

# S.A. Farmers' Co-operative Union Ltd.

Mile End South



1923 [SLSA PRG 280/1/41/10]

West Torrens Historical Society Inc.  
(G. Grainger, 2020)

*Every effort has been made to provide complete and accurate information,  
please advise of any errors or omissions.*

## 1888 FORMATION IN JAMESTOWN

In late February 1888 a committee was formed in Jamestown, South Australia to establish a grain producers' union. The main purpose of the union was to counter what members saw as the improper practices of buying agents, who they claimed underpaid them for their wheat and overcharged for wheat sacks.



*1888 The first office of the South Australian Farmers Co-operative Union Ltd., Jamestown, S.A. [SLSA B 68753]*

Similar organisations had recently been formed overseas with impressive results, particularly in New Zealand.

The South Australian Farmers' Co-operative Union, comprising five directors, ninety-four farmer shareholders and paid-up capital of just under £3,000, was formally launched in Jamestown in early October 1888.

The central idea of the Union was to pool the combined wheat output of its members and conduct the handling, marketing and shipping of the product using its own resources at a cost of 1d per bushel. The union also sought to buy in bulk at low prices a range of everyday items used by farmers.

## FIRST TRANSACTION

The Union's first transaction was the purchase of ten bales of cornsacks. The key members of the Union in its formative years were John Pearce (1840-1910) and Thomas Mitchell (1844?-1908).

Pearce was the first managing director of the Union and remained a director for fourteen years. He was succeeded as managing director in 1889 by Mitchell, who remained in the post until his death.

## 1893 FIRST PROFIT £72

Despite some difficult early years and scepticism by farmers – similar schemes had failed in the past – the Union slowly gained ground, recording its first profit of £72 in 1893.

In the Union's first decade wheat growers were receiving between 2d and 4d per bushel more than previously, fuelling the Union's growth.

The Union also improved farm yields by encouraging growers to explore new innovations in production, for example fallowing (leaving ground unplanted for a time) and the judicious use of superphosphate.

## 1895 HEAD OFFICE MOVES TO ADELAIDE

In December 1895 the Union's head office was moved from a small room in Ayr Street, Jamestown to rented premises in Waymouth Street, Adelaide staffed by four employees. In October 1896 the Union entered into the wool business, opening a wool store at Port Adelaide.

In mid-September 1900, by which time it had 3000 registered shareholders, £25,000 of paid-up share capital and an annual turnover of £278,111, the Union demonstrated its burgeoning strength by opening a new £1,800 head office in a three-storey building at the corner of Franklin and Bentham Streets, Adelaide.

Designed by architect F.W. Dancker of Adelaide and built by W.H. Lamerton of Magill, by the early 1960s the building extended along the length of Bentham Street to Waymouth Street.



SRG 804/2/10

*1923 S.A. Farmers' Co-operative Union premises [SLSA SRG 804/2/10]  
Taken subsequent to rebuilding after a fire damaged the premises in 1923.*

## **1913 ONE-QUARTER OF THE STATE'S WHEAT CROP**

At the time of the release of its silver jubilee annual report in September 1913 the Union was handling more than one-quarter of the state's wheat crop – regular representation in London had been secured in 1906 and the Union had shipped its first load of grain overseas in May 1908.

By this time the Union had over one hundred agencies across the state and boasted an annual turnover of £918,314.

The Union's activities had broadened to include trading in livestock and hides, machinery, general merchandise, manures and land and estate agency matters.

By 1913 the wool store at Port Adelaide had expanded to include grain and the Union was leasing seven hundred feet (c. 213.4 metres) of wharf space.

In 1914-15, when it had almost 6,000 shareholders, the Union moved into insurance through the nationally based Co-operative Insurance Company of Australia.

In 1919 the Union's net (after tax) profit was £34,009 and paid-up capital was £319,824.

