

# Dairying

The development of the dairying industry in the Brisbane Valley is typical of the industry in Queensland — small holdings, conscientious family management, a form of practical, closer rural settlement, insular thinking, central dairy factories, export orientation, and contraction in the face of falling butterfat prices and government subsidies. An assessment of the economic development of the Brisbane Valley revolves around the relationship of the dairying and timber industries to the prosperity of the towns.

In the late nineteenth century dairying provided a ready means for selectors to earn income and to increase their capital through dealing in livestock. Three factors which projected dairying were refrigeration, introduction of milk fat testing methods, and the development of factory methods for manufacturing and preserving butter. The first creameries in the Valley were at Bryden, Lowood, Cressbrook, and Esk. Government support in land selection policies was combined with the provision of branch railways into rural areas from 1880. The boom in dairying was maintained until the end of the first World War. There was a small revival in the late 1920s due to the government's war service land settlement schemes, high prices for butter during and after the war, and the introduction of the Patterson Plan in 1926.

The second expansion phase was in the mid-thirties when, in spite of falling butter prices there was an increase in the number of dairy cattle because of the population drift from city to country during the depression. Lack of labour stemmed this development during the second War and the industry never recovered. Although various governments have encouraged dairying through subsidies, economic pressures like population drift and cost of labour dammed it. As aging farmers retired, land has been accumulated by land developers and subdivided for the new generation of commuters for whom modern transport has presented more opportunities; and so the Brisbane Valley has maintained its attraction as a residential area by being so close to the city.

In the 1880s dairying appeared to be a viable alternative to pastoralism in broadening the base of rural settlement. Dairying thus created different regional agricultural landscapes throughout Queensland. The Queensland Government

encouraged dairying through the establishment of the Travelling Dairy Plant in 1888 followed by the *Meat and Dairy Act of 1893s*, which provided financial aid for the building and equipping of dairy factories. Queensland reached self-sufficiency in dairy products in 1893 and dairying expanded rapidly in the Brisbane Valley where the estimated milk yield per cow was 276 gallons per annum. Boss cockies and new selectors appreciated the advantage of a regular butterfat cheque, offering a profitable means of employing free family labour (women and children).

The number of dairy cattle in Queensland increased rapidly from 80,000 in 1898 to 448,634 in 1920 (in 20,457 registered dairies); by 1940 there were a million dairy cattle in 31,500 dairies. Exports of butter and cheese to Britain rose rapidly during the first World War. Production rose from 1,025 tons of butter and 359 tons of cheese in 1894 to 16,607 tons of butter and thus 3,541 tons of cheese in 1914. In 1900 389 tons of butter were exported and this reached 7,636 tons by 1913. Regular exports of cheese began in 1904 with 40 tons being sent to Britain. During the War exports rose from 969 tons to 2,472 tons in 1917.

The advent of rail access to the Brisbane Valley stimulated the dairy industry. When the railway opened to Linville in October 1910, cream and milk could be transported to factories, creating a strong correlation between rail access and establishment of dairy factories. Lowood dairy factory opened in 1890, Toogoolawah and Colinton in 1898, and Esk in 1904. The Brisbane Valley also had reliable water supplies and rich pasture. The southeastern region of Queensland was the most favoured dairying area in the state. The smallest herds were in the lower reaches of the Brisbane River around Fernvale and Fairney Lawn and these supplied whole milk to Ipswich. However the Brisbane Valley already had two condensed milk factories through the encouragement of the McConnel and Moore families in subdividing their land. The Nestle and Anglo Swiss Condensed Milk Company and the Standard Dairy Company Limited capitalized on these opportunities and after 1912 Lowood also had a condensed milk factory. Friction between dairymen and directors of proprietary companies stimulated the formation of co-operative dairy factories.

Mechanical separation was introduced in the Brisbane Valley in the early 1890s. Before that cream for butter production was obtained on the farm by 'setting' in shallow dishes. Cream was skimmed off early the next morning and had to be well protected to prevent bandicoots from creaming their whiskers overnight. The butter was later churned by hand, packed in wooden casks, and taken by road to Ipswich for sale at Cribb and Foote's or George Ware's. The introduction of separators stimulated the establishment of outlying separating units called creameries, to supply the central factory, a considerable transport saving. Farmers supplied the creamery daily. Hand separators were introduced in Queensland in 1898 making creameries obsolete and encouraging the spread of dairying into more inaccessible areas. All dairies had to be registered under the *Dairy Produce Act of 1904* which set minimum standards for operation. Compulsory grading of cream was introduced in 1908 and pasteurization in 1914.

Farmers were then able to concentrate on other farm management necessities, such as maintenance of constant production throughout the year so the local factory could operate full-handed all year. This has been a continual problem

for Queensland dairy farmers and difficult for Brisbane Valley dairymen because of their small farm sizes. Dairy farming has never successfully matched the efficiency standards of factories and the economies of towns have suffered each winter.

Three factors determined the level of dairy production — feeding, breeding and management. There have been interminable arguments in the industry over the best ways to achieve these improvements and the Department of Agriculture and Stock (latterly the Department of Primary Industry) has contributed through farm extension programmes. By 1900 Brisbane Valley farmers were introducing better breeding stock from the southern states. Jerseys and Ayrshires were considered better for ridgy country and AIS and Shorthorns for natural grassed and open country like Glen Esk, Murrumba and the Harlin areas. An appreciation of the need for better pasture was slow to develop in southeast Queensland. The cultivation of sown pastures and lucerne hay were meant to overcome feed supply deficiencies, but in the Brisbane Valley, dairy farmers preferred to sell their lucerne off the farm for cash. There were other opportunities for improvement through conscientious animal husbandry methods and this

Linville Creamery. c. 1905.

