

Robinson, Carl (1986)

The quest for the \$5 killing charge

# **The quest for the \$5 killing charge**

**H.C. Robinson**

**1986**

## "THE QUEST FOR THE \$5 KILLING CHARGE."

After initial investigations into setting up a mobile rendering plant in Northland, it became apparent that my time would be better spent looking into the Freezing Industry with a view to either getting better performance from our existing facilities or by replacing them with smaller, more efficient plants.

My reasons for abandoning the mobile rendering plant proposal were;

- with the decline in the national flock over the past twelve months, the problem of getting killing space for old ewes was not so great.
- with an easing of stocking rates on farms, there was less difficulty in getting cull ewes to a marketable standard.
- a fall from better than \$1000/ton to around \$500/ton in prices for tallow reduced the possible returns from a rendering plant.

I decided my time and energy was better spent on looking at alternative slaughter facilities. (A farm killing about 600 ewes and 2000 lambs a year, stood to gain better return/ewe, say  $\$6 \times 600 = \$3600$  compared with a possible savings of  $\$3 - \$4$  in killing charges on 2600 units =  $\$7800$  from improved killing facilities.)

### BACKGROUND

"The meat sector is the Somme of the farming industry - entrenched attitudes, little progress at high cost, and vast slaughter. It's all terribly unfortunate for New Zealand because meat earns about a third of our export income.

In our meat industry the processing plants and trading outlets are either New Zealand-owned public or private companies, farmer owned co-operatives or are overseas owned. The ratio of overseas to New Zealand ownership has been changing steadily in the last 10 to 15 years in New Zealand favour. This is good news because overseas ownership of so much of the processing and marketing side of New Zealand's meat industry has been a central problem.

New Zealand's meat industry is based on commodity trading - rapid turnover of big volumes of frozen carcasses with profit margins of only a penny or so a pound was the aim of all the meat companies. Minimum investment of capital to achieve the best possible profit was the guiding principle.

Everybody knows the meat industry spent millions of dollars in the 1970s upgrading plants to meet EEC and US hygiene regulations. Few people realise much of that spending was actually just deferred maintenance - in some cases representing half a century or more of neglect.

Combined with this no-spend attitude was an enormous resistance to change at every level of the industry, creating an environment where improvements in management or processing techniques were at best implemented with glacial slowness, at worst actively opposed or sabotaged.

One example. New Zealand's excellent Meat Industry Research Institute (MIRINZ) discovered the principles of ageing and conditioning for tenderising meat. But it was the Australians who took the idea and developed it commercially long before any New Zealand companies adopted the technique.

As a sidelight to this which points out the industry's often peculiar approach to marketing, MIRINZ later developed electrical stimulation of carcasses for tenderising meat as a successor to ageing and conditioning. But when this tender lamb arrived in Britain the board, backed by the meat companies, refused to advertise it as such on the grounds it would imply the other non-tenderised lamb was tough - which, of course, it often was.

Another example of reluctance to adopt new technology. A New Zealander, Brian Hennessy, invented the world's first effective electronic meat-grading system. It is in the process of becoming the standard grading system for EEC and Canada, earning New Zealand millions of dollars. Instead of encouraging this breakthrough from its inception nearly a decade ago, the Meat Board damned it with faint praise and privately blocked it by every means possible.

Industrial relations in an unpleasant environment such as the freezing works will always be difficult. But overseas ownership exacerbated the difficulties. New Zealand-based managers (I use that term deliberately, because often at least part of the problem was that the works boss was not a New Zealander and he came equipped with the psychological baggage of British class prejudices and notions of the proper way to handle colonial workers) usually had to refer major decisions - which meant anything affecting profitability - to boardrooms in Manchester or London. Not a good way to handle industrial disputes. New Zealand-owned freezing works generally had better industrial records, with R & W Hellaby being the shining example.

All the companies, New Zealand or overseas-owned, adopted a policy of buying industrial peace - and then passing the cost back to the farmers. They were assisted in this by the works licensing system which effectively stifled competition. (Farmers, to do them credit, realised this and successfully lobbied to have licensing abolished in 1980.)

The method by which farmers are paid for their animals also contributed to the ease with which the companies could pass on costs. No animal is just meat - it's also pelts, slipe wool, offal, blood and bone, tallow, casings and a source of pharmaceutical chemicals. But except for the pelts, meat companies don't tell farmers how much these by-products earn - they simply use these returns to offset killing costs. It is extremely difficult for farmers to discover what are the true costs of processing their animals and thereby judge the efficiency of the individual works. The cost of buying industrial peace was one of the main items covered by SMPs.

But the worst effect of this policy was that it enabled the unions to successfully block the introduction of new labour-saving technology and shift work. This meant our meat works slipped well behind other countries in terms of both productivity and effective use of capital. The cost of this, loaded onto our meat products, gradually eroded the price advantages gained by our efficient, low-cost, highly productive farming systems.