## **1919 DAIRY INDUSTRY**

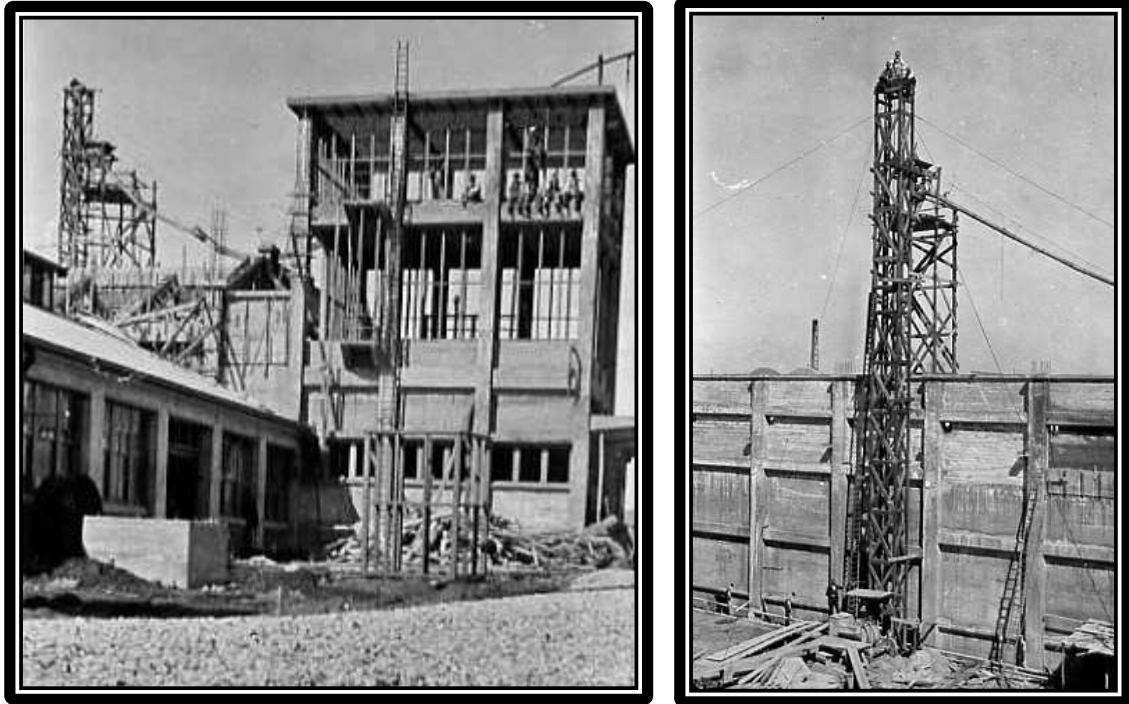
By 1919 the Union was keen to move into the dairy industry. At the time the industry was relatively small in South Australia, which pastured only 86,000 dairy cows and housed around twenty-five milk processing plants and seventy butter and cheese making factories.

The local dairy industry employed just one half of the numbers working in farming and lagged well behind New South Wales, Victoria and Tasmania in terms of output – in 1920 for example South Australia produced only about 4,400 tons of butter and 1100 tons of cheese annually. Nonetheless, the Union saw opportunities for expansion.

In June 1919 the Union's established its first dairy produce department when it bought the business of Murphy, Fromen & Company, produce merchants, including an office and factory in Pirie Street and butter and cheese making factories in five country locations.

## 1920 FACTORY AT MILE END SOUTH

Always ambitious, the Union in February 1920 bought 4.93 acres/c.1.99 hectares, costing £8,097, at the southern corner of London Road and Railway Terrace, Mile End South with a view to establishing a factory there.



*Construction of Building and Galley WTHS LH0176*

The site's proximity to Adelaide and the Mile End rail yards made it especially advantageous. Construction of the £60,000 main building, designed by architects Messrs Dunkerly and Co. of Melbourne and Messrs English and South of Adelaide, began in March 1921; from February 1922 the Union's dairy operations were transferred there from Pirie Street.

The site became the centre of the Union's dairy produce activities. The main building covered around 2.2 acres/c.0.89 hectares and included office accommodation, sales rooms and facilities for milk, butter, cheese and dried fruit preparation.

