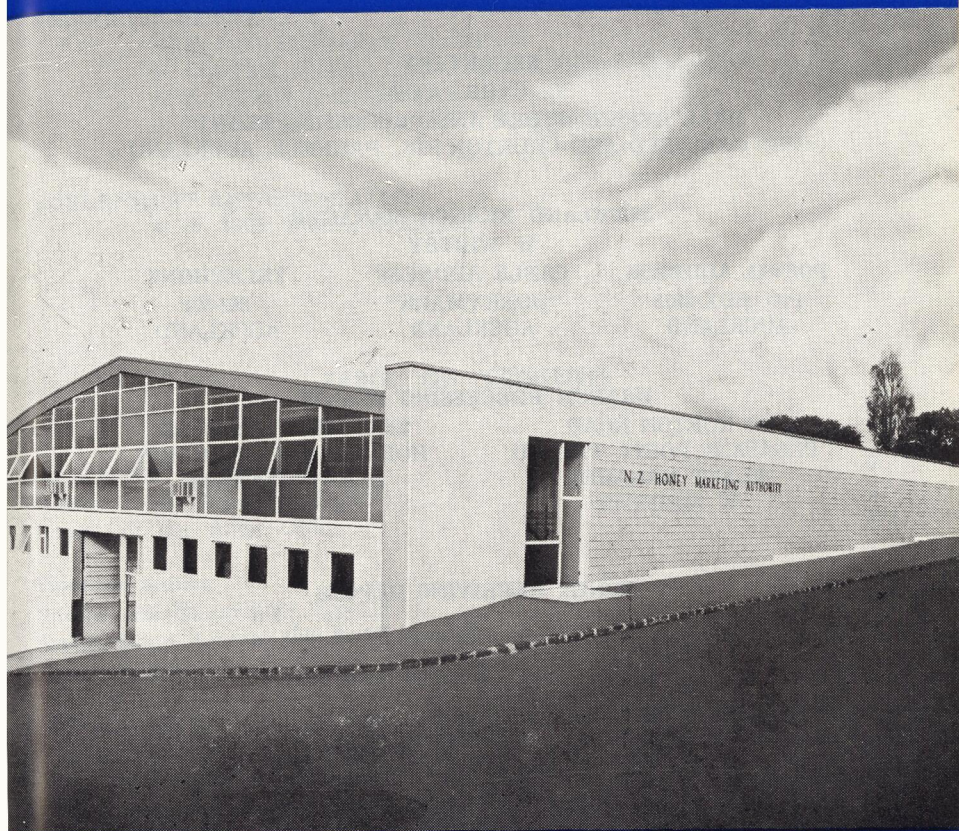


NEW ZEALAND
HONEY MARKETING AUTHORITY



EIGHTEENTH
Annual Report and
Statement of Accounts
for Year Ended August 31st, 1971

Furnished to the Hon. The Minister of Agriculture for presentation to
the House of Representatives pursuant to the provisions of the Primary

**NEW ZEALAND
HONEY MARKETING AUTHORITY**

GENERAL MANAGER

R. MACDONALD, J.P., A.C.A., A.I.A.N.Z.

SECRETARY

C. CARR, A.C.A.

HEAD OFFICE, STORE AND PROCESSING PLANT
CNR. GARFIELD AND CHURTON STS., PARNELL, AUCKLAND

AUCKLAND BRANCH MANAGER

W. WHITBY

POSTAL ADDRESS	CABLE ADDRESS	TELEPHONE
P.O. BOX 2615 AUCKLAND	"HONEYMARK" AUCKLAND	362-574 AUCKLAND

BRANCH PROCESSING PLANTS

16 HORTON ROAD PLEASANT POINT, TIMARU PLANT MANAGER W. MERRITT	235 BUCHANANS ROAD HORNBY, CHRISTCHURCH PLANT MANAGER J. OLYKAN
---	--

HONEY RECEIVING DEPOTS

NAPIER	Notional Depot only
GREYMOUTH	Notional Depot only
CANTERBURY	N.Z. Express Co. Ltd. P.O. Box 86 Christchurch
SOUTH CANTERBURY	N.Z. Express Co. Ltd. P.O. Box 152 Timaru
OTAGO	Spencer & Dunkley Ltd. P.O. Box 600 Dunedin
SOUTHLAND	N.Z. Express Co. (Invercargill) Ltd. P.O. Box 38 Invercargill
BLLENHEIM	Notional Depot only
NEW PLYMOUTH	Notional Depot only

