

NOTES ON MR. J.P. SIKKEL'S  
VISIT TO I.T.CO. CANADA

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R.L.

18TH JANUARY - 1ST FEBRUARY, 1970.

Distribution List: R. P. Dobson, Esq.  
K. E. Haines, Esq.  
P. Pare, Esq. (Visiting Millbank)  
P. F. Cathrew, Esq.  
L. E. Ricard, Esq.  
I. W. Murray, Esq.  
C. Warren, Esq.  
A. J. Brock, Esq.  
D. B. Wales, Esq.  
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In my report after my last visit to Canada (November, 1969) I expressed the opinion that all signs indicated a new approach to product development and a greater emphasis on smoking characteristics and product quality.

Although at that time the contact between Marketing Department and Leaf Blending Department was not yet ideal, and the distribution of Laboratory information from Quality Control Department could be improved there were signs that this could be achieved in a matter of days rather than weeks.

It was, therefore, distressing to find that no progress was made at all in these fields. The lack of direction from Marketing Department on the one hand, the multitude of poorly defined projects, and the frequent cancelling of projects on the other hand has led to a confusion in Leaf Blending Department which has resulted in unnecessary samples, and smoke tests which must have cost a considerable amount of money.

Projects which proved most promising in November have not been properly assessed whilst others which were of no immediate importance have been tested.

Mr. Wales, I feel again by lack of proper direction from Marketing Department, has in my opinion spent more energy towards the development of cheaper blends or modified Virginia blends (by the introduction of Burley tobacco) than was justified for a company which for the several years suffered a decrease in their market share of cigarettes.

Although the principles behind this blending work were sound and must have yielded valuable information I feel that more would have been gained by a more limited and more directed approach to say maximum five projects. One of these could be the development of a modified

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Virginia cigarette and another a study in the effect of higher stem and PCL usings in combination with the introduction of higher quantities of the new more flavourful and riper grades.

No experiments have been made with the application of humectants or sugars on that section of the blends which has very low equilibrium moisture content as recommended in my last two reports. Samples will now be made, but the percentage of this type of tobacco in the recipes has already increased drastically. The danger of drying out of cigarettes and shorts formation in the factory has now become imminent.

No system of distributing Laboratory information in a form similar to that used by SCL has been introduced. A first report came out on the 12th January which gave the results of the last 6 months.. This contained results of 37 brands but of no brand more than two complete results were given. Of the eight best sellers on the market there were two brands with two results, two brands with 1½ results, two with one result and two with ½ result.

This summary will not give any useful information and in its present form I have no doubt that it will just be filed.

Some brands are tested weekly but the results of these tests were not summarised in the above mentioned report.

A meeting will be held to get this programme started and it is hoped that very soon a form is developed which will give meaningful information to Marketing, Leaf and Production.

The 1969 Ontario crop is of excellent quality and contains a large amount of ripe tip, leaf, cutter and sandleaf grades.

Imperial Tobacco Company Canada is buying a large share of these grades and the hogsheads packed are of a very high standard. The change of I.T.Co. Canada's buying

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policy and the pressure on low nicotine grades have, as expected, resulted in a sharp increase of the price of this type of tobacco. Unfortunately this has resulted in the cancellation of over 1 million pounds of sandleaf tobacco by B.A.T. U.K. and B.A.T. Holland.

The buying team in Ontario has reached even higher standards than last year and the new grades seem to be well known to all buyers. Grades are very well controlled and bought at competitive prices, when possible. The team spirit is very high and the quality consciousness could set an example for the whole Company.

The buying programme was based on a percentage share of the forecasted quantities in the crop. This system has its dangers as it is not based on the estimated usings for existing brands.

A leaf blenders first task is to maintain the smoking characteristics of existing brands as long as Marketing Department is satisfied with these characteristics. For this one has to have confidence that Marketing Department indeed is thinking in terms of smoking characteristics and I have the feeling that this confidence does not exist. I must confess that I am inclined to share this opinion.