Among the then state of the art machinery and appointments were five 1,000 gallon pasteurisers, two 1,000 lb Simplex churns (for butter making) – the plant was capable of producing up to 40 tons of butter per week – and, within the main building, a 0.47 acre/c. 0.2 hectare, 350,000 cubic feet capacity fifteen chamber refrigeration section (complete with seven miles of ammonia piping).



## CENTRAL DISTRIBUTION POINT FOR DAIRY PRODUCTS

The Mile End South site also had a private railway siding and became the central storage and distribution point for the milk and milk by-products sourced from Union factories around the state.

The plant was also a distribution centre for apples, dried fruit, eggs, honey, pears and poultry as well as bacon, ham and other smallgoods.

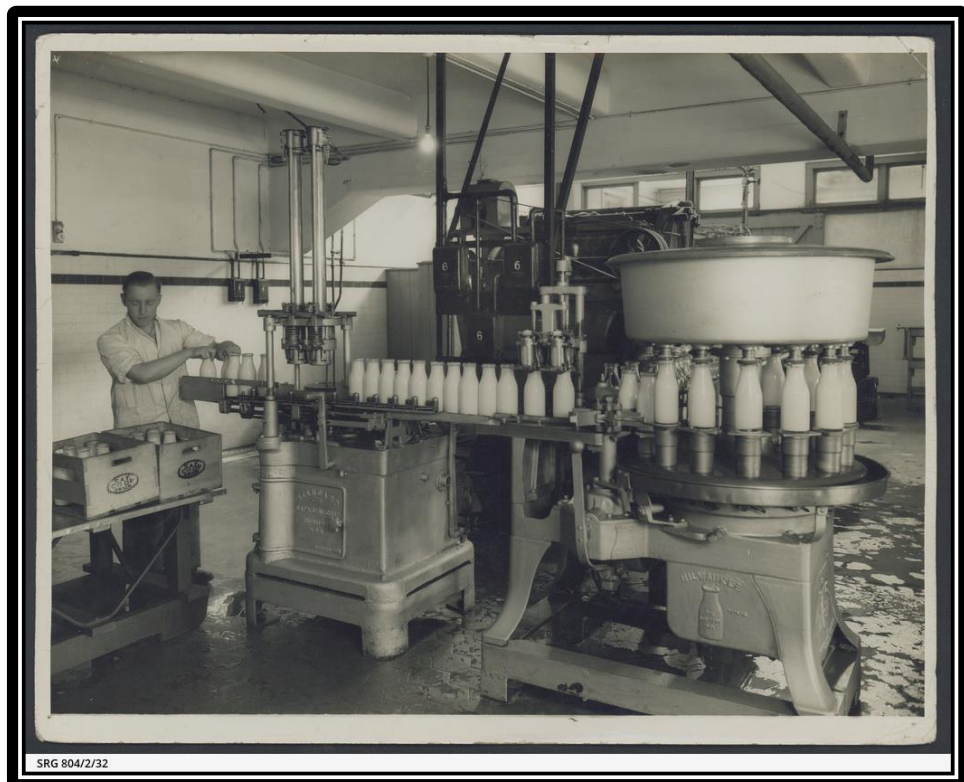
The main building offered garaging for trucks and stabling for around forty horses.

In October 1922 the Union bought an acre adjacent to the Mile End South plant, taking the area of the site to approximately 5.9 acres/c. 2.4 hectares. E.H. Fromen from Murphy, Fromen and Company was head of the dairy produce department until 1935.

(It was not the Union's first purchase in London Road. In February 1919 the Union had bought for £800 a 0.34 acre/c.0.14 hectare site on the northern side of London Road, directly opposite the later dairy produce factory. Here the Union housed a stock and poultry feed plant and a small distribution centre for onions, potatoes and veterinary preparations.)

