

NEW ZEALAND
HONEY MARKETING AUTHORITY



ANNUAL REPORT

1977



NEW ZEALAND HONEY MARKETING AUTHORITY

24th ANNUAL REPORT

DIRECTORY

MEMBERS OF THE AUTHORITY:

CHAIRMAN
DEPUTY CHAIRMAN

R.F. POOLE, CHRISTCHURCH
I.J. DICKINSON, MILTON
P. BERRY, HAVELOCK NORTH
M.A. STUCKEY, AUCKLAND
D. HAYMAN

GOVERNMENT REPRESENTATIVE

EXECUTIVE:

GENERAL MANAGER
ACCOUNTANT
FACTORY MANAGERS

C. WICHT
G.G. CHADWICK
C. CHRISTIAN, AUCKLAND
J. OLYKAN, CHRISTCHURCH
W. MERRITT, TIMARU

BANKERS
SOLICITORS

BANK OF NEW ZEALAND
WYNYARD, WILSON & CO. AUCKLAND

HEAD OFFICE:

P.O. BOX 2615, AUCKLAND
TELEPHONE: 362-574
TELEGRAMS & CABLES: "HONEYMARK"
TELEX: HONEY NZ 21544

PROCESSING FACTORIES & WAREHOUSES AUCKLAND

CNR. GARFIELD & CHURTON STS.,
PARNELL.
235 BUCHANANS ROAD, HORNBY
16 HORTON ROAD, PLEASANT POINT
JARRATT SANDES & CO. LTD.
PALMERSTON NORTH.
N.Z. EXPRESS CO. LTD.,
35 WARD ST.,
DUNEDIN.
FREIGHTWAYS ROAD SERVICES
(SOUTHLAND) LTD. INVERCARGILL.

CHRISTCHURCH
TIMARU

DEPOTS:

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NEW ZEALAND HONEY MARKETING AUTHORITY

24th ANNUAL REPORT & STATEMENT OF ACCOUNTS

The Hon. Minister of Agriculture & Fisheries,
Parliament Buildings,
WELLINGTON.

Sir,

In accordance 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 31st August, 1977.

Personnel of the Authority. An election for two producer representatives held in September 1976 resulted in Messrs. I. Dickinson and M. Stuckey being elected to the Authority.

Conditions of Supply. The advance payable on honey graded for export was set at 50c per kg. and the freight allowance and early delivery bonus were both continued at last year's level. The premium bonus for "water white" honey which had been discontinued in 1976 was re-instated and many lines of honey qualified for this bonus. The \$1 per drum bonus for all drums weighed to a net weight of 305 kg. was also continued this year, and more suppliers have purchased drum weighing scales. The saving in time at Authority Branches and depots when receiving pre-weighed drums is considerable, and the Authority would like to see all suppliers weighing their drums.

Production and Intake. Last year I reported the season to be one of the worst for many years with the intake to the Authority being only 1700.2 tonnes. This year proved to be not much better, with the intake being only 1776.75 tonnes. Of this 403.4 tonnes came from North Island producers and 1373.35 tonnes from South Island producers.

Marketing. During an overseas tour by the General Manager, he met many buyers and packers of N.Z. Honey and made contacts with numerous people connected with the honey trade throughout the world. As a direct result of this, the General Manager was able to negotiate export sales at very favourable prices, and the results are reflected in the accompanying accounts.

Payout. In accordance with the payout formula set by yourself, the Authority paid its suppliers an average payout of 73.72 cents per kg, with honey grading 100 points receiving 75.29 cents per kg. The payout absorbed \$1,332,898 and \$65,172 was transferred to Reserves.

Reserves. With the transfer of \$65,172 referred to above, the Reserves now stand at \$734,528. This must be considered a very satisfactory figure when it is realized that in 1971, after 18 years trading the Reserves stood at \$225,838, whereas the last six years have seen an increase of \$508,690 in the Authority's Reserves.

General. The Authority has traded soundly and successfully, and much of the credit must go to the General Manager and his staff. It is pleasing to report that the Branch Managers and the Administrative Staff have all been with the Authority for some years, and their experience and ability have been of great benefit to the Authority as is reflected in the year's results.

