

NEW ZEALAND  
HONEY MARKETING AUTHORITY

**ANNUAL  
REPORT**

1980

# NEW ZEALAND HONEY MARKETING AUTHORITY

## 27TH ANNUAL REPORT AND STATEMENT OF ACCOUNTS

The Hon. Minister of Agriculture & Fisheries  
Parliament Buildings  
WELLINGTON

Dear Sir,

In accordance with Section 11 of the Primary Products Marketing Act 1953, I am submitting to you the Annual Report of the Honey Marketing Authority for the year ending August 31 1980.

Customary election for two of the four producers' representatives on the Board came at the beginning of the 1979-80 year (October 1979). Mr I. Dickinson and Mr M. Stuckey were re-elected to their places and the full Board remained:—

Producer Representatives: P. Berry (Chairman), M. Stuckey (Deputy-Chairman), J. Bray, I. Dickinson.  
Government Representative: D. Hayman

Total New Zealand honey production, estimated by your Department, was 7,000 tonnes. The Honey Marketing Authority intake for the year was 1,802 tonnes, compared with 1,767 tonnes in 1978-79. Of the 1980 intake 110 tonnes was North Island production and 1692 tonnes was produced in the South Island. The price yield (actual average) to Authority suppliers was 107 cents per kg, of which 4 cents per kg is still to be paid. This price is a substantial increase over previous years' payouts (refer page 9). However, alternative channels of marketing available to producers, as a result of the industry's more liberal attitude to private exports, are continuing to yield substantially better prices than those paid by the Authority.

The industry continued to develop these marketing methods and at the time of writing this report, matters relevant to the future of the Authority are the subject of consideration by a one-man Investigating Committee. As you are aware the Committee's report is to be received by you by March 31 1981 and appropriate legislation is expected to follow.

The improved tone in the marketing of New Zealand honey has brought an increased interest in beekeeping and an increased number of hives is being farmed.

Yours faithfully,

P. Berry  
Chairman

# NEW ZEALAND HONEY MARKETING AUTHORITY

## REPORT OF THE AUDIT OFFICE

The Audit Office, having been appointed in terms of Section 12, Primary Products Marketing Act, 1953 has audited the accounts of the New Zealand Honey Marketing Authority.

The audit was conducted in accordance with generally accepted auditing standards and practices comprising such auditing procedures considered necessary in terms of Section 25, Public Finance Act 1977 and included:

- a review of accounting procedures and controls
- examination and tests of accounting records and other supporting information.

All the information and explanations required have been obtained.

In the opinion of the Audit Office, the attached financial statements fairly reflect, in accordance with applicable accounting principles, the financial position as at 31 August 1980 and the results of the financial operations for the year.

(W. R. Blaikie)  
Assistant Controller and Auditor-General

22 January 1981

## NOTES TO FINANCIAL ACCOUNTS AS AT 31 AUGUST 1980

### Statement of Accounting Policies

1. The general accounting principles for the measurement and reporting of earnings and financial position on a historical cost basis as laid down by the New Zealand Society of Accountants Statement of Standard Accounting Practice No. 1 have been followed by the Authority.
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. Fixed Assets and Depreciation — Fixed Assets are recorded at cost with the exception of Land and Buildings which are written up to the latest Government valuation. Depreciation has been provided on a straight line basis to arrive at a written down value, consistent with the remaining life of the assets concerned and have made no appreciable difference to the results for the year.  
These policies are unchanged as compared with the previous year.
  - c. Stocks are valued as follows:—
    - (1) Unprocessed bulk stocks @ 1.00 per kilo being the estimated current realisable value consistent with prices obtained on the domestic and overseas market in the latter half of the financial year under review.
    - (2) Packed lines at ex factory cost.
    - (3) Work in progress at 50% of ex factory cost.
    - (4) Packing materials at latest cost price.
    - (5) Used containers in the hands of the Authority and its suppliers at estimated market value.

