

# HONEY MARKETING

## Control Board's Policy

### Report of Address

delivered by

**MR. J. R. BUTLAND,**  
Chairman of the Honey Control  
Board

at the

**Twenty-Third Annual Conference**  
of the  
**National Beekeepers' Association**

HELD IN WELLINGTON

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Members of the New Zealand  
HONEY CONTROL BOARD



J. R. BUTLAND, Chairman.  
Government Representative.



W. WATSON,  
Producers' Representative.



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Producers' Representative.



J. RENTOUL, Manager.

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Chairman of the Honey Control Board, at the  
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June 24, 1936.

Mr. President, Ladies and Gentlemen,

IT has been my pleasure to attend conferences of the National Beekeepers' Association since 1933, which offers an annual opportunity to acquaint the industry with the affairs of the export market, and the Board's plans for the more effective handling of your export business.

During the comparatively short period of my membership of the Board, I have necessarily been compelled to make a very detailed study of the honey business from its humble beginnings in the export market, and have often thought that should time at some later date permit, I could write a most interesting book, one which would be of wide interest to those for whom the honey industry provides a livelihood, as well as to many who enjoy a true business story, one in which truth would seem stranger than fiction. The story should be called "The Romance of New Zealand Honey." Opportunity for any such literary efforts in these busy times, however, becomes increasingly rare, so I shall attempt to give you a very brief outline to-day of only the climax of what—if taken from its beginning—would provide an entrancing story.

Probably the most interesting part of the history of the honey industry dates back prior to the years 1932-3, which were the fateful periods in its

existence. Time will not permit of my dealing with all those circumstances which lead up to the crisis of 1932-3, but it was 18 years prior to that date that the idea was conceived of the establishment of a business in England, based on the principal of packing and blending a uniform honey to be sold under a brand at a payable price, thereby avoiding the necessity of selling in bulk against intensive competition from every other exporting country in the world. Those responsible for the original conception of the scheme deserve in no small measure the gratitude of you who are to-day reaping the benefits of the far-sighted policy then conceived.

The year 1932 found the Honey Producers' Association heavily in debt, facing bankruptcy, its principal asset being the "Imperial Bee" brand, under which a very considerable business had been built in England at tremendous cost in advertising. There has been much criticism as to whether this advertising could be justified. I am not prepared to debate that question, other than to say that if there was an over-expenditure it could hardly have been foreseen at the time the expenditure was being incurred that a set of circumstances would apply on the British market, altogether unprecedented in their effect on the marketing of honey. But what the expenditure

did do, was to produce a goodwill which enabled New Zealand honey to be sold at a higher price than that obtainable on any other honeys exported to the British market. The company, however, found itself face to face with bankruptcy in 1932, and its agents in London (quite unaware of it) faced with a very heavy loss on account of the accumulation of stocks which could not nearly realise the figure that the company's agents had advanced on them, plus the advertising debits incurred. It meant negotiating with the agents, Messrs. C. and E. Morton, who, of course, had every right to claim the principal asset, "Imperial Bee" brand.

Having just been appointed to the Control Board, and being largely responsible for bringing about a facing up to the facts of the financial situation of the company, I was requested to go to England and to conduct negotiations with the company's creditors. I have often heard it said that the great desire of most New Zealanders is to go for a trip to the Old Land, but if I were offered another trip on a similar mission (even if I were paid for it) my answer would be "Never Again."

I was faced with the position of telling the creditors that the company stood in debt to them to an amount approximating £20,000, providing the accumulated stocks yielded the full amount that had been advanced on them. There was, however, not the remotest possibility of that eventuating, because some of the accumulated stock was 10 years old, and 300 tons of it appeared to be almost unsaleable, except at a throw-out price. The only asset apart from the honey was the "Imperial Bee" brand and a few small assets in New Zealand. To make sure there would be no misunderstanding, I, as Government representative on the Board, was specially instructed before leaving to make it clear that the Government would have nothing whatever to do with either giving or lending money to help the situation. This I did.