**NEW ZEALAND
HONEY MARKETING AUTHORITY**

**MEMBERS OF AUTHORITY
AS AT AUGUST 31st, 1971**

PRODUCER MEMBERS

R. F. POOLE, Kyeburn (Chairman)
H. CLOAKE, N.D.Ap. (N.Z.), Timaru (Deputy Chairman)
A. K. ECROYD, Christchurch
J. W. FRASER, N.D.Ap. (N.Z.), Ryal Bush

GOVERNMENT REPRESENTATIVE

E. W. LEE, A.C.A., Wellington

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**NEW ZEALAND
HONEY MARKETING AUTHORITY**

EIGHTEENTH ANNUAL REPORT

and

STATEMENT OF ACCOUNTS

The Hon. Minister of Agriculture,
WELLINGTON.

Sir,

In compliance with Section 11 of the Primary Products Marketing Act 1953, I am submitting to you the Annual Report of the N.Z. Honey Marketing Authority for the year ended August 31, 1971.

Personnel of Authority

As there was no election this year, the membership of the Authority is unchanged from last year.

Conditions of Supply

These were virtually unchanged from the previous season with the exception of the advance payment which was made by instalments in order to reduce our reliance on Bank overdraft. The payment by instalments was far from popular with beekeepers, but helped by reducing our overdraft from \$423,403 at 31-8-70 to \$139,331 at 31-8-71.

South Island Branches

While Pleasant Point Branch continues to be profitable, Hornby Branch is causing some concern due to a further drop in sales. Since the end of the financial year, an avenue for sales has opened up which could result in Hornby Branch regaining full production during the coming year.

Production and Intake

Despite the predictions by some beekeepers that making the advance payment by instalments would discourage supply to the Authority, our intake this year of 2210 tons was the highest since the Authority's inception. This intake reflected good production throughout the country with one or two areas having very much better crops than usual. Fortunately a better overseas demand coincided with our high carryover stocks and high intake, with the result that export sales were 1996 tons — a very high figure compared with the average for the previous ten years of 572 tons.

Payout

As in the previous year, this year's payout was made in steps, according to grade:—

Honey grading 95 to 100 points	14.5 cents per lb. pro rata
Honey grading 86 to 94 points	13.25 cents per lb. pro rata
Honey grading 85 points and lower	13.00 cents per lb. pro rata

This payout shows increases, depending on grade, of from 1.75 to 2.5 cents per lb higher than last year's payout. The payout reflects as accurately as possible the actual realisations received by the Authority for the various grades of honey. Very good premium prices were obtained for top quality White Clover honey and this is reflected in the payout for this grade. 2,784,410 lbs of honey, amounting to three fifths of the Authority's intake, graded 95 points or better thus qualifying for the top payout. Of the remaining 1,799,340 lbs 1,202,072 lbs graded 86 to 94 points, and 597,088 lbs graded 85 points and lower.

Marketing

Overseas prices increased during the year, and the Authority was able to take advantage of these prices in quitting its previous year's carryover stock and its current year's intake. Whilst most overseas sales were for bulk honey, there are signs of increasing interest by overseas buyers in retail packs at prices giving better net returns than bulk packs. It is hoped that good quantities will be sold overseas in retail packs in the coming year.

Reserves

We have set aside out of this years profits \$10,000 towards the purchase of Hornby Branch, \$10,000 to Overhead Equalization A/c. and \$6,500 to South Island Branch Development Reserves A/c. We have also written down Intangible Assets by \$5,806.

Yours faithfully,
R. F. POOLE, Chairman

FINANCIAL SECTION

REPORT OF THE AUDIT OFFICE

To the Chairman and Members of the New Zealand Honey Marketing Authority:

The Audit Office, acting under statutory authority, has audited the accounts of the New Zealand Honey Marketing Authority for the year ended 31st August, 1971.

The audit included such reviews of the accounting procedures and tests of the accounting records and other supporting evidence as were considered necessary in terms of Section 20, Public Revenues Act 1953. All the information and explanations required have been obtained. The financial transactions which have come under notice have been within statutory authority.

