

Silver Jubilee
**OF FARM PRODUCTS
DISTRIBUTION**



1932

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1957

*This Booklet has been compiled
to commemorate the*

25th Year

of

The Dominion Producers Co-operative
Agency Limited.

Published and issued to Producers, Retailers
and all those interested in the local marketing
of Farm Products, with the compliments of
the Directors.

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FOREWORD

It is twenty-five years since the Dominion Producers' Co-operative Agency, Limited, popularly known as D.P.A., was first established. That it was built on sound principles is clearly manifest by its record of achievements over the years. That we now have ten flourishing Co-operative Marketing and Distributing Companies throughout New Zealand engaged in the distribution of primary produce from farm or factory to retail counter, is due in no small measure to the early work of D.P.A. It was the testing ground where new methods were tried out, and from which new ideas and worthy ideals were instilled in the minds of men who were eager and enthusiastic to work unceasingly to improve the conditions under which our primary produce was being marketed. The policy of the D.P.A. is not to serve the interest of the producer only, but to give a better and more efficient service to the consuming public through the medium of the retail trade.

We are proud of the D.P.A. in this respect. We are proud that our distributing companies throughout New Zealand have always made service their first consideration. They will always continue to do so. This, above all else, is of paramount importance. The D.P.A., as the head of this important movement, will continue to urge upon Directors and Administrative Officers of its respective companies, the vital importance of keeping abreast of the times, of seeking new and more efficient methods to do more and to do it better than in times past.

Twenty-five years is quite a long span in the life of an individual. It is but a short period in the life of an enterprise designed for permanency to serve primary industries with ever-increasing efficiency in the years that lie ahead.

The D.P.A. has progressed and grown to its present stature because it has always remained true to the co-operative principles upon which it was founded. Over the years, the men who have guided its destinies have worked unceasingly in the true spirit of co-operation for the common good of all and in advancement of the ideals in which they believed.

Many of them are not here today to see the full fruits of their labours, but the flourishing state of the movement bears testimony

to the efficiency of their work. I sincerely hope that leaders throughout the industry will always be fully conscious of the very real benefits that are being derived from this grand movement and that those entrusted with the responsibility of its administration will always work together with unity of purpose, determined to carry on its true co-operative ideals, keeping the torch of service to the community and the primary producers ever burning brightly, so that those who follow on in the years to come may continue to enjoy the benefits of an organisation that has now become such an important part of our Dairying and Associated Primary Industries.



FARM PRODUCTS CO-OPERATIVE MARKETING OF BUTTER

"Study the past, if you would divine the future." —Confucius.

Just as a pebble dropped into a pool creates ripples which spread in ever-widening circles, so do the worthwhile actions of individuals, radiating outwards, affect the destiny of nations. So, too, some beneficial movement in trade or commerce, arising from small beginnings, may, by virtue of its own worthiness, grow to an institution of national importance.

In January, 1930, a group of co-operatively minded Dairy Company Directors decided to form the Wellington-Hawke's Bay Dairy Companies' Federation. The pebble which they dropped into the local marketing pool was the first producer co-operative organisation to distribute dairy produce in New Zealand.

A REVIEW — 25 YEARS

"Thy works and mine are ripples on the sea."

"Take heart I say; we know not yet their end." —Lochrine.

Let us turn back the pages and attempt to assess our progress over the last twenty-five years. It will help us to appreciate the benefits derived by producer, retailer and consumer from the introduction of the smooth-running marketing methods of today.

Output Disposal

In those days the full responsibility for the sale and disposal of the output of a dairy factory rested with the directors of the company. Each individual company sold its produce for export to United Kingdom, either on "consignment" or on "f.o.b." (free on board) basis to Tooley Street merchants of London.

When the goods were consigned to London, advances of 90 per cent of estimated nett realisations were arranged against shipments. On occasions when the London market receded, shipments on "consignment" realised less than the amount advanced. Unless the position was closely watched, the Directors of a Dairy Company would find that the monthly advances to suppliers exceeded the final nett realisations. Upon such unfortunate occasions reclamations had to be made from suppliers of milk and cream—an unhappy situation for both the farmers and the company.

The major problem confronting the Directors was one of deciding

which marketing policy to adopt. The first alternative was that of forwarding produce on "consignment" to the London market; the second lay in the acceptance of offers received periodically from Tooley Street to buy the butter and cheese when placed on board ship at a New Zealand port, i.e., "f.o.b." The smallest fractional differences in payouts on butterfat between neighbouring factories were criticised to the detriment of the unfortunate Directors who, in the farmers' judgment, had "consigned" instead of accepting a higher forward offer or, vice-versa, had sold "f.o.b." on a rising market. It was a situation unsatisfactory to both the producer and dairy company.

Local Market versus Export

So much for the export position, but what of the local marketing conditions in New Zealand?

At that time butter sold within New Zealand showed a better yearly average return than that exported to London. This was due to a general decline in overseas prices, a decline further accentuated by the arrival of heavy shipments in London from New Zealand. The local price at any one time was, to a large extent, gauged by the current London values. Butter manufactured at the same time, but exported, was sold in London three or four months later at a much lower figure on a falling market. Thus, those dairy companies placing a large percentage of their output on the local market showed a better selling return than companies selling produce primarily for export.

Overlapping

Competition between factories for suppliers was rampant, with much overlapping in cream collection. Zoning of dairy companies was unheard of in the "good old days". There was no "close season"; the whole year was open for canvassing, which was actively carried on in many districts. A striking example of the uneconomical results of such practice was that of a proprietary factory at Ormondville collecting cream from Himatangi in the Foxton district after passing all the intervening butter and cheese factories. Under these conditions of cut-throat competition, the "exporting factories" took defensive action in one or other of two ways: some set about attempting to secure a larger portion of the local market, others to make the local market price unattractive.

District Butter Committees

In some districts attempts were made to fix a uniform selling rate for butter on the local market. Local committees were formed for that purpose but, through the frailty of human nature, these "gentlemen's agreements" were "more honoured in the breach than in the observance". Among the many merchant distributors at that time were those who indulged in speculation on the basis of inside information regarding intended price rises—information obtained at District Committee Meetings. There were others who gave hidden rebates, such as special allowances on empty returned containers. Perhaps the most pernicious selling method ever adopted in local marketing was the gift coupon scheme. Under this scheme a coupon was given with each pound of butter and, when sufficient coupons had been saved by the housewife, she was entitled to exchange them for such articles as cutlery, glassware, and even silk stockings, according up to the number of coupons that she had saved. Strange as it may seem with the wholesale price of butter then at times as low as 1/- per pound, the commission allowed to merchants was 1½d. to 1¼d. per pound—this in addition to the gift coupon given with each pound of butter.

Wellington-Hawke's Bay Dairy Companies' Federation

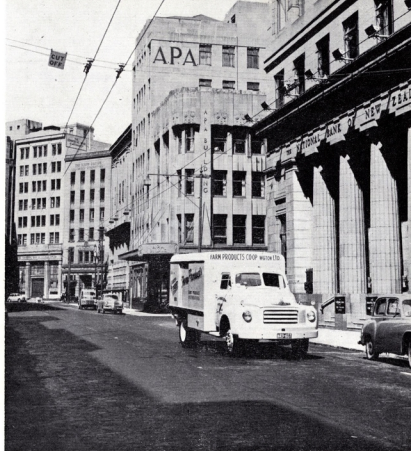
Realising that this "economic cannibalism", for it was nothing less, could be allowed to continue no longer, the Directors of thirty-one Butter Companies and two merchant firms decided, in January, 1930, to join forces to form the Wellington-Hawke's Bay Dairy Companies' Federation. Their objects were stated as follows:

"To arrange from time to time and to regulate selling rates of butter sold on the local market in the Provincial Districts of Wellington and Hawke's Bay."

The earnestness of the Federation's attempts to co-ordinate the work of members and to eliminate malpractices is amply shown in the minute books of that period from which the following apt extracts are taken.

1. The Federation and prices—

"That the time has arrived when the Federation should commence fixing prices of local butter and that a Committee of the Federation be set up and circularise all factories on our list of the price so fixed from time to time." 25th July, 1930.



Familiar to every citizen of Wellington—one of the 16 Delivery Vans now servicing the retailers of cities of Wellington and Hutt.

2. The Federation and the free gift scheme—

"That the Federation deprecates free gift schemes in connection with the marketing of butter and urges its members to take such steps as will result in the discontinuance of the practice; Secretary to notify members of this resolution."

22nd August, 1930.

"That the Wellington Committee be advised that this Federation has been unable to arrange for the early termination of the gift scheme." 17th October, 1930.

"This Federation expresses its strong disapproval of all gift schemes. It makes a strong appeal to the Wellington Merchants to keep together and agree that any scheme that may be launched and any scheme at present in force be terminated not later than 14th February, 1931."

7th November, 1930.

"That the National Dairy Association be asked in conjunction with the Associated Chambers of Commerce to arrange a deputation to the Government with a request to promote legislation immediately to make illegal the pernicious practice of the present coupon system of selling butter and other dairy produce on the local market."

28th November, 1930.

(Note—Gift Coupon Schemes for all commodities were subsequently abolished by legislation.)

3. The Federation and co-operative marketing—

"That a Committee be appointed to bring down a scheme for co-operative marketing of butter in the Federation area and to report back to a meeting of Federated Companies—carried unanimously. That the following Committee be appointed:

Mr. H. E. Pacey (Joseph Nathan & Company Limited)

Mr. J. W. McConnon (Rangitikei Dairy Company Limited)

Mr. J. W. Rodden (Kairanga Dairy Company Limited)

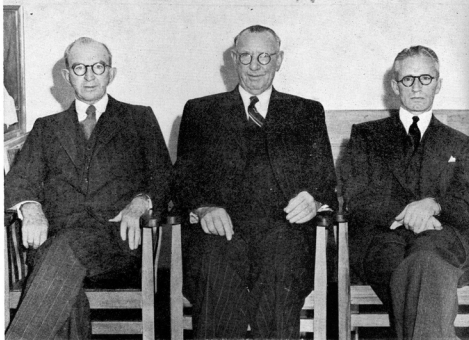
Mr. P. B. Desmond (Cheltenham Dairy Company Limited)

Mr. S. A. Broadbelt (Levin, *ex officio*)."

28th November, 1930.