In face of this, the task I set myself was to try to arrange to have the ownership of "Imperial Bee" brand which was the principal asset, transferred to the Board. When I think of it now I cannot conceive of anything more difficult. Nor can I conceive of any business house other than an English house of the calibre and standing of C. and E. Morton, who, having for the first time been made aware of the facts, would have been prepared even

to discuss such a proposition when they knew that they could have sold the brand, and at least realised on that asset a much higher price than the Board could pay, seeing the Board's "only asset" was a debit balance in the bank of £400.

Fortunately for the industry, Morton's were not that type, and when I returned from England the Board was in possession of the brand, for which it had agreed to pay, spread over five years, a total amount of £6000 plus interest £480. Morton's had agreed to take over the agency for five years for the Control Board (whose intention was to take absolute control of the marketing in England), and to make the best effort possible in co-operation with the Board for the rehabilitation of the industry.

It is necessary that I should tell you this, for it is just a little of the story which leads up to my addressing you in this hall in June, 1933, as chairman of the Control Board, with a debit balance in the Board's account of approximately £400 and a liability (to find over a period of five years) of a further £6480, to pay for the brand. In addition to this, the company's plant, after the negotiations in England, was destroyed by fire, and I had had the plant rebuilt in England at a cost of £1000 from money which Morton's agreed to loan the Board (even bearing in mind the circumstances previously mentioned), and this was added to the Board's liability. I must confess that I faced the meeting in 1933 with much misgiving and a liability confronting the Board of approximately £8000. We also had the knowledge that although it was not the direct concern of the Board's (which has jurisdiction only over the export market), the industry was faced with a claim for recourse and unencumbered capital by the liquidator of the Honey Producers' Association for an amount of £20,000. In addition there was an accumulated stock of 700 tons of honey in England, which was the property of the liquidator. If, by any action of the Board, this honey failed to realise the full amount advanced against it, which, including charges, was about 60/-, the amount of the discrepancy would have to be added to the amount already stated. It was well-known that this honey, if sold in open competition for quick realisation, could not possibly bring the amount advanced, and it was conservatively computed that the figure of £20,000 at a forced realisation, could easily be increased to £40,000.



The Board's total assets to set against this were the possession of the "Imperial Bee" brand, a carefully-prepared plan for the future, and, probably the most valuable asset of all, an unwavering determination to see that plan through to success. We believed that if you, who depended on this industry for your livelihood, would co-operate with the Board, that in five years' time we could liquidate our debts, help you to liquidate yours, re-establish the export business and hand the "Imperial Bee" brand un-mortgaged to the industry, and give you an increasingly better return for your produce each year.

I knew full well that to ask you to accept this as possible placed an excessive strain on human credulity. In spite of that, at the end of the meeting, you passed a unanimous vote of confidence in the Board, and have consistently returned its original members at your annual election.

We next faced the problem of advances. It is conceivable in the circumstances that the Board's agents were disinclined to advance further moneys to finance the Board's operations, and it doesn't require a chartered accountant to demonstrate the wisdom of their attitude. But it did present a serious difficulty, and that difficulty was not lessened by the carping and organised criticism levelled at the Board by some interested parties, whose ambition was to see the English market thrown open so that they could personally profit under the shelter of the goodwill that had been built at your expense and for which you are now paying.

The Board, however, would have none of it, and fought this opposition both on the platform and in the public Press. It was able to meet every argument and discredit every misstatement made; but, naturally, this opposition did not contribute toward making the Board's position easier. The fact that it was unable to obtain finance to advance to producers meant that producers were faced with the possibility of having to sell in New Zealand and take almost any price offered for their honeys. They must have money, and it was too long to wait without advances for the returns from England, which might be 12 months or more. One can tell you now quite calmly how terribly handicapped we were by this opposition, but few people realised the complications it produced. The opposition did not come from producers in the industry who really mattered.

From those, came only the fullest co-operation, and the Board desires me to express to-day its full appreciation of that co-operation. You refused to be talked out of sending your honey to the Board, refused to allow it to get into the hands of speculators on the local market, and showed a solid confident front in an almost defeated industry.

