

11, Thornton Street,
Christchurch,
16th Sept. 1932.

URGENT AND IMPORTANT

THIS IS NOT AN ORDINARY CIRCULAR

Dear Sir, (or Madam)

If anyone should ask what is the most urgent need of the beekeeping industry today the unanimous answer would be "Marketing Organisation".

While beekeeping methods, though constantly changing to keep pace with advancing knowledge, are reasonably efficient, unfortunately we cannot honestly make the same claim in regard to the marketing system in our own country where the consumption of honey per head is higher than in any other country in the world. It is generally recognised that the present system of individual selling of honey on the local market is wasteful in packing, in selling, and in distribution, and perhaps the worst feature of all is the disastrous price cutting policy which has grown up amongst us as a result of the feverish desire of producers to quit their produce before the other fellow.

We had in the Honey Producers' Association a co-operative concern which, though subject to abuse by its own shareholders and in spite of its admitted failings, was able to show a handsome profit for many years on the local market and was able to return to producers from local and export trade a price considerably in excess of world parity, despite opinion in some quarters to the contrary. With the demise of this organisation we are faced with the alternatives of continuation of the present unsatisfactory state of affairs or the formation of a body to handle the business for us under our own control. The former cannot lead to anything but disaster, with the elimination of a great number of the weakest among us, while the latter will without doubt put the industry on its feet again.

A number of those prominently associated with the beekeeping industry in New Zealand have been for some time past giving serious thought to these matters, and in Wellington last July the first serious steps were taken when it was unanimously decided, after the H.P.A. was formally put into liquidation, to form a new Company. The following provisional Directors were appointed by a meeting representing some of the largest beekeeping interests of the Dominion:-

Messrs. J. Rentoul (whose expert knowledge of marketing operations and of honey is absolutely essential), A.B. Callick (Managing Director of Alliance Bee Supplies Co. Ltd.), J. Smith (Manager of Messrs. Picot Company Ltd., Palmerston North territory), C.D. Cooper (Managing Director Messrs. J.R. Butland Ltd., Auckland), W. Nelson (Otorohanga, Waikato), L.F. Robins (Temuka, Canterbury), H.R. Penny (Okaiawa, Taranaki).

The above named gentlemen have gratuitously given their services over the past two months and have evolved for presentation to beekeepers a scheme which should appeal for its sound principles and promise of success.

Briefly put, the following are the particulars regarding the proposed new Company:-

Share Capital £12,000

Share Basis Five £1 shares per ton over whole crop.

Note:- No money is required. Payment for shares will be made by a contribution of one tenth of the first year's crop plus one tenth of a penny per pound over whole crop for first year, the balance being payable by a deduction of one tenth pence per pound on second year's crop. On this basis shares will be practically fully paid at end of second year.

As it is impossible at the present time to secure outside finance, and many beekeepers would not be able to contribute in cash, the above provides a unique solution to the question of finance and assures the Company of sufficient stocks of honey to commence its first year's operations.

The Company will have power to call up to 50 per cent of the crops of shareholders.

Progress payments will be made quarterly; all accounts will be closed each twelve months and payments on season's honey completed.

Shareholders may pack and sell a portion of their honey at a price to be decided upon by the Company, each package to bear a seal purchased from the Company at a price to be decided at General Meeting.

Revenue from the sale of seals will provide a fund to equalise export and local prices.

Shareholders will sell their honey at a price not less than that determined by the Company.

A shareholder-supplier may secure an advance loan on honey sent in, interest to be charged.

Each shareholder to sign a Bond for £100, to operate for three years.

Unanimous votes supporting the proposals were carried at a Dominion gathering of producers at Wellington on July 27th, and at a meeting of 33 producers at Hamilton on August 16th. Support signed up for the Company now totals over 1,000 tons of honey, and its success is thus assured.

The operations of the Company should result in -

1. Stabilisation of local marketing.
2. Elimination of price-cutting.
3. Assured quantities of honey to fully supply and develop our export markets.
4. Increased returns to producers.
5. Equalisation of returns to exporters and local packers.

It is impossible by means of a circular to explain fully the details of a scheme such as this, the above being merely an outline of the proposals, but we are fortunate that arrangements have been made for Messrs. Callick and Robins, who are now on their return from Auckland, to meet beekeepers in Christchurch next week, and a meeting will be held on Tuesday the 20th instant in Lecture Hall, Canterbury Public Library, Cnr Herford Street and Oxford Terrace at 7.15 p.m. when there will be an opportunity of learning more about what promises to be the salvation of the honey industry.

A limited number of invitations is being issued, but it is hoped that every beekeeper invited will attend to hear a full explanation of the proposals for it is in their interests to do so.

✓Yours faithfully,

A. ECROYD

P.S. As this letter is being written a gentle Spring rain is falling - there may be a bumper crop in Canterbury next year, and if so - - - -!