1 – TOLOGA COOPERATIVE DAIRY COMPANY 1912

ORIGINS AND ESTABLISHMENT

From at least 1903, there were suggestions that the land around Tolaga Bay could be suitable for dairying, although there is no known attempt was made to float a company before 1906.

Notices in the New Zealand Government Gazette show that the ubiquitous W.E. Holder was the chairman of this Uawa Dairy Company Ltd, and that at a series of meetings in September and October 1907, it was agreed to voluntarily wind up the company. According to Mackay, there was discontent over the site chosen for the factory. Wise’s Post Office Directory for 1908 lists John Badgery as factory manager and W.J. Knight, butter factory owner, indicating that some work had been done on this venture.

The Tologa Co-operative Dairy Company was successfully floated in time to be operating for the 1912-1913 season. The capital issue of £5,000 was divided into 3,000 ‘B’ or supplier’s shares and 2,000 ‘A’ preference shares. The company’s registration, which was announced in the Mercantile Gazette of late May 1912, listed the following shareholders; E.B. Boland (75 shares), C.E. Smith (27), F.H. Loisel (75), J.R. Mackintosh (120), J.A. Moore (60), W. Lockwood (30), H.P. De Montalk (30), G.F. Hurrey (30) and P.C. Elliot (25).

The original directors were Edward B. Boland (chairman), John A. Moore, F.C. Loisel, C.E. Smith, John Reid Mackintosh (all leading local sheep farmers) along with John Harold Hart (plumber) and Frederick Taylor (contractor). Arthur Donald, then employed as secretary at the Tologa Bay Trading Company, was the first secretary of the company.

Given the lineup of directors and suppliers, it is evident that many of the large established landowners in the district saw a future for dairying. Local business and civil servants, including C.E. Smith and J.P. Guthrie, Uawa County engineer, also ran herds on properties bought for the purpose. This was a feature of the company for much of its history, with dairy herds as an adjunct to sheep and cattle farming on a number of properties until after World War II.

A two-acre site for the new dairy factory on the south bank of the Uawa River, close to the mouth of the Waimaunu Creek was negotiated with the owners of the Parematu No.2 block. Agreed to at a meeting held at the ‘Native Meeting House’ on 24 June 1912, this land was vested in the Tairawhiti District Māori Land Board for sale to the new dairy company “at a price not less that the Government capital value.”

The opening of the factory was reported effusively and at length in the Gisborne Times on 13 November 1912;

“The Progressive East Coast – Opening of the Tolaga Bay Dairy Factory

A number of interesting speeches – the town en fête

“Today was a day to be marked by a white stone in the history of the important East Coast centre, Tolaga Bay. The presence of an unusual number of visitors in the township betokened that something untoward was afoot. Tolaga Bay residents went about wearing an air of complete satisfaction, and in fact, the whole township was en fête. The occasion for general rejoicing was the opening of the Tologa Bay Co-operative

a The pamphlet produced to promote the Wigan Settlement at Takapau suggested that some of the land was suitable for dairying, but not all agreed with this. See E –Mangaheia Valley Subdivisions and Settlement 1. Wigan Settlement.

b Reports from 1930s onwards show £12,000 nominal capital.

c It is unclear whether this meeting was held at Te Rawheoro or Hauiti Marae.
Dairying Company \[sic\]. For many years past the settlers of the East Coast township have vainly longed for closer settlement, which would make possible for the establishment of a dairy factory in their midst. After many abortive attempts, a company was started on co-operative lines last winter and under the able chairmanship of Mr E. Boland soon had the support and sympathy of every settler in the district.

“A suitable property was acquired from the natives about a mile from the township, on the Hauiti side of the Uawa river, and hereon was erected a thoroughly up-to-date dairy factory. The work of construction was faithfully carried out by Mr Fletcher of Tologa Bay, while the supplying of the machinery and the erection of the plant was entrusted to Messrs J.J. Niven and Co.

A Trip up the River

“Today’s proceedings opened with the visitors from Gisborne – Messrs W.D.S MacDonald, M.P., J.R. Kirk and S.S. Dean – being taken for a trip up the river, in order that they might glean some idea of the potentialities of the district. The party included Messrs E. Boland (chairman of directors of the Tologa Bay Dairy Company), J.A. Moore, F. Taylor, W.E. Holder, C.E. Smith and press representatives. After proceeding as far as the racecourse, the party disembarked and mounted the grandstand, from which a splendid view of the rich flat was obtained.

The Opening Ceremony

“The ceremony of formally opening the new factory took place in beautiful weather at 2.30 p.m. in the presence of about 300 settlers and visitors from Gisborne and all parts of the East Coast. Proceedings were enlivened by the presence of the Uawa Brass Band who played a number of bright selections.

“Mr Boland introduced Messrs W.D.S. MacDonald, M.P., J.R. Kirk and S.S. Dean (representatives of the Gisborne Chamber of Commerce). Mr Kirk was the first speaker, and in the course of his remarks touched on the great benefit the factory would be to the district, and referred to the suitability of the land round about for dairying. They had erected a most suitable building on an excellent site, and he wished the new company every success in their enterprise.