Eric Bishop, Linville



had become quite a problem by the 1950s and 1960s as farmers sought outside employment to augment their incomes.<sup>1</sup>

The Brisbane Valley dairy industry was at its peak during the first World War and politicians considered it capable of permanent growth. The great advantage of dairying to the state economy was that it provided a viable means of maintaining a rural class after the process of closer settlement. It has always been considered a family industry and, together with the transport industry has been responsible for forming a definite social structure in Queensland.

In the early days dairying was the salvation of the selector. He had two options for immediate income — cutting and selling millable timber off a selection and starting a small herd of dairy cows. However both industries markedly changed the environment and demonstrated the pre-eminence of industrious agriculture in clearing the land. Timber often provided money for the first cows. Cows are very warm and homely and mostly good-natured animals, considered ideal for women and children to manage. While the husband and sons were clearing and burning the trees, mother and children milked the cows and fed the calves and pigs. Then, as the men fenced all day, the children came after the big burn with bags and handfuls of seeds, sowing the hills with grass. To children cattle are huge and driving them to the new burn or the back paddocks was a monumental achievement; a tribe of small girls aged five to nine, coaxing and guiding heavy milkers was a familiar sight on the hills each afternoon — staying close up behind, prodding and cornering them to go in new directions were the keys to success. In the milking bails it was a different task; most children learnt to milk by the age of seven and it was not until the 1930s that milking machines became prevalent, making it only necessary to 'strip' the cows after the machines.

Bails were built out of sawn timber in a clearing on the farm close to the road so that cream could be transported easily. Farm buildings stood starkly against standing forest; concrete was used for the floor of the bails and after 1904 cool dairies were built with gable roofs, ventilation, and concrete floor. Usually there were insufficient funds to concrete the holding yards which became deep quagmires in wet weather and together with manure gave the farmyards a characteristic smell which farmers themselves never noticed.

Managing cows under those conditions seems primitive now but was a routine and accepted lifestyle until the 1960s. The cows always had their own pattern of order for milking as well; each was

usually fed in the bails while milked, after being chained in and leg-roped. In winter the cows slept together under trees and in the morning they warmed their milker; frost-free farms were sought after.

One of the common ailments for cow girls was cow pox (from which the small pox vaccine was developed); the other characteristic of dairy farmers' daughters was 'milk-bucket legs'. Those days families milked up to a hundred cows twice a day. The separating was mostly done by men, while the children fed the calves and pigs; many farmers gave the left over milk back to the cows with molasses. Fences and pasture conservation were key management points for farmers as well — controlling the amount of good pasture in the night, day, and dry paddocks and ensuring availability of good water.

There was also the development of good breeding stock. Heifers were reared on the farms and often fed on the bucket until two years old. Local Agricultural and Pastoral Shows also encouraged good breeding lines. Otherwise dairymen had to bid at auction sales for milkers and cows bought there were often an uncertain bargain. An alternative were the clearing-out sales which were introduced in the 1930s with the retirement of the first generation of dairymen. Then, before the widespread use of lorries, cattle had to be driven to the farms and that cost money and time.

Clearing-out Sales were a social phenomenon in their own right. Everyone came and bid. The auctioneer had his own jargon repeated at high speed, ending with 'Going, Going . . . Gone — Sold to Mr/s . . .' They started at 10am with the cattle, the milkers first, and worked through to the springers and dry cattle and then onto the farm equipment, nuts and bolts, wire and hardware, and then the contents of the house, finishing when it was time for farmers to return home to milk. The men sat on the yard fence, the women stood in the bails, the children explored the farm and the cattle stood tense, bellowed and were sold in turn.

There was general mellee after the sale, as farmers were sorting out their purchases and drove off or loaded their cattle. During the day carters moved through the crowd noting down their business for that afternoon and night. During the whole proceedings the Tennis Club Ladies or the Church Guild provided sandwiches and tea made from a copper. The sales were field days for swapping news and farm hints.

Queensland Dairy Farmers Organization (QDO) business was conducted informally and policies on



Typical dairy farm buildings on Lowood — Minden Road.

*Main Roads Department*

subsidies and prices were formulated when the tone of the auction was dull. If the market was too low the sale would stop or if the demand was higher than the number of cattle available some farmers even invited buyers home to deal privately on a line of heifers or milkers. These sales provided a local mechanism for informal management of the industry.

In the 1930s Queensland was the dairying state and dairying was the second most profitable export industry; but the butter industry was sheltered from market forces. During the second World War the federal government regulated export allocations; branches of the Queensland Dairymen's Organization were formed in the Brisbane Valley to lobby for farmers. D.C. Pryce organized the meeting to form the Toogoolawah Branch in January 1941. The objective was to have a unified dairymen's organization to maintain prices and promote efficiency. The Lowood Branch was formed in March 1947; the rallying point was the dropping of the subsidy during the war by the Chifley government.

In the early 1950s the subsidy paid to farmers was adjusted to cover the costs of small farmers. 1952 was a turning point in the industry. Post-war inflation forced Australia's cost of production above world prices. However there were severe shortages of butter, cheese, and milk because

postwar shortages prevented expansion in dairying again.

