediocre performance in the wet last year, and although they did not take any of the individual events showed a consistency that gave them the team event comfortably.

Predictions that lack of practice for the Head Office team would be reflected on the course proved to be correct as the Wellington team were soundly beaten to take the wooden spoon.

The final results were:

Patea 25 points
Tomoana 22½ points
Westfield 10½ points
Head Office 5½ points

Two familiar faces will be missing from future tournaments, namely Alec Gillespie and Mark Hinchliff, and the general manager, in his final address presented a new cup for the best medal competitor, with the initial winner of the trophy being Ken Toms of Tomoana.

In fact Tomoana and Westfield players dominated the individual competitions which were played in conjunction with the team event, the results being:

W & R Fletcher Cup, best combined net: Laurie Edwards (Tomoana).

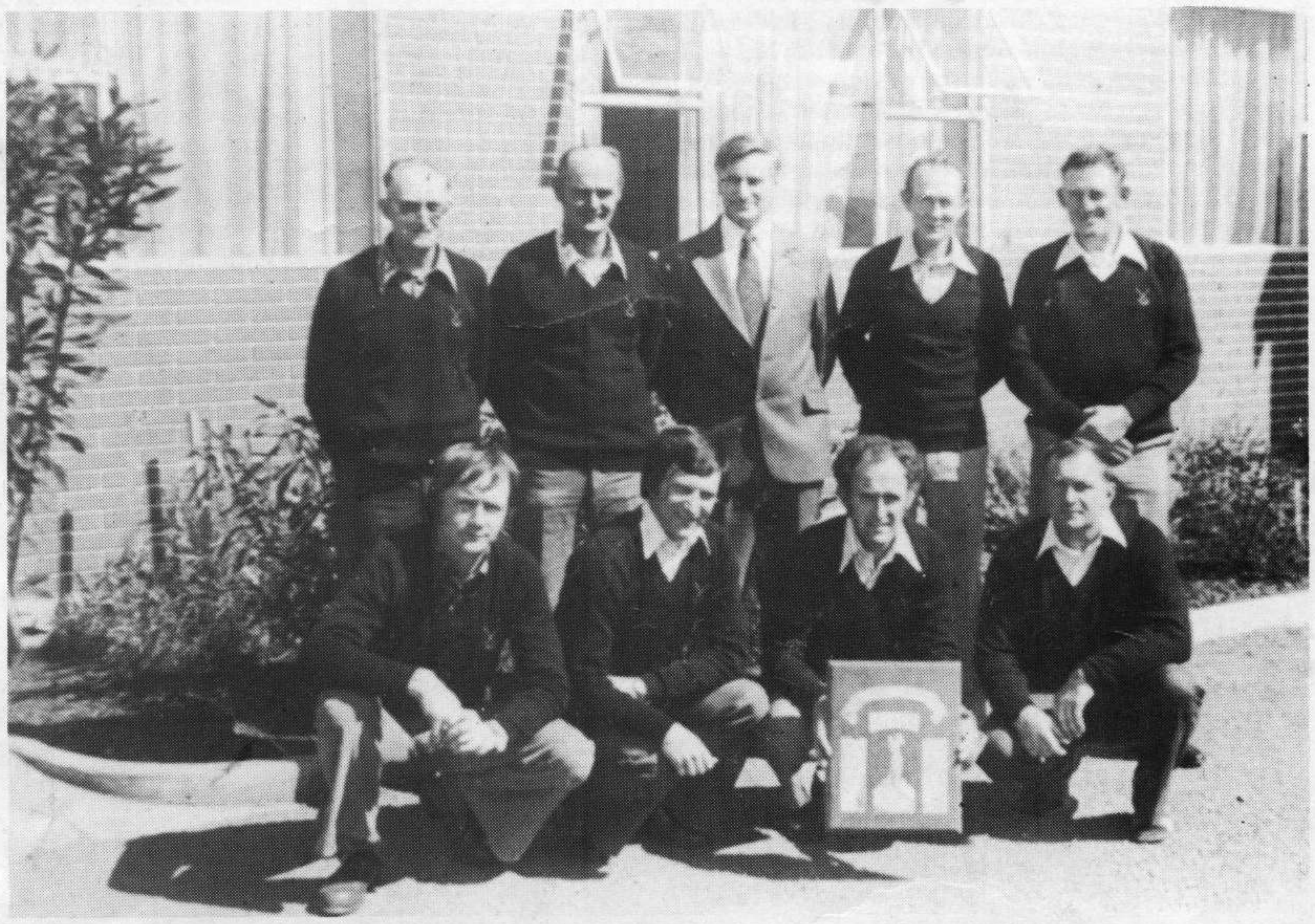
Lauritzen Cup for the runner up: Tunney Clark (Westfeild).