"That the report as presented by the Committee be adopted by this Executive." 19th March, 1931 (Executive Meeting).

"The Chairman (Mr. S. A. Broadbelt) addressed the meeting on the proposals brought down by the Special Committee



(Photograph taken February, 1952)

**ORGANISATION COMMITTEE OF DOMINION PRODUCERS'
CO-OPERATIVE AGENCY LTD., 1931-34**

P. B. Desmond, J. W. McConnon, J. W. Rodden.

set up to deal with the sales of butter on the local market, he then read through the report and moved its adoption which was carried unanimously."

16th April, 1931 (General Meeting).

Briefly this report recommended the formation of a central Company with legal status in which each Butter Company in the area of Wellington-Hawke's Bay would hold a nominal shareholding, the object being for the purpose of a formality for equalization of local butter sales through a co-operative organisation.

FORMATION OF THE DOMINION PRODUCERS CO-OPERATIVE AGENCY LTD.

The name selected for the Company was the Dominion Producers' Co-operative Agency, Limited, with subscribed capital of only £56 from 22 Butter Companies in the Wellington-Hawke's Bay area. The first meeting of Directors was held at Palmerston North on Tuesday, 19th April, 1932. The original directors were: Mr. S. A. Broadbelt (Levin) (*Chairman*), Mr. D. G. Begley (Hastings), Mr. R. G. Dalziell (Rata), Mr. N. Campbell (Awahuri), Mr. J. M. Devine (Kairanga), Mr. C. G. C. Dermer (Cheltenham), Mr. J. C. Ewington (Masterton), Mr. A. Haworth (Wanganui), Mr. H. E. Pacey (Palmerston North).

Mr. D. G. Begley is the only sitting Director of the original Board: he was appointed Chairman of Directors upon the retirement of Mr. S. A. Broadbelt in June, 1943.

The Directors appointed Mr. J. W. McConnon as Managing Secretary, a position which he filled for five years with efficiency and enthusiasm.

An Organisation Committee comprising Mr. J. W. McConnon, Mr. J. W. Rodden (Kairanga Dairy Company) and Mr. P. B. Desmond (Cheltenham) was associated with the Directors in introducing this revolutionary system for the organisation of the local marketing of butter within the area of Wellington-Hawke's Bay Provincial Districts including the City of Wellington.

Little did the foundation members envisage the enormous amount of organisation involved in trying to weld together in a mutual pact all the Butter Companies together with thirty merchants and other firms then distributing butter in these areas. Each Butter Company entered into an agreement with the Dominion Producers' Co-operative Agency, Limited, whereby all butter sold in the area was pooled for equalisation purposes on an output basis. The area was divided into six price zones to allow for flexibility in meeting local circum-



**DIRECTORS AND EXECUTIVE OF DOMINION PRODUCERS'
CO-OPERATIVE AGENCY LTD., 1937**

E. J. Matthews, J. F. Crowdry, W. W. Cruden, M. S. Mitchell, L. Hitchcock, D. K. Guy, T. S. Dove, D. G. Begley (Chairman), P. B. Desmond (Secretary), J. R. L. Hammond, W. D. Harris, R. J. Law, W. A. Phillips, T. E. Wilson, A. H. Hansen.

stances. Dairy Companies, in turn, entered into separate Agency Agreements with their respective distributors to observe the terms and conditions of the main Agreement. The necessary intricate legal documents were capably drawn up by Mr. B. J. Jacobs, Solicitor, of Palmerston North.

Furthermore, to enable the plan to function, it was necessary to obtain the endorsement of the New Zealand Co-operative Dairy Company, Limited, who supplied Picot Bros., Limited, with 1,000 tons of butter per year from Waikato District for sale in Wellington and Hawke's Bay Districts. An appropriate agreement was made with the New Zealand Co-operative Dairy Company, Limited, with a subsidiary agreement with their distributors to observe similar trading terms and conditions.

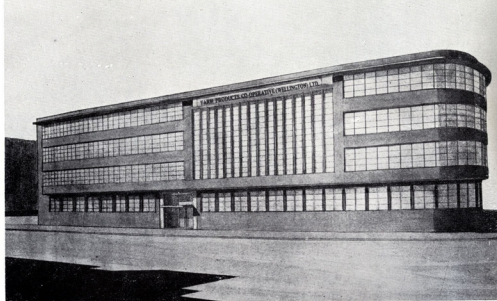
"Eternal Effort is the Price of Success"

The records of the early stages of this plan reveal a series of disappointments and troubles interspersed, for good measure, with two Supreme Court cases. There were no idle moments for the Organiser-Secretary, Mr. J. W. McConnon, whose dynamic personality and energy never flagged in these strenuous efforts to bring order out of chaos. However, during the subsequent five years down to 1937, this organisation gradually secured fair marketing conditions for both producers and retailers. In these first five years of active operations, the total amount of cash surpluses distributed to member companies was £120,414, representing savings that would otherwise have been dissipated under the old order of inter-factory cut-throat competition.

After five years' activity, the operations of the organisation came to an end through a change in Government policy. The Internal Marketing Department then assumed control of sales within New Zealand of butter, cheese and eggs. The New Zealand Government purchased the business and premises of Picot Bros., Limited, and Mr. F. R. Picot was appointed Director of Internal Marketing. Mr. J. W. McConnon's experienced services were sought after and acquired by the Internal Marketing Department as Local Market Manager.

At this stage, the question of disbanding the Dominion Producers' Co-operative Agency, Limited, was debated. Fortunately wise counsel prevailed, and the Company was retained as a legal entity. The registered office of the Company was transferred to the care of Mr. P. B. Desmond of the Cheltenham Co-operative Dairy Company and, later, in 1942, to Farm Products Co-operative (Manawatu), Limited.

During the period of recess from 1937 to 1946, the active operations of the Company were negligible; there being no annual income, the Directors and Secretary acted in a purely honorary capacity.



Artist's impression of proposed 4-storied building to be erected at corner Thorndon Quay and Davis Street, Wellington, for Farm Products Co-operative, (Wellington), Ltd.

"Courage is the Thing . . . All Goes if Courage Goes" — J. M. Barrie

However, there was real activity in producer Co-operative Marketing in the Hawke's Bay District where the Butter Companies were very dissatisfied with the methods of distribution of their produce by several competitive merchant firms. In 1937, the five Dairy Companies (Wairoa, Heretaunga, Norsewood, Tamaki and United) decided to form their own Co-operative Marketing Company to handle and distribute their butter on the local market.

In this venture, the Dairy Companies were fortunate in having the leadership and driving force of Mr. D. G. Begley, Chairman of Directors of the Heretaunga Co-operative Dairy Company, Limited. This was no chicken-hearted effort, for there was no lack of obstacles put in the way of this, the first Provincial Farm Products Co-operative Company. However, the Directors of the five associated Butter

Companies staunchly and fearlessly faced up to strong opposing mercantile interests and eventually proved that their ideals were not only sound in principle but also workable in actual practice. They proved, too, that, under able management and administration, co-operative marketing by producers of their own produce can be more efficiently and economically handled, not only in their own interests but also to the ultimate benefit of retailers and consumers.

The Hawke's Bay Company commenced operations in June, 1937, their example being taken up by other districts in the following order—Manawatu in 1942, Westland in 1942, Wanganui in 1943, Gisborne in 1944, Nelson in 1944, Wellington in 1946, Tararua in 1946 and Marlborough in 1949.

When the New Zealand Government purchased the business and premises of Picot Bros., Limited, in 1937, the major part of this business was continued in the City of Wellington and environs by the Internal Marketing Department in competition with eight merchant distributing firms handling dairy produce and eggs. The need to

conserve both petrol and man-power in war-time called for the elimination of wasteful overlapping in distribution and, as a result, a private company named Combined Distributors, Limited, was formed by the combination of the eight merchant firms and the Internal Marketing Department. It was a company unique in its constitution—two-thirds of the shares were held by the merchants and one-third by the Government; and the paid-up capital was only £400 despite the annual sales turnover of £1,000,000. The liquid cash requirement for the running of the business was obtained from sales of butter for cash received in fortnightly payments, whereas the Company paid out to the Dairy Companies for butter on the 20th of the month following delivery.

This amalgamation of distributing bodies into one organisation was effective in bringing about considerable economies under the capable management of Mr. E. J. Matthews, now General Manager of Farm Products Co-operative (Wellington), Limited.



Insulated Delivery Vans—Farm Products Co-operative (Hawke's Bay), Ltd., Hastings.

THE MIDDLE-MAN DISAPPEARS

After the formation of Farm Products Co-operatives in the Provincial areas of Hawke's Bay, Wellington and Nelson, the participating Dairy Companies claimed the right to market and distribute their own produce to retailers in the Metropolitan area of Wellington. They were already carrying out this work of distribution in the rural districts where service was more costly than in the more concentrated market of the City and its environs, and it seemed only logical and equitable that they should thus extend their field of direct contact between the producer agency and retailer.

In consequence, persistent approaches were made by the Board of the D.P.A., acting on behalf of the producers, to persuade the Government to transfer its financial interest in Combined Distributors, Limited to the D.P.A., on the grounds that it was their right, and not that of the merchants or the Government, to handle the distribution of their own produce from factory to retailer.

FARM PRODUCTS CO-OPERATIVE (WELLINGTON) LIMITED

As the result of long negotiations, agreement was reached on 1st May, 1946. Under this agreement, the merchant firms agreed to dispose of their interests in Combined Distributors, Limited, to the Producers and the Government who were to combine on a 50/50 shareholding basis, to form a new trading company—Farm Products Co-operative (Wellington), Limited.

The whole of the nett surplus earned by this Company was to be rebated to the producers through the holding Company, the Dominion Producers' Co-operative Agency, Limited.

To this end, the nominal capital of the Dominion Producers' Co-operative Agency, Limited, was increased to £50,000 on 1st March, 1946, with the enthusiastic approval of a meeting of 200 representatives of 30 member Dairy Companies. Two thousand four hundred



DIRECTORS AND EXECUTIVE OF FARM PRODUCTS CO-OPERATIVE
(WELLINGTON), LTD., 1957

T. E. Wilson, W. A. Phillips, T. S. Dove, D. G. Begley (Chairman), E. J. Matthews
(General Manager), J. F. Cowdrey (Secretary), W. D. Harris, R. J. Law.

