

NEW ZEALAND
HONEY MARKETING AUTHORITY



ANNUAL REPORT
and
FINANCIAL STATEMENTS

for the
YEAR ENDED 31st AUGUST, 1957.

NEW ZEALAND HONEY MARKETING AUTHORITY

Auckland,
24th April, 1956.

The Hon. C. F. Skinner,
Minister of Agriculture,
Parliament Buildings,
WELLINGTON.

Dear Sir,

I have pleasure in submitting to you in accordance with the provisions of the Primary Products Marketing Act 1953 a report on the proceedings and operations of the New Zealand Honey Marketing Authority for the year ended 31st August, 1957.

Members of Authority:

On the 6th September, 1956, Mr J. W. Fraser, of Invercargill, the President of the National Beekeepers' Association of New Zealand Incorporated, was appointed as the Association's nominee on the Authority in lieu of Mr E. D. Williams. There was no election of producer members during the year and the following members remained in office:—Mr E. A. Field (Chairman), Mr W. T. Herron, Mr W. W. Nelson and Mr T. E. Pearson. Mr K. B. Longmore continued in office as Government representative.

Contracts with Suppliers:

The contract system was continued for a further season. In previous years beekeepers were required to send in their contracts early in December, but at the request of the Industry a later date was decided upon this year, the extended date being the 18th January, 1957. The comparative figures for the supply of honey for the last four years are:—

	1953/54	1954/55	1955/56	1956/57
	Tons	Tons	Tons	Tons
North Island ..	349	737	1,088	697
South Island ..	449	452	770	542
	<u>798</u>	<u>1,189</u>	<u>1,858</u>	<u>1,239</u>

Honey Supplied to Authority:

Although contracts for the season were considerably lower the actual quantity received was almost up to the previous year's figure.

Receipts for the last four years were:—

	1953/54	1954/55	1955/56	1956/57
	Tons	Tons	Tons	Tons
	1,125	2,206	1,669	1,571

Marketing:

Marketing conditions overseas were favourable during the first half of the year but unfortunately they became particularly difficult during the latter period with the result that stocks on hand at balance date reached an extremely high level. Our London Agents, Messrs Kimpton Brothers (Red Carnation) Ltd., were requested to take special steps to dispose of the accumulated stocks and most of them have been sold since the balance date.

During the year 861 tons of honey were sold in the United Kingdom and European markets and 28 tons in other overseas markets.

The packing of Imperial Bee Honey for the local market was continued and 369 tons of retail packs and bulk honey were sold in this country. With a view to increasing local sales a selling agent was appointed for the Auckland Province.

Seals Revenue:

There was a substantial increase in the revenue from this source this year. The comparative figures for the last four years are as follows:—

	1953/54	1954/55	1955/56	1956/57
	£ 15,893	£ 15,377	£ 15,883	£ 20,718

Deposits:
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Depots:

The Authority has receiving depots at:—
 New Plymouth
 Greymouth
 Christchurch
 Timaru
 Dunedin
 Invercargill

Wherever possible honey is exported direct from these depots.

Payments to Suppliers:

Advance payments on graded honey and Manuka Honey were made at the same rates as for the previous season, i.e. 9d per lb pro rata and 7d per lb respectively. Birch honey was brought into line with Manuka and advance payments of 7d per lb were made on this class of honey as well. The final payment for all classes of honey was fixed at 3½d per lb this being an increase of ¼d per lb over the final payment for the previous season. Following is a table showing the payments for graded honey for the last four seasons:—

Payments for Graded Honey excluding Manuka and Special Lines

Year	Quantity Supplied lbs.	Average Grading	Pro Rata Advance		Contract Premiums		Final Payment		Overall Average Payment per lb.
			per lb.	Total	per lb.	Total	per lb.	Total	
1953/54	2,156,913	89.75	8d.	£ 64,533	¾d.	£ 4,333	3½d.	£ 31,455	11.16d.
1954/55	4,425,505	85.22	9d.	£ 141,268	¾d.	£ 7,550	3½d.	£ 59,928	11.32d.
1955/56	3,442,262	88.70	9d.	£ 115,502	¾d.	£ 8,964	3 d.	£ 43,028	11.60d.
1956/57	3,252,935	89.93	9d.	£ 109,707	¾d.	£ 8,024	3½d.	£ 44,050	11.93d.

Annual Accounts:

Copies of the annual accounts and balance sheet are attached. For accounting purposes the stocks on hand were valued on the same basis as for the previous year i.e., at approximate cost or market value whichever was the lower. The carry-over of stocks at the end of the year was £30,339 in excess of the previous year. The indebtedness to the Department of Agriculture remained at the previous figure of £71,187 and the bank overdraft went up from £27,819 to £52,632.