Despite the fact that we approached the Government, two of the leading banks, and the Rural Credit Board, as we could give them no security, we were unable to obtain any moneys to make advances to the producers. We were faced with a desperate position, because the figures at which producers could sell their honey to merchants on the local market were below what it cost to produce.

We re-opened negotiations with C. and E. Morton, explained the position and pointed out that without this financial help it would be practically impossible for the industry to stand up to the calls being made on it by the liquidator. Finally, Morton's again came to the rescue and agreed that so long as the Board would not advance to a dangerous point, they would provide a £10,000 credit.

Many other troubles were encountered during this period, but they faded into insignificance once we had been able to establish the certainty of being able to make advances immediately our exports were shipped. Such things as Dr. Dyce's application for patents, which would have excluded our blending "Imperial Bee" honey under the method used in the depot, had fogged the Board's future with threatening clouds. Now, with renewed confidence, we instructed our agents in London to oppose the patents which had then been transferred to the Minister of Agriculture of Canada, and apply through the courts for annulment. We were successful in having the patents cancelled, and costs were awarded against the Minister.

The position with the liquidator was becoming easier, for although the liquidator was compelled to press producers for recourse far in excess of the ability to pay, he negotiated an arrangement with Morton's, who were the only creditors, which enabled him to give generous consideration and considerable latitude to those who were making a genuine effort to pay.

We were now ready to proceed to put into operation our marketing plans, but could not use the packing depot without excluding the accumulated

stocks of the Honey Producers' Association, nor could we adjust our price which was seriously in need of adjustment, to meet competition from other countries (who had been attempting to follow the same method of marketing as we were operating), without seriously increasing the amount of the calls being made on the liquidator.

We embarked upon a campaign improving the quality of "Imperial Bee" blend, by supplying at a payable price some of our best white honeys to blend with those of the association, and marketed the balance in bulk until such times as we could take over the packing depot without injury to the liquidation generally.

It may have been thought that the Board had no right to consider those involved in the liquidation, but as the Honey Producers' Association's shareholders were the exporting beekeepers, we felt then, and still feel, that we adopted the correct policy in taking into consideration the local conditions created by the liquidation. If our action conflicted with those engaged in production, we naturally defeated the ends towards which we were aiming in England.

The Board took a leading part in the question of local control, and repeatedly re-opened with the Government the necessity for clearing up the position of the liquidation for the purpose of enabling the Board to get possession of the depot at a much earlier date than looked to be possible under the slow realisation of the association's stocks.

At the stage when there was a likelihood of the Government becoming interested and clarifying the position, the Board felt, in view of the criticism it had encountered, that more progress might be made if it could get the full confidence of those in authority whom the opposition were trying to influence. With that object in view, it requested the then Minister of Agriculture to have its whole position and that of the Honey Producers' Association investigated by the Department of Industries and Commerce so that at least the Government could deal with the facts as they were, and not as the critics of the Board would have agreed to this. A very lengthy report was made by a senior officer at the Department of Industries and Commerce, the result of which was a complete vindication and an endorsement of the Board's policy, which set at

rest the minds of those whom the opposition were trying to influence.

From then on, progress was made toward finding a solution for the settlement of the position in England. The Executive Commission of Agriculture made a full investigation. Mr. Edward Morton, chairman of C. and E. Morton, Ltd., was visiting New Zealand, and a conference was held with him. Major Buckley, managing-director of C. and E. Morton, Ltd., interviewed Mr. Forbes whilst he was in England, and, as an outcome of this interview, decided to come to New Zealand and endeavour to effect a settlement. This, I am happy to say, proved entirely successful, the result being the release of considerable pressure on those involved in the liquidation, Morton's agreed to write off approximately £7000 of the amount owing to them, the Government loaned a further £10,000, and the Board took the responsibility for £3000 of this amount, £2000 of which it was already committed to take as payment for large supplies of advertising material and unexpired contracts taken over from the Honey Producers' Association, leaving the balance to be found by the liquidator over an extended period of time.

