

## THE MARKETING OF HONEY

**NOTE:** The commencement and development of the commercial marketing of honey was largely the work of the New Zealand Co-operative Honey Producers Association, and as the records of this Association have been destroyed the following account of the marketing of honey is largely drawn from memory:

1913= About this time increase in beekeeping had brought production ahead of local consumption. Prices dropped and sales were difficult. While the total production was much below that of the present time, so also was the use of honey. There was no organization of beekeepers for marketing honey and no regular export to remove surpluses from the local market. A few of the bigger beekeepers had made shipments to London; two shipments, by the writer, of highest grade honey netted approximately 4d per pound.

The two areas most affected were Canterbury and Taranaki, which were the largest producing districts in those days.

In 1913 steps were taken in Canterbury by the local Beekeepers Association, the National Beekeepers Association not yet having developed, to form a Co-operative Association for the purpose of exporting its members surplus honey.

In the meantime something was done in Taranaki. Mr H. W. Gilling of Hawera had developed a small packing business, and with local producers, formed this into a co-operative company. One of its first actions was to purchase for its members the bees of Mr W. Lenz of Masterton, who was at that time the largest beekeeper in the Dominion. This gave an additional boost to beekeeping in Taranaki.

### THE N.Z. CO-OPERATIVE HONEY PRODUCERS ASSOCIATION (the H.P.A.):-

An approach by this nucleus association to the beekeepers throughout the Dominion induced practically the whole of those commercially interested in production to join up.

The Company had no capital to commence with, share capital being subscribed by deductions from payments for honey supplied.

Members were expected to supply the whole of their honey and this was loyally observed for a considerable period.

Payments to members were financed by bank overdraft secured by a joint and several guarantee for £8,000 by the Directors and by advances on honey shipped to the Company's British agents.

Seven Directors were appointed, the writer replacing one who refused to accept appointment.

Mr Gilling was appointed Managing Director and acted as Chairman until the first meeting in Hawera, following the initial meeting held in Wellington, when the writer was appointed Chairman of Directors.

The Company started operations in 1914, entering into an arrangement with the Bristol and Dominion Association Coy., a new Company who were establishing in Bristol, to act as its agents for the United Kingdom.

The policy was adopted to sell as much of our honey as possible in retail packages. Exports were made in 1915, 16 and 17, but in 1918 the reduced shipping owing to the war made it impossible to get any honey away and that seasons crop was still on the associations hands when the war ceased. The cessation of the war put the Bristol and Dominion Coy. into difficulties and it went into liquidation, still holding considerable stocks of association honey. The Association then was in the position that the English arrangement had collapsed, they had two seasons honey on hand, and the English market for honey was for the time being hopeless owing to the high prices and poor quality of the honey put on that market during the war, stocks of which were still held by retailers at prices around 3/6 a pound. A buyer, however, was found in San Francisco, war prices in the U.S.A. not yet having receded. The price paid was 9d lb F.O.B., but when the honey arrived in San Francisco prices had dropped to the equivalent of 6d a pound and the buyers repudiated on the claim that the honey was not up to sample. After considerable negotiations the Association decided it was not strong enough to fight the claim, and agreed to take back all the honey still in good condition at 7d per pound C.I.F. While there was no monetary loss in this, the association had now a large accumulation of honey to dispose of.

In the meantime the liquidators of the Bristol & Dominion Coy., had claimed on the Association for £10,000 recourse on advances made, they having sold the stocks of association honey at round about 1d per lb, claiming that a large quantity of the honey was fermented. Subsequent use of this honey showed that small lots only could have been fermented.

