

Gisborne Sheepfarn Freezing Co. Ltd.

JANUARY 1980

NEW LAMB SCHEDULE METHOD COULD POSE LONGTERM PROBLEMS

The general manager of W. & R. Fletcher (N.Z.) Ltd., Mr Peter Johnston, has sounded a warning note about the Meat Board's new method of calculating meat export price schedules which favour the heavier weights of lambs.

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

Mr Johnston said New Zealand had to be careful not to allow simplistic attitudes on farm costs to overshadow the ability to sell the end product as this could develop into a situation where importers could turn away from the grades that resulted in higher prices for local growers.

effect on the growers.

Market Demands

we as an exporting country must direct our Johnston said. product to this."

The previous method and the new board approach were no different in the payment of charges for the total kill.

But the new method strongly favoured higher rewards for the heavy weights of lamb, whereas earlier schedules had encouraged lighter lambs.

Mr Johnston said that while the theory of extra weight produced and exported sounded fine there was grave danger for New Zealand in promoting heavier weighted lambs without attention to breed change and in marketing the resultant product mix.

This had aroused concern among exporters r Johnston said.

Fat Danger

"For example," he said, "the temptation to farm for weight would delay the start of seasonal killing and cause a bank up for killing which goes directly against the often preached ideal of spreading the kill over a wider period to make more efficient use of the capital facilities at a works to contain costs.

"Another danger of additional heavier weights can be a shortage of the preferred lighter grades and an excess of the lambs our regular and potential customers don't want.

"What could be worse is that, with no change of breed, heavier weights will almost certainly be accompanied by an increase in that most undesirable item — fat.

"It is hard to reconcile the accepted principle that you produce what the customer wants with the likely result of higher rewards for heavier lambs," Mr Johnston said.

"People such as the Italians and Greeks, for example, insist on light lambs and they are not alone - Great Britain has increasingly been prepared to pay premiums for the PL grade of lamb."

Mr Johnston said he understood that in the Meat Board's viewpoint there was some feeling for the farmer understanding that farming economics might not have had full consideration in the past.

But while this schedule had been produced

"Even if we could sell all of the heavier with the recognition of the Board, and preproduct overseas it could result in lower prices sumably with those of certain sections of the which in turn would have an overall adverse farming community, the meat exporters believe that it was essential to pay careful attention to the effects.

"It is perhaps worth remembering that the previous approach to schedule setting had "The market demands in the past few years seen New Zealand become the world's largest have been towards the lighter leaner lambs and and most successful exporter of lamb," Mr

"We must be careful that in our efforts to

improve the situation for certain sectors we don't then introduce a whole new set of other problems."

Fletcher's are traditionally the first company to publish the new season lamb schedule and their opening rates for this season showed a PM lamb worth \$16.75 — compared with last year's \$16.50 — and a light PL lamb at \$15.25 as opposed to \$14.70 last season — including an initial premium of 9 cents per kilo for the early season kill.

N.Z. LAMB ON SHOW



The New Zealand Ambassador to West Germany, Mr B.F. Bolt (right), examining a pack of New Zealand lamb with from left, Mr P.D.A. Copeland, Continental manager of W. Weddell & Co Ltd, London, and Weddel's Hamburg manager, Mr B. Greve at the Anuga trade fair held in Cologne, West Germany.

New Zealand meat was well featured at the Weddell stand at the Anuga fair, which is the largest trade exhibition in the world, covering three categories — food, consumer items and technical exhibits.

A showplace for world trade, the fair attracts exhibitors from more than 80 countries with visitors and buyers exceeding 100,000 from many countries throughout the world.

Apart from an extensive display of New Zealand lamb cuts, the Weddel stand again gave the proof of the product to the international visitors with prepared dishes being handed out to visitors.

A success of the fair has been the presentation of the pre-packed cuts for supermarket selling in West Germany, with strong interest being shown by local consumers.

Official visitors to the Weddel stand included the chairman of the New Zealand Meat Producers Board, Mr Charles Hilgendorf and the Board's general manager, Mr Harry Douglas.

