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REPORT
on
HONEY INDUSTRY
IN NEW ZEALAND

Presented to,

EXECUTIVE COMMISSION OF AGRICULTURE.

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THE HONEY INDUSTRY:

Production in New Zealand.

PRODUCERS
AND
COLONIES
REPRESENTED.

Honey production in New Zealand is essentially a side-line industry. According to the official list of registered beekeepers, there are 7,257 persons who have recorded one colony or more, the total colonies registered being 118,427. For purposes of rough classification, apiaries of ten colonies or less are termed "domestic" and those of eleven or more "commercial" apiaries. The former class is of major importance when expressed in terms of producers, there being 5,817 registered beekeepers in the "domestic" group, and 1,440 in the "commercial" group. In terms of colonies and therefore production, the reverse position applies, the "domestic" group accounting for 17,548 colonies and the "commercial" group for 97,879. Beekeeping does not represent a full time occupation until the 200 colonies and upward groups are reached. Registrations in these classes account for only 96 producers, owning 43,272 colonies, or almost 36% of the total colonies registered. It is apparent that the number of producers wholly dependant upon honey for a living is small, but as a supplementary source of income, it is of considerable importance to a large number of people. The detailed distribution of beekeepers and their relative importance is given in Table 1 of the appendix.

NOTE: The records from which the above classifications have been made are not up-to-date, but are the only source of information available.

HONEY
PRODUCED.

The production of honey per colony is relatively stable in any one season. There are wide fluctuations from season to season due to climatic conditions, which also accounts for district variations in the same season. Production from small apiaries

2.
 may suffer from neglect in management, but on the average about 50
 pounds of honey per colony can be accepted as a reasonable basis,
 the average yearly total output in New Zealand being estimated at
 about 2,800 tons of honey. The distribution of colonies, (Table 1
 of the appendix) can be accepted as a reasonable distribution of
 honey production, and shows the relative importance of producing
 groups on a percentage basis. The total value of honey produced in
 New Zealand (to producers) is about £100,000 per annum at present
 prices.

COSTS
OF
PRODUCTION.

Costs of honey production show wide divergence. For commercial
 and semi-commercial apiaries, they are influenced by "spread" of
 colonies, labour and overhead. When bees are kept as a sideline
 proposition and colonies are situated on the home farm or adjacent to
 it, supervision and transport is of little moment. Special extract-
 ing houses are not necessary, and actual out-of-pocket costs are
 light in comparison with the large undertaking which has a wide area
 to cover and employs labour in field work. Reliable information re-
 garding costs are difficult to obtain, but from a number of returns
 submitted by producers, it appears that costs per pound of honey
 produced vary from 2½d. to 2½d. when all costs, including owners'
 wages are allowed for.

The following are examples of such costs:-

Item:	Apiary.				
	1	2	3	4	5
Wages	208	96	-	270	37
Personal	312	75	-	286	200
Transport	125	88	46	98	50
Depreciation	156	53	29	206	75
Power & Heat	28	-	2	27	1
Fins & Cases	132	-	64	168	-
General	24	410	63	154	190
Insurance	-	29	1	23	-
Rent & Rates	70	24	14	34	24
Interest	155	166	6	26	75
Total:	1,209	959	227	1,280	652
Capital:	2,100	3,960	1,061	3,850	1,445
Colonies	1,000	1,120	250	1,000	450
Honey - tons	40	35	9	58	30 av.
Cost per lb.	£.224	£.273	£.270	£.264	£.45
Notes:	1 year.	Av. 4 yrs.	1 year.	1 year.	1 year only.
	High	Net profit	Profit	High pro-	High personal
	personal	£26 per	in wages	fit £400	wages.
	wages.	year.	£151.14.10.	1922-24	
				record	
				season.	

It will be seen from the above examples that out-of-pocket expenses are small other than for wages, transport, interest and rent. If these items are deducted, the actual costs on small undertakings will range from a half-penny to one penny per pound, which enables the small producer to sell at very low prices and net something towards the upkeep of his family.

New Zealand's trade in honey consists mainly in the export of surplus production. Since the Board has assumed control of exports, high grade produce only has been handled. The figures for exports over a period of years are as follows:-

Year:	Tons:	Year:	Tons:
1925	800	1930	77
1926	541	1931	261
1927	379	1932	161
1928	1040	1933	338
1929	1056	1934	299

UNITED
KINGDOM
TRADE.

The United Kingdom is practically our only market for honey. Since 1929, the total trade from all sources with the United Kingdom has been as follows, in tons:-

Imports From	1929	1930	1931	1932	1933
Foreign	2,461	1,745	1,868	1,922	1,806
Empire	2,392	1,605	2,043	2,099	2,182
Total:	4,853	3,350	3,911	4,021	3,988
Re-exports	278	119	310	270	113
Retained:	4,575	3,231	3,601	3,752	3,875
Local Production:				2,000 †	2,000 †
Total Consumption:				5,752	5,875

† Estimate given in report of "Imperial Economic Committee"

NOTE: For full details of trade, see Table 2 of the appendix.

There are seven countries of note as importers of honey, their position for the calendar year, 1932, being as follows:-

United Kingdom	4,021	tons
Germany	4,399	"
Netherlands	3,085	"
France	1,792	"
Belgium	649	"
Austria	521	"
Switzerland	269	"

The main exporting countries and their relative importance for the same year were:-

Cuba	5,200	tons	Haiti	557	tons
Chile	2,332	"	Hungary	224	"
U. S. A.	3,107	"	Australia	147	"
Canada	1,026	"	Costa Rica	132	"
Russia	not available.		New Zealand	101	"
Jamaica	915	"			

It will be seen therefore, that honey represents but a small item in international trade, and is confined mainly to a few countries. The position is set out in greater detail in Table 3 of the appendix.

WORLD
PRODUCTION
AND
CONSUMPTION.

Honey is produced to some extent in all countries. It is not possible to give a complete estimate of world production and consumption but there is some information available for most countries of importance.

In 1932, the average production per capita for Bulgaria, France, Greece, Latvia, Yugoslavia, Turkey, Hungary, Czechoslovakia and Estonia was 0.53 of a pound. A rough estimate covering all the countries of Europe and including the Asiatic portions of Russia and Turkey for the same year, gives a total production of 100,000 tons, or 0.4 of a pound per capita. Although unable to ascertain the complete position of net imports into all European countries, the probable additional amount involved would hardly be sufficient to raise the per capita consumption of honey to half a pound.

From the data available, it is estimated that the per capita consumption of honey in the United Kingdom is slightly above a quarter of a pound.

The position in other countries of note for which information is available is as follows:-

	Consumption per capita (approx.) lb.	
U. S. A.	6.5	(1929 figures)
Canada	3.2	(5 years average)
Australia	1.2	(5 years average)
New Zealand	3.2 - 3.5	

A detailed statement of colonies and production in various countries is given in Tables 4 and 5 of the appendix.

EXPANSION
OF
MARKETS.

The foregoing discussion of international trade, production and consumption have no direct bearing on the internal organization of the honey industry in New Zealand. It is important however, in that it indicates the relatively unimportant position occupied by honey in the diet of most nations, and this aspect must be considered when it is claimed that there is scope for the enlarging of our export trade. In the United Kingdom, honey is not regarded as an article of food, but appears to be associated with medicines. The encouragement of an increased consumption of such a commodity becomes very expensive, and it is problematical whether an attempt in this direction would be sound, unless all supplying countries were to combine in the cost of advertising. Success of such a movement, New Zealand can only increase her exports at the cost of other supplying countries, and this demands either a quality or price incentive. It is apparent however, that New Zealand has an outlet for approximately 500 tons per annum in the United Kingdom alone, and as soon as liquidation stock is cleared, a more progressive export policy should be possible.