DISTRIBUTION OF EX-HOOKS SMITHFIELD  
Value of Lamb

Year Ended	Net Market Return %	<del>Transport</del> <sup>Transport</sup> to Works %	Works to F.O.B. %	F.O.B. to Smithfield %	Total %
1960-61	58.4	2.0	15.0	24.6	100
1965-66	56.8	2.0	17.1	24.1	100
1970-71	46.3	2.2	21.6	29.9	100
1975-76	39.5	1.4	18.5	40.6	100
1980-81	37.0	1.5	23.5	38.0	100
1984-85	35.7	1.6	24.4	38.3	100
1985-86	26.3	2.4	42.7	28.5	100

Based on PM gradelamb, bare meat only, mid January costs and prices. Net market return excludes Meat Producers Board and Government s.m.p. supplementation.

SOURCE: N.Z. Meat Producers Board.

Farmers contributed to the problems by demanding that freezing works should always have space available to kill their stock. The result of this open-door policy as it was called was huge capital investment in plants so they could meet peak kill requirements - which were only needed for two or three months a year.

In view of this it is unarguable that the Meat Board, and the Electoral Committee members who elected them, did not carry out their major function of ensuring producers got the best return for their products."

EXCERPT from METRO written by Neil Rennie

Improvements can be made in both marketing and processing costs. While pressure should be maintained on exporters to improve returns to the producer, I felt the processing costs was an area that farmers are more directly involved and could bring about dramatic changes to the processing industry more readily, and so I have concentrated my efforts here.

I have used the AFFCO plant at Moerewa as being representative of the "traditional" meat processing plants. The main faults of such plants are:

- a) Capital intensive structures with high dept servicing costs.
- b) Generally old structures having undergone extensive alterations and additions in the past to accommodate changing technology and to comply with changing hygiene regulations. The cost of having to make further alterations is hinderigg the introduction of further technological advancements.
- c) High labour costs and low productivity. The plant has between 1200-1300 employees involving 13 different Unions. The work is repetitive and monotonous and dosen't encourage initiative, ~~competitiveness~~ <sup>competitiveness</sup> or pride of workmanship among employees and has no incentive for high work standards.
- d) High costs of repairs and maintainance.

While AFFCO claims to be a leader among meat processing companies with the introduction of an experimental chain at Moerewa, palletised coolstore at Moerewa and Horotiu, automated rendering at Rangiuuru and the closure of the Southdown and Shortland plants, these "improvements" will only serve to maintain present killing charges at best, and will not allow AFFCO to reduce their killing charges. While closures have taken place, there has also been a dramatic reduction of up to 25% of the national kill over the past two years meaning we are still not getting better utilization of existing facilities ie. no improvement in the kill day loading. At Moerewa if we can get an increased kill day loading from the present 133 to 180 then a 30% reduction of costs is possible. As 60% of the in works costs are labour, there is more scope for cutting costs by reducing the labour force than in any other area, or by increased productivity from the existing labour force. Lower processing charges and/or higher returns to the producer are necessary to boost producer confidence. Otherwise, decreased returns will decrease production, faster than rationalisation can keep pace with it.

My intention was to achieve killing charges of \$5-6 per unit.

(1 lamb = 1 unit) either through improving existing facilities or by starting

again with new plant(s). To find out what I could expect by way of attainable killing charges I made enquiries of a number of meat industry consultants. My enquiries started with "Food Tech Design" in Auckland. Food Tech Design specializes in the design of a slaughter plant capable of slaughtering 1000 - 1600 units/day.

Features of such a plant are;

Location - in the centre of contributing sheep producers enabling a portion of stock being "driven" to works - reducing transport costs of livestock.

- single species plant more efficient.

- small labour force - max. 42 people. Staff numbers are small enough to be recruited from the rural community. Contributing farmers could completely man the abattoir by rotation providing added income for themselves. If co-operatively owned, staff members could be coop members - such small numbers should enable a good team spirit to develop, and high productivity levels to be achieved, and be flexible enough to meet work method changes such as shift work, new technology and extraordinary production demands.

- Incorporates new dressing system and labour saving devices. Elevation of the animal carcass conveyor is such that the butcher stands on the floor and the height of his operation is located to minimise work effort. Dressing method minimises contamination.

- Evisceration table is simple circulating hanging pan type to reduce water usage and minimise maintenance.

- Washing and sterilizer facilities are located for convenience of operation.

- All plant is constructed to meet standards acceptable to N.Z. EEC and USA regulatory authorities.

Services - Water requirements are reduced to the minimum required for personnel washing, carcass washing and cleaning plant and floors. Waste water is proportional to water used and could be screened, collected and sprayed on nearby pastures. Recovered solids would be rendered.

- Necessary Electric supply is small and does not have to meet the high-demand users of a large works which are the Freezing, Rendering and Fellmongery plants.

- Hot water only is required for washing and cleaning.

A steam system would not be installed.

A Coop has been formed in the Wairarapa by John Atkins and Cedric Percy which has had a feasibility study done along these lines. It is their intention to build a Single Species Plant capable of killing up to 1600 units/day or 350,000/400,000 units/year. Giving a maximum of

200 kil-day-loading and costing about \$1.8m. A Farmer Cooperative<sup>is</sup> being set up with contributions of \$3 per unit of stock killed on an annual basis. ie. An annual kill of around 2000 units would cost a contributor \$6000. This would give 66% farmer equity.