The industry was regulated by a number of boards. The Commonwealth Dairy Produce Equalization Committee Limited, a voluntary body organized by the industry, supervised the orderly marketing of butter and cheese, Australia wide, to achieve the same average price return for sale of products on either the domestic or export markets. The Queensland Butter Marketing Board controlled the intra-state marketing of butter, producing butter concentrate for the Brisbane market and distributing profits to butter manufacturers throughout the state. The Dairy Produce Board controlled exports of butter and cheese, arranging advances on behalf of the British Ministry of Food when received into cold store in Britain. The price fixing of 2s. 8d. by the Queensland state government and the penalties of the forty hour week angered farmers.

Dairymen failed to convince the Queensland and commonwealth governments of the need to transfer price fixing control to the Commonwealth government, to establish prices in accordance with determinations made by the Joint Dairying Industry Advisory Committee, or to obtain a sufficiently high subsidy from the commonwealth government to maintain dairy farmers' incomes at war-time levels. Consequently farmers left the

industry and turned to agriculture and beef cattle. In the year from December 1950 to December 1951 butter production declined by a factor of four from 13,878,228 pounds to 3,436,000 pounds as 1951 was such a bad drought year. Farmers achieved a five year price stabilization scheme in 1953 with the right of a price based on production costs for butter for local consumption and a cover for 20 per cent of the export market.<sup>2</sup>

However in 1955 the export contract with Britain ceased and export prices fell below domestic prices. That is when economics beat the dairymen. Wages were increasing, dairymen were aging, and the next generation did not wish to continue the same labour-intensive pattern; the cost of equipment, such as tractors and milking machines, was escalating at a time when mechanization of the industry was imperative. Also many farmers moved out of butter production into whole milk, necessitating high capital outlays for stainless steel vats, improved road access for milk tankers, and new milking sheds at a time when the Department of Agriculture and Stock (later Primary Industries) was setting more stringent dairy operating standards. Farmers had to borrow up to £20,000 to change to whole milk.

Many retired, held clearing-out sales, or swapped over to beef because the Brisbane Valley was such good fattening country. The others gambled on being able to maintain the milk quota and repayments. However the problem of under-sized and over-capitalized farms, a hang-over from the doctrinaire belief in ruralism by the Labor governments of the 1920s, plagued the industry.

In the 1960s the Queensland government attempted to overcome this through the Rural Reconstruction Board. The assistance provided by the federal government, administered by the Queensland coalition government appears to have been for electoral purposes rather than in any expectation that dairying would provide a stimulus for vital new development. That board and the Agricultural Bank controlled an unfolding scenario throughout the 1960s and 1970s of broken down farms, broken fences, wanton pasture growth, and ill-organized grazing methods; land was delivered up to real estate developers who undertook the major land subdivision projects which have revitalized the Valley.

Today there are no dairy factories in the Brisbane Valley. The industry which they served shaped land use and alienation patterns of the Valley for eighty years and many of those effects have only been dissipated by the Wivenhoe Dam project.

The dairy industry in the Brisbane Valley also

constantly illustrated the characteristic disunity among Australian farmers. From the time of the first visit of the Travelling Dairy in 1892 jealousies and 'fossilized ideas' were noted. He reported that at Deep Creek the farmers most prejudiced against modern machinery were the first to obtain it and 'the man who happens to own a few cows more than his neighbour considers himself so much better and will have no connection with him'. Those views prevailed throughout the eighty years that dairying was the life-blood of the Valley. It was considered the only hope for the livestock industry when the 1902 drought broke and the establishment of dairy factories became practical.<sup>3</sup>

Cream depots operated by local farmers were established in the 1890s at Biarra, Bryden (situated near Malachi Conroy's dip), Lowood, Fernvale, Dundas, Fairview (Crossdale), Esk, Reedy Creek, Minden, Kirkcheim and Tarampa. The Biarra creamery started in 1895, putting through two hundred gallons per day. F.W. Linning owned creameries at Kirkcheim and Glamorgan Vale in 1896. James Brown ran each of the creameries at Bryden, Dundas, and Crossdale, using steam turbine separators. The Silverwood Butter Company of Toowoomba operated the Minden, Fernvale, and Lowood creameries between 1901 and 1907. The first cream separator to operate in Esk in the mid 1890s was reputed to have been where Chaille's old store was.<sup>4</sup>

In 1892 a Fernvale farmers' committee of John Ralston, J. McDonald, L. Bolden, F.C.A. Heers and A. Phelps tried to form a co-operative creamery with Pratten and Hassell. However their plans for a £450 factory failed. From 1897 a Wivenhoe Pocket creamery serviced this area including farmers Ralston and Vernor. J. and E. Donald operated this creamery as well as creameries at Gallanani and Mt Beppo and a butter factory at Ipswich.<sup>5</sup>

The capital required for establishment of factories determined that there would be a small number of dairy factories established for the whole of the Brisbane Valley — Lowood, Esk, Toogoolawah, and Colinton. The Lowood factory was first advocated in 1890; Captain Flewell-Smith chaired a meeting in April 1890 when F.C. Emmett of Ashwell, Rosewood, proposed a factory. The factory was under construction, two miles north of the town by June that year. Capable of dealing with one thousand gallons of milk per day, it was owned by the Lowood Dairy Company and managed by W. Daetz.

There were three other companies formed in 1897-1898 to serve Lowood farmers — Co-operative Creamery Company, Cairn Hill Farmers



Nestle and Anglo Swiss Condensed Milk Company condensery at Toogoolawah.

