

**NEW ZEALAND
HONEY MARKETING AUTHORITY**



ANNUAL REPORT
and
FINANCIAL STATEMENTS

for the
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 graded lines was fixed at 4½d per lb pro rata. This was a departure from previous years when the final payment was arranged at a fixed amount 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