The Wararapa is fortunate that there is not a surplus of killing capacity at present. Waingawa being the only works in the Wairarapa with the balance of the kill going to Hawkes Bay and Manawatu and has a favourable climate allowing a steady supply of lambs to be maintained all year around, (No pressure from droughts etc.) Given the present "normal" killing charge of around \$9.50/lamb and killing 400,000 units/year, The Coop should give a return of;

year 1-2	-	\$3 per head rebate
year 3	-	\$5 per head rebate
year 4	-	\$6 per head rebate

Allowing for rebates at these levels, capital loan (1800,000) could be repaid after 3 years. Extra to this proposal, facilities will be required to cut and bone all production, ie. no carcasse. A packing house could also have farmer investment or farmers could have an option to purchase shares from abattoir profit. (in lieu of rebate?)

At this time I came into contact with Bill Gillanders who had spent a great deal of time and money trying to raise farmer interest in a horse abattoir. Bill saw profits to be made in the export of horse meat but realizing the conservative nature of farmers tried to encourage farmer participation by having a feasibility study done on a multi species plant. ie. one that would cater for sheep, goats, pigs, cattle and horses. The plant design was very versatile in that the same facilities could be used for sheep, pigs, and goats and separate facilities for horses and cattle. As the plant was designed around the solo - butcher concept, Capital expenditure on plant was minimal, requiring only one rig similar to Te Pari designed (Appendix) rig and retailing at around \$500, for each butcher. Bills idea was to provide facilities for sheep (goat and pigs) slaughter and allow for farmers to kill and market thier own stock. As demand increased, it was simply a matter of "adding on" extra slaughter floors as required. This system provided the ultimate in "cheap" killing facilities. The only cost to the farmer being a nominal fee to cover debt servicing on the cost of the building and his own time and labour if he wanted to do the job himself. All facilities were designed to conform with M.A.F. export requirements.

Problems with this concept, as I see them, are firstly farming is a full time job and farmers don't have the time or the expertise to arrange their own markets, but more of that later. However, Bill felt the local market trade plus trade within the Pacific Basin were the outlets most suited

to his plant. This could well beso, particularly the local trade, and obviously one would have to have a firm commitment from a buyer or buyers before one started on this venture. The other problem is that by killing horses and pigs in the same plant (and to a lesser extent goats) one is excluded from both the U.S. (because of horses being killed in the same plant). And Hallal countries such as Iran (because of pigs being killed in the same plant). However apart from narrowing ones world-wide market to a small extent, this is not a great problem, particularly because the small volume of meat going through the plant, is insufficient to gain access to or to maintain a continuing supply to markets in these two countries anyway.

So, I decided to "test the waters" and find out what sort of interest there was among farmers in the district and what types and numbers of stock they would be prepared to comit to an alternative plant. I drew up a questionnaire (Appendix 2) and arranged to speak to four Federated Farmers branch meetings in the area. Unfortunately, Fed. Farmers branch meetings are not well attended and I only addressed about 50 members total from 4 meetings. Of these 27 responded to the questionnaire. (Results; Appendix 3+4). Ifelt interest in an alternative works stemmed from a dissatisfaction in the performance of existing plants in Northland, and a lack of competition. It was interesting that the only positive rejection of an alternative was from a previous fat stock buyer employed by AFFCO having since turned to farming. However, it is also significant that of the 50 or so that I addressed, only 27 did respond. Questions suggested that people were concerne that while there was an excess of existing killing space, others were talking of building even more, albeit cheaper, more efficient, more productive killing facilities.

After more talks with two other consultants, I wondered whether I would get a wider response (farmers other than Fed. Farmers members) from publicity in a local paper. Accordingly an article was published in the Northern News which has a wide circulation through the Northern half of Northland. (Appendix 5). From this, I have only had one direct response from a Real Estate Agent who has an existing slaughter house on his books and also has a contact with someone involved with offshore finance and "offered" a minimum of \$1m (N.Z.) in Swiss Franes at 7% - principal and interest and insurance (term not known). Since the article was written, however many people are aware of my interest in an alternative works and I have picked up quite a bit of interest in casual conversation.

The other consultants I met with were Peter Basset from Duk pot (Dukker-Potter) based in Auckland. Martin Biss from Millers Mechanical - an engineering firm based in Dunedin and Gordon (Nook) Yule from Pro-And based in Feilding and were the comsultants Bill Gillanders employed

