

NEW ZEALAND

HONEY MARKETING AUTHORITY.

ANNUAL REPORT

AND

STATEMENTS OF ACCOUNT

FOR THE

YEAR ENDED 31st AUGUST, 1955.

NEW ZEALAND HONEY MARKETING AUTHORITY.

15th June, 1956

The Right Hon. K.J.Holyoake,
Minister of Agriculture,
Parliament Buildings,
WELLINGTON.

Dear Sir,

I have pleasure in submitting to you the second annual report on the proceedings and operations of the New Zealand Honey Marketing Authority. This report covers the transactions for the year ended 31st August, 1955.

Contract with suppliers:

Producers demonstrated their support of the organisation by contracting to supply increased quantities of honey, the comparative figures for 1953/54 and 1954/55 being as follows:-

	<u>1953/54</u>	<u>1954/55.</u>
	Tons	Tons
North Island.	349	737
South Island.	449	452
	<u>798</u>	<u>1,189</u>

Honey supplied to Authority:

Production of honey took place at a high level during the year and a record quantity was supplied to the Authority. The bulk of these supplies came from the Auckland province and included 267 tons of Rewa Rewa honey, a honey which in previous seasons was difficult to sell.

The quantities supplied during the last two seasons were:-

<u>1953/54</u>	<u>1954/55</u>
Tons	Tons
<u>1,125</u>	<u>2,206</u>

Marketing:

The Authority continued to blend honey under the trade name "Imperial Bee" for sale on the local market, and in addition small quantities of this pack were sold overseas. Sales in New Zealand of both packed and bulk honey during the year totalled 283 tons, 1,809 tons were exported to the United Kingdom and Europe and 28 tons to Singapore, India and other countries.

In December 1954 an agency agreement was entered into with Messrs. Kimpton Bros. (Red Carnation) Ltd, London, for this company to act as the Authority's sole agent for the United Kingdom and the Continent of Europe. The terms of the agreement provided for certain guaranteed returns and the division of any additional prices which might be received. Honey which did not come under the guarantee was to be sold on a straight out commission basis.

Shortly before the agency discussions took place Messrs C. & E. Horton Ltd., who had for a number of years packed honey in the United Kingdom for the Marketing Division and later for the Authority, decided to cease their honey packing operations. The arrangements with this firm involved the blending of honey in New Zealand and packing into bulk containers and the reheating and repacking of the bulk supplies in the United Kingdom. These operations had proved to be extremely unprofitable and it was decided that all future consignments would be shipped without blending or repacking in New Zealand. At the same time the value of the "Imperial Bee" trademark was recognised and our new agents agreed to make arrangements with suitable bottling firms in the United Kingdom to purchase our honey in bulk, repack it at their own expense and sell it under the Imperial Bee label.

The agency arrangements worked very smoothly. Our agents were able not only to dispose of all honey made available to them (including the Rewa Rewa honey referred to above) but also to effect sales on a higher price level than existed previously. Owing to the buoyancy of the market they very generously agreed after the agency had been in operation for a few months to accept a smaller share of the excess over the guaranteed returns.

Seals Revenue:

The levy on honey sold by beekeepers who elected to serve local markets remained at approximately the same level as the previous year. The seals revenue for the two years was as follows:-

<u>1953/54</u>	<u>1954/55</u>
£15,893.	£15,377.

Depots:

During the year new arrangements were made in the South Island for the receipt and storing of honey and I would place on record the Authority's appreciation of the valuable services rendered by Messrs Spencer & Dunkley Ltd., at Dunedin; Messrs Horton, Bidwell & Co. Ltd., at Christchurch and Messrs Greenhill & Co. Ltd., at Greymouth.

The policy of effecting shipments direct from the South Island depots to overseas markets was carried out wherever possible during the year.