To counter this claim and to make fresh arrangements for re-establishing its business in the United Kingdom the Company's Auditor was sent to London, first learning the Associations method of packing honey. His investigations led to the Association making a counter claim against the Liquidators of the Bristol and Dominion Company for £12,000 for breach of agreement in that they had sold honey outside of the United Kingdom. Finally, a compromise was reached, both parties withdrawing their claims. The Associations representative took up the matter of a new agent, and Mills & Co. of Tooley Street London was appointed. It was decided to continue the policy of selling in retail packages as far as possible and a packing depot was set up near the southern end of London Bridge and about ten minutes walk from Mills & Co's office. Unfortunately the Associations representative held up the sale of honey in bulk until the packing depot was operating. This resulted in the accumulation of three years exports, and it was not until after the writer took over the management of the association in 1924 that a clearance was effected, and the real financial position of the company was ascertained. Honey being a seasonable crop it was necessary for the Association to be of use to the beekeepers to make its advances to suppliers as high as possible; practically to the selling value of the honey. This left no margin for writing down stock values of honey carried over till the next season. An analysis of the position in 1924, when previous seasons stocks were cleared, showed that had the position been known in 1922, that is had 1922 seasons stocks carried over been valued at subsequent realizations the company would have been bankrupt.

Some £4,000 surplus made a recovery the following year and in 1924 the Associations debt was £16,000 showing only a small book margin in assets. This debt was due to Mills & Co., and an arrangement was made to pay off a portion not less than £1,000 each year. A grant of £9,000 from the Government was obtained on account of advertising, it being shown that the publicity given to N.E. Honey not only by advertising but by the distribution of the honey in retail packages, which were placed on the tables not only throughout the United Kingdom and Ireland, but over a large part of the continent gave extensive publicity to the Dominion and created a demand for other Dominion produce.

With this help by 1939 the Associations debt would have been reduced to £2,000, but a further loss of £6,938 was made on 1928 seasons honey. The association at this stage had made quite a good recovery financially but the local affairs of the Association were not so good.

In the earlier period of the Association members loyally adhered to their undertaking not to compete with their association. The work of the Association in taking surplus honey off the market and making a high price level for local sales, by its high advances, and by the prices of its own pack combined with the Apiaries Act controlling disease brought a lot of new beekeepers into the business of honey production.

Many of these elected to remain outside the association, and by so doing received better returns on the local market than association members could from both local and export after paying association expenses. This tempted members of the Association to also participate in local retail sales until by 1935 members only used the association for the disposal of their honey when it suited them. The Associations sales suffered from loss of the higher return from the local market, and were more and more dependent on the export market with its lower returns. This made the Associations position very difficult. Those who were supplying were demanding the maximum advances, which were never sufficient, and which left small hope of building up any reserve to meet a drop in prices overseas.

Exports of the Association up till 1938 averaged approximately 500 Tons a year fluctuating from year to year. In 1925 the export was 700 Tons.

1928 and 1929, however, were record production years and the amount for export in 1928 was over 1,000 Tons and in 1929 over 1,100 Tons,



and at the end of 1929 the Association had in London stocks amounting to 1400 Tons, nearly the amount of three years normal sales.

In 1929 the Associations agents became uneasy at the big increase in stocks, as prices of butter had already dropped. The five years slump was already developing. A difference arose as to policy between the Manager of Mills Co's Home Trade Depot which handled the honey, and some other retail lines, and the Managing Director of Mills & Co. The Managing Director wanted to force sales by putting on the market a pack apart from the Imperial Bee Brand labelled "Pure New Zealand", this pack to retail at 1/- per 1lb jar as compared with Imperial Bee retailed at 1/2 $\frac{1}{2}$  to 1/4d per 1 lb jar. Any savings in packing costs would have been very little and it was obvious therefore that the reduction must come from the price of the honey. A loss of 2d on the price of the honey would have made a loss of over £18,000 on 1,000 Tons and approximately that amount short of the advances made to suppliers. This would have immediately put the Association into liquidation, and the deficiency a debt to Mills & Co. The writer was sent to London to go into the matter. Mills & Co. had tried out his idea with Greig & Co. a firm running a line of 150 shops. Direct inquiries at Greig & Co's elicited the information that sales were slow as was to be expected in view of the fact that retail sales of honey under the best conditions are very small, about 10 lbs per week in the best shops. A check on Greig & Co's account showed that in about six months they had purchased five cases of this pack. It was obvious that the Managing Directors policy would be disastrous. This, with the difference between him and the Manager of the Home Trade Department on the matter of policy made the position quite unsatisfactory. Also, it seemed desirable that the Association would be better served with an agency that was more fitted to make direct contact with the retail trade.