GM's New Year Message

The years 1979 and 1980 are rather like the series of stories built around the "good news" and the "bad news".

On the bad news side locally we were hit by a disastrous fire at Tomoana which completely destroyed the beef complex. We also saw the introduction of a schedule setting system for lamb which, allied to unrealistic high minimum prices set without consultation with the actual exporters, may exacerbate the currently difficult trading situation. All of this gloomy aspect was added to by an increasing rate of inflation within New Zealand and increasing interest rates etc.

Similarly, overseas we see the intensifying of pressure for an EEC sheepmeats policy deriving from the protectionist French attitudes, and the introduction of counter-cyclical legislation on beef imports into the United States, our major beef customer.

However there is an equal amount of the "good news" as on the local scene there was an illustration of goodwill in adversity from the generous attitude of our competitors in granting us beef processing space until our Tomoana beef facilities can be restored. We owe a particular debt of gratitude to Hawkes Bay Farmers Meat Co., Richmond Ltd. and Crown Consolidated as well as many others who immediately offered generous assistance. Reaction from Union members of our work force was also gratifying.

Tomoana's new mutton complex has commenced operations although, due to the fire, some computer refinements were deferred in their start up; reconstructions at Patea and Westfield have had a beneficial effect on operations and the new mutton abattoir at Kaiti, being built in conjunction with our partners the Gisborne Sheepfarmers Freezing Company, is well advanced for operation in 1980.

Overseas there has been a very significant trading breakthrough with lambs to Iran and a continuation of good trading with Iraq and other Middle East areas and beef market prospects look good over the next two years at least. The United Kingdom lamb market must improve from these factors providing always that free market forces are allowed to operate without damaging restrictions.

We have a very good staff who earned the company's appreciation for the way in which they handled a difficult year in 1979 and with our being geared to higher production from the new facilities we can face the future with confidence.

I would wish all our staff members and employees together with their families and our many valued clients sincere best wishes for the coming year. This year it is appropriate to make particular mention of our volunteer fire brigades whose efforts at Tomoana and elsewhere in recent times have contained loss of property — and more importantly loss of employment. The members contribute many leisure hours to the brigades and it is public service in the best sense.



The assistant general manager of W. & R. Fletcher, Mr Terry Jones, and Dennis Frederickson discussing Dennis's transfer to the Weddel head office in London. Mr Jones was the first Australian trainee to be posted overseas in 1965 when he worked in New York and London.

N.Z. POSTING TO U.K. HEAD OFFICE

The deputy export sales manager of W. & R. Fletcher, Mr Dennis Frederickson has been London where he will take over as manager for the Vestey organisation's world-wide casings operations.

Dennis, one of the few New Zealanders to be assigned to London on a permanent basis, joined Fletcher's shipping department in 1971 as assistant to manager Stewart Pauling.

After five months he transferred to the export sales department and recently has been responsible for the day to day running of export sales and has personally serviced the growing frozen and chilled meat trade to Tahiti, Fiji and the Samoan Islands.

Dennis says he sees his new job as a real nallenge as Weddel is one of the world's challenge as Weddel is one of the world's leading suppliers of casings.

UK FINANCE PROBLEMS AFFECT TRADING

The manager of the Vestey organisation's Australasian operations, Mr Derek Lloyd, said that the economic situation in Britain with the consequent constricting finance arrangements and high interest rates was presenting an adverse effect in the British marketplace.

Mr Lloyd, who recently toured the Fletcher operations in New Zealand, said as a result companies had to keep very tight inventories and were buying on a hand to mouth basis which was affecting the stability of trade, and putting pressure on prices.

But on the brighter side he said he was confident of the long term future for New Zealand lamb in Britain.

During his visit Mr Lloyd also had meetings with Meat Board and farmers representatives. He was accompanied by his wife, Antoinette,

who was making her first visit to New Zealand. Mrs Lloyd's late father, Mr Bob Kendall, was Australian sales manager for the Angliss group of companies, which are also operated by the Vestey organisation.