*1935 Bottling milk  
at SA Farmers' Co-  
Op Union Ltd., Mile  
End [SLSA SRG  
804/2/32]*

*A Milwaukee one  
pint milk bottle filling  
machine at SA  
Farmers' Co-Op  
Union Ltd. Dairy  
Produce  
Department, Mile  
End. A man is  
packing the filled  
bottles into wooden  
crates marked with  
the SA Farmers'  
Co-Op Union logo.*



## 75,000 DOZEN EGGS SENT TO LONDON

One of the first large shipments from the Mile End South dairy produce factory was in October 1922 when, after delivery to the centre in several refrigerated trucks, 75,000 dozen eggs were railed to Port Adelaide in fifteen chilled cars, then loaded into the refrigerated chambers of the London-bound steamer Leitrim.



1922-1923 South Australian Farmers Union factory Mile End, S.A. [SLSA B 68755]

Cases of eggs in foreground are packed for export. Eggs were packed in divided fillers with wood wool top and bottom of cases.

In the 1924-25 financial year the Union handled at Mile End South over 2,000 tons of butter and cheese, 1.04 million dozen eggs, more than 1,000,000 gallons of milk and large quantities of bacon, honey and sundries. In 1926 the Union began exporting Mile End South-processed honey, mainly to the United Kingdom.

## FIVE DECADES OF PROGRESS

Despite short term setbacks such as economic downturns, poor seasons and low prices, in the five decades from the 1920s the Union continued to grow prodigiously, and with it the activities of the Mile End South dairy produce headquarters.

By 1937-38, its fiftieth year of operation, the Union had over 14,000 shareholders, £2.239 million in assets, paid-up capital of £611,721 and was running a net profit of £60,641.

The Union remained South Australia's largest handler of wheat, the company's biggest revenue raiser. In 1937-38 the Union handled around 50% of the state's crop; from 1888 to 1939 it had averaged around 40%.

In January 1945 and October 1947, the Union bought a total of 2.37 acres/c. 0.96 hectares on the southern side of Scotland Road, Mile End South (to the north of the London Road dairy factory) – a part of the site had been used for wartime work and was acquired at low cost – where in 1948-49 it built a pasture seed cleaning plant.

On the eastern part of the Scotland Road site the Union built an egg handling floor to prepare product for the local and export trade.

## **1954 OVER 450 SA BRANCHES**

In September 1954 the Union had over 450 branches and agencies in South Australia, recorded an annual profit of £236,452 – the second largest in its history – and had accumulated reserves of £675,000.

By September 1962 it had 21,335 shareholders, paid-up capital of £755,874, nominal capital of over £3 million and made a net profit of £304,602.

The following year the Union opened a new million pound wool store at Port Adelaide.

In early June of the same year the Union expanded its holdings at Mile End South, buying for storage purposes a 0.46 acre/c. 0.19 hectare site on the northern side of Manchester Street for £45,000. By this time the Union had also moved into the buying and selling of residential homes.

## **1967 SOUTHERN FARMERS' CO-OPERATIVE LIMITED**

At its annual general meeting in September 1967 the Union changed its name to the 'Southern Farmers' Co-operative Limited', the change formally taking effect on 12 October 1967.

The change was designed, in the company's words, to 'give the company a name which more accurately reflected the nature and spread of its activities which were now based in three states [South Australia, New South Wales and Victoria]'.

The Farmers' Union brand name continued to be used extensively however.

The Union's consolidated net profit for 1966-67 was a healthy \$664,046, only slightly down on the record \$725,712 of the previous year. Among many other indicators of growth, by this time the Union operated around thirty South Australian processing factories in addition to twenty smaller subsidiary companies across Australia, and employed 1,400 staff; the wool store at Port Adelaide had meanwhile been extended to cover 9.3 acres/c. 3.8 hectares.



Mr H.H. Shannon, who eventually served on the board for forty-eight years, observed in 1967 that Southern Farmers', which now had 23,823 shareholders, had 'grown astoundingly quickly interstate and in South Australia'. In the decade to 1969 the company's turnover had doubled to \$62.863 million.

## 1970 PUBLIC COMPANY

In search of capital to fund further expansion, in November 1970 Southern Farmers' became a public company. Notwithstanding the outward signs of prosperity, a slightly worrying sign for the company was that in the late 1960s and early 1970s its net profits became somewhat inconsistent, varying for example from a relatively low \$363,736 in 1967-68 to \$518,243 in 1968-69 to \$463,825 in 1970-71. This profit instability was later to have telling implications for the company.

