

# THREE RIVERS VILLAGE LAND AND COLONIAL HOUSE HISTORY

## The Waipu Co-operative Dairy Company Ltd.

Amalgamated in 1941 with Maungaturoto Co-operative Dairy Coy.

It is appropriate that the history of co-operative dairying in this important section of the now combined field, should be incorporated in this brochure.

Unfortunately, minute books and other records were destroyed after the amalgamation

took place. In consequence, the record of the promotion of the enterprise and its first eleven years of operation is set up but briefly.

Information of events of later years—1911 to 1941—has been furnished by Mr. Gordon McLean who was a Director of the Company from 1926 and Chairman of the Board from 1939 to the end of its independent career in the year 1941.

## The beginning

1899 In the year of 1899, the conditions prevailing in Waipu approximated to those existing in other close settlement areas of North Auckland. Farming was backward compared with present day standards; current low prices for farm products provided little incentive to intensive farming; many of the holdings were but partly cleared and grassed.

Wool was worth only about fourpence a pound at this date, returns from sheep came but twice a year. Dairy butter brought only sixpence a pound.

Necessity compelled many to augment the farm income by outside work, getting out Kauri timber, road improvement. There was gum digging to be had. True to the tradition "the Gael fares forth," many of the young men left the farm and went further afield. Many a schoolmaster in distant centres graduated from Waipu; the sea attracted many more.

Mr. Roderick McKenzie, chairman of the giant New Zealand Co-operative Dairy Company, told the writer that on one occasion, no less than five full-rigged ships in the Auckland Harbour were found to be all captained by McKenzies from Waipu—his own father was one of the five.

In spite of emigration, the great majority of the settlers remained wedded to their land. Outside work, however, had largely disappeared and there was great need for a new and profitable industry in the settlement.

There was knowledge of the successful development of co-operative dairying in the Waikato and Taranaki districts; these were close settlement areas and their experience

indicated that this new industry was very suitable for reasonably level country where the holdings were of small acreage.

In these circumstances, it was natural that a desire grew up to engage in co-operative dairying. Doubtless, the farmers figured that what Taranaki had done, so also Waipu could do—they had the land and the labour, no money, to be sure, but the banks would lend the needful.

This move to establish a community dairy enterprise grew in popularity and finally culminated in the formation of The Waipu Co-operative Dairy Company Ltd. The original Memorandum of Association is extant. It is undated, signed by thirty-two subscribers who took up 332 shares.

The Provisional Directors were Messrs. John A. Finlayson (Chairman), John A. Morrison, S. McInnes, Donald H. McKenzie, Jas. A. McKay (Woodside), Angus J. McKay (Ferry), Angus McLennan (Cove). The Secretary was R. R. McKay.

Thus, in the year 1899, Waipu earned the credit of pioneering co-operative dairying in a district which would be described in those early days as extending to a good day's ride.

Waipu stood alone for two years—thereafter their courageous example was followed by neighbouring communities.

Finance was arranged with the Bank of New South Wales, Auckland, and every member subscribed to the Joint and Several Guarantee required by the bank. In effect, they pledged all they had as security for the loan.

# In operation

1900-01 In the year 1900, business began. A steam-driven butter factory was built and equipped on the bank of the main river, a location convenient for shipping the product. From factory to the S.S. Rob Roy, the butter was ferried in an open boat.

The record sets out that many serious delays in this sea transport were experienced by reason of the state of the bar at the river mouth. Ultimately, the Company were compelled to provide cold storage for a month's output.

Unfortunately, little written information is available of the interesting early years of operation. Doubtless, there was small output, small payout, slow growth.

We may presume the early Directors had many starting troubles, setbacks and frustrations; unused to industrial business, they would have to acquire knowledge by the hard way of trial and error. All we know is that all difficulties of the first twelve years were surmounted and that the Company had reached a fair degree of success in 1911 with a payout of 10.4 pence—good money at that date.