Yours faithfully,

R.F. Poole
Chairman

NEW ZEALAND HONEY MARKETING AUTHORITY

NOTES TO FINANCIAL ACCOUNTS AS AT 31 AUGUST 1977

Statement of Accounting Policies

1. The general accounting principles for the measurement and reporting of earnings and financial position on a historical cost basis have been followed by the Authority with the exception of the following departures in accounting treatment compared with the previous year.
 - a. Hive Levy Fund has been changed from an accrual basis to a cash basis.
 - b. Pallets previously recorded in fixed assets are now recorded in stock holdings.
 - c. Revenue Reserves have been amalgamated into one account shown as stabilisation account.
 2. The following particular accounting policies which materially affect the measurement of earnings and the financial position have been applied.
 - a. Accounts Receivable are shown at their net realisable value with overseas Debtors recorded at the rates of exchange ruling at the date of sale. Exchange fluctuations are adjusted at time of realisation and subsequently incorporated through Income & Expenditure Account.
 - b. Stocks are valued as follows:
 - i) Unprocessed bulk stock at 66.72c per kilo being the Net Realisations & Sundry Income for the year divided by the weight purchased during the year.
 - ii) Packed lines at selling price less selling and distribution expenses.
 - iii) Work in Process at Selling Price less selling and distribution and 50% of manufacturing cost.
 - iv) Packing materials at replacement value.
 - v) Used containers in the hands of the Authority and suppliers at Estimated Market Value.
 - vi) Pallets at standard value of \$2 each.
 - c. Depreciation on the reducing value basis has been provided in accordance with rates allowed by the Inland Revenue Department.
- These policies are unchanged as compared with the previous year.

REPORT OF THE AUDIT OFFICE

The 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 31 August, 1977.

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 Sheets and accompanying accounts give a true and fair view of the state of affairs of the Authority as at 31 August, 1977 and of the results of the financial operations for the year.

(S.T. Keene)
for Controller and Auditor-General

12 December, 1977

NEW ZEALAND HONEY MARKETING AUTHORITY

HONEY INDUSTRY — HIVE LEVY

INCOME & EXPENDITURE ACCOUNT

FOR YEAR ENDING 31 AUGUST 1977

| 1976 \$ | Receipts | 1977 \$ | 1976 \$ | Payments | 1977 \$ |
|-----------------|--|--------------------|---------------|--|--------------------|
| 1,739 | Payments in Advance to 31.12.76 | 4,573.47 | 8,368 | Levies Received in Advance to 31.12.76 | 8,392.42 |
| 20,000 | Grant to N.B.A. | 20,000.00 | | Levies Received | 26,115.21 |
| — | Provision for Grant to NZ | — | 25,038 | Levies in Arrears | — |
| 7,988 | Honey Marketing | 7,298.79 | 140 | Interest Received | 180.00 |
| — | Provision for Audit Fee | 150.00 | — | Payments made in advance to 31.12.76 | |
| — | Bank Charges | 10.64 | 4,573 | | |
| 8,392 | Levies Received in advance to 31.12.76 | — | | | |
| — | Excess of Income over Expenditure | 2,654.73 | | | |
| <u>\$38,119</u> | | <u>\$34,687.63</u> | <u>38,119</u> | | <u>\$34,687.63</u> |

BALANCE SHEET AS AT 31 AUGUST 1977

| | | | | | |
|-----------------|----------------------------------|--------------------|----------------|-----------------------------|--------------------|
| 8,392 | Current Liabilities | | | Current Assets | |
| — | Levies Received in Advance | — | 3,679 | Cash at B.N.Z. | 10,103.52 |
| | Sundry Creditors | 7,448.79 | 140 | Levies Arrears | — |
| | Total Current Liabilities | 7,448.79 | 4,573 | Payments made in Advance | — |
| | Revenue Reserves | | | Total Current Assets | 10,103.52 |
| — | Accumulated Funds | 2,654.73 | | | |
| <u>\$ 8,392</u> | | <u>\$10,103.52</u> | <u>\$8,392</u> | | <u>\$10,103.52</u> |