This had the effect of assuring those involved that the amounts already claimed would not be increased. It gave considerable relief and sufficient breathing space to enable them to pay these claims out of income, as I understand that some of the debts have now been spread over a period of three years.

Producers from that time faced the future with a great deal more confidence. Many have since told me that this saved them from bankruptcy. It put the Board in possession of its depot and allowed for the complete clearance at very low prices of all inferior honeys (the residue belonging to the association), which had been lowering the quality of "Imperial Bee" brand. It also gave the Board an opportunity of discussing its plans with Major Buckley, and putting into full operation the policy which it had dreamed about since 1933, but which could never be fully operated owing to the circumstances outlined. It enabled the Board to pack quality honeys and commence judicious and much-needed advertising. It allowed for development work which had been planned for the increase of "Imperial Bee" sales, and perhaps most important of all, Major Buckley, at the re-

quest of the Board, agreed to act as honorary European representative of the Board in London. Major Buckley's ability and wide commercial experience in England is a tremendous asset to the Board. There seems to be no limit to what people will do for this industry without remuneration. Prices were adjusted to meet competition on the British market. The marketing of another brand to retail to the British consumer at 1/- per pot was put into operation. This I outlined in 1933 as one of the principal features of the Board's policy, and I am certain that within the next five years you will find that this secondary brand will prove to be of immense benefit to those who are engaged in the production of honey in districts from which the lower grades only are obtainable. It will take a lot of organising, but I am confident that at 1/- per lb. as against 1/3 and 1/4, this brand will open up a field hitherto unexplored by packed honey on the English market, and the economical arrangements made for its packing and distribution are such as will allow a very satisfactory return to the producers, and should ultimately allow us to alter the grading regulations to the advantage of producers in those districts. The return on this pack is proving to be better than we anticipated, and as it becomes established will enable us to sell these darker honeys at an increasingly better figure as compared with the present position, where they must be sold in bulk against intensive competition because the quality is not high enough for their use in "Imperial Bee." I have a sample of the pack and shall be glad to discuss it further with those producers interested.

Now we come to the more personal, and, perhaps, from your point of view, more interesting side of the Board's business.

The Board had learnt from close contact with the association business that it is no easy matter to run a packing business at a distance of 12,000 miles. In addition to uncertainty of cost and the inability to exercise direct control, there is a tremendous amount of work to be done at this end in checking operation costs which have already been incurred and which, if incorrect, takes months to adjust.

My feeling, when in England, was that the solution of the problem was to have the packing done under contract, specifying a standard, and hav-

ing someone on the spot check up every delivery to ascertain that it was packed exactly to that standard. I made a very careful investigation and found, although the association's costs of packing approximated 5d. per lb., the cheapest figure I could get from outside packers was anything from 1½d. to 1¼d. Finally, I decided to discuss the matter with Morton's, and found that they, too, were not prepared to undertake the packing at less than the figure asked by other packers.

Much as I desired to be clear of the packing, there was no alternative other than to pay a higher figure than it was then costing in the depot. This, of course, I could not recommend, and so, reluctantly, we were compelled to face the necessity of doing our own packing and blending when we took over the depot.

During Mr. Edward Morton's visit, the matter was again explored by cable, and it was found impossible to get down to the Board's figure. Later, however, when Major Buckley arrived, the proposal was thoroughly investigated again, and after long negotiations, finally was reached that Morton's would pack in their own factory and use their own labour. The agreement resulted in a reduction of packing costs. The association's figure was 5d. The contract made with Morton's provided a maximum of 3½d. per lb., automatically reduced to 3d. when the quantity increased to 600,000lb.; all future plant required to be at Morton's expense.

This was an excellent arrangement for the Board, for not only was there a saving to be effected in the packing, but it also produced a considerable saving in delivery charges; a further saving at this end of the time and the staff necessary to supervise and check depot costs. But the all-important position in this arrangement is this, that although these figures are stated at 3½d. and 3d., they are maximum figures, which, of course, never applied in the old depot, for if in slack months packing costs rose to 1½d. per lb., it was your affair, and you had just the one option of grinning—or I should say, complaining—and bearing it; but in this arrangement the price per lb. is limited and the cost to the Board cannot be exceeded. If it should be lower (and the Board is entitled to a six-monthly audit of the actual cost), we are to receive a credit down to the actual costs.