# Expansion

1906 On 17th September, 1906, the Company undertook to provide a creamery at Ruakaka. Eleven farmers signed an agreement to furnish the milk from 190 cows for a period of not less than four years. They agreed to accept a deduction of a halfpenny per pound of butterfat until all costs were paid back.

It is interesting to note that the milk was to be delivered daily "except on Sundays"!

The Company faithfully carried out its undertaking; milk was accepted for two seasons and home-separated cream thereafter.

For many years, the road to Ruakaka and indeed all of the 26 miles to Whangarei was notorious for its bad condition—Mr. Gordon McLean tells that up to eight horses were required to drag the cream through the mud to Waipu; its total weight would not exceed a ton!

Such circumstances precluded any monetary advantage to the Company, but eventually the main highway became an "all weather" road and a reasonable measure of profit was possible through the lowered transport costs.

Such anticipations were not realised. It was a stage of free-for-all competition and a neighbouring company now encroached on the Ruakaka district. Some of the suppliers, forgetful of benefits received, deserted to the bigger company.

Thereafter, the Waipu Company had to carry on with the faithful few—such was among the frustrations endured by our early day Directors.

The home-separated cream system was a debatable subject at this time. The Dairy Division was strongly opposed to the system for quality reasons. The Associated Managers as a body, followed the Government lead, refusing to handle any supply other than milk.

A few "rebel" managers, however, by this time, had demonstrated that the best grade of butter could be made from home-separated cream and led the way to a complete change-over by about the year 1912.

One neighbouring company abandoned milk supply in 1904 and it is regrettable that Waipu delayed till 1908.

In the light of later experience, milk supply to butter factories is proved to be uneconomic. It led to costly provision and operation of creameries; limited expansion to a narrow radius; compelled the time-wasting labour of hauling heavy loads from farm to factory and factory to farm. This Danish system had to give place to methods more suitable to New Zealand conditions.

# Improving conditions

1907-14 Paspalum, deep rooted, fast growing, drought resistant grass had now begun to improve the dairy pastures, displacing less suitable varieties, including the too-prevalent "Waipu Brown Top."

The milking machine had likewise come, and come to stay.

Both of these improvements effected a radical change in the dairy farm economy; better pasture meant more cows on the acre-

age; machine milking made it possible for more milking stock to be handled on every farm; the drudgery of hand milking was now only a bad memory and new suppliers were attracted into the industry.

Resulting progress is illustrated by the following statistics:

	Output	Payout
Season 1911-1912 .....	74 tons	10.4 pence
Season 1915-1916 .....	131 tons	14.5 pence

## 1914—1926

### Four Years of War—Eight Years of Peace

1914-26 The events of these years can be studied from Annual Reports which are available. The first of these reports shows an output of 88 tons, 100 suppliers, 1/- payout. The last of the twelve records 224 tons, 146 suppliers, and a payout of 16.73 pence.

These were twelve years of solid progress, more suppliers, more tonnage and the highest prices yet enjoyed. There was one setback of nature's sending: the lack of rainfall in 1918-19 created drought conditions and a drop of twenty per cent of output. The First World War brought about a radical change in disposal of the Company's product, the Home

Government purchasing four years' output at a price of 157/- per cwt.

It followed that for some years the Company's Directors had a respite from the selling problem which one may describe as the annual gamble on the Tooley Street market.

The season 1920-21 was the high water mark in respect of prices. The Imperial Government paid £7 per box for the output and the suppliers received the unprecedented payout of 2/6<sup>5</sup>/<sub>8</sub> per pound butterfat! By the end of this period, we find that cream grading had been introduced, likewise herd testing and Farm Dairy Instruction.

The Company was now in a fair stage of development and co-operative dairying had become the staple industry of the district.

## Fourteen more years

1926 The Dairy Control Board undertook the marketing of dairy products as from 1st September, 1926 and carried on with a fair measure of success for several years.