As mentioned earlier in this report overseas transactions during the first half of the year were favourable and this is reflected in the improved revenue position. In addition to increasing the final payment to suppliers by ¼d per lb it was possible to transfer £12,000 to Stock Fluctuation Account. This appropriation was considered advisable in view of the falling tendency of overseas prices at the end of the year. The surplus after providing for the final payment to suppliers and the transfer of £12,000 to Stock Fluctuation Account was £819 and this has been added to the Accumulated Fund. The Stock Fluctuation Account now stands at £40,000 and the Accumulated Fund at £11,331.

New Premises:

The Fletcher Construction Co. Ltd., commenced work on the new premises in January, 1957.

The construction work has taken longer than expected and it is unlikely that the building will be ready for occupation before June, 1958.

The opportunity is being taken to instal the most modern equipment for blending and packing of honey and a great deal of investigation work has been carried out with this object in view.

Industry Publicity:

During the year the Authority decided to allocate £1,000 for the purpose of advertising honey for the benefit of the industry as a whole and a radio and newspaper campaign was launched towards the end of the year.

Acknowledgments:

I would like to express the Authority's appreciation of the interest you have taken in our affairs since you were appointed to your present office and I hope to have further discussions with you from time to time.

I acknowledge once again the splendid assistance and advice given to us at all times by the Department of Agriculture and the officers of the Apiary Section in particular.

Yours faithfully,
 (Sgd.) E. A. FIELD,
 Chairman.

NEW ZEALAND HONEY MARKETING AUTHORITY.

General Revenue Account for Year Ended 31st August, 1957.

	£	s	d	£	s	d		£	s	d	£	s	d
Honey Stocks on hand, 1/9/56—													
New Zealand	110,922	17	11										
Overseas	44,632	17	1										
				155,555	15	0							
Payments to Suppliers—													
Initial Payments	117,592	17	4										
Contract Premiums	8,024	14	4										
Final Payments	47,156	9	0										
				172,774	0	8							
Freight & Cartage Inward				2,897	1	5							
Store Costs—													
Rent, Refrigeration and Factory Expenses	5,071	3	11										
Storage and other Depot Expenses	2,545	19	5										
Packing Material	10,839	12	5										
Wages	5,679	1	5										
Depreciation on Plant & Tools	63	0	0										
				24,248	17	2							
Local Sales Expenses—													
Commission	304	12	6										
Freight & Cartage Out- ward	1,282	8	1										
				1,587	0	7							
Export Expenses—													
Freight, L a n d i n g Charges and Cartage	8,586	3	3										
Commission	4,783	0	5										
Agents' Incentive Pay- ments	1,571	1	8										
Insurance	365	15	1										
General Expenses	351	2	1										
Warehousing	1,055	9	2										
Advertising Expenses													
Overseas	243	5	2										
				16,955	16	10							
Administration—													
Office Rent and Services	835	0	0										
Printing and Stationery	266	3	7										
Salaries and Superann- uation Contribution	5,849	13	2										
General Expenses	332	13	3										
Postages, Tolls, Tele- grams and Cables	290	8	0										
Insurance	433	3	8										
Bank Interest	223	7	11										
Depreciation on Office Equipment	11	16	4										
				8,233	5	11							
Marketing Authority—													
Members' Honoraria	1,400	0	0										
Members' Travelling Ex- penses	544	3	9										
				1,944	3	9							
Transfer to Stock Fluctua- tion Account				12,000	0	0							
Balance Transferred to Ac- cumulated Fund				819	0	3							
				£397,015	1	7							
											£397,015	1	7

NEW ZEALAND HONEY MARKETING AUTHORITY.
Honey Levy Account for Year Ended 31st August, 1957.

	£	s	d		£	s	d
Printing and General Expenses	1,007	18	3	Revenue from Honey Levy	20,718	10	3
Grant to National Beekeepers Association of N.Z. (Inc.)	800	0	0				
Grant to Branch of National Beekeepers Association	10	0	0				
Industry publicity expenses (New Zealand)	559	13	8				
Balance transferred to General Revenue Account	18,340	18	4				
	£20,718	10	3		£20,718	10	3

Balance Sheet as at 31st August, 1957.