No provision has been made in regard to the change in method of bulk stock valuation to bulk stock in hand at the beginning of the financial period under review. The quantified effect of this change is calculated as follows:—

Stock valuation at Weighted Average Price	\$1,010,107.57
Stock valuation at Current Realisable Value	1,082,351.34
	<hr/>
Increase in valuation	\$72,243.77

# NEW ZEALAND HONEY

## BALANCE SHEET AS

<b>1979</b>			<b>1980</b>
<b>\$</b>			<b>\$</b>
	<b>CURRENT LIABILITIES</b>		
448,748	Reserve Bank	306,411.64	
86,809	Creditors Trade	70,950.43	
19,341	Other	9,670.05	
	Provision for Final Payout		
281,849	To Suppliers	740,949.81	
<u>836,747</u>	<b>TOTAL CURRENT LIABILITIES</b>		1,127,981.93
	<b>TERM LIABILITIES</b>		
	Advances From Suppliers (Unsecured)	77,935.48	
101,477	Rural Banking & Finance Corp (Secured)	94,346.91	
<u>101,477</u>	<b>TOTAL TERM LIABILITIES</b>		172,282.39
	<b>RESERVES:— (Distributable)</b>		
473,956	Stabilisation Reserve	473,956.01	
93,823	Mortgage Redemption Reserve	100,953.09	
<u>567,779</u>			574,909.10
	<b>RESERVES:— (Non-Distributable)</b>		
268,869	Assets Revaluation Reserve	273,544.10	
<u>836,648</u>	<b>TOTAL RESERVES</b>		848,453.20
<u><u>1,774,872</u></u>	<b>TOTAL INVESTMENTS</b>		<u><u>\$2,148,717.52</u></u>

The Accompanying notes form part of and are to be read in conjunction with this Balance Sheet.

# MARKETING AUTHORITY

AT 31ST AUGUST 1980

<b>1979</b>				<b>1980</b>
<b>\$</b>	<b>CURRENT ASSETS</b>			<b>\$</b>
41,381	Cash in Hand and at BNZ			37,968.25
	Debtors (Estimated to Realise)			
212,194	Local			237,158.95
132,428	Overseas			155,067.43
5,931	Other			1,116.54
4,349	Prepayments			2,492.89
	Stock on hand (at cost)			
813,052	Honey			1,082,351.34
102,663	Other			174,614.12
<u>1,311,998</u>	<b>TOTAL CURRENT ASSETS</b>			<u>1,690,769.52</u>
	<b>FIXED ASSETS</b>			
	(AT COST/VALUATION LESS DEPRECIATION)			
		<b>Cost/Valn</b>	<b>Depn</b>	<b>Book Value</b>
154,900	Land	159,900.00		159,900.00
260,758	Buildings	357,354.00	101,592.00	255,762.00
42,372	Plant	92,554.93	54,364.93	38,190.00
4,844	Off. Equip.	<u>12,916.19</u>	<u>8,820.19</u>	<u>4,096.00</u>
 462,874	<b>TOTAL FIXED ASSETS</b>			 457,948.00
 <u>1,774,872</u>	<b>TOTAL INVESTMENTS</b>			 <u>\$2,148,717.52</u>

For and on behalf of the Board  
P. Berry (Chairman)  
C. Wicht (General Manager)

# NEW ZEALAND HONEY MARKETING AUTHORITY

## REVENUE STATEMENT FOR YEAR ENDING 31st AUGUST 1980

1979 \$		1980 \$
	<b>TOTAL VALUE OF SALES</b>	
2,703,563	Together with the estimated increased realisation of Honey Stock on hand at 31/8/80	3,036,731
10,627	Plus Income from: Grants	10,700
175	Interest	275
8,270	Service Charges	7,642
6,242	Overprovision 1979 Payout	5,690
<u>2,728,877</u>		<u>24,307</u>
	<b>TOTAL INCOME</b>	3,061,038
1,128,103	The total manufacturing, administrative and selling expenses (including Board Expenses (\$8,413) and Audit Fees (\$2,649)) for the twelve months amounted to	<u>1,050,662</u>
1,600,774	Leaving a surplus from marketing operations of	2,010,376
10,961	Fixed Assets have been depreciated by	9,926
<u>8,875</u>	Marketing Board Honoraria amounted to	<u>9,750</u>
1,580,938	Leaving available for appropriations	1,990,700
36,065	Your board have transferred to:—	
—	Stabilisation Reserve	—
6,774	Suppliers Advance Accounts	77,935
—	Mortgage Redemption Reserve	7,130
	Assets Revaluation Reserve	<u>5,186</u>
1,538,099	Leaving available for cash distribution to suppliers the sum of:—	1,900,449
1,258,566	From this advances made to suppliers total	<u>1,512,510</u>
<u>279,533</u>	Leaving available for final payout	<u>387,939</u>