for the feasibility study for his horse abattoir. I was impressed with the way these consultants were willing to come large distances to speak to groups of interested farmers. Basically the message was the same from all these consultants - determine the numbers and classes of stock to be killed and they will design and do a feasibility study for a plant catering for those numbers. They didn't have basic units of their own as such but apart from Millars Mechanical designed plants using technology and buildings built by others. Martin Biss from Millars Mechanical ~~was~~ <sup>also</sup> particularly interesting being essentially an engineering firm. ~~They were able to~~ <sup>were able to</sup> ~~show us~~ <sup>showed</sup> video's of technology they had designed including an inverted dressing chain system and a mechanised rig designed initially for deer slaughter but adapted for use on sheep. The concept is similar to that shown in Appendix 1 and including a high level of automation taking the manual work out of changes in carcass position and pelting. At all stages of the process, ~~the process~~, the carcass is held at a convenient height for the "butcher" standing at floor level. The position of the carcass at all stages throughout the process ensures an absolute minimum contamination risk, with the pelt falling away from the carcass at all stages. According to Martin Biss, swabs taken from carcasses produced by this method gave bacteria counts so low that Staff at M.I.R. I.N.Z. doubted the swab sample and called for more samples. The almost sterile condition of the carcass greatly enhances the shelf life of it, which has obvious advantages for the chilled meat trade. The first three of these rigs to be put into commercial use have been installed in a new plant at Otaki. Millmech (Millars Mechanical) maintain that it is possible to put 150 carcasses per rig through to evisceration stage using 1 "butcher" - per day. The plant owners were hopeful of each rig putting through 200 carcasses per rig per day. Since then, the plant has commenced operating using 3 "butchers", only 1 of which has had any experience as a knife hand and that was 11 years ago. However after only 2 weeks of "breaking in" these men are already putting sheep through the rig at the rate of 1 every 2½ mins. or the equivalent of between 190 - 200 per 8 hour day, with room for improvement. With a plant that is capable of killing to carcass stage - 700 sheep per day or 40 - 45 cattle/half day - and employing a total of seven men, this gives productivity figures of 100 units/man/day. Compare this with between 35 - 40 units/man/day for existing plants such as AFFCO's Moewera plant. This particular plant has a killing charge of \$5 per lamb plus a credit for wool and pelt and for the offals, and the value of the hide alone covers the killing charge for cattle. Again compare this with AFFCO's charges of around \$9.50 per lamb and a credit for wool and pelt but nothing for the offals. Though I'm unable to obtain an accurate cost of killing a lamb at the AFFCO plants, it seems that

it would be in excess of \$13, probably closer to \$15, and possibly higher. The killing charge for a cattle beast through AFFCO is around \$140 and no credit for the hide, the value of which varies widely but is around \$70. This charge allows for cutting and boning costs as well and once again it is difficult to get a direct comparison, but it was obvious that tremendous improvements can be made. To obtain these charges, these plants would need to be operating at a 200 day loading (ie operating at capacity for 200 days of the year or equivalent throughput). All the consultants seemed to think that killing charges of around \$5 - \$6 was attainable through smaller more efficient plants.

Having determined that existing facilities were not operating to any high degree of efficiency, that their overheads (debt servicing, Repairs and Maintenance) were high and that vast improvements could be made in the processing industry and from a suggestion from Bill Gillanders, I arranged a meeting between interested farmers, inviting a board member from AFFCO and Nook Yule (ProAnd associates) to decide what course we should take. Bill and myself put forward the idea of employing a consultant to do a study or an overview of the Meat Industry in Northland. The study would highlight areas from on-farm operations through to the ship side where improvements and efficiencies could be made.

As a result of the meeting, a committee consisting of Bill Gillanders, John Bryant (Field advisory officer in charge of Kaikohe M.A.F. office) and myself was formed to set the terms of the study and to contact all parties involved putting forward our proposal. (Appendix 6). We felt that the funding of the report should come from all parties though some money would probably be available (up to 50%) from the Regional Development Council, so that the report is available to all parties. Consultants acceptable to all parties would have to be employed and to be successful all parties would have to be prepared to make changes as necessary. The Objective of the report was to "Define Opportunities, pinpoint methods within the meat Industry in Northland, that would lead to greater benefits to farmers transport operators, Meat Companies and Meat Workers". As yet I have had no replies to this letter, but have had an initial positive reaction from the meat workers union, and a negative reaction from the AFFCO board member from this ward.

It is probably over - optimistic to expect an agreement from all parties and it is unlikely that anything will come of it, but we felt it was important to make a coordinated attempt to achieve improved performance from the resources available at present, before initiating any alternatives.

### SUMMARY

Having established that a killing charge of between \$5 & \$6 was attainable I am left with two alternatives:

- 1) To encourage change within the existing structure.
- 2) To start again with a smaller, more efficient plant.

The first would involve getting Freezing Companies to lift their unit production from around 40 units per man per day, to at least 80- a dramatic jump, fraught with human difficulties.- How do you encourage one man, with the entrenched attitudes which years of working under lax management and high profile union representation <sup>is</sup> resting change on principle, to do the work of two men? how do you get a portion of the workforce to allow new technology to take their place? It would also involve better utilisation of capital - within plants and/or between plants. ie MORE rationalisation, MORE closures, to give a lift in kill day loadings from around 130 to 180 or better. Producers can assist in this respect by extending the spread of kill. For farmers to do this there needs to be incentives to produce out of season lambs (ie. returns to the farmer from reduced killing costs. Obviously there is a cost to farmers to produce out of season lambs or to make any policy changes, just as there is a cost to processors to make improvements.) The costs and advantages need to be identified so that there is a standard by which any alteration can be measured. Any advantage from marketing out of season lambs, should not be confused with advantages from extending the spread of kill and the effects this has on the kill day loading. A farmer producing out of season lambs should expect greater returns, both from the market place, and from a reduction in killing costs. The same applies to the weights and grades of lambs being supplied. Within limits, there is no difference between the cost of killing an 11kg lamb and a 15 or 16kg lamb. The difference in return to the farmer is a reflection of the return from the market only. Thus, processing companies who claim, "Any works which only kills 14 or 15kg lambs will be able to charge only \$5 for slaughter," are confusing the cost of killing with the market return. The exceptions are emaciated and diseased lambs, which will cost more to process. This cost should be identified and charged accordingly so farmers can determine the worth of killing those lambs.