£1 shares were applied for, upon which 5/- per share was paid in cash—all the remaining share capital of the Company has subsequently been paid up from annual rebates.

“Do Better Today the Things Done Well Yesterday”

Over the next seven years, Farm Products Co-operative (Wellington), Limited, by providing an efficient distributing service, earned the full confidence of the retail trade. At this point, the producers raised the question as to whether there was, in fact, a need for the Government to continue to hold shares or to take any active part in the affairs of the Company. The producers submitted their case for acquiring full ownership of the Company. It was based on the following grounds:

- i. That the function of the Government is to lay down and administer but not itself actively to operate its own Marketing Regulations.
- ii. That, under true democracy, the rights of consumers as well as those of producers are protected. The laws of this country under strict Price Orders, well-defined Marketing Regulations, Weights and Measures Regulations and Health Regulations, adequately protect the consuming public in matters relating to the sale of essential foodstuffs.

On 1st March, 1953, the Directors of the Dominion Producers' Co-operative Agency, Limited, finalised with the New Zealand Government for the purchase from the Crown of the Internal Marketing Department's property situated on Thorndon Quay and Davis Street, Wellington, and the Government's shareholding in Farm Products Co-operative (Wellington), Limited, for a total consideration of £60,400.

***"Serve Better Today Those Whom We Served
Yesterday"***

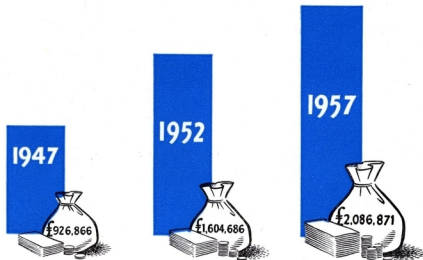
On acquiring the full ownership of this centrally situated property, the Directors immediately embarked upon a plan to erect modern food-distributing premises in keeping with the policy of efficient service under producer co-operative marketing. Plans and specifications for this major undertaking are in course of preparation and a reproduction of the Architect's drawing of the proposed premises is shown in this booklet. Another step forward in the improvement of service was taken by the Directors in 1951, when the Company purchased a property on the Hutt Road where Farm Products Co-operative (Wellington), Limited, now operate a branch depot to facilitate local distribution to Lower Hutt City, Upper Hutt and District.

The extent of the volume of Farm Products handled by the Wellington Company is not generally known, so a few facts on quantities and values may be both interesting and enlightening. The figures given are for 1956/57, the latest financial year for which totals are available.

The Annual Sales turnover was: Wellington, £2,086,000; Oamaru Branch, £80,000.

The Company's butter patting department handled 4,535 tons of butter, all of which was patted under hygienic conditions by modern machinery. The number of butter wrappers used was 9,300,000. The printing of butter wrappers alone is, therefore, a fair-sized undertaking.

2,933,294 dozen eggs were graded and distributed for sale by the Company. The Company operates a branch at Oamaru where 986,322 dozen were collected from poultry farms and despatched to Wellington in regular batches by special air transport. Eggs are received by the Wellington Company from Poultry Producers in the Hutt,



5-year cycle—Total Sales Turnover—Farm Products Co-operative (Wellington), Ltd.

Wairarapa, Horowhenua, Taranaki and Marlborough Districts and also from collecting centres in Christchurch, Nelson, Wanganui, Manawatu, Gisborne and Hawke's Bay.

The Oamaru Branch has also developed a large Table Poultry Processing Service for local Poultry Producers. The number of table birds processed this year was 57,800.

The Company maintains a fleet of 16 delivery vans to service the Cities of Wellington and Lower Hutt and their environs within a radius of approximately 25 miles of the General Post Office.

The total number of staff employed in all departments is now 105.

The management is in the capable hands of:

- Mr. E. J. Matthews (*General Manager*)
- Mr. J. F. Cowdrey (*Secretary/Accountant*)
- Mr. F. J. Eggers (*Assistant Manager*)
- Mr. W. Lockyer (*Sales and Distribution*)
- Mr. E. Swaysland (*Egg Store Manager*)
- Mr. L. Rudman (*Butter Patting Department*)
- Mr. D. Jackson (*Hutt Branch*)

Five Directors are appointed by the Dominion Producers' Co-operative Agency, Limited, to administer the Company's policy of service to retailers.

The personnel of the directorate is:

- Mr. D. G. Begley (*Managing Director*)
- Mr. R. J. Law (Representing Butter Producers)
- Mr. T. E. Wilson (Representing Butter Producers)
- Mr. T. S. Dove (Representing Poultry Producers)
- Mr. W. A. Phillips (Representing Bacon Industry)

Dominion Producers' Co-operative Agency, Limited

Statement of Share Capital Ingathered and Invested

CAPITAL:

| | |
|---|--------|
| As originally authorised in 1932 | £1,000 |
| Subscribed and paid up from inception to August, 1946 | £56 |

Increases in Capital:

| | | | |
|----------------------------------|----------|----|----------|
| 28th August, 1946 — increased by | £30,000 | to | £31,000 |
| 30th June, 1949 — increased by | £69,000 | to | £100,000 |
| 25th June, 1952 — increased by | £50,000 | to | £150,000 |
| 20th March, 1956 — increased by | £100,000 | to | £250,000 |

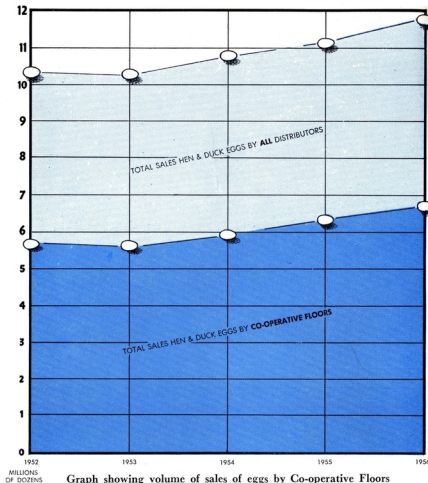
| | |
|----------------------------------|----------|
| Present authorised capital | £250,000 |
| Issued capital | £243,089 |
| Uncalled capital | £81,732 |
| Paid capital | £161,357 |

CAPITAL INGATHERED:

| | |
|--|---------------|
| Paid up in cash (5/- a share on first issue of 23,985 shares) | £5,996 5 0 |
| Amounts paid through deductions from rebates | £155,360 15 0 |

FARM PRODUCTS CO-OPERATIVE (HAWKES BAY) LIMITED

The Butter Manufacturing Companies throughout New Zealand, whilst doing an excellent job in the collection and manufacturing side of the business, did little or nothing towards providing distributive services to carry the finished product to the retail trade. Those Dairy Companies interested in the local market employed other business



Graph showing volume of sales of eggs by Co-operative Floors as compared with total sales of eggs by all distributors.

organisations to carry out distribution on their account.

This system had many shortcomings, as agents of the merchant distributors, seeking increased turnover in competition with other agents, resorted to granting secret discounts in various forms—discounts intended to undermine the price-stabilising agreements already in existence. (See page 3.) To enable them to carry on this practice, much higher distributive allowances were charged against Dairy Companies than were really necessary. In addition, these

same agents were quick to resort to speculative practices at the approach of every price change. It was, therefore, only natural that retailers were encouraged to seek from agents higher discounts, especially in cases where large turnover was involved. Many Dairy Factories were encouraged by agents to participate in meeting these discounts.

This unstable state of affairs was not in the interests of the retailer or the manufacturer. It is a point of fact that, in some areas, retailers were forced to sell butter at its wholesale cost because some large selling organisations were able to secure sufficiently attractive discounts to enable them to cut the price very substantially, to the detriment of other members of the trade. To endeavour permanently to eliminate these practices and to serve the industry in a more satisfactory manner, the first Co-operative Farm Products Company was formed in Hawke's Bay in the year 1937.

The Directors of each Dairy Company manufacturing butter had the proposals carefully explained to them in April, 1937. As a result, a combined meeting of all chairmen was held in Hastings on the 24th April, 1937. This meeting resulted in complete agreement on the scheme and approval for immediate action.

The very first step taken was to secure the option on a suitable site where buildings for the new venture might be erected.

The next step was to obtain the approval of the Marketing Department and Government to the formation of such a Co-operative. This necessary approval was given on 28th April, 1937, as the result of full and detailed negotiations.

Work on the erection of the new buildings was immediately authorised and the Articles and Memorandum prepared for submission to the Registrar.

In the choice of a name for the new Company many suggestions were put forward, and finally the name of the "Hawke's Bay Co-operative Farm Products, Limited" was decided upon and duly registered. This name was, however, changed some years later to "Farm Products Co-operative (Hawke's Bay), Limited" for the trade had very quickly become accustomed to call the company "Farm Products", a term that caused some degree of confusion in referring to telephone directories. It was, however, pleasing that the choice of name decided upon was most suitable and proved to be adaptable to other companies formed in other areas in subsequent years.



**DIRECTORS AND EXECUTIVE OF FARM PRODUCTS
CO-OPERATIVE (HAWKE'S BAY) LIMITED, 1957**

Standing: G. W. Powdrell, M. S. Mitchell, A. L. Anderson.
Sitting: A. L. Malcolm, D. G. Begley (Manager), A. H. Hansen, O.B.E.
(Chairman), M. Parkhill (Secretary), D. T. Mabey.

In the setting up of the new business a complete staff had to be engaged, vans purchased and freezers and other facilities installed.

While all this and other important matters were being attended to, the retail trade became very apprehensive about the merits of the proposed Company and the service they were likely to receive. These feelings of anxiety were largely, if not entirely, due to the Dairy Companies' Agents spreading propaganda amongst the retailers, in their efforts to destroy confidence and goodwill towards the new company. So intense did this feeling grow, that it became necessary to call a meeting with representatives of the trade in order to explain in fullest detail the intended policy of the new company. The record of the proceedings of this important meeting ran into twenty-two foolscap pages which, even today, provide most interesting reading. However, the outcome of the meeting was a unanimous resolution pledging full support and co-operation to the Farm Products Company, providing its trading and policy administration were carried out in the manner described to the meeting.