# NEW ZEALAND HONEY MARKETING AUTHORITY

## STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR YEAR ENDING 31st AUGUST 1980

1979 \$		1980 \$
	<b>FUNDS WERE PROVIDED:—</b>	
1,574,696	From: Operations	1,979,824
10,961	Depreciation	9,926
<u>1,585,657</u>		<u>1,989,750</u>
	<b>FROM OTHER SOURCES:—</b>	
212,974	Net Revaluation Land and Buildings	4,675
—	Advances from Suppliers	77,935
6,242	Extraordinary Item	5,690
<u>219,216</u>		<u>88,300</u>
<u>1,804,873</u>		<u>2,078,050</u>
11,745	Increase/Decrease in Working Capital	87,536
<u>1,793,128</u>		<u>1,990,514</u>
	<b>FUNDS WERE APPLIED:—</b>	
1,538,100	Payment to Suppliers	1,978,384
248,255	Revaluation Fixed Assets	5,000
6,773	Reduction Long Term Liabilities	7,130
<u>1,793,128</u>		<u>1,990,514</u>
	<b>INCREASE/DECREASE IN WORKING CAPITAL</b>	
761,703	Stocks	341,250
380,212	Creditors	433,571
152,469	Debtors	40,934
240,767	Cash Balances	138,923
<u>11,745</u>		<u>87,536</u>

# NEW ZEALAND HONEY MARKETING AUTHORITY

## STATISTICAL REVIEW

### ANALYSIS OF NEW ZEALAND TRADING (IN \$ 000)

	1974	1975	1976	1977	1978	1979	1980
<b>SALES</b>	659	919	900	1,048	1,005	1,220	1,435
Less: Commission and Distribution Expenses	45	64	77	87	102	139	164
<b>EX STORE REALISATION</b>	<u>614</u>	<u>855</u>	<u>823</u>	<u>961</u>	<u>903</u>	<u>1,081</u>	<u>1,271</u>

### ANALYSIS OF OVERSEAS TRADING (IN \$ 000)

	1974	1975	1976	1977	1978	1979	1980
<b>SALES</b>	349	510	1,669	819	906	2,230	1,332
Less: Commission and Export Charges	15	39	232	91	97	224	126
<b>EX STORE REALISATION</b>	<u>334</u>	<u>471</u>	<u>1,437</u>	<u>728</u>	<u>809</u>	<u>2,006</u>	<u>1,206</u>

### PARTICULARS OF ANNUAL SALES (IN TONNES)

	1974	1975	1976	1977	1978	1979	1980
<b>Overseas:</b> Bulk	265	567	1,933	543	596	1,593	732
Packs	133	120	128	158	184	257	193
<b>TOTAL</b>	<u>398</u>	<u>687</u>	<u>2,061</u>	<u>701</u>	<u>780</u>	<u>1,850</u>	<u>925</u>
<b>Local:</b> Bulk	28	114	24	21	31	43	29
Packs	753	874	865	917	758	837	822
<b>TOTAL</b>	<u>781</u>	<u>988</u>	<u>889</u>	<u>938</u>	<u>789</u>	<u>880</u>	<u>851</u>

