

Should you be able to get the tin order?

GEO. A. HORMEL & COMPANY
Austin, Minn.

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Mrs. Della N. Jones
The Nuckolls Packing Co.
Pueblo, Colorado

Dear Della:

Perhaps we have been a little slow going over the information, but now that we have made our first analysis, the situation seems to be as follows:

1. Under existing circumstances, the beef operation is hopeless and promises to continue so until the present OPA regulations are changed or removed. As against this, it should be possible to do a profitable lamb business.
2. When we first started talking, it appeared that there would be an opportunity to use our contacts and information to get a profitable government canning operation there - sufficiently profitable to more than offset the losses contemplated on beef during the same period. Now the government canned goods policy has so changed as to remove that possibility. On the other hand, this change in policy is expected to release more tin for civilian use, so it still may be that the domestic tin allotments will be such as to permit a moderately profitable domestic canning business for the duration. We will be able to judge this more accurately in the course of the next ten days or two weeks when the new rulings are expected to come out.
3. It should be possible to do a profitable pork and provision business of 300,000 pounds a week or more, and if there is ever to be an effort to re-establish the leadership of the company in that territory, now would be the time to do it. However, it is not clear that this volume would be profitable if the whole overhead of the plant had to be charged against it. As I understand it, the condition of the plant is such that the maintenance should not be an undue penalty, but perhaps depreciation on the whole would be.
4. Postwar we would anticipate profitable operations in both the beef and canning departments with local business contributing materially to the total profit opportunity.

In short, then, it would appear that there is not much opportunity to show profits during the wartime, but there would appear to be a profit opportunity thereafter, and it would seem that if the local business is to be available later, it should be cultivated now, even though barely on a break-even basis.

I am leaving tomorrow for a trip East and will be back the 9th or 10th, at which time I may have some further information, particularly on the impending revision in the tin order.

Yours very truly,

JAY C. HORMEL