

# Presidential Address

By Paul Marshall, president National Beekeepers' Association.

IT WAS QUITE clear at the end of last year's Tauranga conference that many members within the industry were not happy at giving a section of members' funds at concessional rates of interest to establish a Co-operative Marketing Organisation. Such an organisation was planned to take over the functions of the Honey Marketing Authority, whose ownership was also being questioned. A move to reduce tension on this point was made with the passing of a resolution calling for the matter to go to arbitration.

Industry history will show the indecision following conference, with pressure being applied to phase out the authority, and let the co-operative commence operation. The moves initiated looked very much like a straight forward takeover bid, which basically meant a change of name over the authority's doorway.

Stabilisation of the situation took effect following the court injunction actioned by Arataki Honey Ltd of Havelock North, on the decision of the authority's board to allow their assets to be taken over by the proposed co-operative. This form of action ran against the grain for many, but as time passed and with the arbitrator's report to hand, I think we must all agree that it not only gave the industry time to reflect, but gave the arbitrator, Mr David Kay, a better climate in which to bring down his recommendations.

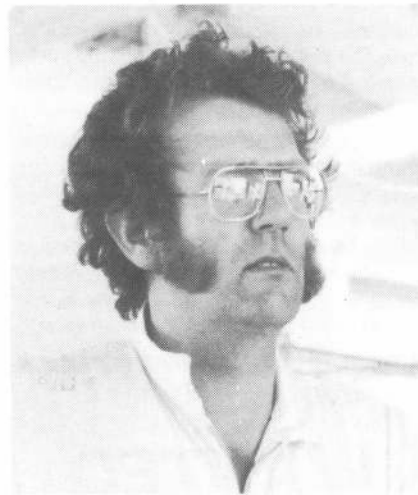
Prior to Mr Kay's appointment, and the terms of reference being formulated, I agreed on behalf of the executive to accept the arbitrator's findings as being appropriate guidelines to follow in the event of the dissolution of the Honey Marketing Authority. This in turn was the agreement reached by other parties, namely the authority and the proposers of the co-operative. My prime reason for agreeing was to protect what I considered to be an industry asset that belonged to the beekeepers of New Zealand.

The report is now to hand and although not to everyone's liking in all aspects, I am of the opinion that it is a good outline for the industry to follow now or in the future. In broad terms Mr Kay found that –

- H.M.A. assets must be attributed to the whole of the honey industry including packers and producers.

- He recommended that the funds resulting from the re-organisation should be vested in a trust, or statutory fund administered by the National Beekeepers' Association.
- On the dissolution of the authority, the transfer of the proceeds of the winding-up to an industry fund, subject to an independent feasibility study establishing the economic viability of a co-operative at concessional interest rates, examples of which he laid down in his report, paragraph 3.04.

However, the supportive arguments to this reasoning can be found in Mr Kay's



Paul Marshall.

report and must be read in conjunction with his letter to the minister.

I've drawn out the following which I quote direct from Mr Kay's report as some of those points that will come up for our immediate consideration, but stress that it should be read in full to appreciate its true worth.

Quoting directly from Section 2.04, paragraph 9: "It must be accepted that, given a continuation of the authority's activities in their present form, reliance on Reserve Bank funding will increase at a rate dependent on the rate of inflation."

From Section 2.05 paragraph 5, he states: "I would suggest that if the authority is to continue as a packaging and marketing organisation, having discontinued its operation of a stabilisation scheme, it is open to question whether the continued use of an expanding quantum of Reserve Bank overdraft at concessional interest rates

for an indefinite period can be justified."

Further to the above paragraphs, Mr Kay also stipulated that he did not presume in his conclusions, to dictate the course that re-organisation or dissolution of the authority should take, but endeavoured to indicate how the best interests of the industry would be served.

Quoting from his conclusions in Section 3.01: "I conclude that the total demise of the authority is inevitable" and, "A major responsibility of the industry is to ensure that the transition from authority operation should be achieved with as little disruption as possible".

While with restructuring, he continues in paragraph 3.02, "I see the dissolution of the authority as a major restructuring of the honey industry and one that will involve cost. Consideration must be given to the position of suppliers to the authority and also to the future of the authority's staff in any plan that is adopted. The authority has established export markets and has knowledge of the health and other regulations involved and some regard should be given to retaining this and any other expertise that has been acquired."

In Section 3.03 he said: "I consider it desirable that the financial structure of any co-operative – or alternative organisation – should be such that its fixed assets would be financed by capital contributions plus funds borrowed from traditional lending institutions.