"I have also found out more about our involvement in the natural gut sports string transferred to the Weddel head office staff in operations. Weddel is one of the major sports string manufacturers in the world supplying tennis, badminton and squash strings throughout Europe and Britain."

At present New Zealand casings for this manufacture are exported to the Weddel plant in Melbourne for further processing before being trans-shipped to London for distribution.

Dennis and his wife Marilyn have two children, Kent 6, and Emma, 5.

BUTCHERS

The Westfield Freezing Company doesn't much resemble the familiar corner butchers shop, but for many years it has been just that for customers in Tahiti, American Samoa, Fiji and New Caledonia.

In fact, thanks to jet air freighters, chilled fresh meat can be in the markets of Papeete in the same three days it would take them to reach butcher shop windows in Auckland.

Westfield began shipping meat by air back in the propellor days of 1946 when the first shipment of frozen cuts was sent to Norfolk Island.

The company went on to pioneer shipment of chilled cuts to Papeete in 1963, which meant a refuelling stop at Nadi. The direct flight now takes five hours.

Today, Tahiti is the main Pacific market for the Weddell brand of chilled beef and lamb cuts, with a bit of chilled veal sides and quarters and bobby veal to please the French palate.

All of this meat is the more expensive, primal cuts and bound for hotels, restaurants and supermarkets.

A fairly large tonnage is involved in the six freight flights per week, all year round, and the demand has been increasing steadily.

This demand is coming from satisfied customers who have placed Westfield in the enviable position every business covets — that of having fresh meat asked for by the Weddell brand name — 2,200 miles away.

The Growing Philippines Market

The president of the Weddel agency in the Philippines sees a valuable growing market for prime New Zealand beef cuts in the region.

Mr John Hawkins of Wise and Co. Inc. in Manila, said the Philippines was rapidly developing as a convention centre and tourist area and as a result was importing increasing amounts of prime meat to service these two activities.

Mr Hawkins recently made his first visit to New Zealand for talks with W. & R. Fletcher's export sales staff to discuss the future of New Zealand frozen meat cuts.

He said the Philippines government had spent millions of dollars developing their convention centre, which incorporated a cultural centre, trade centre, international hotel and folk art centre.

Mr Hawkins said that following a re-organisation of his company with the view to building up its meat trade he decided to visit New Zealand to obtain first hand the relevant information on the potential and problems of supplying of New Zealand beef to Manila.

He also had talks with Fletcher's by-products manager, Mr Harry Beauchamp, on the supply of meat bonemeals, tallow and other by-products to the Philippines.