*John Oxley Library*

Co-operative Dairy Company and the Upper Brisbane River Co-operative Dairy and Bacon Factory Company. This spate of companies rose because of the problem of creameries paying what they liked for milk when farmers wanted to manage their own destiny. The Co-operative Creamery Company purchased the equipment of C. Beutel's Upper Brisbane River Company and commenced operating on 8 August 1898. There were twenty-five suppliers supplying three hundred gallons of milk per day to the Cairn Hill Farmers Co-operative Company's creamery in 1899.<sup>6</sup>

### Lowood

The first butter factory in Lowood was erected in September 1903 behind the railway station. A new factory was erected by the Lowood Creamery Company Limited (head offices in Brisbane) in 1905. That company was liquidated in 1912 and the Lowood Milk Condensing Company Limited formed. The old company had liabilities of £77,600 and was controlled by John Fish Howes and William Edward Howes who held 5,700 of the total 20,000 ordinary shares paid to ten shillings. Suppliers were owed £11,417 and the company's Minute Book had been mislaid; curiously, Nathaniel Joseph Howes had transferred all his shares to J.F. Howes on 2 October 1911 who claimed he was owed £55,000 by the company. While these arguments were played out farmers sent their cream to the Queensland Farmer's Co-operative at Booval and the old factory was converted to a bacon factory.<sup>7</sup>

Within a year the Bacchus Marsh Concentrated Milk Company Limited moved into the Lowood market, buying land from H. Lindeman in 1913 for the purpose. However the development of Lowood factories was always checkered as farmers sought fair prices for their product. By 1917 Ernest C. Nunn advocated a butter factory at Lowood. Nestle Company acquired the Bacchus Marsh Company's factory in 1921 when the four large dairy companies amalgamated in Australia. When Nestle closed down their Queensland operations, A.C. Munro, manager of Nestle at Toogoolawah for twenty-four years, bought the Lowood condensed milk factory in March 1931 and handled fresh milk and cream, supplying milk to Brisbane and ice to Lowood. He installed a sixty horsepower boiler and a ten ton refrigerator. With his sons, Neil and Colin, he operated the factory as Munro Bros. (Lowood) Pty Ltd through the depression. Their competition was the Queensland Farmers' Co-operative Association who were sending carters to within four miles of Lowood in 1947. Then the QFCA bought the Lowood factory and closed it on 28 June 1957 because roads were so much improved that fresh milk could be transported directly to Booval. Lowood farmers complained at a stormy meeting but the motion for retention of the factory was lost.<sup>8</sup>

### Toogoolawah

Lowood's counterparts were Colinton and Cressbrook (Toogoolawah) condensed milk factories which operated throughout the boom of the dairy industry from 1900 to the 1920s. The

Cressbrook condensed milk factory was financed by the McConnells when they subdivided the Cressbrook land in 1898. Work commenced on the factory in May 1898 using the logs from the old Cressbrook road bridge for the building. The factory took seventy gallons of milk per day, paying four pence per gallon to the farmers. The business was operated in a similar way to the plantation system. Farmers paid five shillings per acre rent for five years with the right of purchase at £7 per acre, payable over 14 years at 5 per cent. The factory, managed by William Munro, was a technical failure until J.H. McConnel sent Munro to America to learn the art of adding sugar and evaporating it in a vacuum pan. The milk was condensed in three hours, cooled and poured into tins. The factory then turned into such a success that in 1900 it shut the products of the famous Nestle and Anglo Swiss Condensed Milk Company product out of Australia. At full capacity the factory handled eight hundred gallons of milk per day. The factory had continual water problems, including pollution of Cressbrook Creek; during the 1902 drought the factory actually ceased operations.<sup>9</sup>

By 1905 the factory had been expanded. There were eleven suppliers; their returns ranged between £12 and £85 for the month. The factory produced seven hundred cases of condensed milk in fourteen ounce tins weekly and had ordered plant capable of treating four thousand gallons of milk per day (half the capacity of some of the factories Munro had seen in America). The factory employed thirty including tinsmiths and carpenters.

The growth of the dairying industry in Australia and the success of the Toogoolawah condensory attracted the attention of Nestle's chief agent in Australia since 1895, Harry J. Preston, a wholesale merchant in Sydney. In order to regain their market share the Nestle and Anglo Swiss Condensed Milk Company, a branch of the English company, purchased the factory in December 1907. Preston travelled up to Toogoolawah, negotiated with the McConnells, contracted to purchase the factory and 'caught the first coach out of town'. Nestle bought four station farms of four thousand acres as well and divided them into smaller blocks naming them 'Anabranche', 'Clearing', 'Mangerton', 'Bellambi', 'Grasstree', 'Gunya', and 'Ridge'. E.A. Pickering was the first general manager of the farms and D.C. Pryce later took over breeding stud and show cattle, including Holstein cattle which the Nestle company introduced to Australia. Nestle organized thirty suppliers from a nine mile radius and paid them six

pence per gallon. Twelve hundred cows were milked daily on the company farms and the same number on private farms to supply the factory. W.A. Munro left in 1910 for a round the world trip and his brother, A. Munro, came from Wilson's Plains Factory to become the new manager.<sup>10</sup>

By 1916 there were disagreements between farmers and the Nestle management over prices. The Queensland Farmers' Union, Toogoolawah, met on 7 November 1916 requesting that the price be based on both domestic and export prices for butterfat. The factory management was quite determined to expand collecting operations through the war, purchasing a motor lorry to cart milk from Mount Esk Pocket via Mount Beppo; in 1918 the Shire Council permitted them to erect milk depots in the district as required. Although the factory had a Grinnell automatic fire sprinkler system there was a major fire in the sugar room in 1921 and the sprinklers destroyed £1,000 worth of sugar. Also the price problems and back pay continued in 1921.<sup>11</sup>

In 1921 Nestle and Anglo Swiss Condensed Milk Company, Australian Milk Products, Bacchus Marsh, and Standard Dairy Limited amalgamated, Nestle taking a dominant role. Both Lowood and Colinton factories were closed. The Toogoolawah factory then had a monopoly in the condensed milk industry in the Valley, handling eight thousand gallons of milk per day in the dry season of 1923. They also separated the high butterfat milk and sent the cream in twelve gallon cans to Esk butter factory. Colinton district farmers had to send their milk on the train. In 1926, after good seasons, Nestle approved arrangements for the Toogoolawah factory to supply bulk electricity to the town and electricity was switched on on 20 June 1927.