PRICES:

The outstanding feature of London quotations for New Zealand bulk honey is the price premium which has been maintained over a long period of years. The range of prices for our honey has always been much wider than that quoted for other countries, but our lowest prices approximate the highest prices of other honeys. These facts suggest:-

1. New Zealand honey which is exported has a wide range of variability in quality;
2. The best New Zealand honey is of greater value than any

other honey offered in the United Kingdom;

3. Our lowest grade export honey compares favourably with the main bulk of honey available in the United Kingdom. Details of prices for a number of countries are given in Table 6 of the appendix.

It is generally claimed by the Honey Control Board that New Zealand honey sold in packs under its "Imperial Bee" brand would return a greater premium to producers than if sold in bulk. It is difficult to obtain the necessary data in substantiation of this assertion. The Chairman of the Control Board states as his opinion, that if New Zealand honey of Imperial Bee quality sold in bulk in the United Kingdom enables a payout of 4½d. per pound to be made to exporters, the payout would be 8d. to 8½d. supposing the same honey had been sold in packs under Imperial Bee brand.

Prices received locally are difficult to obtain on a comparative basis. Some indication of movement can be obtained from the following prices quoted for section honey over a period of years:-

Season:	Shillings per dozen sections.		
1926-27	5/-	-	7/-
1927-28	7/-	-	8/6
1928-29	6/-	-	7/-
1929-30	7/-	-	8/-
1930-31	7/-	-	8/-
1931-32	7/-	-	7/6
1932-33	5/-	-	7/-
1933-34	7/-	-	8/-

For the year ending 31st January, 1935, N. Z. Honey, Ltd., expect their payout to producers to finally reach 4½d. per pound, pro rata according to grade.

It has been indicated that "Imperial Bee" brand is of considerable value to the industry. As indicated above, the Chairman of the Control Board states as his opinion that it is worth a premium of from 3½d. to 3¾d. per pound in New Zealand currency. This opinion in detail is as follows:-

VALUE OF
"IMPERIAL"
BRAND.

on the 25th ultimo, a memorandum was addressed to the Chairman asking:-

"If export honey of Imperial Bee quality returns to producers a payout in New Zealand currency of 4½d. per pound when sold in Great Britain in bulk, what would be the payout in New Zealand currency if the same honey had been packed in cartons under the Imperial Bee brand and sold as such.

The Chairman's reply is:-

"Referring your letter 25th assuming conditions, overhead costs and retail prices as at present Imperial Bee quality honey selling in bulk returning 4½d. New Zealand currency would return 8d. to 8½d. if sold packed under Imperial Bee brand."

This reply means that the Imperial Bee brand is at present worth from £32 to £34 per ton for every ton of honey sold as such, rather than being sold in bulk.

PRESENT ORGANISATION.

The New Zealand Honey Control Board consists of three members, one being appointed by the Government, and two elected by exporter producers. Prior to 1932, export was in the hands of the New Zealand Co-operative Honey Producers' Association, Ltd., but when that company went into liquidation in 1932, the Control Board assumed full control of export honey. The voting list consists of 185 producers, representing approximately 32,000 colonies.

The liquidation of Honey Producers' Association is still an important link in the control of the honey industry in New Zealand due to:-

1. Its operation of the Control Board's "Imperial Bee" brand in the United Kingdom and the retention of any goodwill attached to that brand, and:-

CONTROL BOARD.

H. F. A.
(Liquidation)

Morton's account:	£29,500	
Assets & London stock: £10,000		
Less bad honey: ... 1,500	£8,500	
N. Z. assets: ... 2,000		
Cash: ... 4,000	£6,000	
Balance outstanding: £15,000		
	<hr/>	
	£29,500	£29,500

MORTON'S
CABLE
25/2/35.

Mr. Morton cabled his London office quoting these figures, and outlined a proposal for acceptance under which a sum of £10,000 (additional to the credits above) should be accepted for final settlement, his Company to lose £5,000. Morton thought in terms of sterling, and his cable was so interpreted in London, as on the 27th February his London office cabled acceptance provided they received £10,000 sterling, plus proceeds London stocks.

COOPER'S
CABLE
24/4/35.

The negotiations took on a new angle when Cooper cabled London on April 24th to the effect that the tentative offer of £15,000 New Zealand currency (including all assets and claims) needed acceptance or otherwise, Mortons to take over London liquidation stock, but to hand depot and brand to the Control Board.

MORTON'S
CABLE
25/5/35.

In reply to Cooper's cable, Morton's London office asked if the suggested settlement would cover liquidation expenses, and whether they could use their stocks for blending purposes until exhausted. They urged that the proposals were much more unfavourable than conveyed by Morton's original cable, and that a loss of £11,000 would be involved.

Mortons were informed on 13th May that the settlement would cover all expenses, but that they could not use liquidation stocks for blending purposes.

MORTON'S
CABLE
16/5/35.

On 16th May Mortons cabled stating that the revised offer was unacceptable. They intimated however, that they are still prepared to negotiate on a basis of £5,000 loss sterling as suggested in Morton's cable of February 25th.

It will be noted that Cooper's cable of 24th April mentions the sum of £15,000 New Zealand currency. This is made up of the proposed loan of £10,000 from the Unemployment Board, plus £5,000 from the realisation of assets in New Zealand, and cash already in hand. These latter items as per statement given to the Auckland committee in February amounted to £6,000, but Cooper apparently estimates that £1,000 of it would go in liquidation expenses. Morton's estimated loss of £11,000 appears to have been made up as follows:-

£15,000 N. Z. currency	- say -	£11,250 sterling
London stocks:		8,500 "
Loss:	×	£11,000 "
<hr/>		
Total Morton's Account:		£20,750 "
<hr/>		

It appears therefore, that the account is tending to increase as time goes on. If the value of "Imperial Bee" brand is in any way as great as claimed and Mortons are not allowed to use it, their stocks which are valued at £8,500 will depreciate immediately, as they were valued on the basis of "Imperial Bee" sales. If the liquidation has to be closed without Government assistance Mortons stand to lose their £11,000 sterling, plus £10,000 New Zealand currency, or £18,500 sterling in all, provided their London stocks realise £8,500, which is very doubtful.

N.Z. HONEY LIMITED.

New Zealand Honey Limited is a cooperative organisation set up for the purpose of collecting, processing packing and marketing honey produced by its shareholders. Although the company was incorporated in 1923, it did not commence active trading operations until February, 1924.

As the financial stability of Honey Limited is dependent to a great extent on some form of orderly marketing, it is necessary to review its organisation in some detail. Its marketing functions will be discussed at a later stage.

The company has an authorised capital of 12,000 shares at £1 per share, of which 4,245 have been allotted. Paid up

capital amounted to £2,704.9.6d. as at 31st January, 1935. There are 213 registered shareholders. In its propaganda, the Company, through its officials has stated that it controls 80% to 90% of the honey produced from commercial apiaries. The accuracy of this statement depends on the definition of commercial apiaries. Officially, apiaries of over 10 colonies are termed "commercial." According to registrations, of these 213 shareholders 194 are in the "commercial" class (over 10 colonies) and 19 in the "domestic" class. Shareholders therefore represent about 13.5% of the total registered "commercial" apiaries. (194 to 1,440). Of the total colonies registered by "commercial" men (97,879) these 194 shareholders represent 38,615 colonies, or approximately 39%. The total colonies registered by shareholders of all types account for 33.5% of the colonies registered in the Dominion. A detailed comparison is given in Table 7 of the appendix.