If however, it proves impossible to effect these changes, I am left with the second alternative - a new plant. While any new plant should be built to comply with M.A.F export regulations, (or at least make provisions for,) I am at the moment exploring the possibility of establishing a small works to satisfy the requirements of the local trade in this area. Such a plant would need to be capable of killing cattle, sheep and pigs. Butchers in the area have expressed interest in the idea, and may participate in the financing of the plant.

KILL TIME WITH THE

# DRESS-O-MATIC



SHEEP SLAUGHTER AND DRESSING SYSTEM

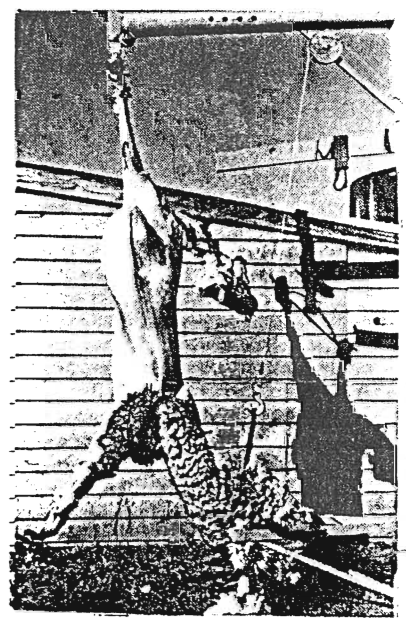


Modern processing techniques brought to the farm.

Its arrived at long last, a device which will make the slaughtering of your old ewes,house mutton and dog tucker etc much easier. It will also assist in producing a clean quality carcass plus Dress-O-Matic will produce a quality pelt.

Dress-O-Matic Advantages:

- \* The device is simple,easy to use and at all stages the carcass is presented to the slaughterman at a convenient height.
- \* Removes the heavy lifting and physical work load.
- \* Reduces the knife skills which are normally associated with dressing of sheep lambs and goats.
- \* Hygiene quality of the carcass will improve.
- \* The system of dressing looks after the main primal cuts of the carcass
- \* The use of a winch means the pelts will be removed with much less punching and with less knife cuts thus enabling maximum return for this valuable by-product.
- \* Dress-O-Matic design is based on proven and reliable equipment yet obtaining a simple flexible device.
- \* Reduces the time involved in killing stock.One operator can process up to 60 head per day.



Each unit is sold with a fully illustrated training manual which includes an inspection procedure of carcass and offals,and advice on best procedures for looking after that valuable pelt.

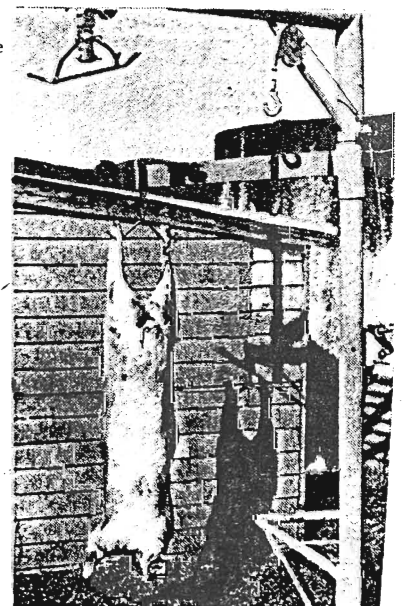
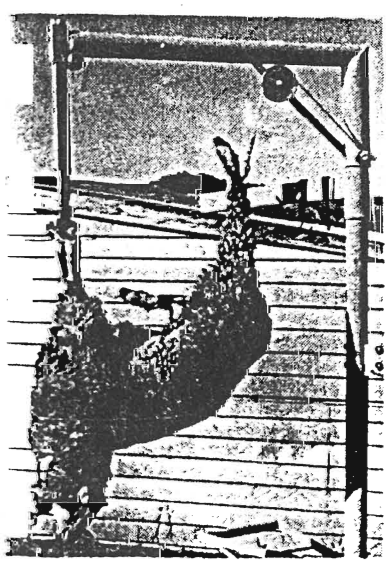
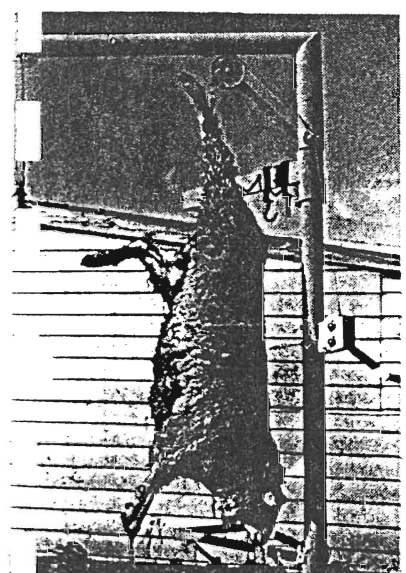
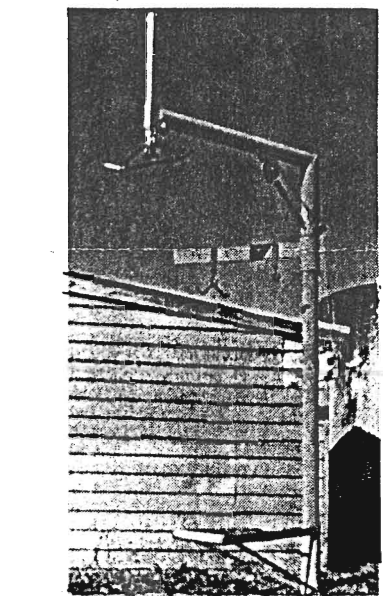
The Dress-O-Matic can be installed either on a concrete pad by the killing house or with a little ingenuity on the back of a truck or trailer for portability.

