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KENYA
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Rec'd
JAN 21

BROWN AGENTS

1921

8th JANUARY

MEAT FREEZING & CANNING INDUSTRY

Last previous Paper

Reports on the prospects of the estab of and regret they are of opinion that until conditions change materially & Governor can give guarantees as to stock and markets available there is nothing to be gained by advertising matter further. Suggests it would be better for a local company to be formed.

Gov
47287A/20

Sir H. Shack

Mr Ezekiel has taken much trouble on this and the letter is most useful. We should act & thank.

The result will disappoint Sir E. Northey, who has a firm belief in S.A. as a stock country.

Web. to Gov. that CA cannot make arrangements here & that they suggest that a local company be formed - deposit follows -

and copy of samples of deposits

Copy 14 Jan 21
Gov tel. 14 Jan '21
City comes (orig and) to Gov 64 14 Jan 21
Copy to C. A. Nelson - 11 JUL 1924 4072932/24

Last subsequent Paper

39185

Printed
Government

3009
Kerya 50.

ALL COMMUNICATIONS
TO BE ADDRESSED TO THE
CROWN AGENTS FOR THE COLONIES,
THE ABOVE REFERENCE AND THE
DATE OF THIS LETTER BEING QUOTED.

TELEGRAMS "CROWN, LONDON"
TELEPHONE 7780 (INTERNATIONAL)

5
4. MILLBANK,

WESTMINSTER,
LONDON, S.W. 1

6th January, 1921.

ENCLOSURE

249

REC.
REC.
3 JAN 21

Sir,

I have the honour to acknowledge the receipt of your letter of the 27th September No. 47284/1920 regarding the proposals for the establishment of a meat freezing and canning industry in Kenya.

2 We have been in communication with the individuals and firms mentioned in your letter, but our correspondence has led to no result. Messrs. Brand & Company are not prepared to proceed in the matter, and we gather that the reason in their case is a financial one. Messrs. W.L. Ingle, Limited., would only consider the proposition if it could be combined with a much larger area of land than is proposed, say, up to 500,000 acres. We have had no reply from Mr. Seth-Smith.

3 In view of the reluctance shown to pursue this matter, we have thought it well before taking further steps to discuss the question with Sir Charles Bowring and we have also consulted the Board of Trade and the British South Africa Company. Sir Charles Bowring says that the grant of suitable land to the extent of 500,000 acres is, in his opinion entirely out of the question. He also concurs in the view expressed on page 6 of the Report of the Department of Agriculture for 1913-1914 that East Africa cannot properly be regarded as a ranching country. The information which we have obtained from the Board of Trade and the British South Africa Company is embodied in the following

paragraphs.

Under Secretary of State,

COLONIAL OFFICE - S.W.1.

paragraphs.

4. The two industries of canning and freezing are quite distinct, though the freezing industry might be a development of the canning industry. For the purpose of starting a canning factory, it is considered necessary to have (1) a guaranteed minimum of suitable beasts amounting to 10,000 a year, (2) a capital of say £100,000, (3) a thoroughly competent Manager, and (4) an assured market for the output of the factory. The importance of this last will be understood from what follows. The canning industry is suitable for small communities such as East Africa where the stock on the whole is not of a very high grade.

5. The establishment of a freezing industry on the other hand is a much more ambitious proposal. For this purpose, it is desirable that a minimum of 50,000 head of fat stock a year, of better quality than that required for canning, should be available. Expensive works must be established at or near the railway, and, as far as possible, in the centre of the cattle area. Insulated rolling stock must be provided to convey the frozen carcasses from the factory to the sea port, where cold storage must be erected, sufficient to store the output of the factory until the stocks are reduced by shipment. An alternative scheme would be to locate the factory at the port and to rail the beasts to it, but this would not be so satisfactory as having the factory in the cooler highlands. The Company must either own, or have the call of, sufficient insulated tonnage to avoid any block in the passage of the meat from the factory to the consumer. These requirements clearly demand large capital and highly skilled management.

6. It appears from Sir. Edward Northey's telegram of the 22nd September that he contemplates that 10,000 head of cattle per annum would be available, but even for that small quantity no guarantee can be given. The inference appears to be that in the

present stage of the Development of the Colony the only possible way of absorbing its surplus meat products would be through the medium of a Cannery. The experience in this direction of Southern Rhodesia, where conditions are certainly no less favourable than they are in Kenya, is unfortunately not encouraging. In that territory the same need of absorbing the surplus cattle products had been felt for years and it eventuated in the establishment of a Company with a capital of £100,000 for running a canning factory. This factory started operations in July 1919. It was provided, we are told, with an excellent site, and equipped with the most modern machinery. The services of a highly competent manager for the factory were secured, and ample supplies of good class stock to feed it. After running for 18 months, however, it closed down, because the company was unable to sell its products and had come to the end of its financial resources. The plant is now for sale cheap.

7 During the war there was a great development of meat canneries all over the world to meet the enormous demand. As soon as the war ended, this demand necessarily fell off. The fall in the demand has been accentuated by the natural aversion of the ex-soldier to continue a diet of bully beef with which he was surfeited on active service. One of the results of these changed conditions is that in the last few days a big Argentine meat firm has passed its preference dividend. Another is that one of the largest ranching industries in South America, this, we are told closing its canneries and developing freezing factories in their place.

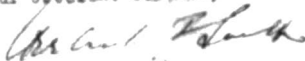
8 These facts appear to offer a conclusive explanation of the reluctance of meat companies to embark on the proposed enterprise in Kenya at present, and we regret that we do not think there is anything to be gained by advertising the matter further until the conditions change materially, unless, of course, the Governor can give a guarantee, or at least an assurance supported by facts, that sufficient head of cattle could be available, and some reliable evidence is forthcoming

forthcoming that there is an ample market either locally, or possibly in India, for canned meat. Even so, we are inclined to suggest that it would be better that a local company, familiar with the conditions and difficulties, should be formed, rather than that the Government should be compelled to offer terms, which might possibly be onerous, to induce outside capitalists to undertake the business. If this suggestion is pursued, the article on the establishment of the Rhodesian factory (already referred to) in the enclosed copy of the Rhodesian Agricultural Journal for August 1919 may be useful to the Colonial Government.

I have the honour to be,

Sir,

Your obedient servant,



for Crown Agents.

Cal
1921/21 Kaula

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See

DRAFT.

Cal.

14 January 1921

Gentlemen,

MINUTE.

Pharley 12 pm
Battobee 13/2

I am in touch the rest of these
letters Sec. Kaula SO of the
to the most with regard to the
of proposals for the establishment
of a meat freezing and
canning industry in Kaula
to thank you for your
information observations of the
the information which
you have supplied

- Mr. Grindle.
- H. Lambert.
- H. Reed.
- G. Fiddes.
- Stamery
- and Milner

Copy for Mr. 14

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(overleaf)

(14/1/21)

sent 2/15/21
WDS

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be formed to start a company

dispatch follows

Milner

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foreman

Naval

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