Besides an agent who could provide the forgoing requirement, it was also required that the agent could take over the Associations stocks and make adequate advances on the honey shipped to enable the Association to make advances in its turn to the suppliers. It was also considered desirable that Mr H. W. Castle, the Manager of Mills & Co's Home Trade Dept. should if possible go with the agency so as to avoid a break in the connection with the retail trade established. Mr Castle had developed the sale of New Zealand honey ever since Mills & Co. accepted the agency, and the work done up to that stage was highly satisfactory.

Approaches were made to certain firms whose operations suggested possibilities, others requested the opportunity of discussing the matter.

Mr Castle suggested the possibility of C. & E. Morton Ltd, being a suitable firm. They had an extensive packing business of food-stuffs and condiments. This seemed the class of business we should be associated with, although at that time their products were mostly sold overseas. They had, too, given rise to some antagonism locally by, some five years before, setting up 5 of their own retail shops. However, the transaction had to have a quid pro quo, for the Association expected them to take over stocks valued at £110,000, and as a set off, they would have an entry through our accounts to some 6,000 shops.

It was scarcely likely, and so it proved, that any of these accounts would be lost.

Mr Castle had previously had some connection with C. & E. Morton Ltd, and he entered into preliminary discussion with them.

The writer while in London was in close touch with the High Commissioners office on all matters, and the suitability of this firm to act as the Associations agents was highly recommended. Their commercial standing was advised by the Bank of New Zealand and others.

Finally, C. & E. Morton Ltd agreed to take the agency, take over stocks from Mills & Co., and suitable arrangements were made with regard to a packing depot and advances on honey shipped to them on consignment. A transfer was made to C. & E. Morton Ltd, two weeks after a decision had been made to change the agency.

Soon after C. & E. Morton's taking over the agency - in 1930 - the slump became excentuated and prices of honey began to fall. The problem was how to reduce the heavy stocks under these conditions. The advertising allowance at that time was 1/2d per lb on all packed honey sales. Mortons brought forward the following proposition:-

The advertising allocation at that date had been overspent £2,500; they be allowed to spend another £2,500 making the amount overspent £5,000.

That the price of packed honey be increased by 6d per Doz., and this increase added to the already 1/2d allocation be used for future advertising, the amount spent not to exceed this limit.

The argument brought forward by Mortons was that there could be no risk, as should larger quantities of honey be shipped in future the excess expenditure could be spread over the large quantity, and if the quantity was small prices could be raised to recoup the amount.

The intensity of the slump and its continuance was entirely unforeseen, and stocks did not move as quickly as expected. Also, the agreement with regard to expenditure was not adhered to by Mortons, and something like £22,000 was overspent.

(See position set out in H.C.B. minutebook, letter to C. & E. Morton September 7th 1932.)

In December 1931 the excessive stocks in London with the slump conditions brought the Associations affairs to a crisis. A joint meeting of the Directors of the Association and the Honey Control Board was held on December 6th 1931.

(See report in H.C.B. minute books 16/12/31.)

As a result of the discussions at this meeting it was decided that the association go into liquidation and Mr J. R. Butland, Government Representative of the Control Board be appointed to go to London with a view to arranging matters with Messrs C. & E. Morton Ltd, who were the Associations only creditors. An arrangement accepted in principal by Mortons, was made, which, after the Board purchasing the Imperial Bee Brand for £6,000, left only a small deficit on the figures produced. Stock realizations did not bear out the figures agreed and considerable hardship was caused suppliers and shareholders by extensive calling up of unpaid share money recourse.