THE PRICE

S



**TE PARI PRODUCTS LTD**  
No. 9 R.D.  
FEILDING  
NEW ZEALAND  
PHONE: CHELTENHAM 707



NAME.  
ADDRESS.

PHONE NO.

1). HEAD & STOCK PUT THROUGH FREEZING WORKS PER ANNUM.

	NUMBERS	AVE WGT (Roughly)
LAMBS.	_____	_____
OTHER SHEEP.	_____	_____
BEEF - PRIME.	_____	_____
MANUFACTURING.	_____	_____
BULL	_____	_____

GOATS. (FUTURE).

2). DO YOU INTEND TO ALTER STOCK NOS. IN FUTURE?  YES  NO

3). IF YES,  INCREASE  DECREASE

4). DO YOU SUPPORT IN PRINCIPAL THE ESTABLISHMENT OF ANOTHER MEAT EXPORT WORKS OFFERING LOWER KILLING CHARGES THAN PRESENTLY AVAILABLE  YES  NO

5). WOULD YOU CONTRIBUTE UP TO 20¢ PER UNIT OF NORMAL ANNUAL KILL TO FUND A FEASIBILITY STUDY INVESTIGATING THE POSSIBILITY OF ABOVE  YES  NO

6). IF FEASIBILITY STUDY IS POSITIVE WOULD YOU CONTRIBUTE SAY \$3 PER UNIT OF ANNUAL KILL TO ESTABLISH SUCH A PLANT.  YES  NO

NAME.  
ADDRESS.

PHONE NO.

1). HEAD OF STOCK PUT THROUGH FREEZING WORKS PER ANNUM.

	NUMBERS	AVE WGT (Roughly)
LAMBS.	2230 (4 farms)	_____
OTHER SHEEP.	540 (4 farms)	_____
BEEF - PRIME.	255 (4 " )	_____
MANUFACTURING.	175 (8 " )	_____
BULL	20 (6 " )	_____

GOATS. (FUTURE).

- 2). DO YOU INTEND TO ALTER STOCK NOS. IN FUTURE? YES  NO
- 3). IF YES, INCREASE  DECREASE
- 4). DO YOU SUPPORT IN PRINCIPAL THE ESTABLISHMENT OF ANOTHER MEAT EXPORT WORKS OFFERING LOWER KILLING CHARGES THAN PRESENTLY AVAILABLE YES  NO
- 5). WOULD YOU CONTRIBUTE UP TO 20¢ PER UNIT OF NORMAL ANNUAL KILL TO FUND A FEASIBILITY STUDY INVESTIGATING THE POSSIBILITY OF ABOVE YES  NO
- 6). IF FEASIBILITY STUDY IS POSITIVE WOULD YOU CONTRIBUTE SAY \$3 PER UNIT OF ANNUAL KILL TO ESTABLISH SUCH A PLANT. YES  NO

Maybe 1

Maybe 2.

PLUS a) 1 offer of assistance from one with experience from setting up F.M.C. works in Whangarei.

b). an offer of industrial zoned section alongside rail in Kaikōke borough (use of).

NAME.  
ADDRESS.

PHONE NO.

1). HEAD & STOCK PUT THROUGH FREEZING WORKS PER ANNUM.

	NUMBERS	AVE WT (Roughly)
LAMBS.	800 (2 farms)	_____
OTHER SHEEP.	200 (1 farm)	_____
BEEF - PRIME.	515 (2 " )	_____
MANUFACTURING.	30 (2 " )	_____
BULL	250 (1 " )	_____

GOATS. (FUTURE).

2). DO YOU INTEND TO ALTER STOCK NOS. IN FUTURE? YES  NO

3). IF YES, INCREASE  DECREASE

4). DO YOU SUPPORT IN PRINCIPAL THE ESTABLISHMENT OF ANOTHER MEAT EXPORT WORKS OFFERING LOWER KILLING CHARGES THAN PRESENTLY AVAILABLE YES  NO

5). WOULD YOU CONTRIBUTE UP TO 20¢ PER UNIT OF NORMAL ANNUAL KILL TO FUND A FEASIBILITY STUDY INVESTIGATING THE POSSIBILITY OF ABOVE YES  NO

6). IF FEASIBILITY STUDY IS POSITIVE WOULD YOU CONTRIBUTE SAY \$3 PER UNIT OF ANNUAL KILL TO ESTABLISH SUCH A PLANT. YES  NO

maybe 1.