In the opinion of the Audit Office the attached Balance Sheet and accompanying accounts give a true and fair view of the state of affairs of the Authority as at 31 August 1971 and of the results of the financial operations for the year.

G. J. CONNELLY, Deputy Controller and Auditor-General.

5 January, 1972

NEW ZEALAND HONEY MARKETING AUTHORITY

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31st AUGUST 1971

1969/70		1970/71	
\$		\$	\$
673,842	GROSS SALES		1,200,949
66,028	Less Commissions and Delivery Charges	133,635	
131,807	Manufacturing and Processing Costs	133,034	
<u>197,835</u>			266,669
476,007	GROSS REALISATION		<u>934,280</u>
	Less Other Expenses		
12,615	Stores Operating and Depot Costs	11,314	
6,000	Depot Handling	7,773	
27,869	Containers	45,014	
11,704	Freight and Cartage	19,211	
4,654	General Expenses	5,477	
3,450	Postages, Tolls, Telephones	4,159	
2,010	Printing and Stationery	1,703	
201	R. & M. Office Equipment	268	
21,895	Salaries and Superannuation	24,150	
6,725	Interest Reserve Bank	8,354	
7,432	Interest S.A.C.	7,219	
5,514	Rates and Rent	5,838	
2,019	Insurances	2,336	
1,011	R. & M. Buildings	828	
6,733	Depreciation	5,963	
3,342	Advertising	3,623	
5,983	Marketing Authority Board	6,749	
<u>129,157</u>			159,979
346,850			<u>774,301</u>

VARIATION IN OPENING AND CLOSING STOCKS

380,904	Opening Stock	483,995	
483,995	Closing Stock	355,378	
<u>+103,091</u>			-128,617
449,941	NET REALISATION	645,684	
25,490	Plus Seals Levy (Net)	28,960	
<u>475,431</u>	Balance Transferred to Appropriation Account	<u>\$674,644</u>	

NEW ZEALAND HONEY MARKETING AUTHORITY
APPROPRIATION ACCOUNT
FOR THE YEAR ENDED 31st AUGUST 1971

1969/70		1970/71
475,432	Surplus Transferred from Income and Expenditure Account	674,644
3,145	Transfer from General Reserve	—
1,044	Transfer from Accumulated Funds	—
479,621		674,644
Less TRANSFERS TO RESERVES		
4,180	Mortgage Redemption Reserve — Principal Repayment Auckland	4,392
10,000	Hornby Reserve Account	10,000
—	Overhead Equalisation Reserve	10,000
—	South Island Branch Development Reserve	6,500
—	Accumulated Funds	710
14,180		31,602
Less GOODWILL, Written Down		
		5,806
\$465,441	BALANCE DISTRIBUTED TO SUPPLIERS	\$637,236

NEW ZEALAND HONEY

		BALANCE	
		AS AT	31st
		31.8.71	
\$		\$	\$
CURRENT LIABILITIES			
409,027	Bank Overdraft — Reserve Bank	165,329	
14,376	— B.N.Z.		
		165,329	
14,439	Trade Creditors	12,519	
117,086	Honey Suppliers — Final Payment due	242,698	
<u>554,928</u>	TOTAL CURRENT LIABILITIES		<u>420,546</u>
RESERVES AND ACCUMULATED FUNDS			
44,654	Accumulated Funds	45,365	
80,000	Stock Fluctuation Reserve	80,000	
15,000	Overhead Equalisation Reserve	25,000	
770	General Advertising Reserve	770	
<u>140,424</u>	TOTAL RESERVES AND ACCUMULATED FUNDS		<u>151,135</u>
LONG TERM LIABILITIES AND CAPITAL RESERVES			
	Loan State Advances Corpn. (Auckland)	180,000	
146,189	Less Repayments to 31.8.71	<u>38,203</u>	141,797
43,811	Mortgage Redemption Reserve	48,203	
10,000	Hornby Reserve Account	20,000	
—	South Island Branch Development Reserve	6,500	
<u>200,000</u>	TOTAL LONG TERM LIABILITIES AND CAPITAL RESERVES		<u>216,500</u>
<u>\$895,352</u>			<u>\$788,181</u>

CONTINGENT LIABILITY LEASE

A compulsory purchase clause for the Christchurch Branch Premises at \$30,000.00 must be exercised within the terms of the Lease expiring on 31st May, 1973.