The officials of the company agree that the average annual production of its shareholders is in the vicinity of 800 - 900 tons of honey. This being so, there are about 2,000 tons outside its control. Of the honey produced by its shareholders, 50% or more (according to agreement) is marketed by shareholders themselves. If it is assumed that 500 tons produced by small apiaries does not go into sales channels, there are about 1,400 - 1,500 tons of "free" honey on the market, in addition to the 50% of shareholders' honey which is supposed to be marketed at prices fixed by the company, but which, owing to non-conformity to stipulated grades, may be sold at lower prices in many instances. Average export in the vicinity of 300 tons per annum, Honey Limited being responsible for the major portion. Some shareholders are not satisfied with the operations of the company. The producers of low grade honey in particular feel that the system of payout is against them, and the company officials are afraid that some shareholders will terminate their agreements in March, 1936. The company has been working under great disadvantages but has endeavoured to standardise grades and to stabilise prices. A great deal of their trouble has arisen through the non-recognition of the small percentage of

locally consumed honey which they control. The system of grading and payout adopted by the company is briefly as follows:-

The grading system used is the same as that which applies to export honey. Percentages (from 0 to 100) are awarded for flavour, colour, grain, condition and freedom from froth. The Control Board arbitrarily decides the relative importance of these grade characteristics as determined by their selling value on United Kingdom markets, and establishes payout points for each, which are then applied to the percentages gained for each factor.

Example: For 1934, the Board fixed payout points as follows:-

Flavour	40
Colour	25
Grain	20
Condition	10
Froth	5

Total: 100

These points are then applied as in the following hypothetical sample of honey.

	Percentages Awarded.	Maximum Payout points.	Conversion to actual Payout points.
Flavour	90	40	90% of 40 = 36
Colour	80	25	80% of 25 = 20
Grain	80	20	80% of 20 = 16
Condition	90	10	90% of 10 = 9
Froth	80	5	80% of 5 = 4

Total payout points	-	79
Maximum payout	-	54
Sample therefore valued at		£,95d.
per pound.		

The significance of the company's adoption of this system lies in the fact that the Control Board does not want certain kinds of honey for export. Distinct flavours and dark colours are considered to be detrimental to sales in the United Kingdom and hence the basis on which percentages are awarded for these characteristics ensures a low award (and consequently a low payout) for any honey other than clover, or neutral flavours which are white or light amber in colour. The application of this payout system forces

trade has led to the dissatisfaction mentioned above, and has resulted in shareholders who produce dark or highly flavoured honey, seeking markets outside of Honey Ltd., as proprietary firms are able in many instances to pay more than offered by the company itself.

The company pools all proceeds and pays out pro-rata on the basis of values established under the export payout system. A further factor which aggravates the position is found in the pro-rata distribution of the balance from the company's operations. This balance is obtained from a levy of $\frac{1}{4}$ d. per pound on all honey sold by shareholders, whether the honey is sold through the company or privately, and is distributed according to payout points over the honey actually handled by the company. Thus a flat rate levy from a large quantity of honey is distributed over a small quantity on a pro-rata scale, and gives an advantage to honey which has been awarded high payout points. Those shareholders who do not sell through the company as they consider their payout is too small, contribute unduly to high grade honey which is handled by the company, whilst advantages gained by them are problematical.

It is understood that the company is recognising the injustices of this method, and is considering a payout scale adjusted somewhat to local demand values.

As an example of the difficulty met with by the company owing to its shareholders refusing to supply it with "low grade" honey which it needs for blending in its low-grade standard pack, it has been reported that the company this season arranged to purchase for cash, the whole output of "low grade" honey from one of its shareholders, at a price above that which it would have paid had the shareholder forwarded his honey in the ordinary way. There are probably other instances of the same nature.

Honey Ltd. balance sheet for year ending 31st January, 1935, is given in appendix 2.

NATIONAL
BEE-
KEEPERS'
ASSOC.

The National Beekeepers' Association is an association of various district branches, and is supposed to function as the

national organisation which represents the interests of beekeepers. It has no powers, and in the main, is representative of "commercial" producers, and particularly of shareholders in Honey Ltd.

MARKETING.

The salient factors affecting the orderly marketing of honey are:-

1. Total production of honey varies from season to season.
2. The amount of honey available per producer varies from a few pounds to over 100 tons, the largest proportion of the saleable crop being produced by men who partially depend on it as a source of income, and who are able to sell at any price without actual loss as their out-of-pocket costs are low.
3. Honey has a wider divergence of types and flavours than almost any other primary commodity. The following broad classification with comments, has been given by the Manager of Honey Ltd.

- (a) White clover honey varies from pure clover to mixed clover honey of various shades. White to light amber - mild flavoured - best marketable honey.
- (b) Mamka honey, and mixtures. Medium amber - strong flavour - low value.
- (c) Ragwort honey and mixtures. Light amber - pronounced odour and flavour. Low value to unsaleable.
- (d) Birch honey and mixtures. Light amber - good colour. Strong flavour. Low value to unsaleable.
- (e) Rata honey. White - pronounced flavour - sale limited.
- (f) Pennyroyal honey and mixtures. Dark, pronounced flavour not favoured in its purer form.
- (g) Buttercup honey - dark colour - low value.
- (h) Various other honey mixtures - most honeys are to a large extent from mixed florals, usually associated with pastures.

The following is an approximation of the quantities of honey produced under the various broad classifications used in the trade:-

White, to light amber:	2,148	tons
Medium amber:	428	"
Dark amber:	84	"
Light amber: - low grade:	140	"
<hr/>		
Total:	2,800	"

If these figures are interpreted in terms of the classification given by the Manager of Honey Ltd., it appears that about 23% of the honey produced is low in value to un-saleable.

4. The wide variation in types and flavours combined with small and variable outputs makes it difficult for small producers to peak a uniform grade and to guarantee continuity of supply. Honey is normally extracted over a period of about six months, whereas the market demand is continuous. This is the basic argument in favour of collecting depots (or companies) where blending can be done, and stocks held to feed the market.

As previously stated, the Control Board is concerned with export honey only. At the present time it limits the varieties of honeys handled, (through price adjustment) and sells in bulk only. The Board is insistent that it must, as soon as possible, take control of its London depot and of "Imperial Bee" brand, and capture any waning goodwill in the interests of exporters. This would entail increased expenditure on advertising if British and foreign markets are to be exploited in an attempt to increase exports, and the cost should be spread over the whole industry, as the effects of increased exports would be reflected in price movement on the local market, assuming that total production remained static.

Owing to the small amounts of honey exported during recent years, the operations of the Control Board have not materially affected the local market supply. As the Board has been operating in bulk only, it has handled mainly high grade clover honey which

CONTROL
BOARD.

is in demand in Great Britain presumably for blending purposes. A comparatively high return has been procured, and payouts on export honey have been fairly satisfactory (about 4½d.) despite the heavy levy which has been imposed in order to liquidate the Board's obligations to Treasury. Exchange rates have assisted materially in this respect. If export remains at about 300 tons per annum, the handling of high grade honeys only will enable the Board to meet its debts, but should export fall materially, the necessary levy per ton will become unduly heavy, as annual repayments are fixed at £1,248, plus interest at 4%. The Board's policy of selling through one agent (Mortons) is criticised by certain commercial interests. The chief critics are Norden and Co., and Goodfellow. They assert that under free export, the quantities shipped would be greater, prices higher, and trade in the United Kingdom greatly extended.