“Mr Dean, who followed, pointed out that the Chamber of Commerce was doing its best to reduce coastal freights, and he hoped that their efforts would be seconded by the people of Tologa Bay themselves. Mr J.R. MacIntosh, on behalf of the suppliers, said that from his knowledge of dairying in the Waikato district, he felt certain that the Tologa Bay factory would prove a boon to the place, and would undoubtedly attract fresh settlers.

“Arapeta Rangiua, the well-known Native chieftain, then addressed the large number of Maoris present. He pointed out what a benefit it would be to have a dairy factory at Tologa Bay, and exhorted the Maoris to either work their land themselves or put their holdings in the hands of pakehas who would work them for them. He called their attention to the benefits the pakehas had conferred on the district. Before their advent they had to paddle across the Uawa river in canoes, but now they had a fine bridge. He considered that by the establishment of the dairy factory, the Maoris would benefit largely if they worked their lands.

\[a\] The company was registered as Tologa Co-operative Dairy Coy. Ltd.
“The Chief referred to some of the big estates around Tologa Bay, such as Anaura, and considered they should be cut up. Some of those blocks could only be leased to Maoris but he held it would be more advantageous if matters were altered to allow of these lands being leased by either Maoris or pakehas. He concluded by wishing the new company “Kia Ora”.

“Mr W.D.S. MacDonald M.P., said the district around Tologa Bay was most suitable for dairying, as there were about 8000 acres of flat land of good quality. Some time ago some of the big estates near Tologa Bay had been offered to the Government, but for different reasons they had not been acquired. To buy them now would cost a great deal more than had they been acquired when first offered. He touched on the question of coastal freights and said that there was a measure on the Statutes which prevented people from selling commodities at exorbitant prices, and the same principle, he held, should be made to apply to freight. He referred to the advantages which would accrue to the district by the establishment of the factory, and wished the venture every success. Mr MacDonald then formally declared the factory open, amidst hearty applause.

“The new company will commence operations on November 25, with about 25 suppliers who have between them about 450 cows. Mr Foster, lately of the Thames Valley Dairy Company, has been engaged as manager, while Mr A. Donald will carry out the secretarial duties.

“A banquet to celebrate the opening was held at the Tolaga Bay Hotel last night, when a large number of guests sat down to a recherché menu, supplied by Host Elliot. Mr E. Boland presided, and a lengthy toast list interspersed with vocal and instrumental items, was submitted. A successful ball in the Tolaga Bay Hall in the evening concluded the day’s festivities.”

In the first season 452 boxes of butter sold out of the freezing chambers in Auckland. A credit balance of £8 16s 2d after working expenses was carried forward into the next season. In his chairman’s report, C.E. Smith stated:

“Owing to the exceptionally bad season experienced, consequently materially diminishing the supply, the Output of the season is perhaps not as high as expected. However, the prospects are bright for a big season coming, which is confidently anticipated.”

The Gisborne Times provided an effusive report on the operations of the company, entitled “A Flourishing Concern”, on 6 April 1914;

“A business dealing with an industry which perhaps everybody in Poverty Bay is interested in some way or other is that of the Tolaga Cooperative Dairy Company Ltd. This flourishing concern has now been running for nearly two seasons and is proving to be of great service to dairy farmers in the district.

“By the kindness of the manager, Mr C.S. Foster, a representative of the Times was enabled to inspect the whole of the plant which is up to date in every day. “The plant is driven by suction gas which has proved most reliable and suitable for the work required of it. A steam boiler is used for pasteurising milk and the coke used for the purpose is obtained from Auckland. Unfortunately the cost of freights on the coast is very high and the freight on the coke alone is considerably higher than the cost of the utility itself in the Queen city. This is one of the disabilities from which the Dairy Company is suffering but one in the future it is hoped to overcome.

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a Recherché – select menu.
b Sometime after this date, the hall burnt down. See Gisborne Times 6 April 1914 & 4 January 1915.
“The factory is at present used by 25 suppliers and the output this season is expected to reach 40 tons, which if achieved will double that of last season. Further difficulties which industries on the Coast have to contend with is the inconvenience of distribution. Up to the end of March this year, butter sent from Tolaga Bay for Home [British] shipment was collected on the coastal boats on their way down to Gisborne from Auckland. In the extreme heat experienced during the summer months this has proved in the past far from satisfactory and meant that butter which is first grade when leaving Tolaga is placed on a lower grade when it reaches Auckland, this result being from lack of facilities in quick handling and taking eight days to reach Auckland.

“This has been overcome by the Union Company acceding to a request that their small coastal steamers call at Tolaga Bay on their way to Auckland as well as on the way down. The first shipment by this new method was shipped to Auckland last Tuesday [31 March] and it is hoped that this will be continued.