MARKETING AUTHORITY

SHEET

AUGUST 1971

31.8.70

31.8.71

CURRENT ASSETS

140	Cash in Hand	140
—	Bank — Current Account B.N.Z.	25,998
82,876	Debtors — Local	74,709
40,136	— Overseas	24,799
30,721	— Seals	34,965
	Honey Stock — Auckland	
214,510	Unsold Bulk Stock	64,445
147,495	Forward Sales	162,288
	Christchurch & Timaru	
106,951	Unsold Bulk Stock	105,636
15,039	Forward Sales	23,009
	Stocks at Cost	
36,540	Containers, Packing and Other Materials	62,643
<u>674,408</u>	TOTAL CURRENT ASSETS	<u>578,632</u>

FIXED ASSETS — At Cost Less Accumulated Depreciation

		Deprecia- Cost tion	Book Value
10,600	Land	10,600	—
157,123	Buildings	177,418	22,036
28,771	Plant and Equipment	69,121	43,581
3,012	Office Furniture and Equipment	8,941	6,392
4,020	Loose Tools	3,866	—
		<u>269,946</u>	<u>72,009</u>
<u>203,526</u>	TOTAL FIXED ASSETS		<u>197,937</u>

INTANGIBLE ASSETS

16,500	Goodwill	10,6694
918	Preliminary Expenses	918
<u>17,418</u>	TOTAL INTANGIBLE ASSETS	<u>11,612</u>

\$895,352

\$788,181

VALUATION OF UNSOLD BULK HONEY STOCKS

Unsold Bulk Honey Stocks valued at Standard Value 11½ cents per lb.

R. F. POOLE
Chairman

NEW ZEALAND HONEY MARKETING AUTHORITY

FINANCIAL STATISTICS

A. ANALYSIS OF NEW ZEALAND TRADING

1970			1971	
Tons	\$		Tons	\$
934	474,731	New Zealand Sales — Gross Realisation	833	465,804
		Less Selling and Distributing Charges		
	7,275	Commission		6,649
	22,955	Freight and Cartage		26,734
<u>934</u>	<u>\$444,501</u>		<u>833</u>	<u>\$432,421</u>

B. ANALYSIS OF OVERSEAS TRADING

1970			1971	
Tons	\$		Tons	\$
		Overseas Sales — Gross Realisation		
382	145,532	Through Kimpton Bros. Ltd.	738	268,460
126	53,579	Direct Sales	1,258	466,685
<u>508</u>	<u>199,111</u>	TOTAL SALES	<u>1,996</u>	<u>735,145</u>
		Less Charges to F.O.B., freight, landing, warehouseing, transhipment, overseas delivery and general		
	26,387	export expenses		84,837
	410	Marine Insurance		1,230
	6,133	Commission		10,925
	2,866	Incentive Commission		3,260
<u>508</u>	<u>163,315</u>	Realisation Ex N.Z. Store	<u>1,996</u>	<u>634,893</u>
		Less Indirect Charges		
	103	Overseas Promotion and Advertising		57
<u>508</u>	<u>\$163,212</u>		<u>1,996</u>	<u>\$634,836</u>

C. ANALYSIS OF CLOSING HONEY STOCKS

1970			1971	
Tons	\$		Tons	\$
		Overseas		
317	86,077	Forward Sales At Estimated "Ex Store" Valuation	418	139,135
16	4,172	Unsold (at Standard Valuation of 11.5c. per lb.)	28	7,202
		New Zealand		
228	76,457	N.Z. Forward Sales (at Estimated "Ex Store" Valuation)	84	46,162
1,232	317,289	Unsold (at Standard Valuation of 11.5c. per lb.)	632	162,879
<u>1,793</u>	<u>\$483,995</u>		<u>1,162</u>	<u>\$355,378</u>

D. PARTICULARS OF HONEY LEVY REVENUE

1970		1971
\$		\$
804	Sales of Adhesive Weight Stickers	1,035
22,664	Seals Authorities — Waxed Cardboard Cartons	28,214
1,954	Seals Authorities — Canisters	3,553
3,543	Seals Authorities — Labels and Other Sources	538
<u>\$28,965</u>		<u>\$33,340</u>