NEW ZEALAND HONEY MARKETING AUTHORITY

STATEMENT OF INCOME & EXPENDITURE

FOR THE YEAR ENDING 31st AUGUST, 1977

| 1976 \$ | | 1977 \$ |
|-------------|---|-------------|
| | TOTAL VALUE OF SALES | |
| 1,927,587 | Together with the estimated realisations of Stock on hand at 31st August, 1978 | 2,079,785 |
| 7,433 | Plus income from: Levies & Grants | 7,173 |
| 110 | Interest | 2,423 |
| 4,200 | Service Charges | 259 |
| 1,939,330 | TOTAL INCOME | 2,089,640 |
| | The total manufacturing charges, ocean freights and domestic selling expenses (including Marketing Board expenses \$3,489 and Audit Fees \$1,224) for the twelve months amounted to: | 680,847 |
| 791,226 | LEAVING AN EXCESS OF INCOME AMOUNTING TO | 1,408,793 |
| 1,148,104 | The Fixed Assets have been depreciated by | 5,373 |
| 5,759 | The Marketing Board Honoraria amounted to | 5,350 |
| 5,350 | Seals Levy disbursements totalled | - |
| 2,577 | Payments made in respect of last season payout amounted to | - |
| 8,935 | | - |
| 1,125,483 | LEAVING A SURPLUS OF | 1,398,070 |
| | Your Board have transferred to:— | |
| - | Stabilisation Reserve | 59,070 |
| 43,706 | Overhead Equalisation Reserve | - |
| 5,614 | Mortgage Redemption Reserve | 6,102 |
| 52,812 | General Reserve | - |
| 1,023,351 | LEAVING A NETT SURPLUS OF | 1,332,898 |
| | After charging to Container Redemption Fund containers held by beekeepers, the amount overprovided was | - |
| 11,604 | | - |
| \$1,034,955 | MAKING AVAILABLE FOR DISTRIBUTION TO SUPPLIERS | \$1,332,898 |

NEW ZEALAND HONEY MARKETING AUTHORITY

STATEMENT OF SOURCE & APPLICATION OF FUNDS

FOR THE YEAR ENDING 31st AUGUST 1977

| 1976 \$ | | | 1977 \$ |
|---------------|--|------------------|------------------|
| | SOURCE | | |
| 1,034,956 | Funds available as per Appropriation Account | | 1,332,898.36 |
| 1,034,956 | Distributed to Suppliers | | 1,332,898.36 |
| <u>NIL</u> | Retained from Distribution | | <u>NIL</u> |
| | Add Increases in Reserves:- | | |
| 43,706 | Overhead Equalisation Reserve | | |
| 52,812 | General Reserve | | |
| 5,614 | Mortgage Redemption Reserve | 6,101.82 | |
| <u>NIL</u> | Stabilisation Reserve A/C | <u>59,070.47</u> | |
| 102,132 | | | 65,172.29 |
| | Add Non cash charges for:- | | |
| 5,759 | Depreciation | 6,085.65 | |
| 1,080 | Decrease in Fixed Assets | | |
| <u>6,839</u> | Pallets Transferred to Stockholdings | <u>2,732.00</u> | |
| \$ 108,971 | | | <u>8,817.65</u> |
| | TOTAL FUNDS AVAILABLE | | <u>73,989.94</u> |
| | APPLICATION OF FUNDS | | |
| 2,611 | Increases in Fixed Assets | 1,588.28 | |
| 5,814 | Mortgage Repayments Principal | <u>6,101.82</u> | |
| <u>8,425</u> | | | 7,690.10 |
| 54,651 | Reduction Container Redemption Reserve | - | |
| 2,951 | Reduction in Hive Levy Fund | <u>3,678.95</u> | |
| <u>57,602</u> | | | 3,678.95 |
| 42,944 | Increase in Working Capital | | <u>62,620.89</u> |
| \$ 108,971 | TOTAL FUNDS APPLIED | | <u>73,989.94</u> |

NEW ZEALAND HONEY MARKETING AUTHORITY

COMPARATIVE FINANCIAL & STATISTICAL REVIEW

ANALYSIS OF NEW ZEALAND TRADING (IN \$ 000)

| | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 |
|---|------|------|------|------|------|------|------|
| SALES | 466 | 448 | 352 | 659 | 919 | 900 | 1048 |
| Less: Commission and Distribution Expenses | 34 | 39 | 30 | 45 | 64 | 77 | 87 |
| EX STORE REALISATION | 432 | 409 | 322 | 614 | 855 | 823 | 961 |

ANALYSIS OF OVERSEAS TRADING (IN \$ 000)

| | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 |
|--|------|------|------|------|------|------|------|
| SALES | 735 | 711 | 1390 | 349 | 510 | 1669 | 819 |
| Less: Commission and Export Charges | 100 | 93 | 99 | 15 | 39 | 232 | 91 |
| EX STORE REALISATION | 635 | 618 | 1291 | 334 | 471 | 1437 | 728 |

PARTICULARS OF ANNUAL SALES (IN TONNES)