"Its borrowings from an industry fund should be restricted to working capital – in particular funds required for the purchase of honey – and related to the value of stocks held."

Mr Kay stated under the heading of "Transition" with reference to Section 3.05: "I find it impossible to consider the ownership and application of the authority's funds in isolation.

"Attention must be given simultaneously to: (a) the dissolution of the authority, (b) the establishment of a co-operative, and (c) the orderly transition of the authority's marketing function to the co-operative. The transition will obviously be a sensitive period and care will be required to retain the confidence and support of the suppliers and customers."

1981 NBA CONFERENCE

A smooth transition period is needed and I ask all to keep an open mind to the problems ahead. Not the least the executive who could be, if dissolution takes place, handling a fund whose income could be in the order of \$100 000 per annum. It will be important to lay out the terms of a Trust Deed to determine the uses to which the interest or indeed the fund itself could be applied (Section 1.07). However, we need feed back from branches, hence the note mentioned in the remits for conference.

In turn I would ask the proposers of the co-operative to give all beekeepers the opportunity to become members if they so wish, also to make allowance for those who want to join, but feel they cannot do so due to lack of available cash following a poor honey season.

Tolerance is needed by all parties as the industry moves into a free enterprise marketing situation. Many will probably not be aware of any difference other than the need to purchase shares in this new enterprise, which of course hits at the bank balance. But let us hope that this is offset by increased returns per kilogram for your honey crop.

Needless to say, arbitration has occupied the executive's attention for a major part of the year and it is no secret that members hold differing points of view. However, when the in-

terests of all beekeepers came to the fore, these were laid aside, especially with the formulation of submissions to the arbitrator on behalf of the association.

As your president, I also presented myself to the Land and Agriculture Select Committee to put our case forward in regard to the changes to the Apiaries Act. Unfortunately I was unable to have European Foul Brood disease placed in Schedule 1 of the Apiaries Act.

This has been slightly offset with the association's move into insurance with the help of the South British Insurance Company which will cover, amongst your other assets, hives for this disease. Having arranged some form of financial protection, we hope the problem never reaches New Zealand.

My other duties include being the beekeepers' nominee to the Agricultural Chemicals Board, where at the moment with the help of Mr Ian Berry, representations have been made to improve labelling in regard to bee protection. Once the new Pesticides Act comes into being, what is written on the label for bee protection is the law.

It was pleasing to note that Tauranga, which has had heavy bee losses in the past, did, with the co-operation between kiwifruit grower and beekeeper, reduce bee loss to nearly a nil situation last pollination season. Unfortunately the same cannot be said for my home district of Hawkes Bay. There is still

plenty of work to be done in this area, which also means beekeepers putting their case forward at district level.

In all, it has been a very interesting year, which has been saddened by the realisation that all was not in order in my own outfit, which resulted in coming to the decision to sell my bees. Not an easy decision, but one that all my financial advisors suggested was the appropriate action to follow.

Once this became known to others, I found I had more friends throughout the country than I at first realised. I thank you all for your support, but the decision had to be made and made by me alone. As a result, I reaffirm my decision made at the last executive meeting not to seek nomination to the position of president at this conference.

Mr Talbot, two years ago after the Christchurch conference, I approached you for assistance with the germ of an idea to pull the industry out of what looked like a stalemate situation. This you readily agreed to, and I hope that although we have had our moments, so to speak, progress is now being made towards a more acceptable marketing policy which at the time seemed to be the major irritant.

Thank you, sir, and indeed thank you all, especially the members of the executive, our secretary Mr David Dobson, and his able assistant Mrs James. Last and by no means least, my wife, Alison.

# WANTED POLLEN GRANULES

We require Pollen Granules which must be clean, free from moth eggs, larvae and insect fragments.

The moisture content should be 8 to 10 per cent, but may not exceed 10 per cent and the heat used in drying must not exceed 120 deg F (49 deg C). The dried product must be stored in poly lined 20 litre lever lid tins, or double poly lined corrugated cartons, and sealed so as to exclude air, light and the possibility of moisture uptake.

Our Contract Price for the 1981 Season will be:

Lowest Quality \$11.00 per kg  
Best Quality \$12.00 per kg

*(all prices into our store Auckland or rail Penrose)*

Please forward samples to Mr B. Lees of Healtheries of New Zealand Ltd,  
P.O. Box 11-201, Ellerslie, Auckland, Phone: 593 179 Auckland.