The Farm Products Co-operative (Hawke's Bay), Limited, opened its doors and commenced trading on 1st September, 1937. The shareholders in the company at that time were:

Heretaunga Co-operative Dairy Company
 Norsewood Co-operative Dairy Company
 Tamaki Co-operative Dairy Company
 United Co-operative Dairy Company
 Wairoa Co-operative Dairy Company
 New Zealand Co-operative Pig Marketing Association.

The original Directors of the Company were:

Mr. E. Harding, Woodville (*Chairman*)
 Mr. W. A. Phillips, Auckland
 Mr. W. Jenkins, Norsewood
 Mr. A. T. Carroll, Wairoa
 Mr. D. G. Begley, Hastings.

The initial capital of the company was £6,000 paid up to five shillings in the pound.

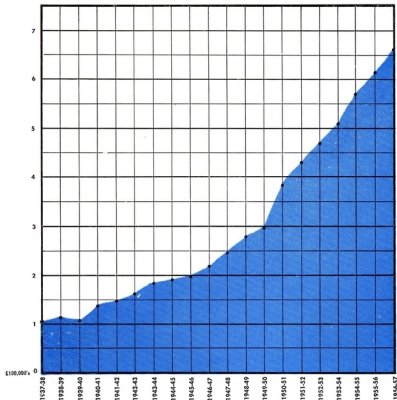
In 1941, the company was approached by local poultry producers to undertake the grading, packing and distribution of eggs. At this time no Egg Marketing Areas had been licensed outside main city centres. Poultry Producers were encouraged to form a co-operative company under the Company's Act. Approaches were made to the Poultry Board and Marketing Department for the granting of a licence and marketing area to Hawke's Bay. This was finally approved and Hawke's Bay was the first Egg Marketing Area licensed outside the cities. The Company entered the egg business immediately, and five years later admitted the Poultry Producers as shareholders in the Farm Products Co-operative (Hawke's Bay), Limited. The total number of eggs handled in 1955/56 was 833,188 dozen. 6,977 28lb.-tins of egg pulp were also produced.

In subsequent years, the producers pressed for the setting up of a grain, mash and produce department. This was carried out, and two modern mash mills were installed, in addition to a Templewood Press for the manufacture of poultry and stock food pellets.

The paid-up capital of the Company as at 31st March, 1956, was £70,000.

Directors of the Company for 1957 are:

Mr. A. H. Hansen, O.B.E., Tamaki Co-operative Dairy Company (*Chairman*)



Graph showing growth of Annual Sales Turnover of Farm Products Co-operative (Hawke's Bay) Ltd., Hastings.

Mr. G. W. Powdrell, Wairoa Co-operative Dairy Company
 Mr. A. L. Andersen, Norsewood Co-operative Dairy Company
 Mr. A. L. Malcolm, Heretaunga Co-operative Dairy Company
 Mr. D. T. Mabey, United Co-operative Dairy Company
 Mr. W. A. Phillips, N.Z. Co-operative Pig Marketing Association
 Mr. M. S. Mitchell, Hawke's Bay Co-operative Poultry Producers
 Mr. D. G. Begley (*General Manager*)
 Mr. M. Parkhill (*Secretary*)

The Company gives a direct delivery service of butter, cheese, eggs, egg pulp, bacon, smallgoods, milk powder and other allied produce to the retail trade in Hastings, Napier, Waipawa and Waipukurau from modern insulated vans which guarantee the continued delivery of high quality produce from factory to retailer. The towns of Dannevirke, Woodville, Norsewood and Wairoa are serviced direct by the Shareholding Dairy Companies by arrangement with the central Distributing Company.

The Company, at the commencement of its operations, promised the retail trade that the service would not be reduced without prior consultation with the trade.

During the war years the rationing of petrol placed the Company under severe handicap in maintaining the service throughout the large area covered. However, rather than restrict the service to the various centres, all vans were fitted with gas producing plants and full deliveries carried on without interruption.

It is, therefore, most gratifying that, in the nineteen years of the Company's operations, the business has grown from an average monthly turnover of £9,248 in the first year to £51,693 in 1955/56.

"The future I may face now I have proved the past."—Browning.

These magnificent results have only been made possible by the loyal work and co-operation of all concerned. Shareholders, Directors, Producers, members of the Staff and Executive Officers have all played a most important part. We consider it most fitting and appropriate to place on record our appreciation of the co-operation, help and understanding which the officers and members of the staff have, at all times, received from the retail trade over the years. When difficulties were encountered, such as the rationing of commodities due to temporary shortages following holiday periods, the members of the retail trade have always been most helpful, tolerant and understanding. For this we are deeply appreciative and grateful.

FARM PRODUCTS CO-OPERATIVE (MANAWATU) LIMITED

Farm Products Co-operative (Manawatu), Limited, was established on 31st March, 1942, with the Awahuri, Cheltenham, Kai-



**DIRECTORS AND EXECUTIVE OF FARM PRODUCTS
CO-OPERATIVE (MANAWATU), LTD., 1957**
Standing: C. S. McNally, J. Q. Cameron, D. F. Jones (Accountant),
R. C. Hamilton, H. H. Jensen.
Sitting: L. Hunter, P. B. Desmond (Manager), W. W. Cruden (Chair-
man), G. N. Hawken (Secretary), B. L. Ebbett.

ranga, and Rongotea Dairy Companies, the Dairy Union and the New Zealand Co-operative Pig Marketing Association, Limited, as shareholders. Subsequently, the Dairy Union ceased operations and the Aipi Dairy Company was admitted.

Later, in 1944, local Poultry Producers formed themselves into a united body with legal standing, namely, The Manawatu Co-operative Poultry Producers' Company, Limited, and immediately linked up with the Farm Products Company—the members of the Poultry Company thereby participate in rebates on eggs supplied for marketing through this co-operative organisation.

The original capital of the Company was £6,000 upon which 5/- per share was paid in cash. All the remainder of the capital was subsequently paid up from annual rebates. The present paid-up capital is £39,569.

The personnel of the present Board of Directors and Executive is as follows:

- Mr. W. W. Cruden, Kairanga Co-operative Dairy Company (*Chairman*)
Mr. H. H. Jensen, Aputi Co-operative Dairy Company
Mr. B. L. Ebbett, Awahuri Co-operative Dairy Company
Mr. R. C. Hamilton, Cheltenham Co-operative Dairy Company
Mr. J. Q. Cameron, Rongotea Co-operative Dairy Company
Mr. C. L. Hunter, Manawatu Co-operative Poultry Producers
Mr. C. S. McNally, N.Z. Co-operative Pig Marketing Association
Mr. P. B. Desmond (*Manager*)
Mr. G. N. Hawken (*Secretary*)
Mr. D. F. Jones (*Accountant*)

The Manawatu Company serves a compact area comprising the City of Palmerston North, Feilding and surrounding Districts.

Butter sold within its District amounts to 1,000 tons per annum and is supplied on a mutual agreement by the five local member Dairy Companies. Eggs supplied by local producers are approximately one-third of a million dozen per year, but this quantity is at times insufficient to satisfy retail demand.

Besides butter and eggs, the Company handles cheeses of all types, milk-powder, bacon, smallgoods, and other allied farm produce.

The Company holds local agencies for "Chesdale" Process Cheese and "Anchor" Milk Powder, and acts as a distributor and depot for "Kiwi" Bacon and smallgoods. In recent years the Manawatu Company, in conjunction with the Poultry Producers, has developed the manufacture of poultry foods and specialises in poultry mashes for individual requirements.



Church Street Frontage—Grain Department—Farm Products Co-operative (Manawatu), Ltd.

The total value of all sales for the first year of its operations, namely 12 months ended 31st March, 1943, was £154,000. This figure subsequently rose to £320,000 in 1951/52 and £450,000 in 1956/57.

Rapid development in the Company's activities in recent years has made necessary an extension of the storage capacity. An additional two-floored concrete building of 9,000 square feet has recently been erected in Palmerston North with frontage to Church Street.

The success of a progressive business venture depends largely on the co-operation of all connected with the operations of the business; in this case—Dairy Companies, Poultry Producers, Retailers, and the Company's Staff, particularly those key-members who come into contact with either party—the buyer or the seller. This is as true as in the case of Farm Products Co-operative (Manawatu), Limited, as in that of sister Companies throughout the Dominion.

FARM PRODUCTS CO-OPERATIVE (WANGANUI) LTD.

It was in 1943 that the seven Butter Companies in the Wanganui District, namely those of Rangitikei, Wangaehu, Okoia, Rata, Rangiwahia, Taihape, and Raetihi, made the decision to join together to carry out the wholesale distribution of their own produce.

Already at this time local poultry farmers had formed the Wanganui Co-operative Poultry Producers, Limited, and were considering the question of distributing their own eggs to the retail trade in the City of Wanganui, and it was natural for both the Poultry Producers and the Butter Companies to arrive at an understanding to co-ordinate their efforts in the field of distribution for their mutual benefit.



DIRECTORS AND EXECUTIVE OF FARM PRODUCTS CO-OPERATIVE (WANGANUI), LTD., 1957

Standing: F. L. Collins, E. G. Billingham, F. W. Satherley, G. Young, C. S. McNally, D. K. Chamberlain, A. G. Weekes.
Sitting: D. Henderson, J. M. Russell (Manager), T. E. Wilson (Chairman), H. M. Shewan (Secretary), J. R. L. Hammond.



Frontage of premises of Farm Products Co-operative (Wanganui), Ltd., Wanganui.

When the N.Z. Co-operative Pig Marketing Association, Limited, joined with the other two producers' groups, the combination so formed became Farm Products Co-operative (Wanganui), Limited.

The original capital of the Company was £5,000, of which only £1,250 was actually paid up. The figure has since risen to the present-day total of £57,632—made up of Ordinary "A" Shares, £35,000, and Ordinary "B" shares, £22,632—all of which is fully paid up. In the same way, total turnover has risen from £196,000 (1946) and £342,000 (1952) to £564,000 for the year ended 1st March, 1957.

The present Directors and Executives are:

Mr. T. E. Wilson, Okoia Dairy Company (*Chairman*).

Mr. E. G. Billinghurst, Rangiwhia Dairy Company.

Mr. D. K. Chamberlain, Wanganui Poultry Producers.

Mr. F. L. Collins, Taihape Dairy Company.

Mr. J. R. L. Hammond, Rata Dairy Company.

Mr. D. Henderson, Wangaeu Dairy Company.