Unfortunately, this arrangement broke down and the producers were compelled to revert to independent sale—the free trade of earlier years.

1930-35 Prices from the season 1929-30 onwards fell rapidly—the Directors could do nothing but just accept what the London market and its operators realised. The years of depression—five seasons of low values—were endured; pay-

outs as low as 8.86 pence were received. This did not discourage the suppliers, however, for each of these slump years brought additional members and higher output.

The variations of butter prices during each of these dull years is an amazing story—no explanation can be given why butter varied from 65/- to 92/- within 12 months.

Directors' worst problem was the annual decision between consigning or selling to speculative buyers. Not only was the suppliers' income at stake, but there was the fear that a lucky strike would enable other com-

panies to pay out more and entice away some supply. Nowhere do we gather that any one of the Waipu Directors possessed the traditional "Highland second sight" which would have happily solved their problem. They remained on level ground with other companies and shared the prospect of returns which might again vary 40% in a single year.

1928 During the 1928-29 season, the Company lost a devoted officer by the death of its Secre-

tary, Mr. J. N. I. McKay, who had watched over its business affairs for 21 years.

1936 In 1936, another of the "Grand Old Men" of the Company, Mr. R. R. McKay also passed on. He was one of the originals, its first secretary in 1899, and later a director.

The Company appears to have spent largely and often in keeping its factory up-to-date—we read of new churns, diesel engine, vacreator, electrification in 1938.

# Waipu Co-operative Dairy Co. Ltd. 1900—1941

## STATISTICS:

Season	Tons	Suppliers	Payout
1900-1911	*	*	*
1911-1912	79	74	10.409
1912-1913	82	89	*
1913-1914	90	86	10.66
1914-1915	88	100	12.00
1915-1916	131	106	14.54
1916-1917	151	113	18.94
1917-1918	130	123	20.8
1918-1919	100	114	*
1919-1920	79	106	18.375
1920-1921	127	124	30.625
1921-1922	171	134	13.975
1922-1923	172	141	17.643
1923-1924	*	*	*
1924-1925	218	*	*
1925-1926	224	146	16.73
1926-1927	266	139	14.462
1927-1928	*	150	*
1928-1929	316	131	17.625
1929-1930	348	131	15.28
1930-1931	378	139	11.383
1931-1932	436	144	10.58
1932-1933	512	155	9.00
1933-1934	523	162	8.86
1934-1935	581	162	9.73
1935-1936	572	167	12.333
1936-1937	644	167	13.36
1937-1938	593	166	14.277
1938-1939	545	156	15.702
1939-1940	604	152	15.839
1940-1941	702	152	15.967

\* Figures not available

## SECRETARIES:

R. R. McKay	1900-1906
J. N. I. McKay	1906-1928
Neil Whyte	1928-1931
Cyril Rees	1931-1941

## FIRST YEAR DIRECTORS:

J. A. Finlayson
(Chairman 1900-1917, 1919-1920)
John A. Morrison
Angus J. McKay
Don. H. McKenzie
(Chairman 1917-1919, 1920-1939)
Angus McLean (Cove)
J. A. S. McKay
Sam. McInnis

## SUCCEEDING DIRECTORS:

John McLean
Murdoch McLean
John McLeod
D. M. McMillan
Henry Stokes
John J. Finlayson
N. E. McLean
F. H. Sloane
William Cleaver
R. F. McKay
R. R. McKay
Thomas Wilson
Dan H. McInnis
McAulay McLean
Thomas Watson
H. E. Hewlett
R. W. Johns
Gordon McLean
(Chairman 1938-1941)
Donald J. McLeod
J. C. McKay
W. B. Hill
A. K. Russell

## MANAGERS:

Garner	1900
J. Kilpatrick	1901-1908
H. Addyman	1908-1924
Ballantyne	1924
C. O. Langhorne	1925-1940
C. Cullen	1940-1941

1938 The year of 1938 is somewhat of a landmark in dairy history as in this year the system of State Guaranteed Price came into operation.