N.Z. HONEY
LIMITED.

New Zealand Honey Ltd. is the only cooperative honey distribution agency in New Zealand. It was formed subsequent to the breakdown of the old Honey Producers' Association. It is commonly stated, and firmly believed by honey producers of note, that the failure of the old company resulted in chaos on the local market. Prices fell and merchants are said to have exploited producers. It is true that honey prices dropped in 1932-1933. This was a general movement with all primary products, and it is probable that honey did not suffer more severely than did dairy produce and meat. However, Honey Ltd. was formed mainly for the purpose of strengthening marketing, and to raise prices. It was considered also that a strong selling organisation could hold supplies for the off season, and thus build up a goodwill through standardised grades and continuity of supply.

The Company operates standard brands known as "Honeyco" - Red, Blue and Green seals, and its aim is to sell as much of its stock under this trade brand as possible. It holds that standardisation of grade is the best method to adopt in the endeavour to extend the consumption of honey. From its inception, the Company has encountered difficulties. It had no finance behind it, and would

probably never have survived had shareholders not been willing to supply honey without calling for advances.

The Company took over several large contracts at low prices from the Honey Producers' Association's liquidator. Although they appeared satisfactory at the time, improving price conditions which prevailed later in the season made these contracts a decided liability.

To meet competition, the Company has been forced to enter into contracts to supply certain grade honeys at prices below their published list - a practice which, if adopted by a shareholder, renders him liable to a charge of 2s. per pound. This method of meeting the market is now being discontinued.

Owing to smallness of turnover, the Company has not been able to employ travellers, but has relied wholly on its agent - J. B. Rutland, (Proprietary) Limited, for the stimulation of demand.

Since the Company has been in active operation, its official price list has been revised several times, namely June 1st, 1924; September 15th, 1924 and January 21st, 1925. Revisions have been rendered necessary mainly through a hardening of prices.

The Company disposes of honey through its agent:-

1. To export.
2. To distributive and wholesale trade under its own "Honeyco" brand. (Grades 1, 2 and 3; or Red, Blue and Green Seals.)
3. To distributors, under the distributors own brand. (About fourteen distinctive brands are packed.)
4. In bulk, to merchants or manufacturers.

It issues periodic lists of accredited merchants to whom shareholders may allow trade discounts.

The total business done by Honey Ltd. for the year ending January 31st, 1925, including honey purchased by the company was as follows:-

Honey exported	...	167.8	tons
Sold in Honeyco packs	..	54.4	"
Sold in merchants' "	..	85.3	"
Sold in bulk	...	73.5	"
On hand 21/1/25	...	71.4	"
Total:	...	452.4	"

The liquidator of Honey Producers' Association has been forced to accept bulk honey in payment of claims against producers, but as this honey has been mainly packed under trade brands and sold in conformity with Honey Limited's price list, liquidation honey has not materially affected the market position. The quantity handled by the liquidator for the season 1922-1924 was 67 tons.

As previously stated, shareholders of Honey Ltd. pay to the Company a levy of one halfpenny per pound on all honey sold by them outside the Company. The levy (presumably) is in recognition of the attempts made by the Company to stabilise the market to shareholders' advantage. Shareholders are expected to adhere to the Company's grades and prices. It is not possible to ascertain the extent to which this method of trading is adhered to, but it is generally admitted that many shareholders who produce honeys which in their unblended state do not conform to standards, are selling at prices which are below the Company price list. It is believed that where shareholders are producing comparable honeys, the official price list is adhered to.

"FREE"
PRODUCERS.

It has been previously noted that the greatest proportion of producers are free selling agents. This class also represents the bulk of locally consumed honey. Such producers market their honey in various ways:-

1. To merchants who blend.
2. To distributors, under trade brands.
3. To retailers, under trade brands: (usually the producer's own brand.)
4. Direct to consumers in cartons or in bulk.
5. To manufacturers.
6. Through auction markets. (Usually the last recourse.)

Under such selling conditions, there is no uniformity of quality or of price. Big producers are able to establish a certain goodwill, and can be sure of prices which are comparable with the list prices of Honey Ltd. Trouble arises in respect of smaller producers who

must clear their honey in order to raise cash, or who are not wholly dependent upon the proceeds from their crop. The position is particularly acute in the first four months of the year. Extraction commences about December 1st, and goes on till April. Consequently, most of the "free" crop is offered for sale between January and May. Whilst this "free" honey is being hawked round private blenders and retailers, Honey Ltd. finds it difficult to dispose of their shareholders' produce. These competitive and disorderly methods of marketing are viewed with alarm by the members of the Co-operative Company.

GENERAL
CRITICISM
OF EXISTING
ORGANISATION.

As is to be expected under the circumstances, there is a great deal of loose criticism of the various organisations (or persons) in any way connected with the direction or control of the industry. If the industry were reorganised, certain of the causes of this criticism could be removed. It consists chiefly of personalities, but is believed to be unwarranted.

CONTROL.

The articulate section of producers urge an extension of the Export Control Board's powers to include control of the local market. The request is backed by:-

1. The present Control Board.
2. The Directorate of New Zealand Honey, Ltd.
3. The Executive of the National Beekeepers' Association.

It is understood that the Control Board is presenting its case for control to the Executive Commission of Agriculture.

During the winter of 1934, meetings were held in ten centres under the auspices of the National Beekeepers' Association, these meetings being addressed by the Chairman of N.Z. Honey, Ltd. At each meeting, a resolution was carried urging the Government to pass the necessary legislation giving control of local marketing but no records were kept of the numbers of producers present, or the amount of honey which they represented. The reasons advanced in support of local control can be summarised as follows:-

1. The Central Board wishes to take over its "Imperial Bee" brand in London, and feels diffident about doing so whilst liquidation of Honey Producers' Association is still in progress.
 2. Liquidation proceedings could be immediately cleaned up provided the industry could be levied upon to repay any loan made by the Unemployment Board or Treasury. Control of the local market would enable such a levy to be imposed.
 3. An extension of overseas markets demands expenditure on advertising, and a method must be devised whereby funds may be made available for this purpose. It is considered that the local market would be improved if exports were increased, and therefore all honey should bear its share of advertising costs overseas.
 4. In the interests of orderly marketing and to increase the per capita consumption of honey in New Zealand it is considered that standardisation of grades and types is essential, and that continuity of supply of such standard grades and types must be guaranteed. This can only be effected through some system of centralised grading and blending. The establishment of the necessary depots to ensure this would be costly, and could only be arranged through the building up of a fund for the purpose. It is considered also, that in the event of such depots being established, export honeys would be blended and shipped in bulk ready for final packing in Great Britain, thus doing away with the present blending depot in London.
- NOTE: There does not seem to be any reason why export honey cannot be blended locally now, if required.
5. It is urged that the present methods of selling as adopted by unorganised producers is prejudicial to all producers in that the real value of the product is not returned to producers. Undue profits are supposed to be made by proprietary blenders, or consumers are getting honey at a price below that which they are prepared to pay for

reliable brands.

6. It is tacitly agreed that New Zealand Honey Ltd. will find it difficult to continue in operation unless something is done to bring the bulk of honey sales into line with the policy at present adopted by the Company.

7. It is stated that honey is being sold at prices below the cost of production.

8. It is suggested that certain types of honeys should not be produced, as their sale is prejudicial to the consumption of high grade produce.