E. DISTRIBUTION OF HONEY LEVY

1970		1971
\$		\$
	Direct Costs of Collection	
—	Printing etc.	82
	Appropriations	
2,900	Grant to National Beekeepers Assn. of N.Z. Inc.	2,900
3,342	Advertising Honey in General	3,566
575	Financial Assistance Towards Industry Development	1,398
22,148	Balance Transferred to General Revenue	25,394
<u>\$28,945</u>		<u>\$33,340</u>

F. PARTICULARS OF DISTRIBUTION TO SUPPLIERS

1970		1971
\$		\$
	(a) Honey Purchased from Suppliers on	
4,481	straight purchase basis	367,609
212	Plus Additional Payment on Thyme	—
<u>4,693</u>		<u>33,261</u>
	(b) Advance Payments to Suppliers at 8c. per lb.	
	for Honey Grading 91 points or better 7½c. per lb.	
347,823	for 90 points or less (1969-70 8½c. per lb.)	4,583,570
	Less Withholding Payments	
508	Tawari	—
3,441	Kamahi	—
<u>343,874</u>		<u>361,442</u>
116,366	(c) Final Payment to Suppliers	242,633
	Refund of Withholding Payments	
508	Tawari	—
<u>116,874</u>		<u>242,633</u>
<u>\$465,441</u>		<u>\$637,236</u>

NEW ZEALAND HONEY MARKETING AUTHORITY

STATISTICAL SECTION

**G. COMPARISON OF OVERALL AVERAGE PAYMENTS PER LB. —
10 YEARS 1961/1971**

(EXCLUDING STRAIGHT PURCHASES)

Season	Quantity Tons	Average Payout Points	Overall Average Payment per lb—c.	Season	Quantity Tons	Average Payout Points	Overall Average Payment per lb—c.
1961/62	1,234	85.09	9.27	1965/66	709	89.75	11.32
1962/63	1,387	89.47	10.84	1966/67	560	88.29	11.07
1963/64	999	91.34	11.59	1967/68	282	93.22	13.05
1964/65	1,297	89.32	11.24	1968/69	1,937	96.45	11.33
				1969/70	1,827	95.66	11.26
				1970/71	2,046	93.51	13.18

H. SEALS REVENUE AND EQUIVALENT IN TONS OF HONEY

(ALL FIGURES REPRESENT TONS EXCEPT WHERE OTHERWISE SHOWN)

10 YEAR
AVERAGE
\$36,881

10 YEAR
AVERAGE
1,975
TONS

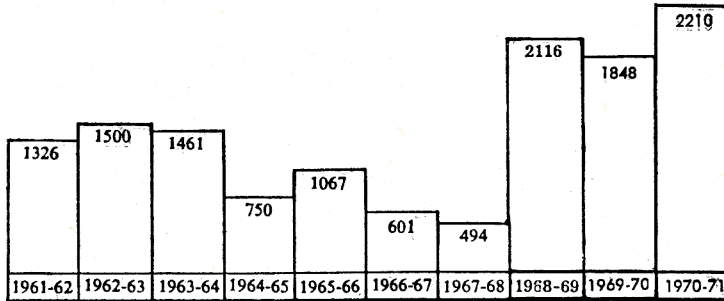
2056	2241	2201	2230	2291	2088	1786	1525	1550	1785
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
38,370	41,834	41,084	41,622	42,768	38,984	33,338	28,506	28,965	33,340
1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71

NEW ZEALAND HONEY MARKETING AUTHORITY

I. HONEY SUPPLIED TO AUTHORITY (IN TONS)

10 YEAR
AVERAGE
1337
TONS

10 YEAR
AVERAGE
1337
TONS

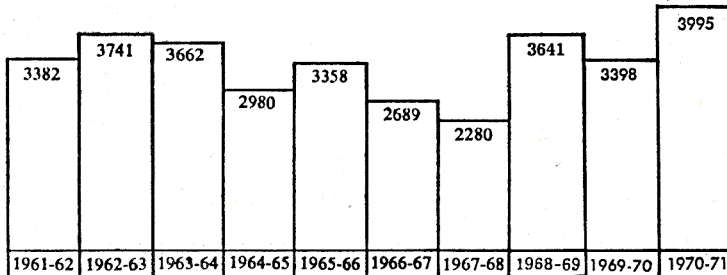


TOTAL H and I

TOTAL ANNUAL TONNAGE OF HONEY ACCOUNTED FOR
EITHER BY SUPPLY TO THE AUTHORITY OR LOCAL SALES
ON WHICH SEALS LEVY WAS PAID BY PRODUCERS AND
PACKERS (IN TONS)