Its objective was to create a Stabilisation Fund designed to prevent recurrence of the inadequate income of 1931-1935—a sound idea even if it was used as a platform plank to assist the Labour Party into office.

## Amalgamation

1940 On 8th August, 1940, the Directors reported:

“During the season, acting on advice from the Executive Commission of Agriculture, your Directors fully investigated the question of amalgamation with either of the two neighbouring companies. A representative meeting of shareholders was held (10th June, 1940) and the whole position

The concomitant system whereby the Government became the owners and sellers of all butter and cheese at points of shipment, likewise became operative. Thus orderly methods of marketing replaced the chaos and uncertainty which had hitherto been the bugbear of the industry.

thoroughly discussed and the idea of amalgamation was rejected by a two to one majority.”

The season 1939-40 closed with a record output of 604 tons and a payment of 15.884 pence. It is evident that these results were satisfactory to the dairy farmers but not to the Government.

## The disaster

1941 On the 30th April, 1941, the Company's factory and the valuable up-to-date plant it housed was destroyed by fire, thought to have been caused by a defect in the power system.

This created an emergency. A meeting of shareholders, held on 13th May, 1941, instructed the Directors to report on two alternative proposals:

- (1) To rebuild the factory.
- (2) To amalgamate with the Maungaturoto Company.

There followed much correspondence and negotiation with the Minister of Agriculture and the Executive Commission, of which Sir Francis Frazer was deputy chairman. The correspondence shows that the Commission was strongly biased towards amalgamation; it discouraged rebuilding of the factory on the ground that added expense would depreciate the payout.

Finally the necessary license to rebuild was withheld.

In these circumstances, the Waipu Company had no alternative and negotiations with Maungaturoto were carried to a successful agreement. The Maungaturoto Company agreed to compensation for the Waipu supply at the rate of £5/5/- per ton and to provide a satisfactory cream service as existing.

The Maungaturoto Company further agreed to increase their Directorate by two more members and that Waipu's two nominees would not be opposed for two years.

By resolution, the Company went into voluntary liquidation, Messrs, Speer & Horrell being appointed liquidators.

After disposal of remaining assets, the shareholders received the satisfactory return on paid-up capital at the rate of 24/6 per share.

# Conclusion

Thus ends the story of this community enterprise, its forty-one years of initiative, courageous and efficient operation.

The Company's early promoters, directors and members deserve honour in the records of Waipu history. Their great contribution to the welfare of the district was the establishment of a worthy industry on co-operative lines which has raised the farm economy from a very lowly degree to its present high level.

Study of the records on hand gives every indication that none could have better managed the Waipu Company's affairs than the Chairmen and Directors who were chosen for the difficult duties of their office.