LIABILITIES				ASSETS			
	£	s	d		£	s	d
Bank Overdraft—				Land and Buildings—			
Reserve Bank of N.Z., Wellington		52,632	14 4	Freehold land at Parnell— —at cost	3,800	0	0
Mortgage—				Factory and office—ex- penditure to 31/8/57	24,436	10	11
State Advances Corpora- tion		24,069	17 6				28,236 10 11
Sundry Creditors—				Bank—			
Dept. of Agriculture	71,187	5	11	Bank of N.Z., Auckland		564	12 2
Trade creditors and ac- crued expenses	2,584	12	0	Honey Stocks— at cost or market valuation	185,894	17	2
Honey Suppliers	45,502	8	3	Packing Material— at cost	5,309	15	3
		119,274	6 2	Plant and Tools— at cost less Depreciation		324	0 6
Stock Fluctuation Account				Office Appliances— at cost less Depreciation		53	3 4
Accumulated Fund—				Stationery		175	2 3
As at 31/8/56	10,512	17	11	Sundry Debtors—			
Add surplus from Gen- eral Revenue Account for year ended 31st August, 1957	819	0	3	Overseas Agency	18,554	12	2
		11,331	18 2	Current Accounts	8,161	13	9
		£247,308	16 2	Air Travel Deposit A/c		26,716	5 11
						34	8 8
						£247,308	16 2

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.

(Signed) C. R. J. ATKIN,
 Controller and Auditor-General.

W. H. CHUDLEY, A.R.A.N.Z.
 Manager.
 14th March, 1958.

**NEW ZEALAND
HONEY MARKETING AUTHORITY**



ANNUAL REPORT
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YEAR ENDED 31ST AUGUST, 1959.

NEW ZEALAND HONEY MARKETING AUTHORITY

The Hon. C. F. Skinner,
Minister of Agriculture,
Parliament Buildings,
WELLINGTON.

P.O. Box 2615,
AUCKLAND, C.1.
4th March, 1960

Dear Sir,

It is my privilege to submit to you, in accordance with Section 11 of the Primary Products Marketing Act 1953, the sixth annual report of the New Zealand Honey Marketing Authority. This report is in respect of the financial year ended 31st August, 1959.

Members of the Authority:

An election was held in September, 1958 for the replacement or re-election of two members whose terms of office had expired. One of the retiring members, Mr. E. A. Field, was defeated and was replaced by Mr. G. E. Gumbrell. Mr. Herron, the other retiring member, was re-elected. The board then comprised Messrs W. W. Nelson (Chairman), W. B. Bray, J. W. Fraser, G. E. Gumbrell, W. T. Herron and K. B. Longmore (Government representative). Mr. Field had been Chairman of the Authority since 1954 and the Authority has recorded its appreciation of his services.

Contracts:

The Authority decided to continue the contract system for the supply of honey to the Authority for a further season. The yearly contract figures since the Authority commenced operations are as follows:—

	1953/54	1954/55	1955/56	1956/57	1957/58	1958/59
	Tons	Tons	Tons	Tons	Tons	Tons
North Island	349	737	1,088	697	702	508
South Island	449	452	770	542	304	320
	798	1,189	1,858	1,239	1,006	828

Honey Supplied to Authority:

Honey production for the year under review was the poorest for over 30 years. Many producers were unable to fulfil their contracts and the supply to the Authority showed a serious drop. The annual receipts from both contractors and non-contractors since 1953 are as follows:—

1953/54	1954/55	1955/56	1956/57	1957/58	1958/59
Tons	Tons	Tons	Tons	Tons	Tons
1,125	2,206	1,669	1,571	1,104	494

Marketing:

Owing to short supplies of clover honey we had very little of this class of honey available for export. Those shipments which we were able to make were sold at very satisfactory prices notwithstanding severe competition from other countries producing clover honey. As the year progressed the overseas market for the unblended darker grades, of which a large quantity had been carried over from the previous season, collapsed. Fortunately our new packing plant came into operation during the year and we were able to blend all the darker grades into standard lines. These have since been sold at prices well above the low level ruling for this honey unblended. If we had not had the equipment to carry out the blending programme our returns to suppliers would undoubtedly have suffered very heavily indeed.

On the export market the Authority has not been content to rely solely on the United Kingdom and European buyers to absorb our surplus. We have succeeded in establishing a demand for our packed honey under our New Zealand label in Australia, Singapore, Malaya and Kenya.

The total volume exported to these countries is small but it is steadily improving notwithstanding the competitive selling against us by low price honey from other countries.

In this connection I had an opportunity during my recent overseas visit of meeting our agents in Australia, Singapore, Great Britain and Germany and from them I gleaned much helpful information concerning overseas marketing conditions.

During the year 973 tons of honey were sold in the United Kingdom and Europe and 34 tons in other overseas markets.