## MILE END SOUTH

During these decades of expansion the activities of the Mile End South dairy produce department of Farmers Union/Southern Farmers grew commensurately.

By the early 1930s the department's annual turnover was over £1,000,000, its cold stores at times containing produce to the value of £100,000. The egg section at Mile End South alone was handling almost 60 million eggs each year and employing around 400 people.

In response to growing demand for its output the plant in 1932 underwent a £30,000 upgrade. To take some of the production burden from the Mile End South facility, by the late 1930s the dairy produce department included eleven other factories, made up of five butter, four cheese and a bacon factory (the last at Woodside) and a multi-purpose dairy processing plant at Murray Bridge which had opened in April 1923.



*1935 Weighing and sampling Farmers' Union Milk [SRG 804/2/35]*

The Union by this time was South Australia's largest handler of fresh milk (ahead of AMSCOL) and eggs, as well as being the state's leading manufacturer of butter and

cheese. It was also South Australia's largest overseas exporter of eggs, around 1200 cases of eggs, each containing thirty dozen eggs, being packed per day for export. The Union was Australia's leading individual exporter of cheese.

The company almost certainly handled a wider variety of dairy products than any comparable firm in Australia; Farmers' Union dairy products, bacon, honey and poultry had become staples on most South Australian dinner tables.

The huge growth in Adelaide's population after 1945 brought a similar increase in demand for city and suburban milk.

A range of changes were made at the Mile End South plant to boost output. In September 1946 a then cutting edge APV pasteurising plant was installed, while in early 1954 a £19,000 upgrade of the plant led both to the speedier receipt of milk and to production line changes allowing for the introduction of narrow necked bottles and foil tops. The latter innovation meant that the Union's egg section, previously at London Road, was transferred to a new building on Scotland Road.

By the mid-1950s the Mile End South site employed around five hundred workers.

In September 1959 Australia's first automatic milk bottling line, costing £45,619 and capable of bottling 18,000 pint bottles per hour, was introduced at Mile End South. At about the same time a new bottling plant was opened at Elizabeth. (By this time 65% of Adelaide's milk was sold in bottles).

In the late 1950s the Union was manufacturing almost 3,000 tons of butter and 2,500 tons of cheese annually, almost three times the quantity being produced thirty years earlier. Much of it was produced at Mile End South.

*1950 Packing butter at SA Farmers' Co-Op Union Ltd. Dairy Produce Department, Mile End [SRG 804/2/37]*

*Blocks of butter are fed to a vacuum blender and then moulded and wrapped for distribution to stores.*



SRG 804/2/37

In 1962 a new pasteurising plant, treating 4,000 gallons of milk per hour, was installed. In May 1967 the Mile End South site was transformed again with the installation of a \$500,000 bottling plant capable of turning out 24,000 bottles per hour.

The old bottling plant of 1959 was reassembled in another part of the factory so that the site's total bottling capacity was 42,000 bottles an hour; Farmers' Union executives maintained that the innovations made the Mile End South facility 'the most modern milk bottling plant in Australia'.



*1960 Milk bottles at SA Farmers' Co-Op Union Ltd. Dairy Produce Department, Mile End [SLSA SRG 804/2/41]*

By now around 90% of Adelaide's milk – city milk sales amounted to almost 8 million gallons per year – was sold in bottles. In late 1968 an automated milk storage tank cleaning process was introduced at Mile End South, saving labour and cleaning costs.

By this time milk was also processed in Southern Farmers' factories at Kensington, Meadows, Murray Bridge and Woodside.

Although all distribution remained based at Mile End South the process had been accelerated by the introduction of specially insulated vans and eighteen refrigerated suburban depots – by August 1980 the number of depots had risen to twenty-four, supplying dairy products to over three hundred South Australian milk vendors. And it

was not only milk sales that were booming: in the late 1960s Mile End South was annually receiving around 1.6 million dozen eggs for distribution.

Southern Farmers' remained by far South Australia's largest handler of dairy products.