The limitation of the Waipu Company's expansion was entirely determined by the

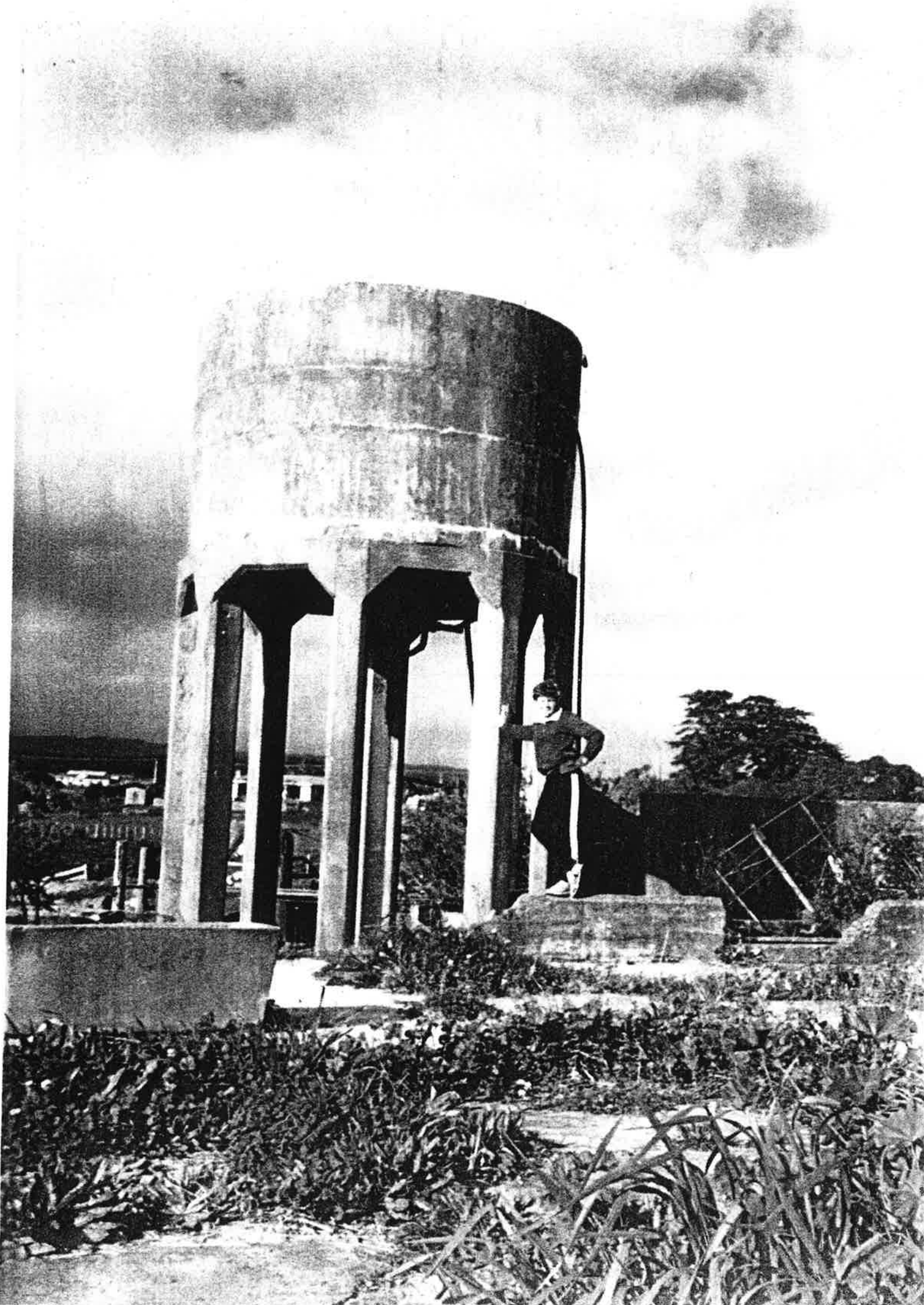
geography of the district—the sea on one side, a mountain range on another.