Wally Knight Cup for the best par: Trevor Arnold (Tomoana).

Blue Port-ACT Cup for Best Stableford: John Brodie (Westfield).

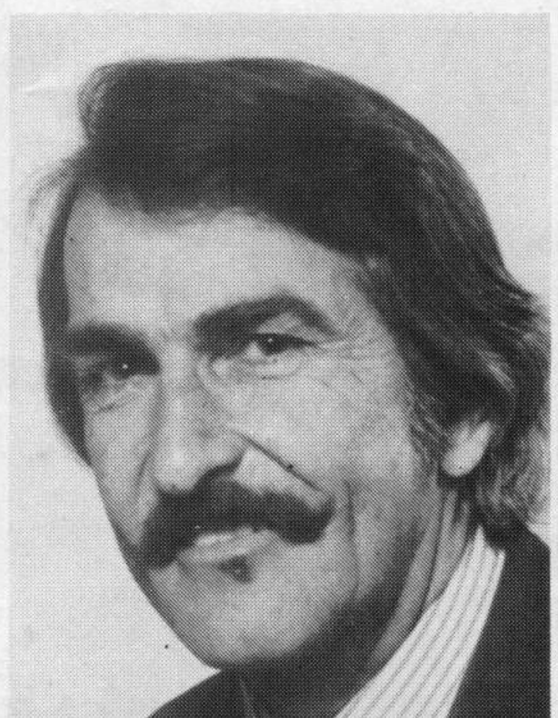
Mark Hinchliff Cup for best medal: Ken Toms (Tomoana).

Cryovac Cup for best individual net round: Ken Toms (Tomoana).



The winning Patea golf squad, pictured above, are back row from left: E. Kehely, captain, D. Young, R.L. Stewart, manager, A. Dunning, organisor, A. Railton; Front row: H. Gibbs, A. Parkinson, D. Cameron and B. Fergus.

COMPANY PROFILE



The manager of W & R Fletcher's Wool Department, Alan Chapman, joined the Vestey organisation in London in 1948 as a wool trainee. The following year he was conscripted into the Korean war, serving on the Royal Navy aircraft carrier HMS Indomitable in the electrical branch. He returned to London two years later and then spent two years in Bradford sorting wool at the various mills in the city while attending the Bradford Technical College at night to get his Wool Diploma. Alan moved to New Zealand in late 1955 as assistant to Fletcher's wool manager in Wellington and took over the department the following year when the manager, Bert Shelley, was transferred to Germany. In the past 20 years Alan has seen the slipe wool trade expand from purely a supply operation to the London auctions into a sophisticated and competitive trade throughout the major international wool using countries. He says the dramatic expansion of the scouring operation within New Zealand has enabled exporters to make major breakthroughs in Far Eastern countries, principally Japan, Taiwan, Hong Kong and more latterly Korea. He is presently serving as the chairman of the New Zealand Wool Freight Council and is a past president of the Massey Wool Association. Alan and his wife Sylvia have two children, Susa, 15, and Gary, 12. He says he enjoys playing all sports, concentrating now on tennis, badminton and trout fishing, with a little bit of soccer coaching in the winter months.

W. & R. FLETCHER (N.Z.) Ltd
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