

NEW ZEALAND  
HONEY MARKETING AUTHORITY



ANNUAL REPORT  
*and*  
FINANCIAL STATEMENTS

*for the*  
YEAR ENDED 31st AUGUST, 1958.

## NEW ZEALAND HONEY MARKETING AUTHORITY

P.O. Box 2615,  
Auckland, C.1.  
4th March, 1959.

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

Dear Sir,

I have pleasure in submitting to you, in accordance with Section 11 of the Primary Products Marketing Act, 1953, the fifth annual report of the proceedings and operations of the New Zealand Honey Marketing Authority. This report covers the transactions for the year ended 31st August, 1958.

### Members of Authority:

In September, 1957, an election took place for two members whose terms of office had expired. Mr W. W. Nelson was re-elected and Mr T. E. Pearson was replaced by Mr W. B. Bray. The other members comprised Mr E. A. Field (Chairman), Mr W. T. Herron, Mr J. W. Fraser and Mr K. B. Longmore. Since the end of the financial year a further election has taken place and the Chairman, Mr Field, was defeated. Mr W. W. Nelson was then elected as Chairman.

### Contracts with Suppliers:

Contracts were again called for the supply of honey to the Authority. The comparative figures since the Authority commenced operations were as follows:

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

### Honey Supplied to Authority:

Since 1955 there has been a decrease each year in the quantity of honey supplied to the Authority and this trend continued during the year under review. The annual receipts since 1953/54 were as follows:

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

### Marketing:

At the beginning of the year market conditions overseas recorded a considerable fall in prices and our position was made more difficult by reason of the heavy stocks we carried over from the previous year. We had to dispose of these stocks at the lower price level ruling.

Shortly after the new season's stocks came to hand a good demand developed overseas for our best clover honey at improved prices but unfortunately this grade was in short supply. Overseas prices for our other lines remained fairly steady but the demand was not sufficient to clear stocks and we closed our year's operations with a considerable surplus.

Approximately 75% of the honey handled by the Authority is exported and as the overseas returns are below local parity it follows that the payout to suppliers continues as in past years to compare unfavourably with that of non-suppliers operating solely on the local market.

During the year 1,304 tons of honey were sold in the United Kingdom and Europe and 25 tons in other overseas markets.

The total quantity sold on the local market by the Authority was 259 tons, consisting of 130 tons under our "Imperial Bee" retail brand and 129 tons in bulk.

**Honey Levy:**

The revenue derived from the levy on honey sold by beekeepers and honey packers was maintained at the previous year's high level. The comparative figures for the last five years were:

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

From last year's levy of £20,226 the sum of £10,638 was used to subsidise the payout to suppliers.

**Depots:**

The arrangements for the receipt and storage of honey at various points throughout the country operated satisfactorily during the year, and it was found practicable in most cases to ship overseas consignments direct from the depots. These are established at Auckland, New Plymouth, Greymouth, Christchurch, Timaru, Dunedin and Invercargill.

**Payments to Suppliers:**

Advance payments to suppliers were made on the same rates as for the previous season, i.e., 9d per lb pro rata for the graded lines and 7d per lb for manuka and birch honey. The final payment for each class of honey was fixed at 3½d per lb, this being the same as the previous year's final payment. The following table shows the payments for graded honey, other than manuka and special lines, for the last five 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	£1,333	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	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

**Annual Accounts:**

Copies of the financial statements are attached. Honey stocks on hand at balance date were reduced from the previous exceptionally high figure of £185,894 to £136,224, and as a result the Reserve Bank overdraft of £52,632 was replaced by a credit balance of £1,894. Substantial progress was made with our new building and packing plant and these two assets now stand in the books at £67,644 and £5,581 respectively. There was a corresponding increase in the State Advances loan which at balance date amounted to £67,634.

The surplus in the General Revenue Account after providing for the final payment to suppliers was £6,420. This surplus has been added to the Accumulated Fund which now totals £17,752. The Stock Fluctuation Account remains at £40,000. This reserve is necessary to provide for unpredicted falls and fluctuations in our overseas returns.

The balance owing to the Department of Agriculture for honey stocks is unaltered at £71,187. The value of honey stocks and packing materials taken over from the Government when the Authority was formed in 1953 was £101,759, but the debt was reduced to its present figure by payments totalling £30,572 in 1955 and 1956. The Authority has had discussions with you regarding the debt and I hope that some satisfactory settlement can be arranged. Unfortunately the Authority has no liquid resources of its own out of which payment can be made.