By 1929 Nestle's Victorian factory could supply the whole of the Australian market more cheaply than the Toogoolawah condensory and Victoria's cooler climate was better for controlling organisms in the milk. Demand fell as kerosene refrigerators and full cream powdered milk became more popular, spelling the deathknell of the condensed milk industry in Australia; Nestle then exported its product from Victoria to the Asian market, closing the Toogoolawah condensory at the end of 1929. The population of Toogoolawah halved to one thousand immediately as skilled workmen went to the Victorian factory or to Brisbane to work, bought farms or worked in the timber industry. Esk butter factory did very well as a result. The Toogoolawah buildings (120 by 60 feet) lay idle except that the Ipswich Electric Light Company took over the generators to supply electricity to the

town. Nesle retained local manager, H.W. Searl as caretaker throughout the 1930s. In 1932 the company also sold off all the farms; D.C. Pryce bought the 'Ridge' farm at £2.7.6 per acre.<sup>12</sup>

The factory, including the 180 horsepower compound engine, was dismantled in 1938. During the war records from Sydney were stored in the manager's house and women staff came up to Toogoolawah to live in the house and work in the factory, renovated for the purpose. The company tried to sell the buildings for removal in 1949 without success. On 17 September 1951 all the buildings except the packing shed were destroyed in a spectacular fire, the fire brigade pumping water from Cressbrook Creek onto the delapidated building. Nestle owned the Toogoolawah land up until 1971.<sup>13</sup>

### **Colinton**

The Colinton condensory, owned by the Standard Dairy Limited, was well situated on the north bank of Emu Creek beside the Main North Road. In 1907 the manager, C. Van de Velde expanded the factory and staff to forty people including young girls. The men apparently bathed in the creek. Fred Gilliland operated wood fired boilers and large firewood contracts were let by the company; the surrounding hills were quickly bare. Lew

Lawrence carted the milk to the factory on a huge five-horse, wooden waggon; in later years that waggon stood beside Ivory Creek Road. The company leased a small part of the Main North Road reserve for its office in 1917. The factory closed in 1921 when the four companies amalgamated and farmers then sent their milk to Toogoolawah by train. The factory buildings were used by Nestle and the concrete engine blocks are still clearly visible on the creek bank.<sup>14</sup>

### **Esk**

The southern part of the Valley was more attuned to butter production, encouraged originally by the Queensland Meat Export Company. In 1903 they offered to finance farmers to buy dairy cattle on time payment, provided the cream was supplied to their factory. The same year local farmers tried to establish a co-operative but the Queensland Meat Export Company intervened encouraging farmers to send cream to them, even though it had to go all the way to Pinkenba for processing, when there was a factory at Lowood. Then, in October 1904, they started construction of their own factory at Esk and opened it at the end of December. W.E. Allen was the manager, Ben Russell engine driver, Frank Harrison clerk, Joe Houston tester, Alec Ross assistant, and Karl Christensen butter maker. In

Esk Butter Factory, 1907.

*John Oxley Library*





## *History of the Shire of Esk*

the first month QME paid £1,000 to cream suppliers. During 1905 £3,000 was paid to farmers in the top months, with cream vans from both Lowood and Esk factories patrolling the district.

E.W. and J.H. McConnel and M. Callaghan led the campaign for a co-operative factory in 1906 because of the pricing structure of QME. The first meeting was held on 8 September 1906 at Esk, with H.P. Somerset MLA as Chairman. At the meeting on 20 October, J. Nicholson, J.H. McConnel, J.G. Smith, J.D. Handley, Roy Butler, E.W. McConnel, and H. Saltmarsh were elected as directors. They decided to approach the QME company to purchase their factory, which was agreed to recognizing that 'there [is] obviously no room at the present time for two factories to work in the district without serious loss' (as well as the Colinton and Cressbrook condensories and Woodford butter factory). The Esk Co-operative Dairy Association took over the QME factory as a going concern on 1 January 1907 for a total of £2,100. The company had an overdraft of £1,016 and rented the QME manager's cottage for 15s. per week. That year 176 suppliers supplied cream from Redbank Creek, Moombra, Deep Creek, Dundas, Stanley River, Biarra, Mt Beppo, Coal Creek, Toogoolawah, Colinton, Mooretown and Gregor's Creek. Within three years they had 210 suppliers, produced ninety-five tons of butter; in six months of 1910 they exported fifty-eight tons of butter to London.<sup>15</sup>

The association had sufficient suppliers by 1912 to expand the factory and begin paying on tested cream only. To do this they increased the capital by ten shares per shareholder. They continued to prosper, paying off their loans and buying a larger boiler for £395 in 1914. G.H. Graham was elected Chairman in April 1915 and he went on to be one of the association's longest serving chairmen.