#### N.Z. HONEY LTD.

The affect of the cessation of the H.P.A.'s removal of surplus from the Local market and the stabilising effect of its advances on Local market prices had immediate effect in disruption of local prices. As examples a packer was offered 10 Tons of 92 point honey at 2 1/2 lb; 2 lb lithographed tins of 96 point honey were being sold at 10/6d Doz., and a large producer canvassed a portion of the North Island with 2 lb Tins at 9/6 Doz. The position was such that, notwithstanding their liabilities in the winding up of the H.P.A. most of the larger producers got together and formed a new Association, N.Z Honey Ltd.,

Steps were taken to safe-guard as far as possible against the weaknesses of the previous associations. Members were bound by the articles of Association, and contracts signed by them to supply definite proportions of their crops and sell at not less than the Associations listed prices. They also undertook to affix seals valued at 1/2d per lb purchased from the Association to all honey packed and sold by themselves. Three Acts of Parliament, the Restraint of Trades Act, The Trades Union Act and, I think the Anti-trust Act, had to be taken into consideration when framing the articles. This made them very complicated and left some doubt as to whether or not they could be enforced legally. When, therefore, some members elected not to keep their agreements little could be done about it. It was soon realized that weaknesses were developing as in the previous Association, and with a view to getting a more stable form of marketing the Government was approached for assistance. It was not, however, until the Labour Government was approached came into office that anything was done about it, and in 1938 the



THE HONEY CONTROL BOARD

recently formed Internal Marketing Division took over the Company's business, and plant at valuation. New Zealand Honey Ltd, wound up paying back all share capital and 6d per pound p.r. on all honey supplied in the last year of its operations. Incidentally, any

## THE HONEY CONTROL BOARD

In November, 1924, the Honey Export Control Act was passed to enable the exports of honey to be regulated. Incidentally, any future Acts or Regulations having a similar purpose should not have the word "control" in their make up. The word "control" gives rise to antagonism, particularly in the United Kingdom. "The Regulation of Exports Act" would have been much better.

The purpose of the Act was to enable the policy adopted with regard to marketing honey in the United Kingdom to be carried out. This policy had been initiated by the Honey Producers' Association which took in the whole of the producers with but a few exceptions and this, therefore, had to be recognised as the policy having general approval. This policy was to so control the distribution of honey that the consumer would get to know New Zealand honey as a honey of a uniform high grade quality. The market for New Zealand Honey was built upon these lines by the Honey Producers' Association. There were, however, a few who exported outside the Association, their exports amounting to perhaps 2 to 5 per cent of the total exports. On the strength of the favourable market being created by the policy followed, these outside lines were readily taken up by packers who did not have access to H.P.A. supplies and were packed and put out as New Zealand honey, irrespective of quality.

The matter came to a head when the High Commissioner's Office advised that N.Z. Honey of inferior quality was being put on the market in London and it would have a serious effect on the reputation of our product as a whole. It was only a small line, but the sale of honey in the United Kingdom is a small line business. This honey was Westland Birch (Kamahi) honey and was packed and sold not only in London, but in Denmark, where the Honey Producers' Association's brand had practically all the business not supplied by local production. It was sold at a lower price than the H.P.A. pack the prices of which had, in Denmark, to be reduced accordingly.

The matter was taken up with the Government and the Honey Export Control Act was passed.

This act provided for its administration by a Board, one member to be appointed as representative of the Government and two appointed on selection by producers who had exported two hundred weight of honey in the three preceding years. The Act came into force only after a poll of producers who had the above qualification, and was subject to a majority vote.

The first members appointed were:-

- Mr T. E. Clark, Hobsonville, Auckland - Government Representative.
- Mr R. Gibb of Edendale, Southland and
- Mr J. Rentoul, Cheviot, Canterbury - Producers' Representatives.

The two latter were re-elected by producers until the death of Mr Gibb and the resignation of Mr Rentoul.