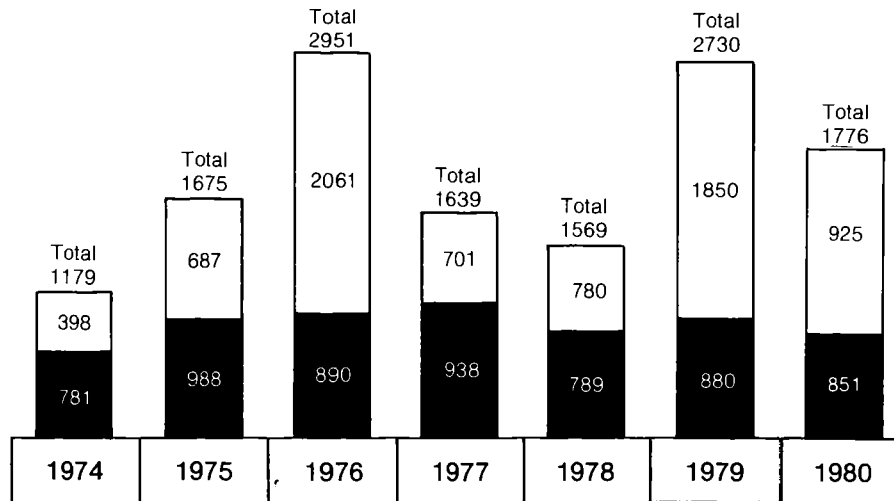


# SALES ANALYSIS

## SALES BY MARKET (IN TONNES)

### 7 YEAR AVERAGE

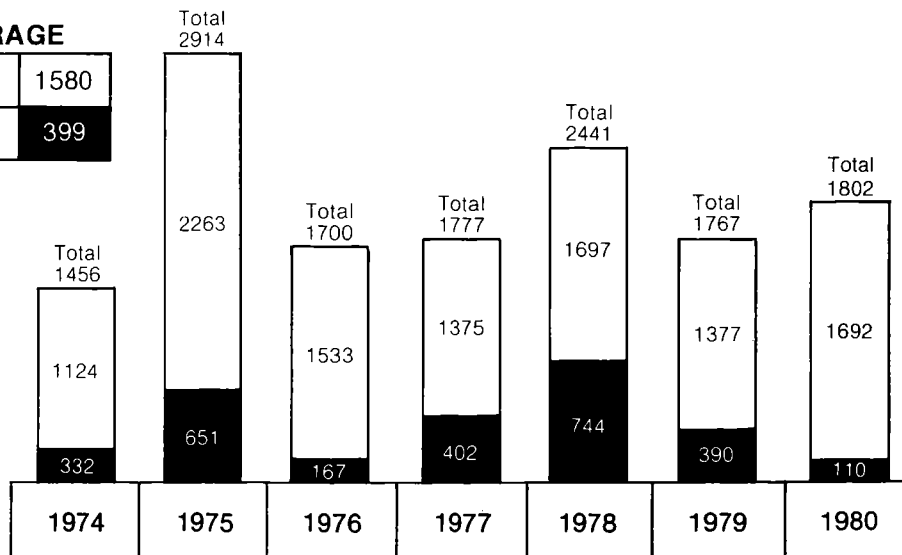
EXPORT	1057
LOCAL	874



## HONEY SUPPLIED TO AUTHORITY (IN TONNES)

### 7 YEAR AVERAGE

SOUTH ISLAND	1580
NORTH ISLAND	399



## PARTICULARS OF DISTRIBUTION TO SUPPLIERS

	<b>1974</b>	<b>1975</b>	<b>1976</b>	<b>1977</b>	<b>1978</b>	<b>1979</b>	<b>1980</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Straight Purchase	2,648	2,403	19,022	13,045	22,953	39,410	139,051
Advance Payment	581,129	1,156,999	656,811	1,048,930	1,201,992	1,200,610	1,336,745
Bonus Payments	13,867	29,889	22,736	29,290	43,416	18,545	36,715
Final Payment	216,676	408,190	336,387	241,633	708,787	279,534	465,874
<b>TOTAL</b>	<u>814,320</u>	<u>1,597,481</u>	<u>1,034,956</u>	<u>1,332,898</u>	<u>1,977,148</u>	<u>1,538,099</u>	<u>1,978,385</u>

## AVERAGE DISTRIBUTION MADE TO SUPPLIERS TO POOL SYSTEM

EXCLUDING STRAIGHT PURCHASES AND BONUS PAYMENTS

	<b>1974</b>	<b>1975</b>	<b>1976</b>	<b>1977</b>	<b>1978</b>	<b>1979</b>	<b>1980</b>
Tonnes Supplied	1,451	2,909	1,662	1,751	2,414	1,717	1,674
Average Payout Points	93.47	96.89	97.72	95.83	94.19	94.58	97.53
Average Payment (c per Kilo)	54.98	54.11	59.75	73.72	79.15	86.16	107.66

## GRADES OF HONEY SUPPLIED

(IN TONNES)

	<b>1974</b>	<b>1975</b>	<b>1976</b>	<b>1977</b>	<b>1978</b>	<b>1979</b>	<b>1980</b>
White	1,002	2,350	1,138	1,301	1,968	1,120	1,363
Extra Light Amber	226	285	266	262	238	313	215
Light Amber	186	199	170	155	167	254	144
Medium Amber	41	67	120	48	56	64	73
Dark Amber	<u>1</u>	<u>13</u>	<u>6</u>	<u>11</u>	<u>12</u>	<u>16</u>	<u>7</u>
<b>TOTAL</b>	<u>1,456</u>	<u>2,914</u>	<u>1,700</u>	<u>1,777</u>	<u>2,441</u>	<u>1,767</u>	<u>1,802</u>



Trade Mark of the  
New Zealand Honey Marketing  
Authority