With reduced labour during the war the factory encountered particularly lean times and staff had to be paid off. The buttermaker and engine driver worked for reduced wages and there was only one person in the office. The company also had difficulties during World War I because of the many German shareholders among its 121 suppliers. The federal government's policy to remove persons of enemy origin from sharelists was not popular locally, although exceptions could be made on application. Farmers were also unhappy about the Ryan government's attempts to control production to maintain prices to producers.

In 1916 the directors also had difficulties with the then manager, Doherty because he handled butter by hand rather than by special shovel; and furthermore, he criticized Brisbane gradings but

had never done any special churnings himself. In the circumstances Doherty left, Barker agreed to become Secretary/Manager with a foreman buttermaker, G. Salisbury, under him. Barker, however, did not stay long and Frederick Rutkin from Gympie was appointed as accountant at £4 per week with a guarantee of £100 — the beginning of a long and valued career with the Esk Co-operative. That arrangement worked well and the association paid off its debt to the Hercules Company.<sup>16</sup>

After the war they decided to increase their numbers of suppliers and upgrade machinery, buying a new Baltic combined churn in 1921 for £240. Old machinery like vats and a chimney were sold to farmers — Ensinger and Mollenhauer, and V. Andersen of Coorparoo respectively. In April 1922 the board decided to purchase two eight hundred and six hundred gallon Batch Pasteurizers which would allow them to produce 97.93 per cent of their butter as 'choice' grade. The board appointed C. Christensen as engineer in October 1922.

The boom in the banana industry and the slow return to normality after the war presented difficulties. The Board decided to engage English Electric Company to report on the efficiency of the factory in 1922 and the closure of the condensed milk factory at Colinton proved a lucky break. E.C. McConnel drove the manager all round the Colinton district signing up suppliers and within six months Joseph Frisby, a most energetic farmer of Colinton, was elected as a director of the factory on the zonal system. He only served for one year but was re-elected again for four years in 1928. Also appointed to the board at the same time was a young Scottish immigrant and returned soldier, James Brough, who ultimately became the longest serving director.<sup>17</sup>

The mid 1920s offered expansion. In April 1924 the firm changed to an Association registered under the *Primary Producers Co-operative Association Act of 1923* and Waugh and Josephson remodelled the factory for £2,928, taking the association into debt for £1,500. The factory stayed open during the 1925 railway strike and Bailey, the service car driver, brought cream down from Colinton, even from non-shareholders. After that the factory purchased a Ford truck and the railway siding was extended. In a period of expanding opportunities they were able to raise funds in 5 per cent debentures for purchase of machinery.<sup>18</sup>

The factory was burnt down in early September 1926 but immediately, in October 1926, shareholders voted to rebuild and, led by the



Walter and Herbert Guppy, well-known dairymen of Riverdell farm and AIS stud, Murrumba near Esk. *T. and A. Guppy, Childers*

Harlin and Toogoolawah farmers, to negotiate with Queensland Farmers' Co-operative Association Ltd, Booval, for amalgamation. In the interim Esk became a depot for receiving cream and sending it to Booval and all employees were paid as labourers until required. When the Booval Association rejected the amalgamation proposal the directors sought to improve and expand the factory, selling the damaged compressor to Lars Andersen for £50 and deciding to raise a £13,500 loan at 6 per cent interest from the Agricultural Bank for sixteen years. Waugh and Josephson's tender of £18,000 for rebuilding the factory was accepted on 23 October 1926.

The new factory was opened on Friday 30 September 1927 by Hon. W. Forgan Smith MLA, Minister for Agriculture and Stock. Operations commenced on 3 October 1927 with 131 suppliers, and the number rapidly increased to 225 suppliers with the closure of the Toogoolawah condensory. To cope with the increase a fourteen foot cream cooler, two Bell cream pumps, two Myers pumps, a one thousand gallon Bell G.I. vat, thirty foot of two foot two inch belt, twenty feet two inch cream piping, and piping to connect the churn with the vats — for £1,485 — were installed. However they could not avoid waste water flowing through filter

beds into the creek. The board decided to engage O.A. Mendelsohn as consulting chemist at £26 per year and to employ a foreman. On the liquidation of Lars Andersen and Sons Ltd the Dairy Association bought the railway siding and cottage for £175. The Association had to alter its rules regarding deferred payments to secure tax exemptions for the Association in 1930. At the outset of the depression and changes in export market arrangements another amalgamation opportunity with the Queensland Farmer's Co-operative Association at Booval failed. Instead they consigned their butter to Hamilton Cold Stores to be exported through Foley Brothers, agents.<sup>19</sup>

There had been a great deal of criticism about the running of the factory in 1929–1931, mainly as a result of misunderstandings between suppliers, the manager, and the board over the manager's right to earn commissions as Waugh and Josephson's agent for the sale of cream separators to farmers. After the re-opening of the factory Fred Rutkin was voted an extra 10s. in salary per week, so as to reduce his reliance on commissions. The problem simmered for years without resolution. In April 1930 director White suggested that the board engage W.A. Munro, recently retrenched Toogoolawah condensory manager, to investigate