Mr. C. F. McNally, New Zealand Co-operative Pig Marketing Association, Limited

Mr. F. W. Satherley, Raetihi Dairy Company.

Mr. A. G. Weekes, Wanganui Co-operative Poultry Producers, Limited

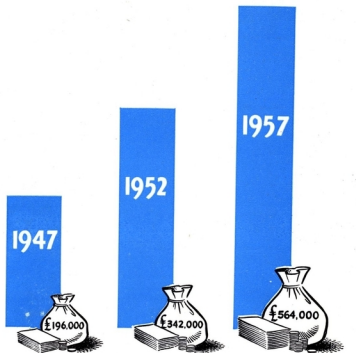
Mr. G. Young, Rangitikei Dairy Company.

Mr. J. M. Russell (*Manager*).

Mr. H. M. Shewan (*Secretary*).

The Company possesses one of the finest combinations of produce stores and plant in the Dominion and, under a progressive directorate, is making full use of them in its expanding and varied activities.

In the trading year 1956/57, 1,273 tons of "Peak" Brand Butter were distributed to retailers in the district, and, likewise, 690,000 dozen eggs. The Company are also distributors of cheese (including "Epicure" Cheddar Cheese for export), milk powders and other allied dairy products. They also manufacture and distribute egg pulp. Special activities undertaken for the benefit of local poultry farmers are the manufacture of poultry mash and the distribution of grain. In addition, the Company distributes "Kiwi" Bacon and smallgoods, and "Quick-freeze" and "Zero" products.



5-year cycle—Total Sales Turnover, Farm Products Co-operative (Wanganui), Ltd.

These varied activities are commensurate with the extensive area served, for the Wanganui Company is the second largest of the District Farm Products Companies. It has grown up on the basis of service to producer and retailer for the benefit of both and its success is a measure of the value to all concerned of the co-operative ideals which have always guided its work.

FARM PRODUCTS CO-OPERATIVE (GISBORNE) LIMITED

Farm Products Co-operative (Gisborne), Limited, was established in the spring of 1944. The original shareholders were the Kia Ora Co-operative Dairy Company, Limited, Okitu Co-operative Dairy Company, Limited, Tologa Co-operative Dairy Company, Limited, and the New Zealand Co-operative Pig Marketing Association, Limited, together with the then newly formed Gisborne Co-operative Poultry Producers' Company.

A year or two after the Company was set up, the Maize growers of the district also combined together to form a legal body and joined the Company as shareholders, with full status, under the title of the Gisborne Co-operative Maize Producers, Limited. Thus the position remained until 1951, when the only other remaining Dairy Company in the district—the Ngatiporou Co-operative Dairy Company, at Ruatoria, joined forces with the Company.

The original capital of the Company, in 1945, was £1,226, since which time it has been steadily built up, almost entirely from annual rebates, to the present figure of £27,482.

The personnel of the present Board of Directors and Executive Officers are:—

Mr. E. H. Baker, Okitu Co-operative Dairy Company (*Chairman*)

Mr. C. J. Hamilton, Okitu Co-operative Dairy Company

Mr. E. McDowell, Kia Ora Co-operative Dairy Company

Mr. J. B. Greig, Kia Ora Co-operative Dairy Company

Mr. A. Cranswick, Tologa Co-operative Dairy Company

Mr. T. Wi Repa, Ngatiporou Co-operative Dairy Company

Mr. T. Bolton, Gisborne Co-operative Poultry Producers

Mrs. M. Peel, Gisborne Co-operative Poultry Producers

Mr. H. M. White, Gisborne Maize Growers' Association

Mr. W. A. Phillips, N.Z. Co-operative Pig Marketing Association, Limited

Mr. G. W. Armstrong (*Manager*)

Mr. O. F. A. Poole (*Secretary*)

The Gisborne Company serves a very wide area, mainly rural in character, which embraces the city of Gisborne, all the East Coast



DIRECTORS AND EXECUTIVE OF FARM PRODUCTS CO-OPERATIVE (GISBORNE), LTD., 1947

Standing: E. McDowell, G. W. Armstrong (*Manager*), C. J. Hamilton, H. M. White, S. McGuinness, A. Donald, O. F. A. Poole (*Secretary*), P. Robertson.

Sitting: M. Doyle, D. G. Begley (*Hastings*), E. H. Baker (*Chairman*), Mrs. M. Peel, W. A. Phillips.

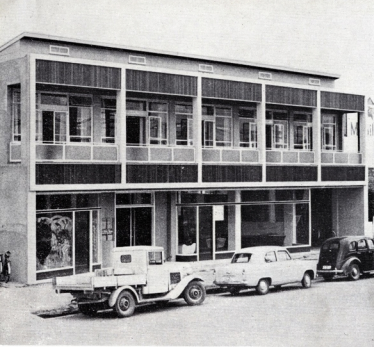
area northwards to Hicks Bay, just beyond East Cape, and south to Morere and Nuhaka on the fringes of Hawke's Bay.

During its 12 years of operation the Company has made earnings and savings for its shareholding Companies totalling more than £30,000.

Butter sold in the district amounts to approximately 675 tons annually, and is supplied by mutual arrangement between the five local Dairy Companies.

Eggs supplied to the Company by Poultry Producers total approximately 500,000 dozen per annum. As this quantity is considerably in excess of local needs, a substantial quantity of eggs and pulp is transferred annually to other districts where supplies are less adequate.

In addition to butter and eggs, the company handles a number of other Dairy Produce lines, such as all types of cheese, milk powders and other milk products. As wholesale distributors for



“Kiwi” Bacon and smallgoods, the company maintains a full delivery service to all retailers in the area.

A number of valuable agencies are also held by the company, including those for “Chesdale” Cheese, Ballin’s Cordials, McDonald’s Wines and Liqueurs, Mofat-Virtue Shearing Machines, Lightcraft (New Zealand) Limited, Producers’ and Citizens’ Co-operative Assurance Company, Southern Union Assurance Company, and the New Zealand Fruitgrowers’ Federation.

As Gisborne is also a substantial grass-seed producing area, the company has now, for a number of years, operated an up-to-date and efficient grass-seed Department, which has been the means of providing a valuable additional service to both producer and consumer.

Sales turnover in all departments of the Company’s first full year of operation (1945/46) amounted to £105,526. Over the intervening years this has risen steadily, and last year closed at £406,027. This expansion has naturally involved the company, over recent years, in an extensive building programme. A little over



Premises of Farm Products Co-operative (Gisborne), Ltd., Gisborne.

two years ago, a new Egg Floor was completed, and within a short while a modern bulk store, merchandise and agency department will be in full operation. This expansion, of course, has only been made possible by the continued support of a large number of producers and traders, who have come to realise the benefits that can be obtained by working together through the Farm Products Co-operative Movement.

FARM PRODUCTS CO-OPERATIVE (NELSON) LIMITED

Farm Products Co-operative (Nelson), Limited, was established on 28th July, 1944, by the Collingwood, Murchison, Waimea and Golden Bay Co-operative Dairy Companies, and the New Zealand Co-operative Pig Marketing Association, Limited. In 1953, the Poultry Farmers in the Nelson area combined to form the Nelson Co-operative Poultry Producers' Association, Limited, which company then became a shareholder in Farm Products and commenced to enjoy the benefits of co-operative marketing.

In 1944, the capital of the Company was £6,120. The present paid up capital is £34,395, of which all but £3,700 has been paid up from annual rebates.

Members of the present Board of Directors and Executive Officers are:

Mr. L. Hitchcock, Golden Bay Co-operative Dairy Company
(*Chairman*)

Mr. N. G. Curnow, Collingwood Co-operative Dairy Company

Mr. C. J. Rait, Murchison Co-operative Dairy Company

Mr. L. A. Higgins, Waimea Co-operative Dairy Company

Mr. W. D. Dron, N.Z. Co-operative Pig Marketing Association

Mr. G. W. Grigg, Nelson Co-operative Poultry Producers' Association

Mr. W. J. Sawyer (*Manager*)

Mr. M. J. Cook (*Secretary*)

The activities of the Nelson Company cover a comparatively large area, extending approximately 90 miles south of Nelson and 100 miles to the North. They include the marketing of butter, eggs, cheese, milk powders, bacon and smallgoods, frozen foods, grain, seeds, and all stock foods. Agencies held by the Company include those for "Kiwi" bacon, "Chesdale" Cheese, "Kaipara" Milk Powders and "Bird's Eye" Frozen Foods.

Sales of butter total 850 tons annually, this being supplied by one Dairy Factory, situated close to Nelson, on behalf of all Dairy Companies in the area. Supplies of eggs totalled 450,000 dozen in the last year, and, of these, approximately one-third were disposed of in each of the following ways—local sales, shipment to other areas, and manufacture into frozen pulp, the greater part of this latter being shipped to the United Kingdom.



DIRECTORS AND EXECUTIVE OF FARM PRODUCTS
CO-OPERATIVE (NELSON), LTD., 1957

Standing: M. J. Cook (Secretary), W. J. Sawyer (Manager).
Sitting: G. W. Grigg, L. A. Higgins, C. J. Rait, L. Hitchcock
(Chairman), N. G. Curnow, W. D. Dron.

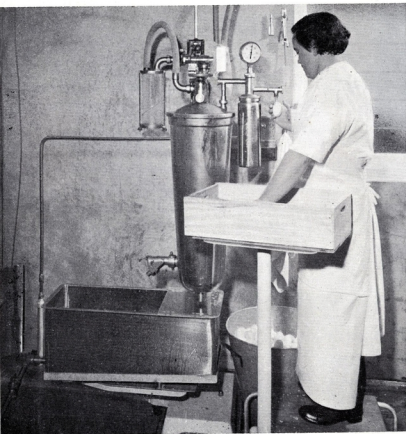


Front view of buildings of Farm Products Co-operative (Nelson), Ltd., Nelson.

FARM PRODUCTS CO-OPERATIVE (TARARUA) LIMITED

Expansion of the Company necessitated the acquisition of additional land, and the erection of a building large enough to house adequately all its activities. In 1952, the new building, which includes extensive freezing and cool storage facilities, was completed. Since then, two extensions have been added, one containing additional freezing storage and the other providing extra space for the Poultry Section, including a modern egg pulping plant.

In the Company's first year, the sales in all departments totalled £61,000; the figure for the last year was £400,000.