We find ourselves now with a better arrangement for packing honey than



has ever before existed. An allotment of 7d. per lb. for advertisement comes out of every pound of honey only when sold, and can in no circumstances be exceeded. This completely frees the Board from any possibility of getting into any advertising debts. Since we took over a five per cent. increase in the sales of "Imperial Bee" honey has taken place on the British market, and an aggressive policy is being put into operation in other markets.

The distribution of packed "Imperial Bee" honey in these markets, which includes India, Africa, Egypt and a number of other countries, represents in New Zealand funds about £5000 worth of business per year, and it is regularly increasing.

We have been able, under the new arrangement, to bring our prices down to 12/6, and shall show a better net return as a result of narrowing the margin between the consumer and the producer.

The secondary brand is providing an opportunity for the opening up of fresh fields for development in a market of 45 million people whose present total consumption is only double that of the New Zealand's total production. You will see from this what enormous possibilities there are for the future, the results of which over the next few years will, I am sure, exceed our expectations.

The distribution of "Imperial Bee" honey covers every provision store, large or small, throughout the length and breadth of Great Britain, featured on the label in type as large as "Imperial Bee," is the word New Zealand. Seeing our packed honey is the finest commodity in its class sold on the British markets, this is a free and valuable advertising medium for New Zealand generally. This claim is justified by the fact that "Imperial Bee" honey obtained first, second, and third prizes in all classes at the Cardiff Imperial Show. The actual honey which secured this award is on the table before you.

More important is the fact that during the process there has been built for which depends to some extent the success of other primary industries) a goodwill which will continue to bring a premium which places its products outside the realm of intensive competition. This will last in the British market just so long as the destinies of the industry are wisely and prudently directed.

Now apart from all these general aspects, what has this achieved for you personally, measured in terms of cold relentless money?

In the Board's first year (1933) No. 1 season, you received a pro rata payment of 4½d. In No. 2 season (1934) the total pay-out was 4½d. pro rata—in No. 3 season (1935) we have so far paid out 4d. and the next pay-out is to be made immediately. In the 1936 No. 4 season (the honeys covering which are now just being exported) the Board decided to increase its advance to 2½d. This was done for the purpose of putting you in a position to make your choice between the local and export markets, uninfluenced by the pressing financial situation which some of you have been facing. It is the Board's policy to try to increase this advance further as time goes on, and it sees every prospect of being able to do so.

The payments referred to on seasons Nos. 1 and 2 were necessarily considered to be final payments, and were accepted by the industry as entirely satisfactory.

Substantial reserves had to be provided for reasons which have already been stated and provision made against an excessively heavy export season. We now find our position to be so satisfactory that these reserves need not be held any longer and the Board has decided to increase the pay-out on No. 1 season by 1d. per lb., which will make it 5½d. per lb. pro rata.

In No. 2 season the final payment was 4½d., and it has been decided to make a further payment of 1½d., bringing the No. 2 season's pay-out up to a total of 6½d. pro rata.

No. 3 season has not yet been completed. 4d. has already been paid. An additional pay-out of 2d. will be made by the Board, which will bring the total up to 6d. pro rata to date, and a further final payment should be due about November. I have no doubt that No. 3 season will reach 6½d., and probably exceed it.

The additional pay-outs on Nos. 1 and 2 seasons will be sent to you immediately. The additional payments on No. 3 season will be made in two payments, one of 1d. in June and another 1d. at an early date, not yet decided.

In addition to this, spread over the three seasons we have written off in equal proportions a debit balance of £800. We have either paid or made provision over the three seasons to



pay the total amount of the original debt of £6480 owing for the "Imperial Bee" brand.

After making these payments there will still remain a credit balance to take care of any emergency—£462 in No. 1 account—£612 in No. 2 account, and an amount yet to be determined in No. 3 account. As circumstances warrant it is the Board's intention to use up reserves in further advertising.