During my stay we have set up a new requirement statement, which should be seen as the recommendation from Leaf Blending Department to Leaf Department with regard to the grades which must be purchased to guarantee the smoking quality of existing brands.

The total requirements were some 10 million pounds lower than the quantity I.T.Co. Canada intends to buy. This extra purchase will be made for political reasons. It must be clearly understood that any purchases made over and above the requirements will be deducted from the requirements next year. Under no circumstances should blends be changed because some of the grades show long duration resulting from this extra purchase.

There still seems to be a tendency in Imperial Tobacco Company's Leaf Department, especially with the clerical

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staff to propose blend changes with the sole object of straightening out durations of individual grades.

A change has been recommended for the target durations for the different types of grades.

Sandleaf, Lug and Cutter target durations have been shortened and those of two side and three side leaf and tip grades increased to 28 months. This was done because it was felt that the heavier bodied tobaccos would benefit more from a longer sweat than the thinner tobaccos. The overall target duration was not changed by this move.

The stock position of Burley tobacco per 31/12/1969 was 38 months whilst it is expected that the new crop will add another 16 months duration. It can, therefore, be expected that the duration per 31/12/1970 will be 42 months.

Leaf Department, London has initiated experiments with Canadian burley in Denmark and Jamaica. Even if these experiments are successful the total yearly usings in both countries combined will be too small to have a marked effect on the duration.

I remarked earlier that Leaf Blending Department might have put too much emphasis on experiments with blends including burley. This obviously must have been caused by the extreme duration of the Burley stock. I do not share the optimism of Leaf Department, Canada that an inclusion of 5% or 10% Burley cannot be detected and I would suggest to tread very carefully when introduction in existing brands is contemplated.

Unfortunately I was not in a position to assess samples myself due to an aftermath of Asian Flu.

The whole question of assessing and testing of cigarettes is still a problem. The Taste and Flavour Working Party system is not regarded as ideal in Canada. I received a copy of a memorandum from Mrs. M. Schiff who studied the method in R. & D.E. Southampton in which she voices some strong objections. I intend to send this to Mr. J. Wood for comments.

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Although I agree that several problems exist in this system I have explained that Leaf Department, Millbank have successfully used the services of the Taste and Flavour panels and that it has been of great assistance, especially in the field of assessment and quantification of Amplitude, Impact and Irritation.

These are the three main problem areas in Canada and, therefore, I feel that the Taste and Flavour system should be given a better chance than so far has been the case.

It is a long time ago that Mrs. Schiff visited R. & D.E. Southampton to familiarise herself with the technique and I would suggest that a visit from an expert in this field from the U.K. would be beneficial.

As the panels in the Imperial Tobacco Company are the responsibility of R. & D. it is my opinion that a visit of Mr. Wood would be more beneficial than one by Mr. Diprose, who although very skilled in the technique might become frustrated by scientific arguments brought up against the system.

During the visit a recommendation for a blend, process, casing and flavour was made for Hollandia Regular pipe tobacco. Samples are expected to be ready for smoking by the end of February.

SUMMARY

All facts mentioned in this report were discussed with the people concerned and in a large meeting on the last day of my stay.

Mr. Warren has drawn up a flow chart of the functioning and interconnection of the different departments involved in product development, which again confirms the decisions taken in July last year.

Mr. Murray is also reorganising Marketing Department to enable it to get the right contact with product development. He also will reassess the projects on hand and he feels that Marketing Department will ask only for

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the development of three major projects.

Nevertheless I feel that no flow chart or scheme will be functional as long as no greater personal involvement is achieved.

Follow up visits from Leaf Department, London will be necessary. It has been agreed that R. D. Lowe will visit Canada in the Summer of 1970, especially to discuss casings and flavours.

Other visits it was felt will, however, be necessary. In July, 1969 it was agreed that after the Leaf Blending Department was established in I.T.Co. Canada that D. B. Wales should visit Europe, especially the U.K. and Germany. I agreed with Mr. Warren that this visit should not be made this year as clearly the system is not yet working satisfactorily.

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