Innovations at Mile End South continued into the 1970s. In 1971 a \$20,000, 20,000 gallon stainless steel silo for storing unprocessed milk was erected at Mile End South; another followed in April 1973.

## **HONEY PROCESSING AND MILK HOMOGENISING**

In September 1972 a new honey processing plant was built at Scotland Road, Mile End South capable of handling all of South Australia's honey production.

In August 1976 milk homogenising equipment that could treat 22,500 litres an hour (up from the previous 4,500 litres an hour) was installed at Mile End South.

In April 1977 an automatic carton packing process allowing cartons to be placed in crates at a rate in excess of one per second was implemented. (By this time the Mile End South plant used more than three million cartons per month).

At the same time Mile End South's refrigeration system was completely upgraded. Southern Farmers began to market yoghurt from October 1976 and in April 1978 a new high-speed German-made 'Gasti' machine accelerated the filling of cream, custard and yoghurt containers.

Field days, when farmers from across the state were invited to inspect the facilities at Mile End South, were also held during these years; in October 1978 for example around two hundred farmers attended the Mile End South field day.

In June 1980 Southern Farmers' announced that a Dairy Museum would be created at the Mile End South complex.

One of the biggest changes in the history of the Mile End South plant came in mid-March 1982 when Southern Farmers' implemented, at a cost of \$4.8 million, a complete upgrading of milk processing operations and a streamlining of milk packaging practices.

Project managed by Civil and Civic Pty Ltd of Sydney, the redevelopment included the introduction of a computer operated and almost fully automated processing system capable of pasteurising around 40,000 litres of milk per day and turning out in total more than 200,000 litres of milk per day (Southern Farmers' now produced around sixty milk products in various forms).



The redevelopment included new packing equipment that enabled cartons to be packed into crates at a rate of more than six hundred crates per hour. Southern Farmers' executives maintained that Mile End South was now 'Australia's most modern milk pasteurising and processing plant'.

## **SOUTHERN FARMERS'**

Southern Farmers' had entered the 1970s with some profit instability, causing the Australian corporate sector to look more critically at the company's performance. Some observers came to the view that the company carried too high a level of unpaid debt (it had traditionally taken a somewhat benign approach to farmers owing it money); that too many of its assets were underperforming and overall profit performance was unsatisfactory; and that its leadership had become complacent.

In July 1973 Ron Brierley's Industrial Equities Group (IEL) acquired 9.1% of the company's shares, spurring Southern Farmers' management into action: by 1976-77 Southern Farmers' net profit had improved to \$1.048 million, more than double that of 1970-71.

The company took over its long-time rival AMSCOL in September 1977. But it was not enough and in mid-1978 IEL acquired 49% of the company, rising to around 64% in July 1981. (Southern Farmers was in 1981-82 briefly renamed as Consortium Investments Limited; it became the Southern Farmers' Group Limited in May 1983).

Now in control of Southern Farmers' Brierley completely transformed the company. Among other changes Southern Farmers acquired a wide range of assets – for example SAFCOL, Australia's largest fish processor marketer, in 1984, Consolidated Foods, Victoria's largest processor and distributor of fresh milk in 1987; and Woolworths Ltd.'s dairy manufacturing/processing operations in 1988. They disposed of others, including two South Australian firms it had bought in 1982, wholesale grocery firm D. and J. Fowler Ltd (sold in 1984) and George Chapman Smallgoods Pty Ltd, sold in 1987.

## **SALE OF MILE END SOUTH**

Although Southern Farmers opened a new head office, Southern Farmers House, in Pirie Street in October 1987, it also sold many properties, including at Mile End South.

At its peak in the mid-1980s Southern Farmers had owned around twelve acres/c.4.9 hectares at various locations in Mile End South; by the end of the decade it owned only one property, the main plant in London Road.



Southern Farmers' profitability improved strongly during the 1980s – its 1986-87 net operating profit of nearly \$40 million was 58% above the previous year – while the company's 1986-87 turnover of \$664 million was more than four times that of three years before and made it one of South Australia's top five companies.