This has had a marked effect on the local market for the stabilising of the English market has been directly responsible for an increase on the local market of from 1½d. to 2d. per lb. as compared with prices applying in 1932.

I should not be human if I did not feel proud of the Board's achievement, particularly when we know that similar foreign honeys have been selling on the British market at figures ranging from 18/- to 25/-, which cannot show a return greater than 1d. per lb.—and in the particular case of American finest white honeys these have been returning producers on export approximately 1½d. to 2d.

At what cost to the industry have these results been achieved? I claim at a figure so low that it is without parallel in the history of this or any other primary industry.

In 1933 the cost in honorariums, etc., was exactly .03 or 3/100th of 1d. per lb. The total cost of the Board's operations, including salaries, office, legal and election expenses, interest, and travelling expenses worked out at exactly a farthing (or 25d.) per lb.

In 1934 the honorarium, etc., was .04 or 4/100ths of a penny per lb., and the total cost of operation, including all the expenses mentioned above was a fraction below a farthing per lb., actually .234d.

Our sales over the three years averaged 346 tons plus 240 of the old accumulated stock, making a total sales of New Zealand honey of 586 tons per annum, or 1758 tons over the three years under review.

Human beings do not as a rule profit by the experience of others, for Canada has done recently what New Zealand did in 1928, and an article which appeared in the "Smallholder" this month will prove of particular interest:

**"OVERSEAS MARKETING — VALUE OF CONTROLLING AGENCY—EXPERIENCE OF CANADA.**  
On occasions, the wisdom of having only one agent overseas for the distribution of the Dominion's honey ex-

ports has been questioned. The excellent results and the high level of returns to producers in comparison with those of other countries has amply justified the practice.

"It is interesting to find that Canada, after a disastrous experience with an unrestricted number of agents, has realised that the New Zealand practice is the only one ensuring a high standard of sales service, a consistent level of returns to producers, a keen interest in market development, a study of consumer preferences, and a pride in a quality product in a high-class package.

"In the 'Canadian Bee Journal' for April, 1936, Mr. W. B. Somerset, Commissioner of Marketing, Ontario, in commenting upon the recent failure of the export activities of the Ontario Honey Export Association, states:

"The Government in 1933 withdrew its assistance in directing the distribution of Canadian honey in Great Britain. Instead of one agent appointed by the Export Association, about 20 were sent supplies of honey. All of them forced it on the market in competition with each other, with the result that we got our throats cut as to prices on the British market when all evidence shows we should have exceeded the good years of 1932 and 1933. We are now set back with export prices on a definite loss basis and domestic prices away down in consequence. The Export Association has ceased its activities and the outlook is now worse than ever.

"It must be apparent," concluded Mr. Somerset, "that disorganised competitive dumping of supplies on the export and domestic markets are producing disastrous results and are the cause of the present low returns to Canadian producers."

"This definite corroboration by New Zealand's largest overseas competitor in the British honey market—of the soundness and value of New Zealand's policy of having one controlling agency in Britain through which to market honey exports will undoubtedly prove pleasant reading in these times of uncertainty, with highly-developed super-marketing methods."

I have quoted this article in full because I wanted to illustrate to you that a competitor fell into the same error

as you committed in 1928, and it is necessary that you profit by your own and their experiences.

One critic picturesquely suggested that we "bottlenecked" our sales through one distributor. That is quite incorrect. We have one controlling agent, or, in other words, one firm acting for the Board, carrying out the functions of the Board, and selling as the Board's agents to every merchant prepared to distribute New Zealand honey at our prices. If there is any so-called "bottlenecking" in this, it is of the profits in New Zealand honey for the producers to whom they belong. Ninety per cent. of our bulk sales are to packers, manufacturers or merchants. In "Imperial Bee" prices, a discount is provided for merchants who are able to, and do sell, to retailers at the same prices as our agents. It is natural, seeing our agents specialise on honey in the retail, that they will get a large percentage of the "Imperial Bee" business. It suits us this way, as the 10 per cent. thus saved comes to the producer. Any suggestion, therefore, of our sales being restricted through one house is pure imagination. Any merchant, packer or distributor can buy as much of our packed and bulk honey as he wishes, at our price, but we will not sell it at 20/- per cwt., and so long as you develop and maintain your packing business, the necessity for accepting such prices will not arise.