On the local market we sold 291 tons of honey, comprising 131 tons of retail packs under our "Imperial Bee" brand and 160 tons of honey in bulk.

Honey Levy:

The revenue from levy on honey sold by beekeepers dropped slightly. Following are the comparative figures for the last six years:—

1953/54	1954/55	1955/56	1956/57	1957/58	1958/59
£15,893	£15,377	£15,883	£20,718	£20,226	£18,989

From last year's levy of £18,989 the sum of £10,880 was used to subsidise the payout to suppliers.

Depots:

The arrangements for the receipt and storage of honey at various points throughout the country continued to operate satisfactorily during the year. Receiving depots are established at Auckland, New Plymouth, Greymouth, Christchurch, Timaru, Dunedin and Invercargill.

Payments to Suppliers:

Advance payments to suppliers of graded and birch lines were made at the same rates as for the previous year, i.e. 9d per lb pro rata for graded and 7d per lb for birch. Owing to the poor demand for manuka honey the advance was reduced from 7d to 6d per lb. The final payment for manuka honey was fixed at 4½d per lb pro rata. This was a departure from previous years when the final payment for graded lines was fixed at 4½d per lb. The final payment for birch honey was fixed at 4½d per lb and for manuka honey at 4d per lb.

The following table shows the payments for graded honey, other than manuka, birch and special lines since the Authority was established in 1953. The higher average grading of the honey supplied last season and the higher final payment resulted in a record average payout of 13.10d per lb.

Payments for Graded honey excluding Manuka and Special Lines

Year	Quantity Supplied lbs.	Average Grading	Pro Rata Advance		Contract Premiums		Final Payment		Overall Average Payments per lb.
			per lb.	Total	per lb.	Total	per lb.	Total	
1953/54	2,156,913	89.75	8d	£ 64,533	¾d	£4,333	3½d flat	£31,455	11.16d
1954/55	4,425,505	85.22	9d	£141,268	¾d	£7,550	3½d ..	£59,928	11.32d
1955/56	3,442,262	88.70	9d	£115,502	¾d	£8,964	3d ..	£43,028	11.60d
1956/57	3,252,935	89.93	9d	£109,707	¾d	£8,024	3½d ..	£44,050	11.93d
1957/58	2,323,404	86.33	9d	£ 75,219	¾d	£6,136	3½d ..	£31,463	11.65d
1958/59	889,163	91.02	9d	£ 30,348	¾d	£2,188	4½d pro rata	£16,017	13.10d

Annual Accounts:

Copies of audited financial statements for the year ended 31st August 1959 are attached. The smaller intake this year coupled with the disposal of old stocks resulted in a reduction of stocks on hand at balance date by £87,037 to the unusually low level of £49,187. As a result our cash balances and temporary investments increased from £4,035 to £70,234. With the completion of our new building our liability to the State Advances Department rose to £90,000. The debt of £71,187 owing to the Department of Agriculture remained unaltered at balance date.

The surplus in the General Revenue Account after providing for the final payments to suppliers was £6,017. This amount has been added to the Accumulated Fund which now totals £23,770. The Stock Fluctuation Account remains at £40,000.

New Building and Packing Plant:

We entered into occupation of our building towards the end of the previous financial year but the packing plant was not ready for full operation until February 1959. This plant included many new features and some initial difficulties were encountered in the early stages of its operation. These have been overcome and we now have a first class plant which is a credit to all concerned in its design and in the efficiency of its operation.

Honey Marketing Investigation Committee:

Your appointment of a special committee to investigate the operations, functions and financial structure of the Authority was very much appreciated by the Authority. We are grateful for the opportunity given to members of the Authority and the industry as a whole to make submissions to the committee, and we await the results of its deliberations with keen interest.

Acknowledgments:

The Authority is very appreciative of the sympathetic consideration you have given to its problems and of the substantial assistance that has been granted in response to the representations I have made to you on behalf of the Authority. To this may I add my personal appreciation of the interviews granted me and of your courteous and patient reception of my submissions.

The Authority is also grateful for the valuable assistance given to us by the Director of Horticulture and the officers of the Apiary Section of the Department of Agriculture.