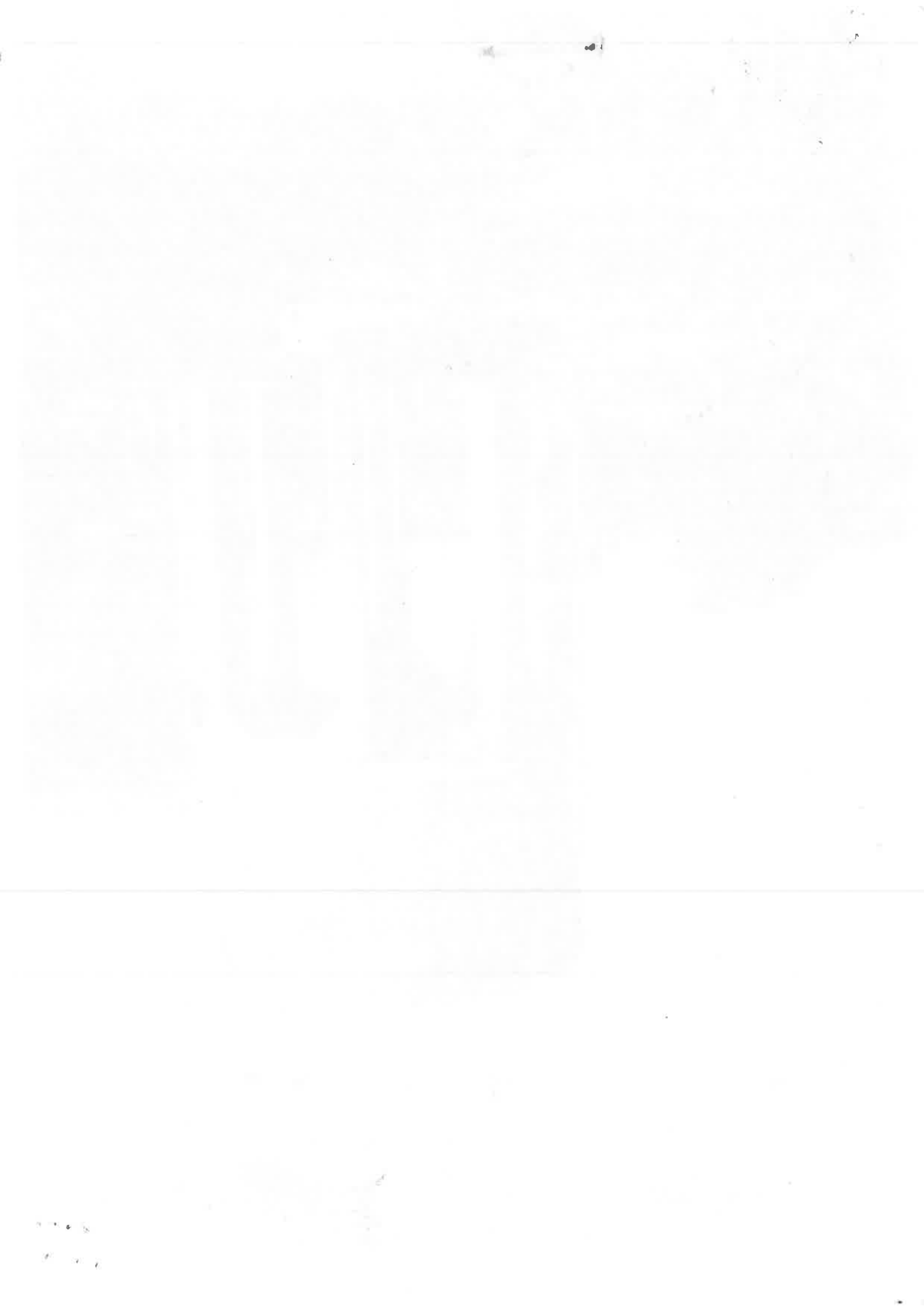
Amalgamation in the dairy industry is a natural development concomitant with good roads and cheap, rapid transport; it brings economy and better returns. There is, of course, occasion for some sentimental regret for the loss of name and identity.

The good work initiated in the year of 1899 goes on—both Companies benefit by the aggregation of business, the pioneering and spade work, well and truly done.

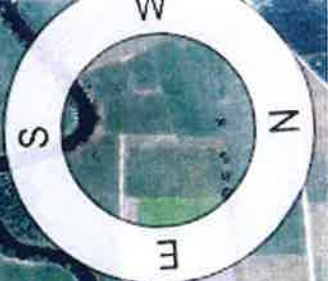
Finally, it may be said truly that the long-time cordial relations of the two settlements of Waipu and Maungaturoto have been further advanced by their union in the field of co-operative dairying.