NAME.  
ADDRESS.

PHONE NO.

1). HEAD OF STOCK PUT THROUGH FREEZING WORKS PER ANNUM.

	NUMBERS	AVE WGT (Roughly)
LAMBS.	1350 (27 arms)	_____
OTHER SHEEP.	1050 (2 " )	_____
BEEF - PRIME.	250 (3 " )	_____
MANUFACTURING.	110 (3 " )	_____
BULL	241 (3 " )	_____

GOATS. (FUTURE)

- 2). DO YOU INTEND TO ALTER STOCK NOS. IN FUTURE? YES  NO
- 3). IF YES, INCREASE  DECREASE
- 4). DO YOU SUPPORT IN PRINCIPAL THE ESTABLISHMENT OF ANOTHER MEAT EXPORT WORKS OFFERING LOWER KILLING CHARGES THAN PRESENTLY AVAILABLE YES  NO
- 5). WOULD YOU CONTRIBUTE UP TO 20¢ PER UNIT OF NORMAL ANNUAL KILL TO FUND A FEASIBILITY STUDY INVESTIGATING THE POSSIBILITY OF ABOVE YES  NO
- 6). IF FEASIBILITY STUDY IS POSITIVE WOULD YOU CONTRIBUTE SAY \$3 PER UNIT OF ANNUAL KILL TO ESTABLISH SUCH A PLANT. YES  NO

maybe: 1

NOTE. Answers "NO" to questions 4, 5, 6 came from a previous AFFW fat stock picker-turned farmer.

NAME.  
ADDRESS.

PHONE NO.

1). HEAD OF STOCK PUT THROUGH FREEZING WORKS PER ANNUM.

	NUMBERS	AVE WGT (Roughly)
LAMBS.	10800 (7 farms)	_____
OTHER SHEEP.	1900 (6 " )	_____
BEEF - PRIME.	395 (6 " )	_____
MANUFACTURING.	161 (8 " )	_____
BULL	352 (6 " )	_____

GOATS. (FUTURE). 1 + 1 Deer farm.

- 2). DO YOU INTEND TO ALTER STOCK NOS. IN FUTURE? YES  NO
- 3). IF YES, INCREASE  DECREASE  1.
- 4). DO YOU SUPPORT IN PRINCIPAL THE ESTABLISHMENT OF ANOTHER MEAT EXPORT WORKS OFFERING LOWER KILLING CHARGES THAN PRESENTLY AVAILABLE YES  NO
- 5). WOULD YOU CONTRIBUTE UP TO 20¢ PER UNIT OF NORMAL ANNUAL KILL TO FUND A FEASIBILITY STUDY INVESTIGATING THE POSSIBILITY OF ABOVE YES  NO
- 6). IF FEASIBILITY STUDY IS POSITIVE WOULD YOU CONTRIBUTE SAY \$3 PER UNIT OF ANNUAL KILL TO ESTABLISH SUCH A PLANT. YES  NO

Total survey results. - 27 Replies.

APPENDIX 4.

NAME.  
ADDRESS.

PHONE NO.

1). HEAD & STOCK PUT THROUGH FREEZING WORKS PER ANNUM.

	NUMBERS	AVE WT (ROUGHLY)
LAMBS.	<u>15180</u>	_____
OTHER SHEEP.	<u>3690</u>	_____
BEEF - PRIME.	<u>1415</u>	_____
MANUFACTURING.	<u>476</u>	_____
BULL	<u>863</u>	_____

GOATS. (FUTURE).

- 2). DO YOU INTEND TO ALTER STOCK NOS. IN FUTURE? YES  10 NO  15
- 3). IF YES, INCREASE  7 DECREASE  3
- 4). DO YOU SUPPORT IN PRINCIPAL THE ESTABLISHMENT OF ANOTHER MEAT EXPORT WORKS OFFERING LOWER KILLING CHARGES THAN PRESENTLY AVAILABLE YES  25 NO.  11
- 5). WOULD YOU CONTRIBUTE UP TO 20¢ PER UNIT OF NORMAL ANNUAL KILL TO FUND A FEASIBILITY STUDY INVESTIGATING THE POSSIBILITY OF ABOVE YES  20 NO.  11
- 6). IF FEASIBILITY STUDY IS POSITIVE WOULD YOU CONTRIBUTE SAY \$3 PER UNIT OF ANNUAL KILL TO ESTABLISH SUCH A PLANT. YES  12 NO  3

# Farmers may set up meat works

Mid North farmers are looking at the possibility of setting up a small meat works to handle sheep and beef.

The idea, born out of dissatisfaction with AFFCo facilities and charges, is being pushed by Federated Farmers Ohaeawai branch chairman Mr Carl Robinson, who has an 800 ha sheep and beef farm near Puketona junction.

"I don't want to see the demise of AFFCo, but I would like to see an alternative meatworks to serve a small area that would be more economic and require less manpower", he said yesterday.