As the records contain some disparaging criticisms as to their business qualifications for this position, a personal note as to their standing when appointed is necessary.

Mr Clark was at that time Managing Director and had a controlling interest in the Hobsonville Brick & Tile Company. He had established extensive apiaries around the Hobsonville - Helensville area.

Mr Gibb had served a term as Apiary Instructor and Schools Agriculture Instructor and at the time of his appointment was a successful farmer and apiarist.



Mr Rentoul had a chemist business, having previously established two businesses for the firm of Parry & Co. in Western Australia. He, also, had established apiaries and had done some export business in honey.

The objective of the Board was to ensure that honey below the standard set up was not sold indiscriminately on the United Kingdom market. Therefore, only limited control was taken. This control required that all honey exported to the United Kingdom should go through the Board's agents, Messrs A. J. Mills & Co., this firm being appointed as they were handling the rest of the honey on account of the H.P.A.. A levy of 1/6d per lb was made on all exports to pay the Board's expenses. In 1932 the levy was increased to 1/8d per lb.

The Act gave the Board extensive power in the control of honey for export, but it could not interfere with any existing contract for the export and sale of honey.

Two claims were made for exemption from the control taken on the ground of existing contracts, both by Westland producers - Mr Wade of Greymouth and Mr J. Murdoch of Ross. This is specially mentioned as the decision with regard to these claims, induced Mr Murdoch to agitate among the commercial community and beekeepers generally against control, using his position as a member of the Chamber of Commerce in his locality for the purpose.

The Board's Solicitor, had, however, advised that the arrangements submitted by these claimants did not constitute a contract within the meaning of the Act and the Board had no option but to decide accordingly. Also, as it happened, it was Mr Murdoch's honey which had caused the trouble in London and Denmark. The agitation then started gathered recruits from new beekeepers and one or two of the older ones who had fallen into disagreement with the established order of things and that split in the beekeeping fraternity has continued up to the present, but with new issues as the cause of contention.

Considerable reliance had to be placed in the Board's London agents as there was no one with authority who could give detailed supervision, although the High Commissioner's Office would always advise in a general way. To give some authority for implementing the Board's control Mr H. W. Castle, Manager of Messrs Mills & Co's Home Trade Department was appointed nominal representative, but without power to commit the Board in any way. (Appointment made after transfer of agency to C. & E. Morton Ltd)

On March 3rd, 1931, Mr T. E. Clark resigned as Government representative on the Board and Mr J. R. Butland of Auckland was appointed in his stead. Later in the year the death of Mr R. Gibb left another vacancy and Mr W. Watson of Geraldine was appointed a member and retained the position by election.

The liquidation of the Honey Producers' Association made it necessary for the Board to arrange for the handling of the whole of the export honey to the United Kingdom. Consequently the Board on the 8th March, 1933, took control of all honey for export to the United Kingdom, the Irish Free State, and the Continent of Europe, with C. & E. Morton Ltd as its agents. As the Board was now actually handling the export honey, honorariums were raised from £50 a year for the Chairman to £100 a year and from £25 to £50 for other members, plus out of pocket expenses. On the 22/6/33 Mr Rentoul resigned as a member of the Board to become the Board's Manager conjointly with the Managership of N.A. Honey Ltd.

Mr P. A. Hillary, Auckland, was appointed in his stead and retained the position by election.

Mr J. R. Butland was elected Chairman of the Board.  
The Board entered into a five year agreement from 1/10/35

with C. & E. Morton Ltd for the packing and sale of its honey. Copy of the agreement is contained in the Board's Minute Book. The salient points were:-