Egg Pulping method—Farm Products Co-operative (Nelson), Ltd.

In 1946, Farm Products Co-operative (Tararua), Limited, was formed with eight Co-operative Dairy Companies as shareholders. At the outset, the Company did not engage in active trading. However, in March, 1947, two Egg Floors in Carterton and Masterton owned by a Wellington merchant firm were to be closed down on account of losses incurred. As this would have been a serious retrograde step detrimental to the orderly marketing of eggs, Mr. D. G. Begley, Chairman of the parent Company, Dominion Producers' Co-operative Agency, Limited, persuaded the Dairy Companies to take over these Egg Floors and so participate for the first time in active trading. Poultry Producers of the Wairarapa were then organised on a co-operative basis and became shareholders of the Company.

Later in the same year the Company took over from the individual Dairy Companies the distribution of butter in the Wairarapa. Despite an adverse balance on the first year's trading, the Directors, after reorganising the business, had the satisfaction of being able to show a surplus in the next trading year.

Since that time the Company has forged steadily and successfully ahead. Turnover in the first full year of trading was £63,218, whilst for the year ended 31st March, 1957, it rose to over £350,000. The original capital of the Company was £7,000 and the present capital is £100,000 (fully paid up). Of the £100,000, only £2,100 was actually subscribed in cash, the balance being paid out of surpluses from the Company's own trading, income from other sources, and rebates received from D.P.A. in respect of trading undertaken by the Wellington Farm Products Company. Apart from these payments on account of share capital, over £21,000 has been paid out to shareholding Dairy and Poultry Companies in cash.

In the course of a year, the Tararua Company distributes approximately 650 tons of butter on the Eastern or Wairarapa side of the Tararua ranges, and approximately 550 tons on the Western or Horowhenua side. In the latter case distribution is effected by three Dairy Companies acting as agents. In the Wairarapa, apart from the distribution of butter, eggs, grain, mash, egg pulp, cheese, milk powder, frozen foods and other sundry lines are handled. The territory involved extends over a very wide area from Martinborough and Featherston in the south to Pahiataua in the north.

A subsidiary Company, S. Rowe & Sons, Limited, Flour Millers, Wellington, supplies the bulk of the Company's basic Poultry Food ingredients—pollard and bran. This represents a substantial advantage to Poultry Producers of both Horowhenua and the Wairarapa who not only have an assured source of supply but also enjoy the financial benefits involved.

The personnel of the present Board of Directors and Executive is as follows:

Mr. W. D. Harris, Amalgamated Dairy Company
(Pahiatua) (*Chairman*)

Mr. I. Bertram, Kuku-Manakau Dairy Company

Mr. J. B. Gordon, Shannon Dairy Company

Mr. W. Gilliland, Levin Dairy Company

Mr. McK. Wilson, Featherston Dairy Company

Mr. C. C. McLauchlan, Masterton Dairy Company

Mr. H. C. Mortensen, Mauriceville Dairy Company

Mr. F. Hey, Tararua Poultry Producers

Mr. J. V. Siddall, Horowhenua Poultry Producers

Mr. B. O'Dea (*General Manager*)

Mr. W. H. Barnes (*Secretary*)

The Tararua Company has always followed a progressive policy. The success of such a policy has been amply demonstrated in the results achieved to date on behalf of the shareholding Companies. However, a far more important success which has been obtained here, as in other sister Farm Products Companies' areas, is the retention of the public's goodwill. This has been assured by an efficient service and ever-watchful attention to the quality of the products distributed.



**DIRECTORS AND EXECUTIVE OF FARM PRODUCTS CO-OPERATIVE
(TARARUA), LTD., 1957**

W. Gilliland, J. V. Siddall, F. Hey, I. Bertram, B. O'Dea (*Manager*), W. D. Harris
(*Chairman*), W. H. Barnes (*Secretary*), McK. Wilson, J. B. Gordon,
C. C. McLauchlan, H. C. Mortensen.



Frontage of Buildings of Farm Products Co-operative (Tararua), Ltd., Masterton.

FARM PRODUCTS CO-OPERATIVE (MARLBOROUGH) LIMITED

Farm Products Co-operative (Marlborough), Limited, the youngest member of the Farm Products organisation, was established in November, 1948, and commenced operations on the 1st February, 1949, with its office and store at the Blenheim Co-operative Dairy Factory. The member Dairy Companies are those of Blenheim and Kaikoura, with the New Zealand Co-operative Pig Marketing Association holding a nominal shareholding in the Company.

The original capital of the Company was £1,000, which has been progressively increased to the present fully paid-up total of £3,500.

The present board of Directors and Executive Officers comprise the following personnel:

Mr. R. N. Wratt, Blenheim Co-operative Dairy Company
(*Chairman*)

Mr. L. J. Anderson, Blenheim Co-operative Dairy Company

Mr. J. D. Young, Blenheim Co-operative Dairy Company

Mr. H. J. Hewson, Kaikoura Co-operative Dairy Company

Mr. D. R. Boyd, Kaikoura Co-operative Dairy Company

Mr. W. A. Phillips, N.Z. Co-operative Pig Marketing Association

Mr. N. R. Cameron (*Secretary/Manager*)

Mr. I. R. Simonsen (*Accountant*)

In October, 1953, the Company's offices, egg grading floor and store were transferred to specially adapted premises in High Street, Blenheim. The results of operating from this central location were soon manifest, and the subsequent installation of a cool room and deep freeze room for the handling of "Kiwi" goods and "Bird's Eye" "Fropax" and "Gearpak" frozen foods has provided a worthwhile service to Blenheim and Picton retailers while yielding financial gain to the Company.

In addition to these products, the Company handles butter, eggs, milk powder, several types of cheese and poultry foods. Butter sold within its district, which covers the whole of the Marlborough



**DIRECTORS AND EXECUTIVE OF FARM PRODUCTS
CO-OPERATIVE (MARLBOROUGH), LTD., 1956**

H. J. Hewson, D. R. Boyd, L. J. Anderson, J. D. Rose, N. R. Cameron
(*Secretary/Manager*), R. N. C. Wratt (*Chairman*), I. R. Simonsen
(*Accountant*).

Province and a small portion of North Canterbury, amounts to 475 tons per annum.

The sales turnover of all departments for the year 1955/56 was £140,000, an increase of £88,000 on the figure for 1948/49, the first year of operation.

At the Company's second meeting in May, 1949, Mr. W. A. Phillips advised the Directors and Management to be patient in building up the resultant company on sound co-operative principles, and ever since, this Company, and all Farm Products Co-operatives and member Dairy Companies have continued to support the Company on all occasions in the furtherance of co-operative ideals.

CO-OPERATIVE EGG MARKETING

It is a human trait to take for granted the advantages that we enjoy today in our various walks of life without thinking of the years of thought and study devoted by inventors, or of the disappointments and hardships of the pioneers of the industry which produces and distributes to us our daily needs.

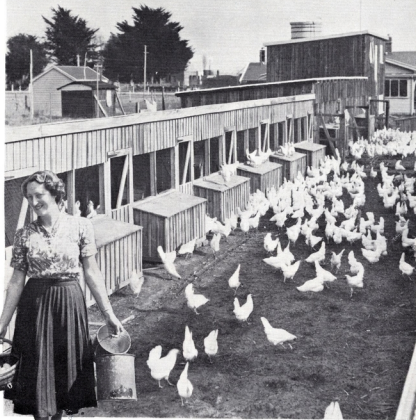
Only those producers engaged in the poultry industry prior to the advent of organised marketing in 1940, can fully appreciate the full benefits of present day producer-owned organisations. Those producers connected with the industry before that date will recall, with remorse, the attempts made in vain by groups to combine together to dispose of their marketable eggs through Egg Circles and small Co-operative Societies. Their idea of stability through co-operation was right but—and it was a very big “but”—lack of finance on their part and the absence of any national movement always defeated them and kept them back from their objective.

Who would wish to return to the chaotic conditions of these “good old days” when producers themselves were obliged to hawk their eggs from place to place—to grocers’ shops, to hotels or to restaurants?

During the flush period of production in each season, prices would fall to unbelievably low levels, surplus eggs were pulped by merchants and then held in freezers until winter shortages occurred to be sold at high prices to bakers at a good profit to the merchant but not to the producer, who received only the low price ruling at the time when he supplied the eggs. The “old-timers” will verify this and no doubt can tell much more of the hardships of a time not so very long past.

It is correct to say that no primary producers were ever so disorganised amongst themselves and, in consequence, so helpless to improve their own marketing conditions. Producers competed with producers in the scramble to place their eggs wherever they could find an outlet. The nearest outlet was local storekeepers who were placed in the invidious position of having to buy eggs from their customers or else lose their custom for groceries. Consequently, the storekeepers had to protect themselves so, in the flush, they dropped the price to clear themselves. The storekeepers

disposed of their surplus stock to merchants firms, who, in their turn were faced with the problem of surplus on a larger scale; but they were able to turn the surplus to profit for themselves by pulping the eggs and storing the pulp for later sale at much higher prices.



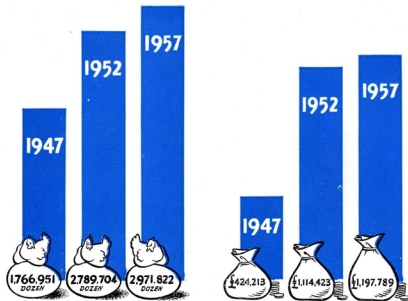
The dairy industry lends itself to organisation of producers in the processing of their produce in co-operatively owned factories, but the poultry industry will always be difficult to organise completely for two main reasons:

1. The number of small flocks of up to 24 birds is shown in 1951 statistics as 159,169, approximately 90% of a total of 177,933. Small flocks are owned by back-yarders and sideliners who are not dependent on the poultry industry for their livelihood. The wholesale price of eggs is not a vital matter to them.
2. The other reason lies in the simple fact that an egg is a finished marketable article immediately it is laid. It requires no further processing, labelling or tinfoil wrapping. There are no patent rights or registered brands.

Legislation introduced in 1937 made provision for the establishment of Government Control of Internal Marketing within New Zealand, of butter, eggs, and other kinds of farm produce. It was at the express request of the poultry industry, that the Government of the day introduced General Egg Marketing Regulations in 1940. These regulations brought into operation the system of grading according to weight and made for the establishment of District Egg Floors essential to the organised marketing and distribution of eggs.