From conversations with interested parties, it is understood that their proposals are:-

1. The Control Board to be reconstituted on a wider basis of franchise, giving votes to all producers owning eleven colonies or more, the new Board to be given full power of control over export and local market, and licensing of producers.
2. The new Board would not immediately exercise its full powers, in that central control depots would not be established for some time, but the Board would immediately:-
 - (a) Fix standard grades governing the sale of all honey from the apiaries concerned;
 - (b) Fix standard wholesale prices for the respective grades, and impose penalties should any producer sell standard grades at prices other than those fixed by the Board;
 - (c) Fix the rate of levy to be paid on all honey sold, such levy to be at a rate calculated to produce an income sufficient to provide annual repayments for loans; expenses of the Control Board; a reserve fund, and any other incidental expenditure. The levy to be collected by Government departments from which producers would buy stamps, such stamps to be fixed on packages of honey sold. Penalties to be imposed for evasion of levy;

PARTIAL
COPY

- (a) Existing channels of sale and distribution not to be upset in the meantime.

It can be accepted that all the arguments advanced in favour of control are reasonable from the viewpoints of the parties concerned. It can also be accepted that the methods of control which are suggested are the most practicable methods which can be advanced at the present time. The following points in connection with these proposals need consideration:-

1. Although there are definite indications that organised producers on the whole favour control, they are but a small section of the 1400-1600 producers who would be affected. It is thought that officials of organised bodies would undertake a personal census of all producers affected, if it were premised that control would be allowed by the Government, provided these producers were in favour of it. (If such a census were made acceptable conditions would need to be prescribed to govern the basis of voting.)
2. The producers concerned are not great in number, are scattered, and therefore are not politically important.
3. The integrity of producers would have to be relied upon in grading according to standards, adhering to official prices, and in purchasing of the necessary stamps. The non-payment of levy would be particularly difficult to detect in the case of bulk sales. Failing reliance upon the producers themselves, some form of inspection would be necessary.
4. It is thought that the Board has in mind, standards of grade similar to those adopted by Honey Ltd. and sold under "Honeyco", Red, Blue and Green seal. These are all blended honeys, and the higher grades do not contain a great percentage of honey which is dark in colour or rank in flavour. If such standards were adopted, producers of small lines of inferior honey could not pack according to standards, and would have no option but to sell for what they could get or

go out of business. It is felt that this question of inability to conform with standard grades would seriously undermine control of this type, and would cause dissatisfaction particularly if any penalty were imposed for infringement of standards. A fixed levy per pound would be a greater burden on low value honeys, even if they were allowed to be sold.

5. The proposal to standardise grades and prices is tantamount to a fixation or standardisation of prices. To do this, uniformity of grade and continuity of supply is essential. It is particularly difficult to conform to these requirements when the article dealt with is produced in a wide range of qualities, and is sold by hundreds of producers in varying amounts. The attempt could be compared with a fixation of butter prices in New Zealand if every producer had his own small factory, and sold through any channel he thought fit. Under such conditions, the fixation of honey prices is particularly difficult as the qualities produced have no export perities and the bulk of production is absorbed locally. Fixation of price is usually advocated for the purpose of:-

- (a) Ensuring profits to producers.
- (b) Ensuring continuity of supply of a necessary article.

In the case of honey, it is difficult to prove that side-line producers are selling at a loss, and it is certain that honey will continue to be produced at any price, even though the few men who wholly rely on the industry for a living may find it difficult to carry on unless prices are stabilised. As a food commodity, honey cannot be compared with wheat, as it is not an essential to national safety, and does not represent a large labour absorption.

6. Objection to control and a general levy might be expected from two sources:-

- (a) Producers who were not shareholders in the old Honey Producers' Association might object to paying for a debt which they did not contract.

- (b) Shareholders in Honey Producers' Association have met their liabilities in varying degrees. Some may have completed their payments, whilst others have paid nothing. Under a general levy, those who have paid would still contribute through the levy, and thus would be paying twice for the same debt.

The answer to (a) is that export kept the local market stable and thus non-exporters reaped the benefit of export in high prices procured locally. The argument raised in (b) is difficult to answer. Individual producers who have paid heavily state that they would be content to pay the levy for the sake of the industry, provided they are assured that the liquidator has collected all the debts possible of collection without actually bankrupting producers concerned.

CONTROL
DEPOTS.

If partial control presents difficulties what are the prospects for control through central depots? They have definite advantages:-

1. Practically all the honey produced could be utilised in blends of some type, and at some price. The sale of low grade honey in high grade blends should allow of a high average payout.
2. Uniformity of brands and continuity of supply could be guaranteed;
3. Finance for progress payments could be arranged;
4. Export would be facilitated and costs attached thereto reduced;
5. The collection of any levy could be readily arranged;
6. A definite sales programme could be undertaken;
7. Producers would be saved the costs of packing in their own sheds.

The objections to such a method are:-

1. Existing trade channels would be upset, in that proprietary blenders would not be allowed, and certain distributive agencies would be unable to obtain brands for which they have built up a goodwill. On the other hand, many

- distributors agree that they would not be detrimentally affected so long as all were on the same basis.
2. Honeys which are proved unsuitable for standard blends would have to be sold to manufacturers (if suitable) or their production discontinued.
 3. The initial cost of establishing depots would be considerable the equipment alone for a 1,000 ton depot costing in the vicinity of £1,250. In addition there would be the cost of buildings.
 4. The cost of bulk packing and transport to central depots would amount to over $\frac{1}{2}$ d. per pound on the average, and re-distribution would cost about the same amount. The working costs of the depots would not aggregate as much as present costs were the labour of producers calculated, but the actual out-of-pocket costs to certain producers may be greater than under the present system.
 5. Transport, packing and handling charges and levy would be at the same rate per pound on all honey handled, and unless the blending of inferior honeys enabled them to be sold at a higher price, and consequently to receive a higher payout than if sold as straight line, the returns to producers of such honeys would be lower than they receive at present.

URGENCY FOR DEFINITE DECISION.

A study (even cursory) of the industry shows it to be in a state of unrest, and it is felt that some decision as to Governmental action is urgently required.

The tentative offer made to Morton's Ltd., subsequent to a conference held in Auckland in February, has now been turned down. (Cable May 16th).

The courses of action open are:-

1. The Central Board to take control of their Imperial Bee brand in London, and to prohibit its use in the disposal of liquidation stocks. The Board then to decide whether

LIQUID-
ATION.

Morton's Ltd. retain the agency for New Zealand honey, or whether other agents are to be appointed. The liquidator (Cooper) to inform his principals that no more money can be extracted by ordinary methods and that:-

(a) Morton's must out this loss, or,

(b) Take drastic legal action.

In the event of (a) Morton's stand to lose about 220,000 sterling. If (b) is followed, producers in New Zealand may take shelter under the recently passed Mortgagees' Legislation, and Morton's again must lose on those cases which are given protection under the Act.

2. Saddle the industry with the debt, and, (a) borrow sufficient to clean up Morton's account, or, (b) arrange to pay Morton's over a period of years. This would necessitate immediate measures of control in some form.
3. Reopen negotiations with Morton's and ascertain their lowest price for final settlement.
4. Place the responsibility of liquidating the debt contracted by the Honey Producers' Association onto Export Control Board. If "Imperial Bee" brand is as valuable as is claimed, (232 to 234 per ton premium) its control by the Board should enable the Board to meet required payments, and still pay out to producers at a level well above local values. So long as the Board can show a higher return to producers, there should be no trouble in obtaining 500 tons annually for export, of which at least 50% could be sold as "Imperial Bee". If "Imperial Bee" is not of sufficient value to enable this to be done, the advisability of its retention by the Board and expenditure in advertising the brand should be seriously considered. If the Control Board were prepared to accept the responsibility for liquidation, it might be possible to have the term of repayment of outstanding loans lengthened.