**Acknowledgments:**

On behalf of the Authority I wish to express our appreciation of your continued interest in our affairs and I acknowledge also the advice and assistance given to us so willingly by the Director of Horticulture and all 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, 1958**

	£	s.	d.	£	s.	d.		£	s.	d.		£	s.	d.
<b>Honey Stocks on hand, 1/9/57:</b>														
New Zealand	154,791	11	7											
Overseas	31,103	5	7											
				185,894	17	2								
<b>Payments to Suppliers:</b>														
Advance payments	79,601	0	1											
Contract Premiums	6,136	12	4											
Final payments	33,069	17	10											
				118,807	10	3								
<b>Freight and Cartage Inward</b>				2,673	5	9								
<b>Store Costs:</b>														
Rent, Refrigeration and Factory Expenses	5,230	0	5											
Storage & other Depot Exps.	1,534	9	2											
Packing Materials	5,976	18	2											
Wages	6,018	12	9											
Depreciation on plant & tools	128	2	8											
				18,888	3	2								
<b>New Premises and Plant:</b>														
State Advances Interest	2,388	17	9											
Rates	196	0	8											
				2,584	18	5								
<b>Local Sales Expenses:</b>														
Commission	495	3	9											
Freight and Cartage outward	747	15	5											
				1,242	19	2								
<b>Export Expenses:</b>														
Freight, Landing Charges and Cartage	19,856	10	1											
Commission and Incentive Payments	7,559	17	3											
Insurance	607	1	7											
General	684	0	9											
Warehousing	1,090	2	8											
Advertising Expenses overseas	80	10	2											
				29,878	2	6								
<b>Administration:</b>														
Advertising	9	14	6											
Office Rent and Services	810	7	9											
Printing and Stationery	248	16	3											
Salaries and Superannuation contribution	5,083	1	9											
General Expenses	485	1	10											
Postages, telegrams, tolls and cables	311	1	10											
Insurance	337	13	8											
Bank Interest	206	5	2											
Depreciation on office equipment	42	7	11											
				7,534	10	8								
<b>Marketing Authority:</b>														
Members' Honoraria	1,400	0	0											
Members' Travelling Expenses	577	19	1											
Election Expenses	16	2	3											
				1,994	1	4								
<b>Surplus transferred to Accumulated Fund</b>				6,420	14	6								
				£375,919	2	11						£375,919	2	11

**NEW ZEALAND HONEY MARKETING AUTHORITY**

**Honey Levy Account for the Year Ended 31st August, 1958.**

	£	s.	d.		£	s.	d.
Printing and General Expenses	1,670	12	5	Revenue from Honey Levy	20,226	3	1
Grant to National Beekeepers' Association of N.Z. (Inc.)	1,000	0	0				
Industry Publicity Expenses (N.Z.)	496	13	3				
Balance transferred to General Revenue Account	17,058	17	5				
	£20,226	3	1		£20,226	3	1

**Balance Sheet as at 31st August, 1958.**

LIABILITIES				ASSETS			
	£	s.	d.		£	s.	d.
<b>Mortgage:</b>				<b>Land and Buildings:</b>			
State Advances Corporation		67,634	9 7	Freehold Land, at cost	3,800	0	0
<b>Sundry Creditors:</b>				Premises, expenditure to 31/8/58	63,844	5	11
Department of Agriculture	71,187	5	11				67,644 5 11
Trade Creditors and accrued expenses	2,341	1	8	<b>Bank:</b>			
Honey Suppliers	33,237	6	9	Bank of N.Z., Auckland	2,140	17	8
				Reserve Bank of N.Z., Wgtn.	1,894	4	6
<b>Stock Fluctuation Account</b>		106,765	14 4				4,035 2 2
<b>Accumulated Fund:</b>		40,000	0 0	<b>Honey Stocks, at cost or market valuation</b>		136,224	8 3
As at 31/8/57	11,331	18	2	<b>Packing Materials, at cost</b>		3,289	15 9
Add surplus from General Revenue Account for year ended 31st August, 1958	6,420	14	6	<b>Plant and Tools, at cost less depreciation</b>		5,581	17 9
		17,752	12 8	<b>Office Furniture and Appliances, at cost less depreciation</b>		842	6 8
				<b>Stationery</b>		190	18 2
				<b>Sundry Debtors:</b>			
				Overseas accounts	2,610	19	1
				Current accounts	11,680	19	7
						14,291	18 8
				<b>Air Travel Deposit A/c.</b>		52	3 3
						£232,152	16 7
						£232,152	16 7

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. H. CHUDLEY, A.R.A.N.Z.,  
Manager.  
8/12/58