- (1) Mortons took over the packing depot which the Board had purchased from the H.P.A. and agreed to pack the honey at  $\frac{3}{4}$ d per lb up to 600,000 lbs to be reduced to  $\frac{5}{8}$ d per lb when the honey packed exceeded 600,000 lbs. The price paid by Morton's was half the price paid by the Board to the liquidator, which payment Mortons had financed.
- (2) The agents to advance to the Board as mutually agreed not less than 20%, nor more than 50% of the estimated realisation value of the honey consigned to them, interest to be 1% above the current Bank of England rate but not less than 5% per annum.
- (3) Morton's to care for storage, cost of storage 8d per ton per week charged to the Board.
- (4) The Agents subject to the Direction of the Board to arrange advertising.
- (5) Discounts - nominal 10% to wholesalers.
- (6) Commission (Agents) on bulk sales:  
5% on honey sold at 52/- and above  
2½% " " " below 52/-.  
On the Imperial Bee pack 10%.
- (7) Advertising allowance  $\frac{3}{4}$ d per lb increased later to 1d per lb.
- (8) The price of Imperial Bee pack 1 lb jars to be reduced from 14/6d per dozen to 12/6d per dozen.

The Board purchased the Imperial Bee Brand from the Liquidator of the Honey Producers' Association for £6,000 the amount being advanced by the Treasury. A levy of  $\frac{1}{4}$ d per lb on honey exported was collected to repay the loan. (Some £1,500 of this loan was unpaid when Mr Butland's Board resigned).

A copy of the Agreement between the Crown, the Liquidator of the Honey Producers' Association, the Honey Control Board, and Mortons, covering this arrangement is in the Board's Minute Book.

The taking over of the Honey Marketing Business in 1935 by the Internal Marketing Division altered the Board's standing, as future exports would be handled by the Division.

The reduction of the Board's status to that of an advisory committee was not acceptable to its members and they forthwith resigned. The Board's position was defined by a Regulation making any reference to the Board in the Honey Export Control Act mean "to the Minister of Marketing".

Under the new Order a new Board or Committee was appointed the personnel being:-

Mr W. W. Nelson, Apiarist, Otorohonga, Government Representative, and Mr H. R. Penny, Apiarist, Okaiawa, and Mr L. F. Robins, Apiarist, Temuka, producers representatives.

This Committee is closely associated with the Internal Marketing Division and keeps producers in touch with the marketing side of their business.

The advances on Honey consigned to C. & E. Morton Ltd under the agreement were very much reduced to those previously made and Mr Butland's Board made the advance to producers 1½d per lb flat rate but only if applied for, and a further advance in July of the



current year, if applied for, of 1d per lb pro rata, interest to be charged on advances at bank rate. It was at the same time decided to make quarterly progress payments, loans being deducted from these payments.

The grading of honey for export was introduced by Regulations under the Apiculture Act, on the 15/1/22. These regulations were

## GRADING HONEY FOR EXPORT

The grading of honey for export was introduced by Regulations under the Apairies Act, on the 13/2/22. These regulations were superceded by fresh regulations gazetted 9/6/28. The Authority for the regulations was the Horticulture Division, Department of Agriculture, and the regulations were administered by this Division. When the Honey Control Board took absolute control of honey exported to the United Kingdom, Ireland and the Continent of Europe, the handling and grading of the honey became its responsibility and on the 13/3/34 an Order in Council was gazetted exempting the honey so controlled from the Horticulture Division Regulations. The Board then issued its own grading regulations. As there is a difference in the grade certificates issued under the two regulations, honey shipped under the Boards Control had a different certificate to honey shipped to countries outside the Boards control, these certificates being still issued by the Horticulture Division. This matter requires attention when general export is resumed with a view to making the certificates uniform. The 1928 regulations, which still apply to honey outside the Boards control, or, now, not shipped by the Internal Marketing Division, should this again be permitted, differs from the 1922 regulations by the provisions in clause 6:-

- ( A ) No honey submitted to a grade store shall be graded:-
  - ( A ) Unless or until it is in a granulated form.
  - ( B ) Unless it is free from any flavour or odour generally recognised as disagreeable.
  - ( C ) If it is contaminated with Honey dew, or other foreign material, or
  - ( D ) If at any time it has been fermented, or had its flavour changed by overheating.