3312
TONS

3312
TONS



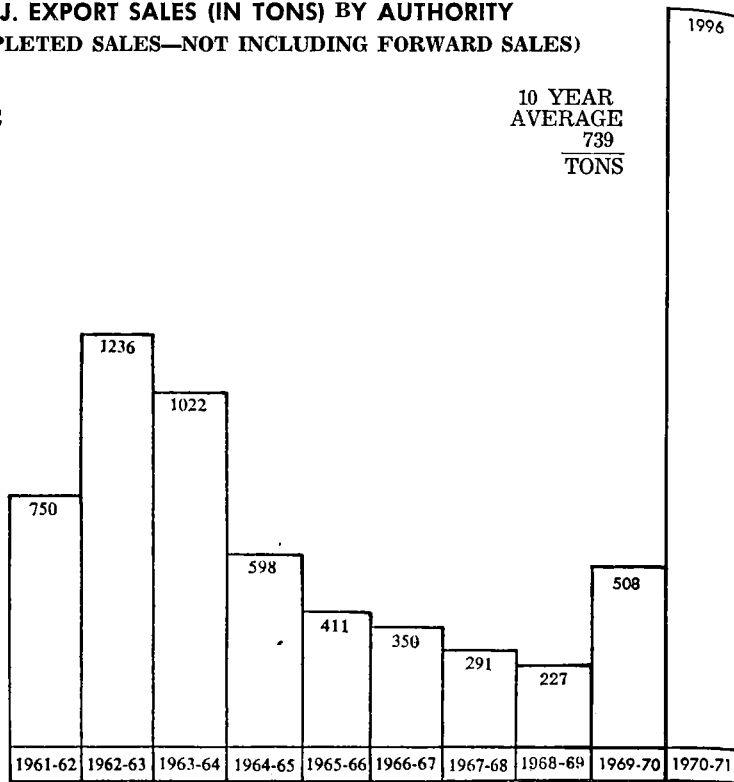
Note: The above figures do not include sales made by producers on which seals levy is exempt.

NEW ZEALAND HONEY MARKETING AUTHORITY

J. EXPORT SALES (IN TONS) BY AUTHORITY
(COMPLETED SALES—NOT INCLUDING FORWARD SALES)

10 YEAR
AVERAGE
739
TONS

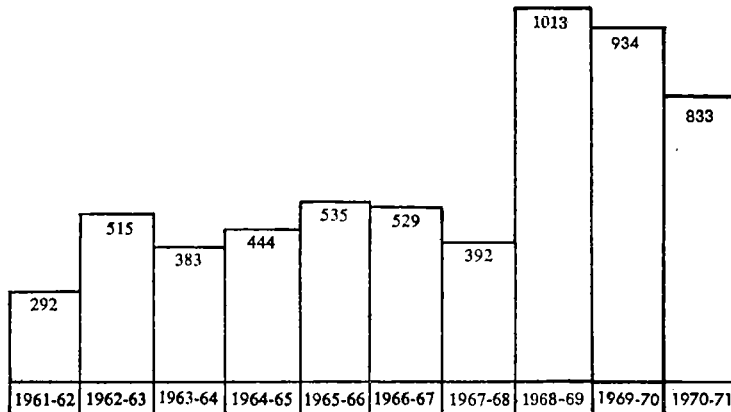
10 YEAR
AVERAGE
739
TONS



K. NEW ZEALAND SALES (IN TONS) BY AUTHORITY
(BULK AND RETAIL PACKS)

587
TONS

587
TONS



NEW ZEALAND HONEY MARKETING AUTHORITY

**L. PARTICULARS OF SUPPLY — 2 YEARS 1969/71
RECEIPTS — 2 YEARS 1969/71**

	1970/71 Tons Received	1969/70 Tons Received
AUCKLAND	689	618
NAPIER	28	71
GREYMOUTH		141
CHRISTCHURCH	177	58
TIMARU	164	94
INVERCARGILL	405	139
DUNEDIN	169	66
CHRISTCHURCH BRANCH	69	102
TIMARU BRANCH	509	559
	<hr/> 2,210 <hr/>	<hr/> 1,848 <hr/>