“A great deal of the butter made in the factory is consumed at different places on the Coast… Last winter there was a considerable shortage of butter in the Coast districts and to avoid this a certain amount of the commodity is being placed in cold storage against the winter season.”

The original manager of the butter factory was Charles Sidney Foster, who stayed with the company for the first three seasons. He had supervised the building of the factory and the installation of the machinery. In a testimonial given as he was leaving the company’s employment at the end of the 1914-15 season, the secretary, Arthur Donald, wrote:

“Over 100 tons of Commercial and Export Butter has been manufactured [in the three seasons], entirely from Home-Separated Cream, and with few exceptions, the whole of the Butter made has been First Grade. Not a single pound of Second Grade Butter has been made this season…”

Mr Foster has a thorough knowledge of science as applied to the up-to-date manufacture of Butter, including the proper testing and pasteurisation of Cream, and he is particularly good in the practical use and care of Machinery, and has a good knowledge of Suction Gas producer plants”


TRANSPORT DIFFICULTIES

In the 1917 Chairman’s Report, it was noted that

“The district is handicapped by no road for wheel traffic to Gisborne and this will be serious for the output of the season’s pigs, and needs the co-operation of suppliers in arranging shipments or overland drives”

In the 1920s, the chairman’s reports gave details of butter shipped out from Tolaga Bay. These included

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a Charles Foster went on to manage factories in the Waikato region, winning a number of awards for his high quality product. Note from grandson Dick Foster, Paeroa, September 2001.

Given that each of these boxes would have been handled firstly from the company’s jetty onto a lighter, possibly again at the lighter company’s wharf at Hauiti, and then at least once more in the stream out in Tolaga Bay, it can be seen how costs of transport became an issue. Once the Tolaga wharf was opened in 1929, product was trucked to the wharf shed, railed out on to the wharf, and loaded into coastal ships directly or lightered out to larger ocean-going ships standing off in the bay. After World War Two, the butter was trucked directly to Gisborne.

SUBSEQUENT DEVELOPMENT

In an article written for the book *Tolaga Bay – a history of the Uawa district*, Ian Greatbatch outlines the reasons for the growth and decline of the dairy industry in Tolaga Bay:

“The Government purchase of 800 acres of flat land, and 1000 acres of good pastoral land, [at Wharekaka and in the Paremata valley] which was suitable for dairying, in 1919 for returned soldier settlement, was expected to boost the dairy production over the following years. The production figures do appear to bear this out. The greatest increase in production however happened in the years 1932-33 during the great depression. New suppliers were welcomed. The Company actively canvassed the neighbourhood and raked in suppliers from all who had a house cow or two. The increase in the supplier numbers over this period was in spite of the fact that dairy prices were also very depressed.
Notes

a) Figures for graph from company annual reports
b) Only sales figures are available for 1916.

c) Apart from the indication of 25 suppliers for the first year of production, no consistent statistics of the number of farmer suppliers are given until 1930; in 1924 and 1925, the number of cows supplying is given as 2220 and 2258 respectively.

“The years 1934-38 showed normal seasonal fluctuations in production with the number of suppliers remaining quite constant around 115. During WWII however, the number of suppliers declined to 63 but the production didn't fall to the same extent due to the improvement in the production of the remaining suppliers.

“It is surprising how few people were involved at the factory processing the local cream into butter. In 1945 the staff consisted of a Manager, a first assistant, 2 truck drivers, 2 men and one boy. There was no electric power in those days (except for about 1 square mile in the township) so the factory was powered with a steam engine first and then from about 1935 by a 57 horse-power Ruston Hornsby single cylinder diesel engine. The factory was a mass of shafts and belts. The cans came off the trucks and were carried manually onto the platform scales, weighed, sampled and graded and tipped into vats, then pasteurised and left overnight in vats at a set temperature. The cans were hand scrubbed in 1 wooden tubs. The cream received on one day was made into butter the next morning in a 50 box wooden churn. From
there it was manually pulled out and packed by hand with a wooden rammer in 561b wooden boxes. The tops were then nailed on, they were wired and put into the freezer to await despatch to the Gisborne port. Local boxes were made once weekly for suppliers needs, and for delivery to local stores.

“From 1945 to 1953 things remained quite constant, but 1954 was the first of another series of years when the Company lost suppliers. Again the production didn't fall away as quickly, due in part to improvements in the performance of those remaining, and in part to the amalgamation of farms. In 1959 however, due to the drop in suppliers, the Tologa Co-operative Dairy Co. was forced to cease production, and the processing of Tolaga's remaining cream was taken over by the Kia Ora Dairying Co. Ltd in Gisborne.”

The staffing and governance remained remarkably stable and consistent throughout the life of the company.

**Tologa Cooperative Dairy Company Ltd. – managers and office holders 1912-1959**

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<tr>
<th>Managers</th>
<th>Chairmen</th>
<th>Secretaries</th>
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<tr>
<td>Charles Foster</td>
<td>1912-1915</td>
<td>A. Donald 1912-1915</td>
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<td>E.B. Boland 1912-1914</td>
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