Payments to Suppliers;

The advance payment on graded honey, which had been reduced to 8d. per lb. pro-rate for the 1953/54 season, was restored to the previous figure of 9d. per lb, pro-rata, and the advance payment on Manuka honey was increased to the previous amount of 7d. per lb. The final payment for the season was fixed at 3½d. per lb. for graded honey and 2½d. per lb. for Manuka honey. These final payments were not quite covered by the revenue received during the year but as the overseas market had shown a considerable improvement during the latter half of the year it was considered reasonable that some additional benefit should be passed on to suppliers. The maximum price paid by the Authority (i.e. for top quality honey supplied under contract) was 1/1 per lb. an increase of ½d. over the previous period. The total payments by the Authority averaged over the whole supply worked out at approximately 11d. per lb. This is approximately 2d. per lb. less than the estimated cost of production.

Annual Accounts:

Copies of the Annual Accounts and Balance Sheet are attached. These disclose a balance of £67,326 in the Honey Revenue Account and a balance of £13,599. in the Seals Revenue Account. In view of the improvement in honey prices overseas it was decided to increase the stock valuations at the end of the period to cost or market value whichever was the lower. This involved the writing up of these stocks by approximately 3d. per lb. and resulted in a corresponding increase in the honey revenue. At the same time provision was made for future fluctuations in stock values by transferring £28,000 to Stock Fluctuation Account. The Appropriation Account has been charged with the final payment to producers, the amount involved being £62,548.

After all the above items are taken into account the Appropriation Account shows a deficiency of £9,622. This amount has been transferred to the Accumulated Fund leaving a balance in the fund of £4,658. The factory wages, rent and store expenses averaged out at approximately $\frac{1}{2}$ d. for each lb. of honey supplied, while the office salaries, office overhead and members expenses amounted to another $\frac{1}{2}$ d. per lb.

New Premises:

During the year the Authority decided at the request of the industry to establish itself in its own quarters in Auckland. Extensive enquiries were made throughout Auckland City and the suburbs and shortly before the end of the financial year a very desirable site was located at Parnell approximately $\frac{1}{4}$ mile from the Auckland wharves and Railway Station. The purchase of this property has since been completed and the buildings on it which had previously been condemned have been demolished. Arrangements are now in hand for the erection of suitable premises.

Acknowledgments:

On behalf of the Authority I wish to express my appreciation of the interest which you have always displayed in our affairs and the assistance you have afforded us. I acknowledge also the grading service and investigation work which the Department of Agriculture has continued to carry out for the benefit of the Authority and honey industry as a whole.

Yours faithfully,

(sgd) E. A. Field.

CHAIRMAN.

NEW ZEALAND HONEY MARKETING AUTHORITY
HONEY REVENUE ACCOUNT
FOR YEAR ENDED 31st AUGUST, 1955.

Honey Stocks on hand $\frac{1}{9}$ /54.
 (Book valuations, at that date)

New Zealand	72,718 12 4			
Overseas	<u>22,114 11 7</u>	94,833	3 11	
<u>Payments to Suppliers</u>	158,156 1 8			
Initial Payments	<u>7,549 14 8</u>	165,705	16 4	
Contract Premiums			1,969 11 0	
<u>Freight and Cartage Inward</u>				
<u>Store Costs</u>	5,016 18 0			
Rent, refrigeration and factory expenses	1,129 0 3			
Storage and handling expenses	6,485 3 1			
Packing materials	6,037 1 8			
Wages	<u>63 5 7</u>	18,731	8 7	
Depreciation on factory plant and tools				
<u>Local Sales Expenses</u>	216 13 3			
Commission	<u>1,061 19 6</u>	1,278	12 9	
Freight and cartage outward				
<u>Export Expenses</u>	2,432 5 7			
Packing materials	19,972 8 1			
Freight, landing charges and cartage	10,621 16 11			
Commission	3,631 4 11			
Agent's incentive payments	812 2 0			
Packing allowance	645 6 5			
Insurance	637 5 10			
London administration and general expenses	245 17 5			
Warehousing	<u>350 0 0</u>	39,348	7 2	
Provision for contingencies				
<u>Administration</u>	835 0 0			
Office rent and services	196 13 2			
Printing and stationery	5,544 8 0			
Salaries	593 2 11			
General expenses	405 13 1			
Postages, tolls, telegrams and cables	310 13 1			
Insurance	<u>14 16 7</u>	7,900	6 10	
Depreciation on office equipment				
<u>Marketing Authority</u>	1,200 0 0			
Members' honoraria	903 5 5			
Members' travelling expenses	<u>14 19 4</u>	2,118	4 9	
Election expenses.				
Balance transferred to Appropriation Account.		67,326	7 7	
		<u>£399,211</u>	<u>18 11</u>	