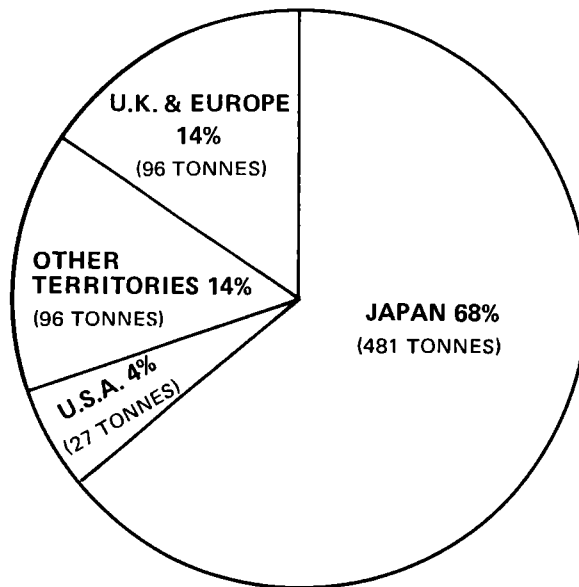
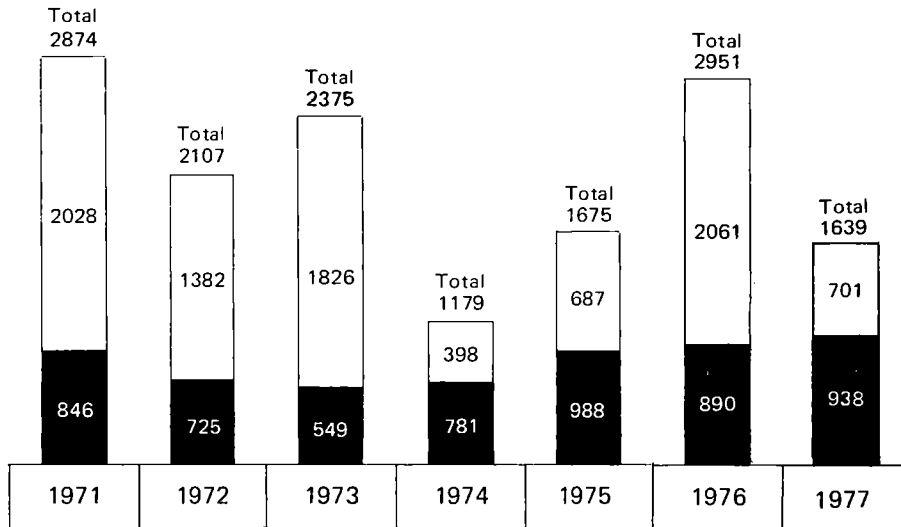
| | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 |
|-----------------------|-------|-------|-------|------|------|-------|------|
| Overseas: Bulk | 1,911 | 1,194 | 1,695 | 265 | 567 | 1,933 | 543 |
| Packs | 117 | 188 | 131 | 133 | 120 | 128 | 158 |
| TOTAL | 2,028 | 1,382 | 1,826 | 398 | 687 | 2,061 | 701 |
| Local: Bulk | 101 | 79 | 41 | 28 | 114 | 24 | 21 |
| Packs | 745 | 646 | 508 | 753 | 874 | 865 | 917 |
| TOTAL | 846 | 725 | 549 | 781 | 988 | 889 | 938 |

SALES ANALYSIS

SALES BY MARKET (IN TONNES)

7 YEAR AVERAGE

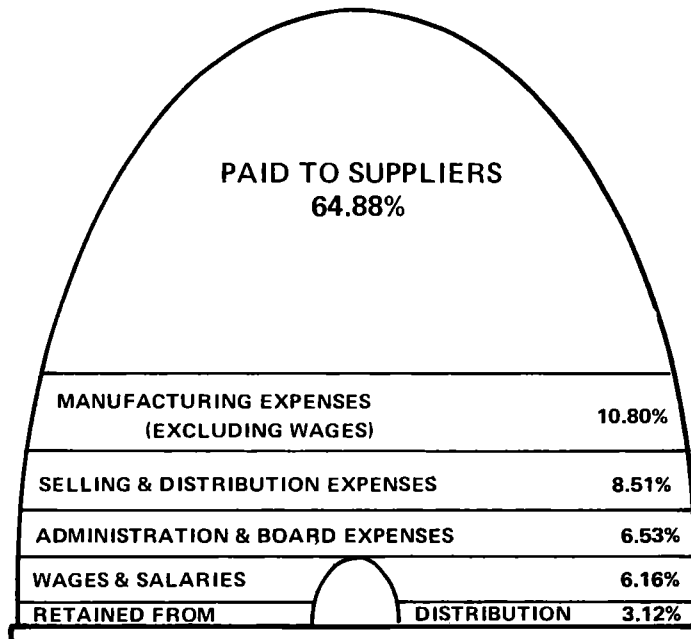
| | |
|--------|------|
| EXPORT | 1298 |
| LOCAL | 817 |