It is understood however, that the present Control Board refuses to load export with any additional debt. It is

thought that the reason for this refusal is the desire to avoid criticism - or the desire to avoid the responsibility of imposing the necessary levy, rather than the fear that additional debt would retard export.

LOCAL
ORGANISATION
TOP.

If the Government decides to take no action whatever in promoting local organisation beyond that at present recognised in the Control Board Act, the industry should be told so at once. In this event:-

1. Honey will still be exported in varying quantities, and the Control Board will be able to meet its obligations to the Government over a period of years. The extent of export would depend on prices realised, and if "Imperial Bee" plus bulk selling enabled the Board to payout at rates above those realised on the local market, exports would expand.
2. Honey Limited will endeavour to function, and so long as shareholders support the Company and are prepared to allow portion of the ½d. per pound seal levy to be used for working expenses, the Company should be able to carry on and market a small percentage of the total crop.
3. If Honey Ltd. fails, it is to be expected that large producers will form Limited Liability companies, probably round certain merchants who have, or are prepared to install blending plants. These Companies would then function as proprietary concerns, and would buy honey from small producers if it suited their methods of trade. The preliminary steps for the establishment of such companies were in train prior to the formation of Honey Ltd., but were abandoned in the interests of a further attempt at co-operation.

SUMMARY.

1. The honey industry in New Zealand is in a state of unrest. The factors contributing to this unrest are:-
 - (a) Continuance of liquidation proceedings consequent upon the failure of New Zealand Honey Producers' Association;
 - (b) Absence of a progressive export policy aiming at a relief of the local market;
 - (c) Instability of N. Z. Honey Limited;
 - (d) Unorganised marketing which results in "free" producers selling at prices below those fixed by Honey Limited;
 - (e) Production of certain types of honeys which have not a wide demand as straight lines, and which are unsuited for blending in large quantities, unless sufficient white honey is available for adulteration;
 - (f) Shareholders of Honey Ltd. who are producers of low grade honey are dissatisfied with their treatment by the Company;
 - (g) Honey production is in the main a side-line industry, and as such, uniformity of grade and continuity of supply cannot be guaranteed by producer-sellers.

2. The industry, as represented by the Control Board, Honey Ltd., and the National Beekeepers' Association, put forward certain suggestions calculated to improve the position. These suggestions are:-
 - (a) Control to be extended to the local market. Control in the first instance to be by license, standardised grading on farms, and selling at fixed wholesale prices. All sales to carry a levy;
 - (b) The levy to be sufficient to cover liquidation, expenses of the Board, and to build up a reserve fund;
 - (c) Eventual control through centralised depots;
 - (d) Control to apply to all producers with eleven colonies or over, the new Board to be elected by all producers concerned

on a producer-tonnage basis.

3. It is believed that the arguments advanced by interested parties are substantially valid. The existing state of uncertainty should be terminated by a clear statement of Governmental policy. It is felt that:-

- (a) The proposals for a partial control which amount to price fixation and restrictive selling under grade standardisation, would be difficult to administer, and would almost safely lead to recrimination and dissatisfaction;
- (b) Complete control through centralised depots would be satisfactory from a trade and service viewpoint, and offers the best conditions to most producers. It is questionable however, whether the industry is large enough to stand the initial cost.

CONCLUSIONS.

In the final analysis, the problem resolves itself into one of either:-

1. Expediency, or,
2. Policy.

EXPEDIENCY.

In considering the problem from an expediency viewpoint, it has to be decided whether the money owing to Morton's Ltd. should be paid by the industry. The debt was contracted in the form of advances to producers, advances being made at the request of duly accredited representatives of the industry; namely Messrs. Castles and Rentoul. The debt can therefore be likened to an overdraft, which, it may be argued, Morton's allowed with all the facts before them, and as a fair business risk.

If it is decided that this debt be paid, some form of local control must be adopted as an expediency to facilitate collection.

POLICY.

As a policy matter, it is necessary to decide whether monopolies of foodstuffs are to be encouraged in New Zealand. There does not appear to be any reason why honey producers should be

protected in this way, unless other branches of industry are to be given equal facilities. It is not a major industry, and is never likely to be. The number of people wholly dependent on it is small. Honey will continue to be produced so long as it is a sideline industry. Honey production is not essential to national safety.

In considering local control of honey as a policy matter, it should be decided in relation to the Government's intention respecting the future control of locally produced foodstuffs for local consumption, and not as an isolated industry.

TABLE NO. 1.
DISTRIBUTION OF BREEDERS AND COLONIES ACCORDING TO
NUMBER OF COLONIES PER BREEDER.

BREEDER	Producers in each Group.																				1961 and over						
	1	2	3	4	5	6	7	8	9	10	11-20	21-30	31-40	41-50	50-100	101-150	151-200	201-300	301-500	501-1000		1001-2000	2001-5000	5001-10000	10000 and over		
Auckland	568	301	157	120	64	68	41	25	17	25	100	22	15	19	20												
Hamilton	188	128	67	58	38	39	15	10	5	21	69	25	15	12	22	5	8	2	2								
Wellington	127	100	62	50	49	38	20	12	11	7	49	23	10	10	24	9	3	3	2								
Palmerston North	451	229	144	97	54	27	25	25	19	15	111	32	15	15	24												
Havelock	55	33	26	32	27	24	10	11	9	13	44	16	12	6	20	5	6	12	3	4	4						
Christchurch	159	119	68	59	49	33	31	22	22	27	97	41	24	27	45	15	2	1	1								
Dunedin	375	215	128	112	62	74	54	28	20	33	115	44	24	27	45	12	9	7	4	1	5	1					
Totals:	2,063	1,230	704	541	343	333	194	156	116	145	597	216	114	113	201	65	45	41	22	8	17	8	7,227				
Per cent:	23.42	14.92	8.73	7.45	4.73	4.59	2.23	2.12	1.60	2.00	8.09	2.92	1.57	1.26	2.77	0.94	0.52	0.56	0.26	0.11	0.22	0.11	100.00				
Colonies Represented in Each Group.																											
Auckland	568	602	471	320	320	408	297	200	123	250	1,508	325	564	866	1,320	710	1,548	454	424								
Hamilton	128	264	221	222	190	224	105	144	72	210	594	220	425	574	1,642	1,904	1,422	2,021	2,211								
Wellington	127	210	125	200	245	216	140	104	99	70	745	223	352	470	1,721	1,022	491	542	522	474							
Palmerston North	451	229	143	258	270	242	175	220	171	160	1,471	313	330	278	1,712	556	272	2,272	1,222	1,222							
Havelock	55	170	128	140	125	125	22	22	22	22	431	439	278	1,224	279	222	220	240	240								
Christchurch	159	222	128	222	245	192	217	224	220	270	1,422	1,222	222	1,222	2,222	2,222	1,222	1,222	1,222								
Dunedin	375	422	422	442	310	444	220	220	270	220	1,722	1,222	220	1,222	1,222	1,222	1,222	1,222	1,222								
Totals:	2,063	2,460	2,212	2,164	1,712	1,992	1,222	1,222	1,044	1,420	6,744	2,222	4,042	2,212	14,722	2,222	7,222	10,122	7,222	2,222	2,222	1,222	12,222	12,222	12,222	12,222	
Per cent:	1.79	2.12	1.22	1.07	1.42	1.72	1.11	1.02	0.90	1.22	7.22	4.11	2.22	4.60	12.22	7.22	6.64	6.22	6.22	2.04	10.12	9.27	100.00				

TABLE NO. 2.