## VIDEOS SCREENED

At a meeting which Mr Robinson organised at Ohaeawai last week, representatives of two companies involved in setting up small meat plants in other parts of the country addressed the 25 people present and showed videos.

The companies were Millers Mechanical and Econotech, of Dunedin.

"Figures given were speculative for what I have in mind, but even if they were reduced 25 per cent they would still look good," Mr Robinson said.

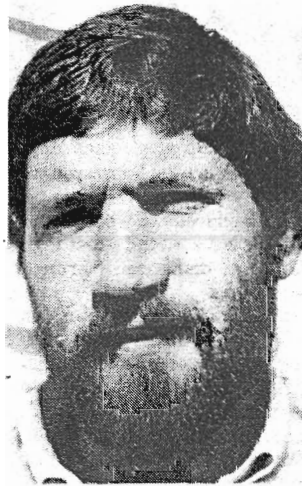
Finance for such a project, he thought, would have to come through the Federated Farmers network and so far feedback had indicated there was adequate farmer support to get it off the ground.

Mr Robinson said he envisaged a plant which would employ a workforce of about seven people, killing about 700 sheep per day and about 40 cattle.

Anyone wishing to discuss it can ring him at Ohaeawai 641 or write to him at Raratu, RD3, Kerikeri.

The site of the plant would be decided by the people interested and from where the stock would be drawn, he added.

Bay of Islands Federated Farmers chairman Mr John



Mr Carl Robinson

Coleman said yesterday the concept would be discussed at a subprovincial meeting to be held at Kaitaia on November 5.

Mr Robinson's initiative follows that of Hupara Road farmer Mr Bill Gillanders, who some nine months ago commissioned a feasibility study on a small meat works to produce chilled horsemeat for a promising Japanese market.

Mr Gillanders met with lack of interest in setting up a horsemeat industry and

## SECRETARY RESIGNS

Mr Alan Oliver has resigned from his position as secretary of the Northland College board of governors to take a new post as office manager of Fullers Captain Cook Cruises in Paihia.

Mr Oliver has been board secretary for the past three years. He will finish at the college on October 10.

unavailability of a suitable site in the Mid North.

Meanwhile, the Tirohanga Trust, representing 18 marae in the southern Bay of Islands, has made a submission to the Board of Maori Affairs in Wellington seeking financial support for a small works in line with that planned by Mr Gillanders.

Co-ordinator Mr Ernie Albert said the Trust had asked for \$1.5 million and was awaiting a response.

One million dollars was budgeted to the setting up of the plant while \$500,000 was needed to purchase a dairy and pig farm at Otiria Road.

The submission was sent off in August, he said.

Mr Albert thought only a small number of jobs would be created initially, but a spinoff would, in a short time, increase job opportunities, eventually rising to about 500 jobs.

At the time of going to press AFFCo management was not available for comment.

## Soccer stars nominated

Two young Mid North soccer stars have been nominated for the Northland Football Association player of the year award — Drew Hawker, of Kerikeri, and Stephen Cook, of Kaikohe.

Stephen Cook has also been nominated for the Northland 18 and under sportsman of the year.

The Kaikohe and Kerikeri soccer squads have been nominated for the most sporting team of the year award.

Raratu  
R D 3  
Keri Keri.

Copies to:

Federated Farmers,  
Transport Operators,  
AFFCO,  
Weddel Crown,  
MAF,  
Meat Workers Union.

Dear Sir,

I represent a group of farmers who feel there is room for improvement in all aspects of the meat industry. We feel, in Northland, where most of the livestock for slaughter is channelled through 3 main works owned by major companies, there is a unique opportunity for co-operation between all parties involved in the industry to achieve greater efficiency, productivity in all areas from on - farm operations through to ships side.

With this in mind, we propose to initiate a study to determine the areas where improvements can be made. It should be stressed at this stage that the study is an overview of the industry, highlighting obvious, easily implemented improvements and leading to indepth studies in specific areas.

To be effective, we feel the study should involve Farmers, Transport Operators, Freezing Companies, Unions with contribution made by all parties towards the cost of the study. Consultants acceptable to all parties involved would be employed, the results made available to all contributing parties. It is not our wish to investigate, publicise commercially sensitive information

eg - marketing - financial information -

It is sufficient to say improvements can or can't be made with examples of alternative methods given.

We suggest a committee be formed with representatives of all parties involved, to which the results of the study would initially be revealed, giving each party the opportunity to edit sensitive information. Members of the Committee would also be signatories to any funds set up to finance the report.

OBJECTIVES

"Define Opportunities, pinpoint methods within the Meat Industry in Northland, that would lead to greater benefits to farmers, transport operators, Meat Companies and Meat Workers.

Areas to be covered would be -

On farm operations - year round production (Autumn lambs)

- presentation of stock for drafting
- loading facilities for stock etc..

Transport - farm to works

- works to wharf

Stock procurement - Contract buying

- hourly charge for fat stock buyers?

Processing - improvements to existing facilities

- opportunities for greater productivity, added value
- return on capital - compare with alternative works
- marketing , promotion.

Research - product research

- engineering-technology

Please advise us if you would be willing to contribute, participate in such a study and any improvements that could be made to the terms of the study , or if not , your reasons against it.