Indeed, with the purchase of a range of food and beverage assets, Southern Farmers had become the sixth largest food company in Australia with sales approaching \$750 million. By 1988, its centenary year, the company was a major national conglomerate and bore little resemblance to the co-operative venture launched tentatively one hundred years before.

Notwithstanding its improved performance some corporate observers still believed that the company's full potential remained untapped.

In November 1989 another corporate raider, John Spalvins's Adsteam, bought IEL outright for \$592 million and with it Southern Farmers (among many other assets). But Adsteam soon encountered problems meeting its loan obligations and Spalvins was required to sell off its assets.

## NATIONAL FOODS

Spalvins bundled all of his food holdings into one company, National Foods, which he sold in early 1991 for \$230 million.

Southern Farmers was a part of National Dairies, the dairy foods component of National Foods. At this time Southern Farmers disappeared as a corporate entity, though the name itself was not formally deregistered until January 2012.

Striving for further improvements in profitability National Dairies during the 1990s moved most of the Mile End South processing operations interstate.

By the late 1990s only milk and cream processing and distribution and some administration work was being carried out Mile End South.

Despite the company maintaining earlier in the decade that it continued to have a strong commitment to the plant, in late February 1998 National Foods announced that it would close operations at Mile End South.

The company considered the plant there to be outdated and that rebuilding would be too costly: instead all milk processing and packaging would be transferred to a new \$42.7 million, twelve hectare/c. 29.7 acre plant at Salisbury South. That plant opened in late November 1999. (Workers at Mile End South were offered jobs there).

There was however a last flurry of activity at Mile End South in late May 1999 when sixty-eight workers had to be evacuated from the plant as a result of an ammonia spill. No-one was seriously hurt.

From 1999 to 2006 National Foods leased offices on the northern side of London Road as an administration and enquiries centre. (In 1919-89 the building had been owned by Farmers' Union/Southern Farmers, hence the Farmers' Union sign carved into the façade which remains today).



*2002 Farmers Union Premises WTHS LH0176*

## **2007 KIRIN HOLDINGS**

In November 2007 National Foods was bought by Japanese beverage and pharmaceutical giant Kirin Holdings. In October 2009 Kirin acquired Lion Nathan and National Foods became a part of the Melbourne-based Kirin Holdings subsidiary Lion Dairy and Drinks.

## **2020 BEGA**

In December 2020 Lion Dairy and Drinks was acquired by Bega Cheese for around \$400 million; the Farmers' Union brand is thus now controlled by that company. Since 2009 the factory at Salisbury South has been known as Lion Dairy and Drinks, Salisbury, though a name change is imminent.

Farmers Union survives as a brand name on two broad product lines, Iced Coffee (launched in 1977) and its variants, and on a range of yoghurts.

## 2000 SALE OF MILE END SOUTH

National Foods sold the Mile End South site to a private company, Ashford Properties (Mile End) Pty Ltd in April 2000 for \$3 million.

Since April 2001 the western part of the site has been leased to SAFCOL as the site of its Central Fish Market.

The main factory building has since 2003 been leased to Haigh's Chocolates as a production facility. (In 2010 Haigh's built a distribution centre at 200 Railway Terrace, Mile End South, across the road from their production plant). Haigh's opened a \$15 million extension of its London Road plant – which the company described as now becoming 'the largest cocoa bean manufacturing facility in Australia and one of the most advanced factories of its kind in the Southern Hemisphere' – in March 2018.

Among its wide range of products Haigh's manufactures a variety of chocolate, London Road, named for the site of the factory. Along with Haigh's, SAFCOL and a couple of smaller tenants also have administration centres in the main building.

The two original Art Deco influenced façades of the 1920s remain, though instead of 'SA Farmers' Co-Operative Union Limited' the name 'Haigh's Chocolate Factory' has been carved in its place.

The main body of the factory has been altered substantially since the 1920s. In their 1998 Heritage Study of West Torrens McDougall and Vines recommended that the Mile End South site be considered for inclusion in the State Heritage List. To date this has not occurred.

## West Torrens Historical Society Inc

Update 13/8/21

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