the Esk factory efficiency, but his proposal failed. An Extraordinary meeting was held to discuss this matter and the form of farmer representation on the Board on 1 December 1931. When the vote of confidence was only won by four votes the Board of D.C. Pryce (Toogoolawah), J. Frisby (Moore), J. Brough (Murrumba), A.C. Moore (Esk), J. Jones (Esk), E.J. Cannell (Toogoolawah) and A. Seymour (Esk) all resigned. After much emotional discussion, most of it praising Rutkin's managerial abilities, Mr Brough and E.J. Cannell also successfully moved a motion for an inquiry into Rutkin's commissions. The Board's inquiry was done by W.A. Munro, Waugh and Josephson, McFarlane and Hutton and solicitors. Rutkin was not alone in Queensland in earning commissions in this manner. A Royal Commission appointed to inquire into alleged payments of secret commissions etc in the dairying industry stated that Rutkin had earned almost £1,000 between 1923 and 1931. The board supported their manager at the 1933 shareholders' meeting stating that, although the Royal Commission had been harsh to Rutkin, as far as the board were concerned the commissions had nothing to do with his management of the factory. The motion was carried unanimously by shareholders. Unfortunately Fred Rutkin's health suffered immediately after and a clerk, Eva Christensen, was employed to manage the office in 1933. W.A. Munro also resigned as a director and G.W. Dipple of Scrub Creek was appointed.<sup>20</sup>

The meetings of December 1931 also decided to elect directors on a Ward system and formed a sub-committee of Butler, Brough, Williams, Cannell and Graham to organize it. The elections were held in April 1932 with the same divisional boundaries as the Esk Shire Council and Graham, Jones and Brough were elected for Division 1, Pryce, Cannell and Munro for Division 2, and James Williamson for Division 3 based on Colinton. G.H. Graham and J. Brough were elected Chairman and Vice Chairman respectively.<sup>21</sup>

In 1932 the Board modernized the factory. A new brine chiller and Crossley oil engine and thirty ton compressor were installed and the steam engine was sold through their reliable suppliers, Waugh and Josephson. The next year they bought another new churn of half diameter type with thirty boxes of butter capacity at a cost of £642, as well as a butter packing machine for £210. Fortuitously for farmers in the depression the board decided to transfer £285 to a Reserve Fund to provide deferred payments to farmers in March 1933. The Association also decided to pay a dividend of 4% out of profits earned since 1929.<sup>22</sup>

G.H. Graham, described as the 'rock of Gibraltar' of the Board resigned in September 1934 as he was leaving the district. In appreciation the Board presented him with £100. James Brough was appointed Chairman and J. Cannell, Vice Chairman, and James Barbour was appointed as director to the vacancy. The factory continued to make profits and technical improvements during the depression when butter ranged in price to the farmer from 7d. to 1s.3d. per pound. Production ranged from fifty-four tons of butter in June 1937 to ninety-one tons in January 1938. In 1938-9 year the Esk factory made a profit of £542 after producing 1,272 tons of butter and paying suppliers £158,805.<sup>23</sup>

Throughout the second World War the factory continued to make similar profits and experience similar problems. Foleys remained the agents and all butter was exported. Fred Rutkin, the manager resigned from 18 April 1946 for health reasons. There was considerable local controversy over the matter and a meeting of shareholders on 23 March 1946 proposed and discussed a series of confused motions and eventually ended with a vote of confidence in the directors. The directors appointed Gordon Newton of Maleny as manager and secretary from 12 April 1946.<sup>24</sup>

The possibility of selling whole milk to the Brisbane market came up in 1946 but the Dayboro Co-operative Association's offers in 1947 were rejected. Another move for change was George Launder and White's motion 9 September 1947 to investigate taking over the Toogoolawah District Co-operative Society and opening a store at Esk as well. However shareholders continued to bank on dairying. The milk question came up again at the annual meeting in 1951 but directors rejected it.<sup>25</sup>

Major changes occurred throughout the 1950s as the industry contracted. The Harlin depot closed in September 1955. The headquarters of the Association were moved to Toogoolawah on 1 June 1956 when they took over Thompson and Francis's store. M.R. Wilkin was the first manager of the stores. R.H. Laurie, manager of the factory since 4 May 1951, resigned in May 1957 to take a position in Brisbane. However, when the 1957 drought claimed the Lowood factory, the Esk factory obtained forty suppliers.<sup>26</sup>

The Toogoolawah store advanced slowly and was made self service in 1961. A new front was put on and the divider between the grocery and hardware departments was removed in 1965. Electrical goods and specials as part of 'Low Price Stores' were introduced in 1969. David Richards' store at Esk was purchased from 1 July 1960. Atlantic Union