Sales of Honey.

Local	43,393 8 10			
Export	<u>217,270 19 9</u>	260,664	8 7.	
<u>Tins and cases</u>			467 17 8	
<u>Exchange on London Remittances</u>			628 19 4	
<u>Honey stocks on hand - 31/8/55</u>				
(At revised valuations)				
New Zealand	101,173 13 9			
Overseas	<u>36,276 19 7</u>	137,450	13 4	

£399,211 18 11

NEW ZEALAND HONEY MARKETING AUTHORITY.

SEALS REVENUE ACCOUNT.

FOR YEAR ENDED 31ST AUGUST, 1955.

Printing and General Expenses	1,023 14 2	Seals Revenue	15,377 6 1
Grants to National Beekeepers Association of N.Z. (Inc.)	750 0 0		
Grant to Branch of National Beekeepers Association	3 12 3		
Balance transferred to Appropriation Account	13,599 19 8		
	<u>£15,377 6 1</u>		<u>15,377 6 1</u>

APPROPRIATION ACCOUNT.

FOR YEAR ENDED 31ST AUGUST, 1955.

<u>Honey Suppliers</u>		<u>Honey Revenue Account</u>	
Final Payments	62,548 15 1	Balance transferred	67,326 7 7
<u>Stock Fluctuation Account</u>		<u>Seals Revenue Account.</u>	
Provision for fluctuation in stock values.	28,000 0 0	Balance transferred	13,599 19 8
		Amount transferred from Accumulated Fund.	9,622 7 10
	<u>£90,548 15 1</u>		<u>£90,548 15 1</u>

NEW ZEALAND HONEY MARKETING AUTHORITY.
BALANCE SHEET
AS AT 31st AUGUST, 1955.

LIABILITIES:

<u>Unpaid Purchase Money.</u>			
Balance due on Freehold Property.		3,750	0 0
<u>Sundry Creditors.</u>			
Dept. of Agriculture Honey Stocks	97,629	2	0
" " " Packing materials	4,130	5	10
Trade Creditors	2,388	13	0
Honey Suppliers	61,017	1	3
Provision for contingencies	350	0	0
		165,515	2 1
<u>Stock Fluctuation Account</u>		28,000	0 0
<u>Accumulated Fund.</u>			
As at 31/8/54	14,281	3	1
Less transferred to Appropriation Account	9,622	7	10
		4,658	15 3
		<u>£201,923</u>	<u>17 4</u>

ASSETS:

<u>Freehold Premises:</u>		3,800	0 0
<u>Bank.</u>			
Reserve Bank of N.Z. Wellington.	1,920	5	6
Bank of N.Z. Auckland.	5,787	12	2
		7,707	17 8
<u>Honey Stocks.</u>		137,450	13 4
<u>Packing Materials.</u>		2,175	2 5
<u>Plant & Tools.</u>		288	14 9
<u>Office Appliances.</u>		74	13 9
<u>Stationery.</u>		124	0 4
<u>Sundry Debtors.</u>			
Overseas Agents	44,608	19	9
Current Accounts	5,693	15	4
		50,302	15 1
		<u>£201,923</u>	<u>17 4</u>

The Audit Office having made such examination as was considered necessary certifies that in its opinion the above balance sheet and accompanying accounts are correct.

(Sgd) C.R.J. Atkin.
Controller and Auditor-General.

W. Sandley R.R.N.Z.
Manager.