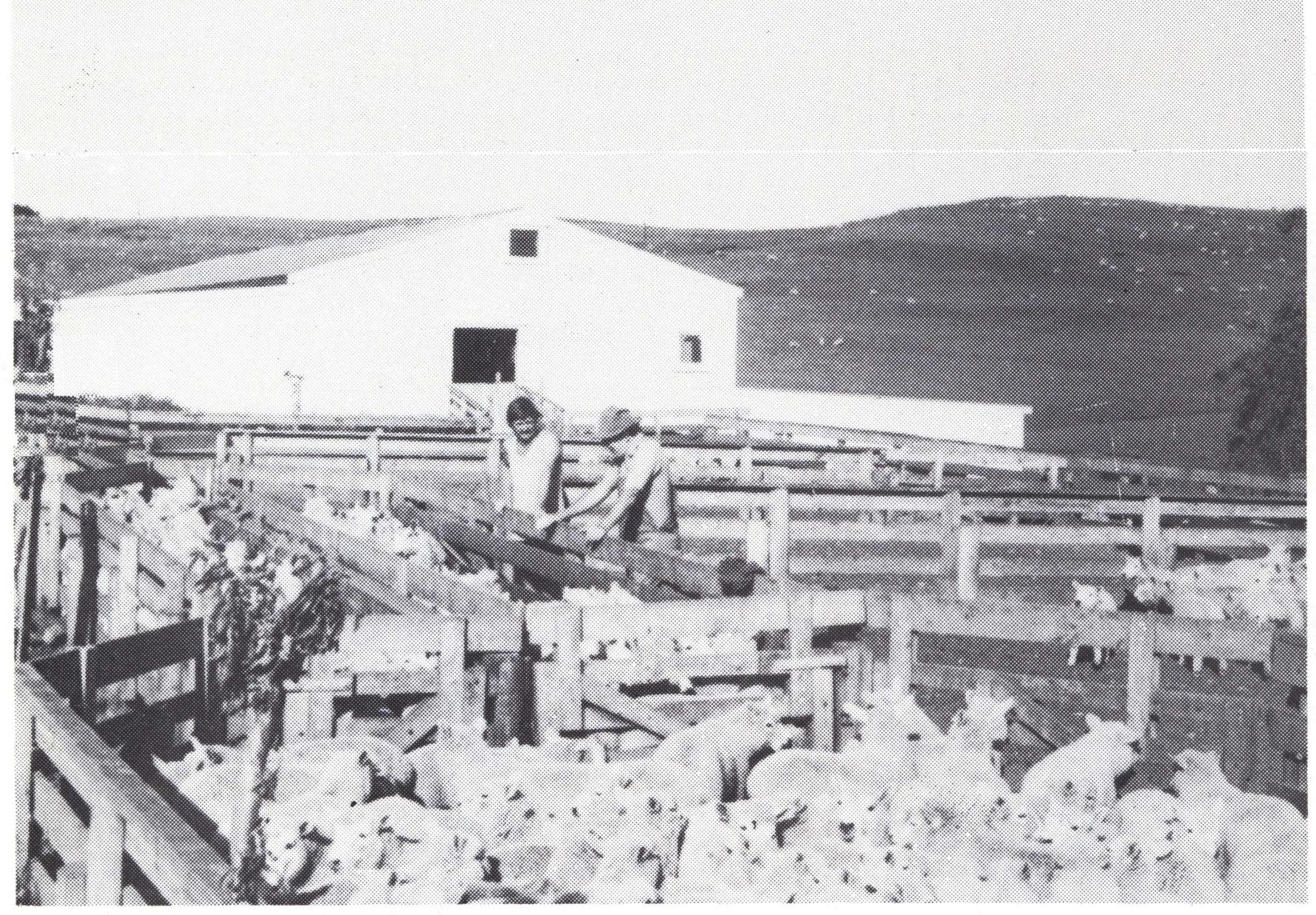
Following his visit to New Zealand Mr Hawkins went to Sydney to inspect the operations of William Angliss and Company, Fletcher's associate company in Australia.



Mr John Hawkins, president of Wise and Co. Inc., the Weddel agents in Manila, discussing prospects for increased trade of prime beef cuts to the Philippines with Fletcher's export sales manager, Mr Bruce Bishop, in Wellington.

LIVESTOCK CORNER

IN BY AIR — OUT BY SEA!



Auckland livestock buyer Peter Williams (right) drafting lambs on Motutapu Island with farm manager Ian Wilson prior to shipping a consignment to the Westfield freezing works across the Waitemata Harbour.

Motutapu Island is an island in the Hauraki Gulf adjoining Rangitoto, that is farmed by Land Development Northland on behalf of the Hauraki Gulf Maritime Park Board. Motutapu Island is 1500 HA in area and of this 1350 HA are in grass. The contour is mainly easy rolling, the climate mild, but prone to very dry late summer and early autumn periods. Strategically placed at the head of the Waitemata Harbour many gun emplacements bear a reminder of its wartime importance as a defence against invasion.

At present the farm is running 4500 breeding ewes, 1000 breeding cows and carrying supporting young stock.

Wether lambs are fattened for export while steer calves plus the surplus heifer calves are fattened for the Auckland local trade market.

Mr I H (lan) Wilson has managed the block for the past 4 years, and with his wife and two children live in a beautiful 65 year old home at "HOME BAY".

W & R Fletcher services this island, and the trip over to drafft stock by amphibian aeroplane or launch can be regarded as one of the highlights of a livestock buyers' week.

UK WILL CONTINUE N.Z. SUPPORT

A senior British MP has again pledged his government's support for the continued access of New Zealand's agricultural products into Europe.