**goodGround would like to thank Donna Finlayson of Waipu for  
supplying this interesting history**

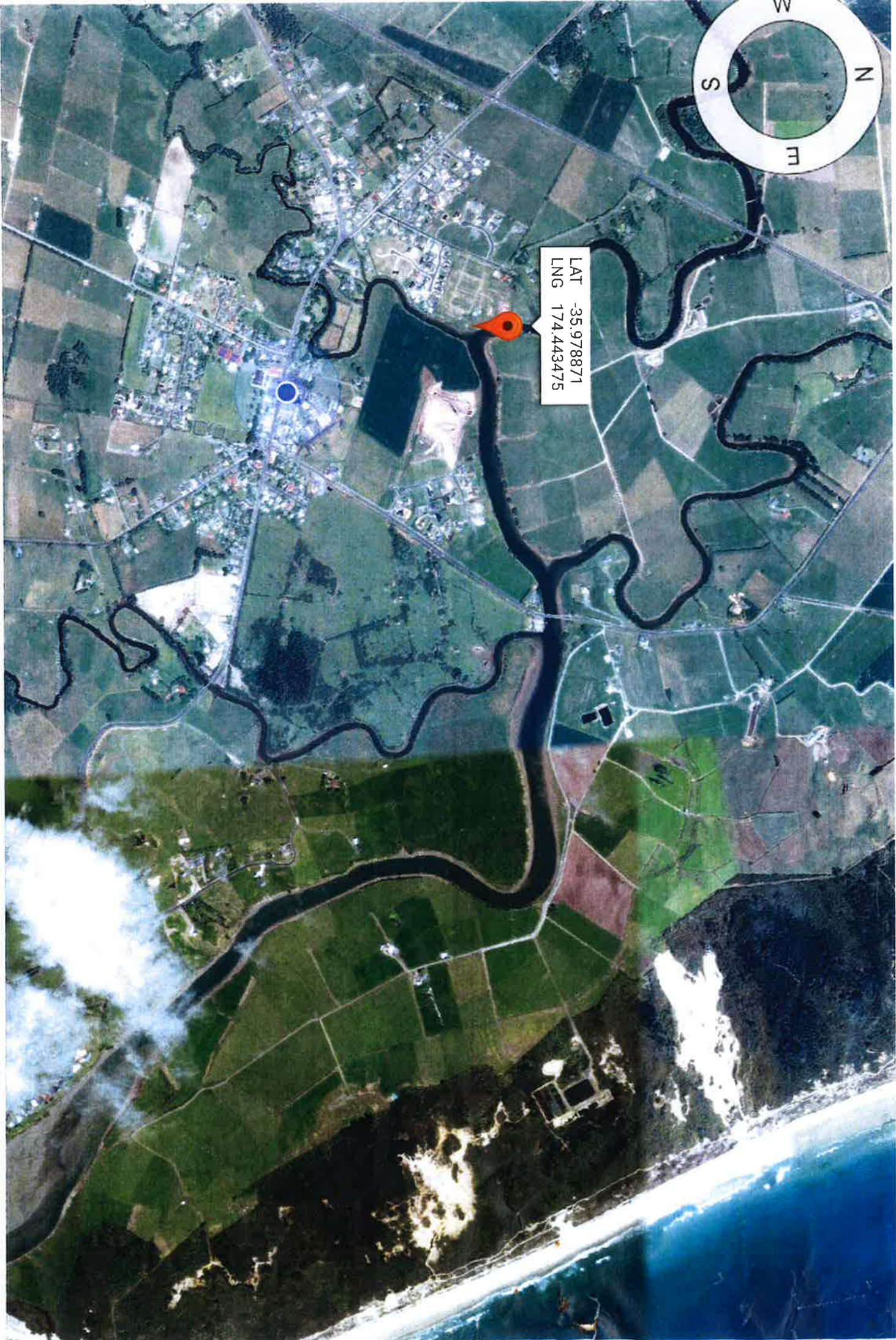








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