Yours faithfully,

(sgd.) WALLACE NELSON,

Chairman,

New Zealand Honey Marketing Authority

NEW ZEALAND HONEY MARKETING AUTHORITY

General Revenue Account for the Year Ended 31st August, 1959

	£	s.	d.	£	s.	d.
Honey Stocks on hand, 1/9/58:						
New Zealand	101,642	5	5			
Overseas	34,582	2	10			
				136,224	8	3
Payments to Suppliers:						
Advance payments	36,420	18	8			
Contract premiums	2,187	18	6			
Final payments	19,029	16	7			
				57,638	13	9
Freight & Cartage Inward				2,290	7	2
Store Costs:						
Oil fuel, electricity & factory exes	940	11	10			
Storage & other depot expenses	624	5	0			
Packing materials	4,572	13	4			
Wages	5,304	11	4			
Depreciation on plant & equipment	1,623	5	5			
				13,065	6	11
Local Sales Expenses:						
Commission	764	8	10			
Freight & Cartage Outward	914	3	9			
				1,678	12	7
Export Expenses:						
Freight, landing charges & cartage	14,312	12	9			
Commission & incentive payments	7,309	15	6			
Insurance	341	10	10			
General Expenses	248	12	9			
Warehousing	680	12	11			
Advertising expenses — overseas	735	9	1			
				23,628	13	10
Premises:						
Rates	663	6	9			
Maintenance	32	18	0			
Depreciation on building	811	17	11			
				1,508	2	8
Interest:						
State Advances Corporation	4,126	8	9			
Department of Agriculture	533	18	1			
				4,660	6	10
Administration:						
Cleaning services	165	19	2			
Printing & stationery	256	12	9			
Salaries & superannuation contributions	4,935	12	7			
General expenses	475	3	9			
Telephones, telegrams & postages	389	9	7			
Insurance	271	9	10			
Maintenance of office equipment	27	0	10			
Depreciation on office equipment	196	10	9			
				6,717	19	3
Marketing Authority:						
Members' honoraria	1,389	2	8			
Members' travelling expenses	712	17	5			
Election expenses	12	5	3			
				2,114	5	4
Surplus transferred to Accumulated Fund				6,017	7	4
				£255,544	3	11

	£	s.	d.	£	s.	d.
Sales of Honey						
Local sales	45,624	3	8			
Export sales	143,524	7	10			
				189,148	11	6
Proceeds of used cases & tins						
				52	17	6
Storage and Fork Lift Revenue						
				257	12	0
Honey Levy Account:						
Balance of account transferred				16,897	6	2
Honey Stocks on hand, 31/8/59:						
New Zealand	38,960	0	4			
Overseas	10,227	16	5			
				49,187	16	9

£255,544 3 11

NEW ZEALAND HONEY MARKETING AUTHORITY

Honey Levy Account for the Year Ended 31st August, 1959

Printing and General Expenses	£	s.	d.	Revenue from Honey Levy	£	s.	d.
Grant to National Beekeepers' Association of N.Z. (Inc.)	1,042	3	3		18,989	9	5
Grant to Branch of National Beekeepers' Association	1,000	0	0				
Balance transferred to General Revenue Account	50	0	0				
	16,897	6	2				
	£18,989	9	5		£18,989	9	5

Balance Sheet as at 31st August, 1959

LIABILITIES				ASSETS			
	£	s.	d.		£	s.	d.
Mortgage:				Land and Buildings:			
State Advances Corporation	90,000	0	0	Freehold land — at cost	3,800	0	0
(Secured over Land, Building & Plant)				Premises — at cost less depreciation	80,377	12	0
Sundry Creditors:							84,177 12 0
Department of Agriculture	71,187	5	11	Bank (Current A/cs):			
Trade Creditors and accrued expenses	5,934	9	8	Bank of New Zealand, Auckland	9,980	6	9
Honey Suppliers	18,997	13	11	Reserve Bank of New Zealand, Wellington	17,754	5	3
	96,119	9	6				27,734 12 0
Stock Fluctuation Account	40,000	0	0	Temporary Investments:			
Accumulated Fund:				Bank of N.Z. Fixed deposit	32,500	0	0
As at 31/8/58	17,752	12	8	Post Office Savings Bank	10,000	0	0
Add surplus from General Revenue Account for year ended 31st August 1959	6,017	7	4				42,500 0 0
	23,770	0	0	Honey Stocks — at cost or market valuation			49,187 16 9
				Packing Materials — at cost			7,416 19 7
	£249,889	9	6	Heating, Processing and Refrigeration Plant — at cost less depreciation			10,319 3 8
				Factory Equipment & Tools — at cost less depreciation			3,182 13 8
				Office Furniture and Appliances — at cost less depreciation			1,456 10 5
				Stationery			208 12 7
				Sundry Debtors:			
				Overseas account	11,975	1	6
				Current accounts	11,672	9	7
							23,647 11 1
				Air Travel Deposit A/c			57 17 9
							£249,889 9 6

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. J. ATKIN
Controller and Auditor-General

W. H. CHUDLEY, A.R.A.N.Z.
Manager, 19/1/60