The British Minister of State leading his country's delegation to the recent Commonwealth Parliamentary Conference in Wellington, Mr Peter Blaker, told members of the National Press Club of the links he saw as vital between both countries.

He said that while Britain wholeheartedly supported a stronger and more united European Community this should not weaken, let alone destroy, Britain's traditional ties and friendships which remained as vital as ever.

Mr Blaker said it was understandable that Britain's relationship with New Zealand was bound to undergo profound changes with its withdrawal from an imperial role and New Zealand's growing importance among the countries of the Pacific.

"But our changing perspectives only make it the more essential that we should foster the very close links which exist between us.

"New Zealand remains a very important market for British exports. Our hope and aim is that Britain's share of New Zealand's imports should now begin to grow again; and that British goods, technology and capital should play a large part in the new stage of the development of New Zealand's economy which is now beginning.

"We are equally conscious of your need to maintain continued access to the British market for agricultural products. We will continue to work to protect your interests within Europe," Mr Blaker said.

The New Zealand case has also been put strongly to the House of Lords, British Ministers and government representatives in Europe by Lord Vestey, the joint head of Fletcher's parent company in London, Union International.

A Lifetime Career

WHERE ARE THEY NOW?



The general manager of W. & R. Fletcher (N.Z.) Ltd, Mr Peter Johnston (right) presenting the retiring Waikato livestock manager, Alec Gillespie with a farewell gift at a recent function in Hamilton to mark the end of Mr Gillespie's 47 years service with the group. At the function, attended by his colleagues from the Auckland Provincial area and other guests, Mr Johnston spoke of the valuable contribution made by Alec Gillespie during his long tenure with the company.

Alec joined Fletcher's as an office boy in Hamilton in 1932 and started his career as a livestock

buyer as an apprentice four years later.

Fletcher's livestock manager, Gordon Ansford said that Alec had earned an enviable record as a great judge and a fair dealer. Among other tributes was a telegram from Lord and Lady Vestey in England.

A keen sportsman, Mr Gillespie played rugby for the Waikato both as a junior and senior rep and was a junior selector. He and his wife Ena have five children, and the couple plan to retire in Hamilton.



Fireman Dan Hickey being presented with his Gold Star for 25 years service with the Patea Works Brigade. Dan is Pelt Foreman at Patea.

RETIREMENTS

Geoff Oakley, Shipping Manager at Patea has retired after 39 years service. Geoff joined in 1940 as a clerk in the Fellmongery and after military service overseas returned to clerical duties in the Stock Department. He transferred to the Shipping Department in 1948.

Laurie Brisco has been forced by ill health to retire from his position as Bag Room Foreman at Patea. Laurie has worked in the Bag Room since he joined the Company in 1949.

TRANSFER

Laurie Craven has transferred to Patea from Westfield as Slaughter Floor Supervisor. Laurie previously worked at Westfield.

OBITUARIES

It is with regret that we record the deaths of the following former members of staff — all of whom spentmany years at Tomoana: Messrs Bill Donaldson (Stock Clerk); Fred Wharton (Pelts); Charlie Heald (Company Secretary); and Michael Moloney (Stores Clerk).

STAFF MOVES

Assistant works manager at Tomoana, Laurie Edwards, has joined the Wellington head office staff as by-products operations borne Refrigerating company to Wellington are Neil Bridgland who joins the production Stewart Wilson who will operate as the HO systems/computer man.



The former foreman of the Patea Freezing Company's rendering and tallow department, Norm Leppard, wonders how when he was working he managed to find time to follow all his hobbies, as in retirement he finds it a full time job.