Provision was made in Clause 20 for grading honey in glass jars and 2 lb Tins. Honey was graded on points for its several qualities as follows:-

Flavour	50 points.
Colour	10 " "
Condition	15 " "
Grain or Texture	15 " "
Freedom from froth and scum	10 " "

The Grades were classified as follows:-

Special Grade	94 to 100 points.
A or Prime Grade	88 to 93½ " "
B or Good "	80 to 87½ " "

The honey was divided in five classes:-

Water white, white, light amber, medium amber, and dark.

Export of honey grading below 90 points was prohibited.

The export of honey with a specific gravity less than 1,420 was prohibited. The ports for exporting honey where grading stores were established were:-



Auckland, New Plymouth, Wellington, Lyttelton, Greymouth, Timaru, Dunedin and Bluff.

In 1935 the Honey Control Board issued regulations for the grading of the honey under its control.

These were based on the Department of Agriculture Regulations in so far as they applied, but the following was a distinct alteration:

Grade points for the several qualities:-

Flavour	40	Points.
Colour	25	"
Condition	10	"
Grain	20	"
Freedom from froth.	5	"

And the rejection from export of the following classes of honey:-

Honey-dew, Flax, Kiekie (or Astelia), extra strong Ducalypthus, extra strong Ragwort, extra strong Manuka, extra strong Pennyroyal, extra strong Heath, extra strong Kamahi.

An Officer of the Horticulture Division continued to grade the Boards honey. With the issue of its Regulations the Board set out a schedule of points to be awarded for certain degrees of flavour such as "the mildest ragwort" 20 points etc. This led the grader to write down most of the honey unwarrantably low causing much dissatisfaction and complaints.

A conference between the Division, the Board and Honey Limited was held and the basis of grading was revised and a regrading of the honey still in store held, some, however, had gone to export, notably that of Mr Sage, and although samples of his honey were returned from London, he has since refused to submit his honey for grading.

The points for payment and form of certificate was also altered to that at present in use.

Payments had previously been made according to the class of honey, but the system was not satisfactory as border line honeys, that is honeys which were just on the border of the next class would suffer perhaps a payment 1/2d less than a honey only a shade better. The percentage system of grading and payments at present in use was adopted so that the gradations in payment would follow the gradations in the honey by 1%.

Points for grain was also eliminated as it was now the custom to melt and regranulate honey for packing.

The purpose of grading was to ensure that only reasonably good quality pure honey would be exported. The pay out points awarded on the grading was designed to return to the producer a payment equivalent to its commercial value. The pay out points at present in use need not necessarily be permanent but can be adjusted if the values of the different grades of honey alter. For instance if colour became no longer a detriment to value colour payout points would be reduced and flavour points adjusted accordingly.

The grade certificates were designed to give the producer full information as to the grade and value of his honey, and give the purchasers a knowledge of the honey certified. It was hoped that in time a purchaser would be able to specify a certain grade of honey when buying. Up to the time when export stopped, however, the certificates had no value in this respect, bulk sales being always made on sample. They do however, help the London agents in sorting honey for packing and storage and enable them to offer in lines of honey with confidence, that the line will be uniform in quality throughout. Locally the grade certificate enables honey to be blended and packed in uniform quality without reference to the honey used.

HONEY IN NEW ZEALAND

The grading of honey for export by New Zealand, gave N.Z. initial advantage in selling honey on the United Kingdom market. When first started, the biggest imports from one country were from Jamaica. This honey came in barrels from liquid to all stages of granulated and in varying colours. Every barrel had to be sampled as compared with a New Zealand sample representing several cases.

The requirement in the grading regulations that no honey with a specific gravity less than 1.420 shall be exported deserves to be noted. Mr Isaac Hopkins first enunciated that honeys with a specific gravity of 1.420 or over would not readily ferment under reasonable storage conditions. Observance of this requirement in grading has kept the loss by fermentation to very small proportions.