HONEY IMPORTS - INTO UNITED KINGDOM.

(In tons - Calendar Years.)

TABLE 11. (From Annual Statement of the Trade of the U.K. with Foreign Countries and British Countries, 1923, compared with years 1929-1932)

Country:	1929	1930	1931	1932	1933
Union					
Soviet/Russia.	261	137	296	108	516
Netherlands	261	26	17	7	1
U. S. A.	1,420	766	848	477	557
Cuba	10	85	159	240	59
St. Domingo)	139	88	49	38	47
Costamala	26	12	90	116	45
Chili	326	316	196	772	215
Other Foreign:	268	317	263	163	365
Total Foreign:	2,461	1,745	1,868	1,922	1,866
Australia	27	34	83	68	207
New Zealand	1,030	59	251	92	336
Canada	472	591	858	982	952
West Indies	793	795	833	945	678
Other British	20	126	18	10	9
TOTAL BRITISH:	2,392	1,605	2,043	2,059	2,182
GRAND TOTAL:	4,853	3,350	3,911	4,021	3,988
Retained Imports:	4,575	3,231	3,601	3,752	3,875
Re-exports:- (Tons)					
Denmark (inc. Faroe Is.)	8	13	63	26	4
Germany	129	19	129	131	20
Netherlands	49	23	26	13	2
Other Foreign	47	18	29	40	20
Total Foreign:	233	73	346	210	57
Total British:	46	46	64	60	56
GRAND TOTAL:	279	119	310	270	113
<u>Free in transit on through Bills of Lading</u>					
TOTAL HONEY	4	-	20	-	-

Under Ottawa Agreements Act, 1932 (Entered for home consumption)
 Empire honey admitted free of duty (1933) 2,142 tons } duty 27/- per
 Non-Empire honey charged with duty, (1933) 1,822 " } ton from 17/11/32.
 Total honey for home consumption (1933) 3,464 " }
 (Total - 1923)

TABLE NO. 3.

FOREX TRADE OF VARIOUS COUNTRIES.

Country	IMPORTS (In tons)					EXPORTS (In tons)					Reference.
	1929	1930	1931	1932	1933	1929	1930	1931	1932	1933	
United Kingdom †	4,853	3,950	3,911	4,021	3,988	278	119	310	270	113	Trade of United Kingdom, 1933 - Volume 11.
Germany	3,850	3,584	4,594	4,299	-	21	10	7	2	-	
Netherlands	3,723	3,553	4,330	3,823	-	52	31	25	24	-	
France	332	776	1,355	1,725	-	953	612	609	454	-	
Belgium-Luxemburg	330	330	333	349	-	5	29	11	10	-	
Austria	612	530	553	531	-	2	2	2	1	-	
Switzerland	255	223	253	229	-	11	11	4	3	-	
Norway	55	45	31	31	-	-	-	-	-	-	
Sweden	124	45	43	21	-	-	1	-	-	-	
Czechoslovakia	176	52	56	25	-	4	5	2	1	-	
Hungary	43	-	-	-	-	203	123	252	224	-	
Greece	1	-	-	-	-	55	27	22	26	-	
Poland	3	4	5	1	-	-	-	-	-	-	
Portugal	3	2	2	-	-	1	2	1	-	-	
Lithuania	3	2	3	3	-	-	3	1	9	-	
Belgium Congo	2	3	3	1	-	-	-	-	-	-	
Netherlands E. Indies	83	78	79	80	-	-	-	-	-	-	
Cuba	(not available)	(not available)	(not available)	(not available)	(not available)	4,450	4,700	4,900	5,200	4,700	International Statistics of the League of Nations. "Economic Conditions, 1933", H.M. Overseas Trade Dept.
Costa Rica	(not available)	(not available)	(not available)	(not available)	(not available)	120	144	117	125	-	
Chili (2)	neg.	(not available)	neg.	nil	1,351 not avail.	-	-	313	257	-	
Chili (3)	neg.	170	94	37	46	333	191	8	95	28	
Argentina	202	(not available)	(not available)	(not available)	(not available)	22	23	-	-	-	
Brazil	51 not avail.	35	24	46	-	2 not avail.	1	neg.	nil.	-	
Egypt	(not available)	(not available)	(not available)	(not available)	(not available)	1,972	1,949	-	-	-	
Bangia (4)	-	25	22	24	24 †	3,072	1,954	1,857	2,107	2,749	
U. S. A.	27	26	8	9	12	779	761	1,155	1,022	1,223	
Australia x	5	2	2	2	3	45	53	37	247	129	
New Zealand (2)	0.2	0.1	0.1	0.1	0.3	1,026	77	231	101	338	
Jamaica	(not available)	(not available)	(not available)	(not available)	(not available)	-	-	-	915	-	

† (Gross imports and re-exports)
(U.K. retained imports) :-
(4,572) (3,221) (3,601) (3,761) (3,672)

‡ Includes other products besides honey.

x Trade figures for Australia close 30th June each year. Figures given here have been averaged to obtain equivalent of calendar years.

(1) 1934 (imports 15 tons, exports 220 tons)

(2) 1934 (export 229 tons)

(3) Years 1930-31 and 1931-32 (average export 1926-27 to 1930-31 was 526 tons.)

(4) Years 1922-29 and 1929-30.

Bulletin of the International Bureau of
Commercial Statistics, Brussels.

International Statistics of the League of Nations.
"Economic Conditions, 1933", H.M. Overseas Trade Dept.
"Economic Conditions, H. H. Overseas Trade Dept."
"Economic Conditions of Chile."
"Economic Conditions of Argentina."
"Foreign Trade of Brazil."
"Foreign Trade of Spain."
"Foreign Trade of the Soviet Union, N.York, 1931."
"Economic Conditions of U. S."
"Economic Conditions of Canada."
"Trade of Canada."
Year Book.
Trade and Shipping.
Report of the Colonial Office.

TABLE NO. 4.

NUMBER OF HIVES OF BEES IN VARIOUS COUNTRIES.

Reference Key: (a) Statistical Yearbook for country concerned.
(b) Agricultural Statistical Yearbook, International Institute of Agriculture, Rome.