GRADINGS OF HONEY SUPPLIED — 2 YEARS 1969/71

	1970/71 Tons	1969/71 Tons
WHITE CLOVER AND MIXED WHITE	1,384	1,028
EXTRA LIGHT AMBER	342	420
LIGHT AMBER	284	334
MEDIUM AMBER	173	58
DARK AMBER	27	8
	<hr/> 2,210 <hr/>	<hr/> 1,848 <hr/>

**M. PARTICULARS OF SALES COMPLETED DURING YEAR ENDED
AUGUST 31st, 1971**

GRADING OF HONEY SOLD OVERSEAS 1970/71

BULK—WHITE CLOVER AND MIXED WHITE	745
EXTRA LIGHT AMBER	436
LIGHT AMBER	324
MEDIUM AMBER	376
RETAIL PACKS —	
“IMPERIAL BEE” BRAND — CLOVER BLEND	39
“HONEY GOLD” BRAND — LIGHT AMBER BLEND	1
NAMED FLORAL SOURCES — MIXED	67
BRANCHES “HOLLANDS”, “MEADOWCROFT”	8
	<hr/> 1,996 <hr/>

NEW ZEALAND HONEY MARKETING AUTHORITY

LOCAL SALES DURING YEAR ENDED 31st AUGUST 1971

GRADINGS		TONS
BULK—WHITE CLOVER AND MIXED WHITE	.....	1/2
EXTRA LIGHT AMBER	.....	25
LIGHT AMBER	.....	13
MEDIUM AND DARK AMBER	.....	60
TOTAL BULK	.....	98 1/2
RETAIL PACKS—		
“IMPERIAL BEE” BRAND — CLOVER BLEND	.....	87 1/2
“HONEY GOLD” BRAND — LIGHT AMBER BLEND	.....	76
NAMED FLORAL SOURCES — MIXED	.....	74
BRANCHES “HOLLANDS”, “MEADOWCRAFT”, “3 BEES”	.....	497
TOTAL	.....	833

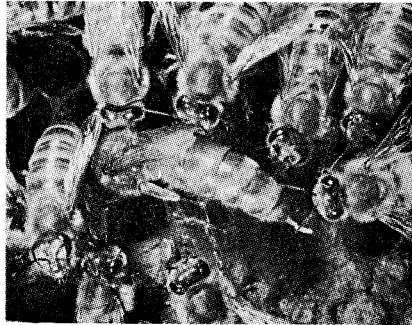
N. PARTICULARS OF CLOSING HONEY STOCKS

FORWARD AND UNCOMPLETED SALES AS AT 31st AUGUST 1971

OVERSEAS	TONS	GRADINGS	TONS
UNITED KINGDOM	305 (316)	WHITE CLOVER AND MIXED WHITE	200 (203)
JAPAN	113 (—)	EXTRA LIGHT AMBER	47 (20)
		LIGHT AMBER	79 (41)
		MEDIUM AND DARK AMBER	— (53)
LOCAL	84 (228)	KAMAHI	48 (89)
		THYME	10 (1)
		NIUE	25 (25)
		TAWARI	— (4)
		MANUKA	12 (26)
		“IMPERIAL BEE” RETAIL PACKS	9 (7)
		“HONEYGOLD” RETAIL PACKS	14 (12)
		“SELECTED SOURCES” RETAIL PACKS	17 (31)
		BRANCHES “HOLLANDS”, “MEADOWCROFT”, “3 BEES” RETAIL PACKS	41 (32)
	502 (544)		502 (544)

NOTE: 1969/70 figures in parenthesis.

THE CHILDREN OF TODAY ...ARE THE PARENTS OF TOMORROW



The story of
BEES and
HONEY

This educational booklet for school children has been published by the **HONEY MARKETING AUTHORITY** in the interests of the industry.

The first printing of 12,000 copies has been taken by schools throughout New Zealand; — a reprint is in production.