This step was the turning point in the economic welfare of the industry. It led also to the commencement of the link-up between newly created Co-operatives and the strong allied Co-operative Dairy Companies through the medium of Farm Products groups. In 1941, in Hawke's Bay, for the first time in the history of New Zealand, Poultry Farmers were afforded the ways and means of joining forces with Dairy and Pig Industry in Farm Products Co-operative (Hawke's Bay), Limited.

Shortly after the formation of the Hawke's Bay Co-operative Poultry Producers' Company, Limited, stalwarts of Co-operative Egg Marketing in Canterbury, led by Mr. T. S. Dove, formed The Canterbury Co-operative Egg Producers' Association, Limited, whose story is traced on a later page of this booklet.



5-year cycle—Eggs Received and Total Sales Turnover—
Combined Co-operative Distributors Ltd., Christchurch.

Under later legislation, passed in 1953 and entitled the Primary Products Marketing Act, further progress was made. This permitted certain classes of producer organisations, including the poultry industry, to set up authorities, in conjunction with the Government, to handle the marketing of their own produce. The New Zealand Egg Marketing Authority has been established under this legislation and fundamentally it is a producer co-operative marketing body, organised on a national scale. The industry representatives on the authority are democratically elected; the authority controls and directs the marketing of all eggs supplied by producers through central packing stations and producers are paid in proportion to the number of eggs supplied, at best prices obtainable under the economic conditions of the country. These improved methods have created a stable market for all poultry producers whether or not they supply eggs to a licensed Egg Floor.

Yet there are many misguided poultry keepers who exploit the hard-won benefits of national organisation by selling their eggs outside the regular distributing channels in order to avoid paying commission to an Egg Floor for the valuable service so rendered. Do those producers who are dependent on poultry keeping for most of their yearly income and who by-pass their district Egg Floor ever realise the fact that, if it were not for the Egg Floors acting as agents for the national organisation, the price of eggs would fall to unpayable levels in the flush season and marketing conditions would revert to the old chaotic conditions that prevailed in years past? The pulping of surplus eggs in the flush season and the transfer of surpluses from over-supplied areas to under-supplied marketing centres can only be arranged under a nation-wide marketing system.

Payment of commission to Egg Floors is not only for the comprehensive services rendered, such as for grading, packing, selling and distributing, but it is also a form of insurance against disruption and breakdown of the marketing co-ordination gained through toil, sweat, and tears over a long period.

Benefits of co-operation in the poultry industry are so evident when looked at from the national viewpoint. Co-operation has happily developed in the last decade in districts where poultry producers have linked up with Farm Products groups. The distribution of eggs along with butter, cheese, bacon and other allied farm products, is a natural combination and fits in with a complete service generally accepted by retailers. By working together and sharing their costs proportionally, the kindred Dairy, Poultry and Bacon industries equip themselves with the specialised modern facilities essential for the provision of the finest quality products efficiently processed, packed and distributed. From the retailers' point of view, there are now no worries regarding competition in the purchase of supplies nor is there ever the necessity of cutting selling prices, for these are uniform to all retailers whether large or small.

Not so very long ago, poultry farming was looked upon as the



A section of Egg Grading Department of Combined Co-operative Distributors Ltd., Christchurch.

“Cinderella” of primary industries of New Zealand, but, since these revolutionary changes due only to national and district co-operation, it is now an important factor in the economy of the country. The impetus given to the industry by its association, in co-operative partnership, with other and kindred industries has helped in no small way to give to it the necessary bargaining strength when and where required. Farm Products Companies have the means of organising the poultry industry in the local marketing of eggs by providing finance, buildings, plant and experience. This last decade has seen mutual progress, with corresponding reward and benefits to all those whose interests are now being served by their own co-operatives. This is the way under organised effort; previously the poultry farmer received only sympathy in his unfortunate plight from those who exploited his interests, while the other fellow, not the poultry farmer, received the profits. The pioneers of the co-operatives have shown how poultry farmers can be wiser and need never again be misled as they were in the past, by those whose interest it was to divide their ranks and deprive them of the just reward for their labours.

COMBINED CO-OPERATIVE DISTRIBUTORS LIMITED

Combined Co-operative Distributors, Limited, was established on the 28th August, 1942.

As a prerequisite to the establishment of the above Company, local Poultry producers formed themselves into a company under the name of the Canterbury Co-operative Egg Producers' Association, Limited, on 28th August, 1942, with a capital of £5,000. The present capital of the Association is £80,000.

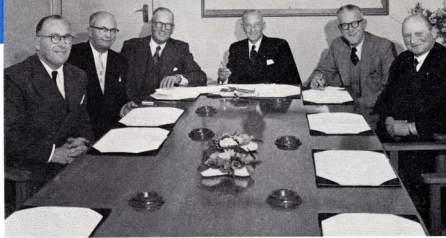
Combined Co-operative Distributors Limited, is a private company with two shareholders, namely the Canterbury Co-operative Egg Producers' Association, Limited, and the New Zealand Co-operative Pig Marketing Association. This company was formed with a capital of £10,000 that has been expanded over the succeeding 15 years to the present figure of £100,000.

The present Board of Directors and Executive is made up of the following personnel:

- Mr. T. S. Dove, Canterbury Co-operative Egg Producers' Association (*Managing Director*)
- Mr. A. H. Button, Canterbury Co-operative Egg Producers' Association
- Mr. E. F. Porter, Canterbury Co-operative Egg Producers' Association
- Mr. W. A. Phillips, N.Z. Co-operative Pig Marketing Association
- Mr. J. H. Tietjens, N.Z. Co-operative Pig Marketing Association
- Mr. G. O. Templeton, N.Z. Co-operative Pig Marketing Association
- Mr. W. Gray (*Secretary*)
- Mr. G. F. Wright (*Accountant*)
- Mr. F. M. Gracie (*Floor Manager*)

With a branch of the Company in Timaru, the territory serviced extends from Kaikoura in the North to the Waitaki River in the South and extends over the Southern Alps to include Westland.

During its 14 years of operations, the Company has made earnings and savings for its two shareholders of £137,000, a portion of which has been paid out in cash, and the remainder being devoted to the fully paid up shares necessary to finance the Company's



DIRECTORS OF COMBINED CO-OPERATIVE DISTRIBUTORS LTD., 1957
J. H. Tietjens, W. A. Phillips, G. O. Templeton, T. S. Dove (*Managing Director*), W. Gray (*Secretary*), A. H. Button.
Absent: E. F. Porter.

expansion.

The total number of eggs handled by the Company during the year ended 31st March, 1956, amounted to 2,863,831 dozen. The Company acts as sole distributor for the Kiwi Bacon Company handling bacon, hams and smallgoods, while holding local agencies for "Chesdale" processed cheese, "Kaipara" Milk Powder, "Creamix" and allied lines, "Multiplo" Incubators, Brooders, Laying Cages and other equipment necessary to the poultry industry.

Grain and poultry mashes of all types required by the poultry industry are handled and poultry auction sales are conducted twice weekly.

Large quantities of poultry of all kinds are now processed for sale by the Company, an activity that has brought about a consequent stabilising in poultry prices.

The total sales turnover of all departments for the year 1955/56 was £1,146,000.

With co-operation from the Producers, the Retail Trade and the Staff, the Company has grown from very humble beginnings to become an integral part of the economic life of Canterbury.

NEW ZEALAND CO-OPERATIVE PIG MARKETING ASSOCIATION LTD.

"This hard work will always be done by one kind of man; not by scheming speculators . . . but by men of endurance."

—Emerson.

No review of the Co-operative movement among primary producers in this country would be complete without reference to the New Zealand Co-operative Pig Marketing Association, Limited.

This progressive, co-operative organisation of pig producers has grown from a very small beginning in 1932 to become a most influential and powerful force in the Bacon Industry in New Zealand today.

It was no easy road along which the Association advanced to progress over the last quarter of a century. No co-operative organisation has had to fight so hard to maintain its existence as the P.M.A. has had to do in the face of strong and persistent opposition of proprietary interests. The history of this long drawn out battle has already been recounted in our previous reviews entitled: *"How I live I grow"* and *"20 years' progress"*.

Whilst the story of these encounters bears repeating on account of the outstanding achievements and victories of co-operation over proprietary interest, the purpose of this short chapter is more to record the prominent part played by P.M.A. in establishing Farm Products Groups in the districts where they are now operating in producers' interests. It is no exaggeration to say that, were it not for the material assistance given by the P.M.A. to Farm Products Co-operatives, particularly in their infancy, the majority of these Companies would have been unable to carry on—certainly they would not have been able to develop into the stable and successful groups that they are today.

The failure of many co-operative ventures has been due to a lack of the necessary finance in the early stages of their development to enable them to withstand the competition of wealthy proprietary interests. No matter how earnest and sincere promoters may be in their efforts to commence co-operative enterprise in the local marketing of dairy produce, eggs, pig-meats and other similar produce, they must have ready finance available from the start in order to ensure success. The pure ideals of co-operation alone will not



Egg Pulping Department, Combined Co-operative Distributors, Ltd., Christchurch.

provide the sinews of business in the form of ready cash for the purchase of necessary buildings or motor vehicles, or for the first ready payments that have to be made to the producers themselves in return for their produce. Ready finance has not always been available for many worthy co-operative ventures. For example, in the earlier days of the Dairy Industry, Directors of Dairy Companies were required to sign "joint and several" guarantees to Banks for overdrafts. This procedure imposed an unfair burden on many Dairy Directors and caused hardship to some in times of financial stress.

The shareholding members of the P.M.A. may well be proud of their creation of an outstanding example of successful co-operative enterprise. Formed in 1932 by staunch exponents of co-operation and with only £500 capital, this small group of enthusiasts undertook what then appeared to be the impossible task of disciplining themselves and competing with proprietary and vested interest in pig marketing. It was the old story of disunited producers lying at the mercy—and there was precious little mercy—of powerful con-

cerns with apparently unlimited capital and enjoying no stability in the prices fetched by their products. However, the individual producers who combined together to form the P.M.A. were determined and fearless. Despite all the onslaught of the proprietary interests, the co-operative marketing organisation grew from strength to strength, with the result that today the Shareholders' Funds in Share Capital and Reserves reach the figure of £686,310. The total sales and stocks of pork, beef, veal, skins, hides and offal for the year ended 31st May, 1956, were £3,175,649. The P.M.A. owns the Kiwi Bacon Co. Ltd. with its large bacon factories at Longburn, Christchurch and Auckland. The operations of these three bacon factories provide a reliable outlet for local market requirements and open to P.M.A. producers a large share of the national market for all classes of pigs.