The packing business returns a very high premium and helps our bulk business, for, having an assured outlet in packed sales, we need cater in bulk only for payable business, and this keeps our pool average high. In any excessively heavy export season, should we be forced into very competitive sales, we are well-equipped to meet it as a result of the valuable premium you get under your brand and packing outlet.

It was suggested that we should publish the figures showing how the difference was made up between the returns to the producers and the price to customers. Nothing would please me better than to do this. The margins have been cut to incredibly low percentages. I have decided, however, that the figures will not be published. They are much too valuable to our competitors, but the figures are here, and I am prepared to show them to any beekeeper interested. I shall also send a copy to the Department of Agriculture. Publish them for the benefit of competitors, however, definitely NO.

The approximate annual production in this country is 3000 tons, 2000 of which can comfortably be consumed in New Zealand, and within the next two years up to a thousand tons can be profitably marketed overseas, but this increase cannot be brought about overnight, and I urge you not to take the risk of destroying the market already built by flooding it when there is no necessity to do so. Let the export market take increasing quantities, but to ensure its future success you must profit by your experience and avoid the surpluses and the famines of the past.

For this reason I have always advocated some measure of control on the local market. I have never advocated absolute control. By that I mean the marketing of the whole of the local market's produce by a Board, for the peculiar nature of the industry and the wide varieties of honeys produced would tend to make such a scheme unwieldy and difficult to handle. A limited control of price and grades, with freedom for producers to market their honeys within these limits and the provision by the controlling authority of a means of distribution for those producers who elected to use it, would, I think, be satisfactory. Such a scheme would allow of the co-ordination of both the local and the export markets, and a rapid development of both to a point where you will have a model industry. If such developed, I am certain that your success primarily depends on the proper handling of the marketing and commercial side of your business, and urge you to maintain the wonderfully friendly connection that has been established with your overseas agents. The honey business has become with them a personal business, and one that a large and old-established English house has determined to see through to success, and if you reciprocate their attitude, and should any local control be brought into operation, take steps to see that it is wisely handled from the point of view of properly planning the supplies between the New Zealand and the English markets. Then within the next few years you will have built your business to a point where its goodwill will be so strong that it will be unassailable by competition from other countries.

You will already have heard the good news that Mr. Jordan will shortly be going to England as High Commissioner. The Board congratulates Mr. Jordan on being given this important appointment. Mr. Jordan has been closely associated with the honey busi-

ness, and thoroughly understands both the production and the marketing sides. I know Mr. Jordan is going to take a personal interest in the welfare of the honey industry in Great Britain, and we are extremely fortunate in his appointment.

I have dealt with the position at greater length than usual, because there has been a good deal of criticism of control boards generally. I wish it to be particularly understood that I am not referring to any Government criticism. The public for some time have had the impression that there were too many boards. Whether that impression was justified or not I do not care to venture an opinion, but of this I am certain, that the Honey Control Board has done a work for the industry of which its members can feel justly proud, and I came here to-day to tell you the plain, unvarnished story of its success.

The business of the Board has lately been making an increasingly heavy

demand on my already fully-occupied time, and I am afraid I may shortly be compelled to consider whether I shall be able to continue as a member of the Board; and this is one of the reasons that I have dealt with the position at greater length than usual. May I say in conclusion that the happy position in which you now find yourselves is primarily due to the support and co-operation the board has received from its agents, C. and E. Morton Ltd.—to the splendid work of the manager and staff—and to the wonderful spirit of co-operation that has existed amongst the members of the board, each in his own particular sphere giving the service he was best qualified to render. If, during this period, when we have heard so much of the failure of export markets, my efforts have contributed towards putting this romantic industry in a position outside the sphere of ruinous-competition, then I am richly rewarded.