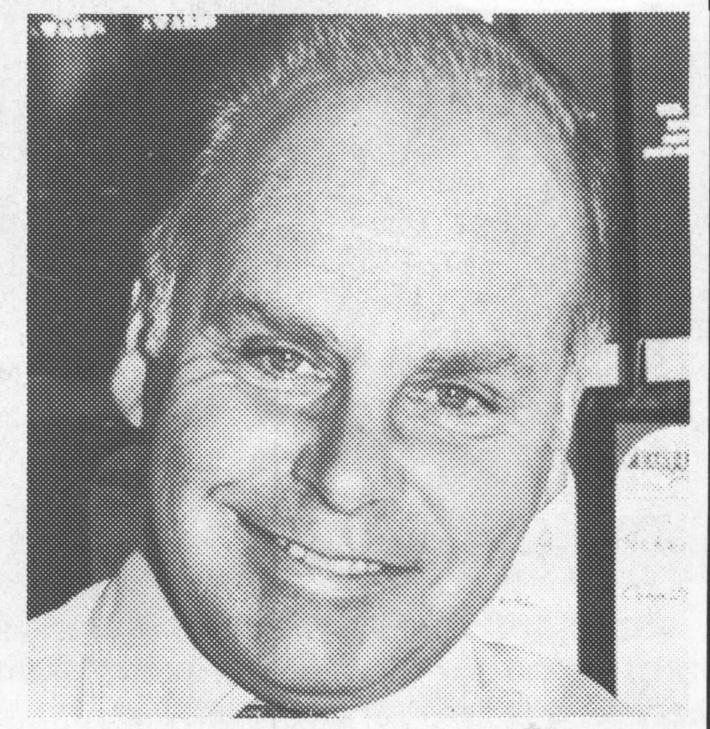
Norm joined the works in 1937 and retired two years ago after 40 years service in the rendering department, having been made reman in 1942. He recalls in the early days th. department had none of today's advantages of mechanised equipment and all work had to be done manually.

A keen gardener, Norm produces a year round supply of fruit and vegetables for the family table, stocking his ample freezer for the off season. He and his wife Gwyn are also keen caravanners, going on frequent jaunts through the North Island but he says the length of his trips is limited as he can't leave his garden idle for too long. They also used the caravan to follow the whitebaiting season fishing in a river north of Waitara. However not much of the catch makes it back to the Leppard freezer as the bulk is transferred straight to a frying pan on site.

Gwyn is a handicrafts expert, giving vital support to local church fairs but she says that she and some friends are going to broaden the supervisor . . . and two moves from the Gis- venture by opening a local craft shop in the near future. According to Norm this will relieve some of the storage pressures in the household department and the Kaiti assistant secretary, as quite often the spare bedrooms are filled with lampshades, crochet work and handmade dolls.

COMPANY PROFILE

W & R Fletcher's group industrial manager, Syd McCowan, has a long and varied record of experience "on both sides of the fence". Syd first joined Fletcher's on the Westfield mutton floor in 1939 and then worked as a butcher on the mutton chain from 1941 until 1945 being involved in many other departments during the off season. He then worked as a relieving shop butcher for the Auckland Meat Company for a year and returned to the Westfield chain until 1947. Syd then joined the Auckland Abattoirs as a solo mutton butcher for two years and later moved to the Levin Abattoirs where he worked for a year. He returned to Auckland abattoirs in July 1951 as a solo butcher and became a beef butcher in 1956. In 1966 after a brief training period at Southdown and Moerewa he supervised the introduction of a new mutton chain into the abattoirs retraining the team of 38 solo slaughtermen to the new techniques.



Syd rejoined Fletcher's in 1970 as industrial manager at the Westfield Freezing Company and represented the group on the New Zealand Freezing Companies' Industrial Committee and was an assessor on the industry awards. He was appointed group industrial manager in 1973. His experience was vast as during his working career as a butcher he was a delegate of all labour departments at the Auckland Abattoirs, district beef spokesman on the Westfield and Hellaby's Can Pak system, a shed secretary for 16 years, an Auckland executive member for 15 years, an award assessor and a national councillor for the Auckland Freezing Workers Union.

Syd is still a keen golfer and is a past senior vice-president of the Muriwai Golf Club and a member of the Muriwai Surf Life Saving Club. In his youth Syd won an Auckland lightweight boxing title and was runner-up on two other occasions. He was licenced by the New Zealand Boxing Association as an instructor, training young boxers for a number of years. He and his wife Ulean have three children.