	1927	1928	1929	1930	1931	1932	1933	Unweighted Average in 1928-33	Remarks.	Reference.
ASIA										
India	379,553	379,100	349,183	330,981 (1)	-	-	-	349,183	(1) Agricultural & Forest Holdings only. On farms only.	(a) (b)
Malaya	158,688	154,747	176,511	-	213,778	226,025	227,672	227,672		(a)
Sumatra	-	-	32,027	-	-	-	-	32,027		(a)
Java	540,724	335,137	341,844	318,243	339,509	346,115	353,245	341,844		(a)
Philippines	41,450	49,150	47,972	47,800	49,140	51,160	54,240	49,150		(b)
Formosa	-	15,448	10,821	11,289	15,405	15,028	15,028	15,028		(b)
Ceylon	1,638,723	1,638,683	1,723,073	1,638,147	1,878,024	1,915,373	2,103,733	1,723,073		(a)
Sri Lanka	-	-	845,610	-	-	550,523	519,563	550,523		(b)
Malindang	-	-	-	86,324	-	-	-	86,324	Provisional	(a)
Hungary	249,740	274,320	311,624	345,624	232,499	268,841	300,121 (b)	274,320		(c)
Italy	-	638,323	-	-	-	-	-	638,323		(b)
Latvia	-	37,024	33,020	-	-	-	-	35,022		(b)
Lithuania	-	11,027	-	-	10,723	-	-	10,723		(b)
Poland	-	-	31,313	-	-	-	-	31,313		(b)
Russia	-	5,298,400	5,036,400	-	-	-	-	5,167,400	Includes Asiatic portion omitting G. Asia, Kirghiz & Yakut Republics.	(a) (b)
Sweden	142,900	-	-	-	-	-	-	142,900		(a)
Switzerland	-	-	-	-	300,644	-	-	300,644		(a)
Turkey	-	-	-	708,613	938,889	-	946,607	881,167	Includes Asiatic portions on farms only	(b) (c)
Rumania	262,120	267,040	273,051	267,266	268,629	262,728	267,040	267,040		(a)
EUROPE										
Algeria	-	-	136,390	-	-	-	-	136,390	Hives in operation.	(b)
Argentina	123,070	-	-	-	-	-	-	123,070		(b)
Chile	-	-	114,222	-	-	-	-	114,222		(b)
Guatemala	-	-	24,027	29,570	19,507	23,424	23,424	24,027		(b)
Yugoslavia	128,465	124,626	124,140	127,621	129,243	133,572	129,243	127,621	Hives in operation	(b)
Syria & Lebanon	-	-	3,000	3,000	30,800	37,390	34,700	30,800	Lebanon only.	(b)
U. S. A.	(Recent estimate by Bureau of Agricultural Economics 4,600,000 hives.)	-	-	-	-	-	-	4,600,000		Statistical Abst. (b)
Prussia	24,222	-	24,222	-	-	-	-	24,222		(b)
AMERICA										
Australia	144,299	127,227	124,203	172,225	123,205	229,204	229,204	144,299	Productive & unproductive hives.	(a)
Canada	-	-	-	215,204	-	-	-	215,204		(b)
New Zealand	-	22,273	104,229	122,212	112,205	111,210	111,210	104,229	% of Agricultural	(b)
Philippines	-	2,229	2,200	4,200	3,700	4,049	3,700	3,200		(b)
Union of South Africa	-	-	74,227	-	-	-	-	74,227	Europeans only.	(b)

x not available.

TABLE NO. 5.

HEAVY PRODUCTION IN VARIOUS COUNTRIES (IN TONS).

Reference Key: (a) Statistical Yearbook for the County concerned.
(b) Agricultural Statistics Yearbook International Institute of Agriculture, Rome.

COUNTRY	1927	1928	1929	1930	1931	1932	1933	Remarks.	Reference.
AMERICA									
Argentina	1,041	1,120	1,072	-	-	-	-		(a)
Belgium	1,792	1,825	1,621	-	2,045	1,870	2,304		(b)
Canada	2,343	2,275	2,045	2,004	2,301	2,494	2,127		(a)
Chile	224	225	207	224	221	222	212		(b)
France	-	-	-	2,267	2,117	2,222	2,221		Agric. Statistical Y. Book, Economic.
Germany	1,772	227	1,224	1,544	2,022	2,502	2,272		(b)
Italy	-	1,272	-	-	-	-	-		(a)
Japan	-	222	1,220	1,221	1,112	1,222	1,224		(a)
Netherlands	-	-	-	-	2,222	-	-		(b)
Norway	-	-	-	2,227	2,227	-	-		(b)
Sweden	-	-	-	-	-	2,227	2,221		(b)
ASIA									
Argentina	-	-	-	222	-	-	-		(b)
Belgium	4,224	-	-	-	-	-	-		(b)
Chile	-	-	-	1,272	-	-	-		(b)
Canada	-	-	-	227	222	221	1,224		(b)
Japan	1,222	1,222	1,222	1,222	1,222	1,272	2,222		(b)
U.S.S.R.	-	-	12	12	121	222	222	Lebanon only.	(b)
U.S.S.R.	-	-	27,227	-	-	-	-		(b)
U.S.S.R.	127	-	-	222	-	-	-		Statistical Abstract.
EUROPE									
Argentina	-	2,227	2,272	2,272	2,272	2,272	2,272		(a)
Belgium	-	22	12,227	12,222	12,222	2,222	2,222	Provisional	"Canadian Annual Review."
Canada	-	22	22	22	22	22	22		(b)
U.S.S.R.	-	-	-	222	-	-	-	European only.	(a)

TABLE NO. 4.

QUOTATION FOR BULK HONEY IN THE UNITED KINGDOM IN
SHILLINGS (STERLINGS) PER OZF. (FROM THE GRADES)

Year	France	West India	Australia	New Zealand	Cuba	Florida	California	Canadian	Japanese	Siberian	Guatemala	San Antonio
1920	34.00	31.25	42.00	32.00	33.75	30.00	33.00	33.00	33.00	33.00	33.00	33.00
1921	34.00	30.50	42.00	32.00	33.00	34.00	33.00	33.00	33.00	33.00	33.00	33.00
1922	42.75	34.25	42.50	32.50	33.50	34.75	33.50	33.50	33.50	33.50	33.50	33.50
1923	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1924	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1925	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1926	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1927	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1928	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1929	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1930	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1931	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1932	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1933	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1934	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1935	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1936	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1937	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1938	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1939	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1940	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1941	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1942	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1943	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1944	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1945	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1946	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1947	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1948	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1949	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1950	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1951	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1952	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1953	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1954	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1955	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1956	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1957	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1958	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1959	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1960	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1961	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1962	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1963	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1964	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1965	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1966	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1967	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1968	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1969	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00
1970	38.50	37.50	41.25	32.00	31.25	37.50	33.00	33.00	33.00	33.00	33.00	33.00

Note: Prices from 1937 to 1954 are unweighted yearly averages. Quotation for 1955 is latest available (6th April).
Duty of 7/- per cent. on all honey other than Colonial.

APPENDIX 2.

H. S. MONEY LIMITED.

BALANCE SHEET AS AT 31st JANUARY, 1935.

Authorized Capital - 12,000 shares of £1 each	£12,000	Plant - at cost less depreciation	£466. 9. 1
Less Unallotted 7765 shares of £1 each	<u>7,765</u>	Furniture & Fittings - at cost	4. 6. 1
Subscribed Capital 4,235 do do	<u>£4,235</u>	Stocks on hand -	
Paid-up Capital	£8,704. 9. 8	Money (Company's)	825. 6. 8
Sundry Creditors	885. 6. 1	Bank	44. 6. 8
Commercial Bank of Australia Limited	48. 5. 11	Tools, Stationery & Advertising Material	121. 6. 8
Balance from Producers' Account	1,761. 2. 4	Printing Materials	<u>871. 6. 8</u>
Less debit balance of Profit & Loss Account at 31st January, 1934	<u>130. 15. 8</u>	1,335. 11. 6	
	1,621. 9. 11	Money Debtors	855. 15. 11
		Receivable Advances on Producers' Money	1,655. 15. 0
		Receivable Packing Costs	<u>825. 5. 4</u>
		Expenses paid in Advance	11. 10. 7
		Trade Marks Registration	9. 6. 0
		Cash on Hand	6. 15. 8
		Preliminary Expenses	175. 4. 6
		Less written off	<u>87. 15. 10</u>
			115. 9. 8
	<u>£4,760. 9. 7</u>		
			<u>£4,760. 9. 7</u>

Director

Director

We report to members of H. S. Money limited that we have audited the books and accounts of the Company for the year ended 31st January, 1935, and that we have obtained all the information and explanations we have required. In our opinion the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company. The full amount voted to Directors' remuneration has not been drawn and to the extent to which such fees have not been shown there is a contingent liability additional to those disclosed in the Balance sheet.

(sgd.) Semma & Shove,
Public Accountants.

AUDITORS.