The notable success achieved by P.M.A. can rightly be attributed to the general teamwork of all the producer-members of this great co-operative enterprise. The Association is so democratically constituted that every one of its many shareholders has a voice in policy matters affecting the welfare of producers' interests within each district. In consequence a keen interest is maintained among its suppliers in the control and general operations of the Company. Committees of suppliers of pigs and bobby calves are formed, wherever possible, within each district, the Committees, in their turn, keeping in close contact with the Directors and Management. A general conference of delegates, representing all districts throughout the Dominion, is held each year, when general policy matters are discussed and decisions made in a true democratic fashion. Anyone attending the Annual Conference must realise that the Association's strength lies in the individual producer who, although himself an individualist, knows only too well the necessity of joining forces with his fellow farmers in marketing his pigs and bobby calves through the co-operative pooling system of the P.M.A. For marketing on a co-operative basis is the logical procedure, similar in general outline to the system adopted by Co-operative Dairy Companies throughout the Dominion—farmer-owned and farmer-controlled, for his own direct benefit. No other policy yet devised can guarantee permanently that the producer will receive a fair return for his products.

Altogether there are some ten Egg Producers' Co-operatives associated with the work of Dominion Producers' Co-operative Agency. These are centred about Christchurch, Gisborne, Hawke's Bay, Manawatu, Nelson, Southland, Tararua, Tauranga, Wanganui and Wellington. During the year 1955/56, these Companies, known collectively as Co-operative Poultry Companies, handled between them a total of 7,614,247 dozen eggs, which were despatched from the Egg Floors in 253,808 crates (each crate containing 30 dozen eggs). These fetched a total price of £1,849,560.

It is worthy of mention that, in the same year, 1955/56, the number of eggs handled by all licensed distributors totalled 15,247,347 dozen. Co-operative Poultry Companies with their 7,614,247 dozen, handled 50% of this total.



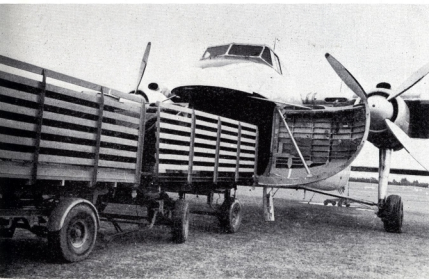
Poultry Auction, Combined Co-operative Distributors Ltd., Christchurch.

OTAGO CO-OPERATIVE EGG PRODUCERS ASSOCIATION LIMITED

Oamaru and surrounding districts are noted for density of poultry farms and heavy egg production.

In 1949, poultry producers in that area, under the capable leadership of Mr. G. L. McLatchie, formed their own Co-operative Egg Producers' Association for the better handling and disposal of their egg production.

Their link-up with other co-operative marketing groups has more than justified their action and their association with the Oamaru Branch of Farm Products Co-operative (Wellington), Limited has proved to be a mutually satisfactory working arrangement. In more recent years developments of a co-operative poultry abattoir for processing and sale of surplus poultry has been a great boon to their members who have also derived advantages through a Trading Department run on co-operative lines for the supply of Poultry Foods and Farm Requisites.



Loading eggs at Oamaru for air transport to Farm Products Co-operative (Wellington), Ltd.



DIRECTORS AND EXECUTIVE OF OTAGO CO-OPERATIVE EGG PRODUCERS' ASSOCIATION LTD., 1957

Standing: J. W. Kernahan, D. Christie, R. Anderson, C. Brown, N. Miers.



Sitting: K. T. Cusack (Secretary), G. L. McLatchie (Chairman), J. G. A. Ruddenklau (Manager).

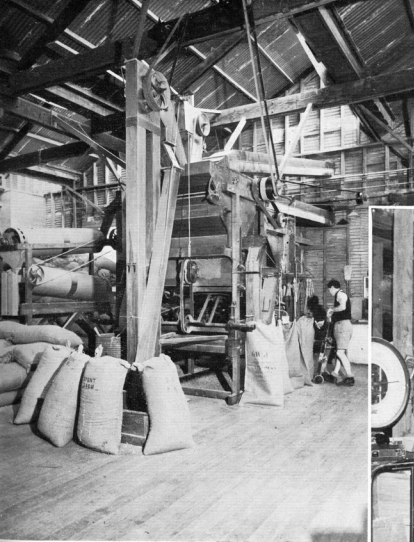


Unloading air-freighted eggs at Paraparaumu on consignment to Farm Products Co-operative (Wellington), Ltd.



The services of Farm Products Co-operative (Wellington) Limited are made available to far distant places. This is a recent photograph showing eggs supplied to the Scott Base, New Zealand Antarctic Expedition.

| | | | |
|--|--------------------|---|--|
| A103/3 55 SCOTT BASE 1 0700Z ++ Box 379 COWDREY POULTRY BOARD WELLINGTON <i>Telephoned</i> | |   | |
| Sent | 9-45 | Serial No. | |
| To | H4115 | Checked 208 | |
| By | <i>B</i> | | |
| Rec'd | <i>[Signature]</i> | | |
| By | <i>[Signature]</i> | | |
| INLAND | | TELEGRAM | |
| Tel. 143 100,000 Trade 2/16-16916 | | | |
| <p>++ ALL EGGS FROZEN WHEN UNLOADED SO HAVE KEPT THEM FROZEN STOP WHEN THAWED SLOWLY AND USED IMMEDIATELY THE QUALITY IS LITTLE IMPAIRED STOP WE WILL BE USING THESE EGGS AS FRESH FOR MANY MONTHS YET WHICH IS MOST SATISFACTORY AS THEY ARE RELISHED BY ALL REGARDS ++</p> <p style="text-align: right;">HILLARY SCOTT BASE MCHURDO SOUND ++</p> | | | |

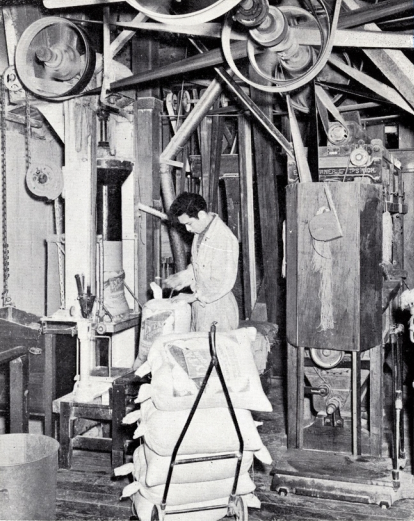


Seed and Grain Dressing, Farm Products Co-operative
(Gisborne), Ltd., Gisborne.

Developments of Farm Products Co-operative Services
are the supplying of grain and the manufacture of
poultry mashes.

Poultry Mash and Pellet manufacture, Farm Products Co-operative (Hawke's
Bay), Ltd., Hastings.





Section of Flour Mill of S. Rowe & Sons, Ltd., Wellington subsidiary of Farm Products Co-operative (Taranua), Ltd., Masterton.

THE DOMINION PRODUCERS CO-OPERATIVE AGENCY LTD.

Members of Directorate since Inception

| DIRECTORS: | PERIOD OF OFFICE | | REPRESENTING |
|-------------------------|------------------|------|--------------------------|
| | FROM | TO | |
| BROADBELT, S. A. | 1932 | 1943 | |
| *BEGLEY, D. G. | 1932 | | Butter |
| DALZIELL, R. G. | 1932 | 1944 | |
| CAMPBELL, NEIL | 1932 | 1954 | Manawatu |
| DEVINE, J. M. | 1932 | 1947 | |
| DERMER, C. G. C. | 1932 | 1947 | |
| EWINGTON, J. C. | 1932 | 1943 | |
| HAWORTH, A. | 1932 | 1947 | |
| PACEY, H. E. | 1932 | 1933 | |
| HARDING, E. | 1933 | 1955 | Hawke's Bay |
| VINCENT, T. G. | 1943 | 1954 | Butter |
| *LAW, R. J. | 1944 | | Butter |
| *HARRIS, W. D. | 1947 | | Taranua |
| *WILSON, T. E. | 1947 | | Wanganui |
| MEAD, G. L. | 1947 | 1950 | Nelson |
| *PHILLIPS, W. A. | 1947 | | P.M.A. |
| STENT, D. | 1947 | 1950 | Butter |
| *DOVE, T. S. | 1947 | | Poultry Producers (S.I.) |
| NATHAN, L. J. | 1949 | 1952 | Poultry Producers (N.I.) |
| *CRUDEN, W. W. | 1950 | | Butter |
| *HITCHCOCK, L. | 1950 | | Nelson |
| MITCHELL, M. S. | 1952 | 1954 | Poultry Producers (N.I.) |
| *GUY, D. K. | 1954 | | Butter |
| *HAMMOND, J. R. L. | 1954 | | Butter |
| *HANSEN, A. H. | 1955 | | Hawke's Bay |
| WEEKES, A. G. | 1954 | 1956 | Poultry Producers (N.I.) |
| *MITCHELL, M. S. | 1956 | | Poultry Producers (N.I.) |
| ASSOCIATE DIRECTOR: | | | |
| *ARMSTRONG, G. W. | | | Gisborne |
| SECRETARIES: | | | |
| McCONNON, J. W. | 1932 | 1937 | |
| *DESMOND, P. B. | 1937 | | |
| | | | * Sitting Members. |

DAIRY FARMS

DAIRY FARMS

POULTRY FARMS

POULTRY FARMS

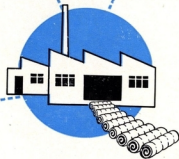
PIG FARMS

PIG FARMS



DAIRY FACTORY

BACON FACTORY



FARM PRODUCTS CO-OPERATIVE DISTRIBUTING SERVICE



GRO CER

GRO CER

GRO CER



This flow chart illustrates the progress of the farmers' produce through factory and Farm Products Depot direct to the retailer.



THE PRODUCERS' PRIDE

THE CONSUMERS' DELIGHT