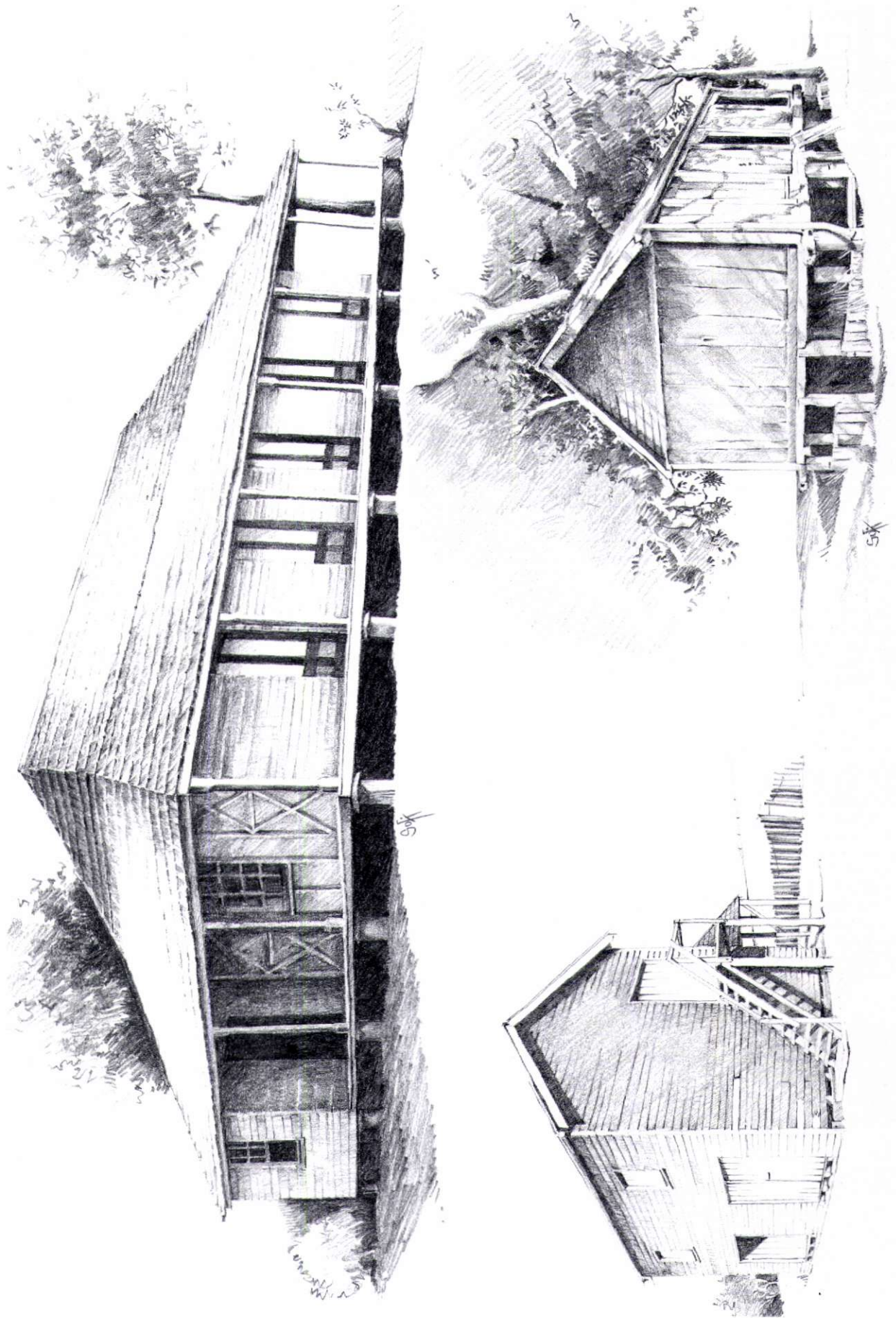
Oil Company petroleum products were established at Toogoolawah and Esk from 1 July 1960 and changed to Esso the following year. New refrigerators had been installed in 1970 and in March 1972 the accounting system was changed to show the trading of each store separately. The Toogoolawah store always traded well ahead of the Esk store which usually made a loss. On 1 March 1972 the two stores introduced discounts for cash in food retailing. Unfortunately these retail interests were used as a reason not to amalgamate with Queensland Farmers' Co-operative at Booval in 1973. Alex Dickson resigned as manager of the stores in 1975 and Mr Ian Shelton, present manager, was appointed in September 1975. The Esk produce and fuel stores closed in 1977 because of the decline of the cattle industry and the Wivenhoe Dam resumptions. Mr Jim Brough resigned as Chairman in 1972 after being Chairman in 1934-1935 and 1946 to 1972 and as a director in February 1976 after fifty years as a director. Cr. L.J. Williams was appointed Chairman in 1977. In 1979 the Association changed to a Co-operative Society under the *Co-operative and Other Societies Act 1967-1978*. Neil Baisden who had opened and then managed the produce store for twenty-four years resigned in 1979. Carpets had been laid in the drapery stores and new refrigerators installed in 1980 and the stores continue to serve the Shire effectively.<sup>27</sup>

The Esk factory eventually closed on 30 April 1973 because of lack of suppliers. Throughout the 1950s and 1960s the dairy industry had to contend with the upsurge in margarine marketing, reduction in butter price and government subsidies, contraction of world butter markets, the entry of Britain to the European Common Market, two severe droughts in 1957 and 1968, the increase in cost of production chiefly labour, and the movement of the younger generation to the cities for work. The board of directors could do little to forestall the effects of those factors. The whole milk market offered one alternative which entailed enormous capital outlays for each farmer. The other alternative was product diversification, which dairy factories in Queensland failed to do, except perhaps Caboolture Co-operative Dairy Association Limited, with whom Esk had considered amalgamation in 1971. Also farmers were switching to beef production and over one hundred suppliers were lost over the three years to 1970. The sale of factory assets realized \$21,586.<sup>3</sup>

The Esk and Lowood butter factories were the mainstay of the Brisbane Valley dairy industry. The condenseries demonstrated the business acumen of large city-based companies, whereas the butter factories prospered through refrigeration, regular railway transport, and all-weather roads for carting the cream into town. When wages were low

Staff at Colinton condensery. 1918.

*Esk and District Co-operative Society*



The Conroy's Castleholme and farm buildings at Bryden.

Sophie Thompson

share-farming was popular. Numerous people came to the land during that time to escape city poverty. They bought farms cheaply then and worked them until retirement in the 1960s and 1970s. A whole cycle occurred in the industry in that time because of the decline in price of butter and the advent of margarine.

## ENDNOTES

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24. CM 22 March 1946 p165 and 9 April 1946 p172.
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28. BVR 21 November 1969; QT 11 August 1971 p24; ECDA *Annual Reports*.