

# GALLAHER LIMITED

Received  
30 DEC 1982  
F. J. ...  
C. R. Castle

FROM..... Leaf Controller  
TO..... Production Controller  
YOUR REF..... OUR REF. L11/CRC/DH DATE 29.12.82  
SUBJECT: Graded Lamina

This refers to your note dated 21st December asking for estimated savings that will accrue as a result of packing Graded Lamina separately insofar as duties and shipping costs are concerned.,

You will appreciate that we are still relatively inexperienced in packing Graded Lamina separately and some growths have considerably better facilities than others. To date we have adopted a cautious policy and not attempted to optimise an extraction of Graded Lamina but merely take the quantity that becomes available with the existing handling facilities and not asked our suppliers to incur significant expense to improve the extraction. This policy has meant that the yield of Graded Lamina we produce in Country of Origin varies between 1% and 4%. In the case of those countries of 1% this is due to most suppliers not having Graded Lamina extraction facilities.

Taking the current situation as a whole, we realistically expect to extract approximately 2% Graded Lamina during 1983 and if we project these figures into duty savings, the estimate is £20,000 in a full year. Shipping cost savings applied to the same quantity of Graded Lamina total £6,000.

It follows from the points that I have made about the present yields we obtain of Graded Lamina that we can foresee a gradual improvement in extraction percentages over time and I do not think it is unreasonable to anticipate doubling the present extraction by the end of 1983. If this situation should arise quite simply estimated savings on both duty and shipping will double to approximately £52,000 per annum.

C. R. Castle

c.c. Process Development Controller ✓  
Mr M L Tomlinson, Production Office  
Mr E F Stewart, Earl Street

c.f.i. General Manager, Leaf, Goldsboro  
Manager, Leaf Services, Connswater  
Technical Manager, Connswater