PARTICULARS OF DISTRIBUTION TO SUPPLIERS

| | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 |
|-------------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Straight Purchase | 33,261 | 8,873 | 20,470 | 2,648 | 2,403 | 19,022 | 13,045 |
| Advance Payment | 361,342 | 470,257 | 800,828 | 581,129 | 1,156,999 | 656,811 | 1,048,930 |
| Bonus Payments | | | 17,411 | 13,867 | 29,889 | 22,736 | 29,290 |
| Final Payment | 242,633 | 218,649 | 114,704 | 216,676 | 408,190 | 336,387 | 241,633 |
| TOTAL | 637,236 | 697,779 | 935,413 | 814,320 | 1,597,481 | 1,034,956 | 1,332,898 |

USE OF 1977 REVENUE



**COMPARISON OF OVERALL AVERAGE PAYMENT
(PER KILOGRAM)
EXCLUDING STRAIGHT PURCHASES AND BONUS PAYMENTS**

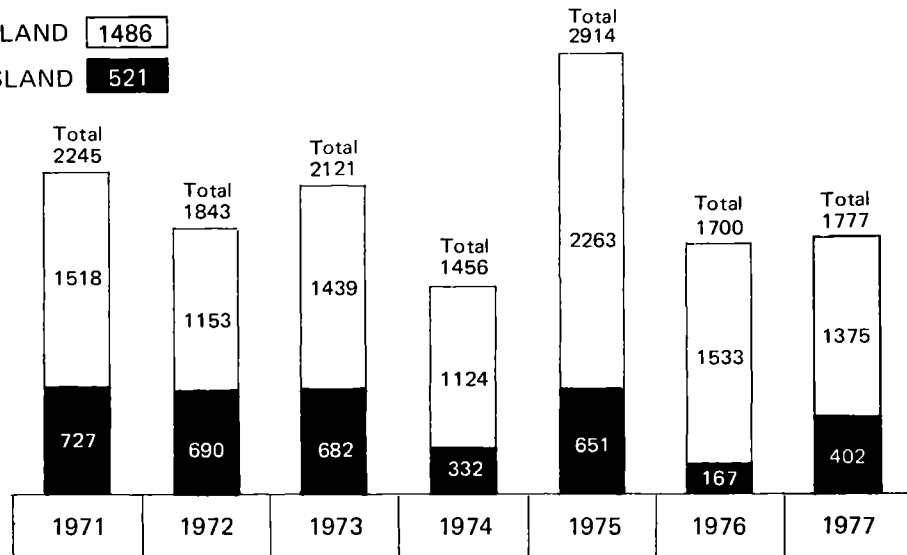
| | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Tonnes Supplied | 2,079 | 1,820 | 2,053 | 1,451 | 2,909 | 1,662 | 1,751 |
| Average Payout Points | 93.51 | 92.83 | 94.59 | 93.47 | 96.89 | 97.72 | 95.83 |
| Average Payment (c per Kilo) | 29.06 | 37.85 | 44.58 | 54.98 | 54.11 | 59.75 | 73.72 |

**HONEY SUPPLIED TO AUTHORITY
(IN TONNES)**

7 YEAR AVERAGE

SOUTH ISLAND 1486

NORTH ISLAND 521



**GRADES OF HONEY SUPPLIED
(IN TONNES)**

| | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 |
|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| White | 1,406 | 1,025 | 1,345 | 1,002 | 2,350 | 1,138 | 1301 |
| Extra Light Amber | 347 | 462 | 376 | 226 | 285 | 266 | 262 |
| Light Amber | 289 | 300 | 304 | 186 | 199 | 170 | 155 |
| Medium Amber | 176 | 54 | 77 | 41 | 67 | 120 | 48 |
| Dark Amber | 27 | 2 | 19 | 1 | 13 | 6 | 11 |
| TOTAL | 2,245 | 1,843 | 2,121 | 1,456 | 2,914 | 1,700 | 1777 |



Trade Mark of the
New Zealand Honey Marketing
Authority