## MARKETING HONEY IN NEW ZEALAND

That honey sales are a very small item in commerce is emphasised by a consumption of something over three pounds per head in New Zealand being the highest per capita consumption in the world. Honey has nowhere taken a place as a regular food except perhaps in this country, if a consumption of three pounds per head can justify that claim.

The greater consumption in New Zealand than elsewhere has perhaps been brought about by a variety of influences, the first of which was the formation of the Honey Producers' Association in 1914. This association had a Dominion wide membership which members were interested in promoting the use of honey. Its own efforts were given to pushing the sale of honey throughout the Dominion and for a period spent up to £2,000 a year in press publicity. This expenditure interested the press in publishing news items about honey. Further press publicity in the form of cabled market reports from London, reviews of legislation such as the Apiaries Act and Regulations, and Honey Export Control Act and Regulations, kept honey in the public mind. These reports resulted from the activities of the Honey Producers' Association and the following Control Board. Letters in the press criticising and replying to criticisms of the Board also had their effect. Thus the first principal in advertising, keep the name of your product before the public, had full sway. Probably New Zealand has more news paper per population than any other country and this free advertising must have had its effect.

It is interesting, too, that during the last war prices rose and although there was no shortage of other foodstuffs, the enhanced price of honey increased the demand. Honey gained in importance by its increased price. Another important development in the promotion of honey consumption occurred in 1922. At this time the Honey Producers Association had not disposed of all its stocks in London accumulated after the war, and it was necessary to expand local sales to the limit to relieve the pressure. The Association therefore asked its members to themselves sell locally as much honey as possible.

This decision was strongly opposed by Mr Bray who was at the time a Director, as he said it would be the downfall of the Association. It was, however, considered that this action of the Association would put its members on an equal footing with those who had already broken away from the Association and were exploiting the local market along with those who had built up in honey production outside of the Association.

As a result of this decision Mr Bray resigned from the Directorate. The intention of the resolution was that members should press sales on their local stores, but many of the members went much further afield in their sales effort and built up active opposition to their Association. The move, however, had the undoubted effect of increasing the use of honey. Every store throughout the Dominion was pressed to take honey and in many cases counter and window displays were arranged. Also, considerable house to house hawking was done so that sales pressure was brought to bear on the individual as well as the trade. The Association along with its press advertising ran window displays in the main centres, distributed honey cooking recipes, circularised the medical Fraternity, and health camp organisers took every opportunity of advancing the use of honey.

At the commencement of the organisation, honey was just honey, and there was little discrimination as to quality. In the progress of events when selling became organised and more intensive, the general standard of the packs increased in quality. Honey's peculiar to certain localities, although different from the principal packs, sold in those localities. In Auckland at that time all the honey was more or less dark in colour and largely Tea Tree in origin. The Waikato then did not produce the lighter honeys of today, but with the cleaning up of scrub and establishment of dairying, lighter honeys came on the Auckland market and as the bulk of production in the Dominion was the lighter class of honey, the dark honeys were gradually ousted from the principal selling centres.



Selling competition, too, induced producers to put their lightest honey into their own pack and send the darker to the Association. This tendency made the honeys offered to the public of a fairly uniform good quality and it is probable that this remedying of the natural defect of honey, its varying quality, did a lot to help popularise its use.

#### PACKING HONEY IN NEW ZEALAND:

The first honey packing business on any scale was that of the Honey Producers' Association which took over the small packing business of its Manager, Mr H. W. Gilling. The method of packing was very primitive. The Association removed its premises from Hawera to Auckland soon after its incorporation, establishing in the premises in Stanley Street which it occupied throughout.

For melting the honey a small brick chamber was built in the rear of the store. In this the 60 lb tins were stood on racks and the chamber was heated by kerosene lamps. If these lamps smoked it was just too bad as the chamber was closed and the resultant mess was not known until it was opened to take out the honey. However, the product was still honey, and honey was honey in those days. The tins, when the honey was soft enough, were tipped into a tank from which the honey was packed into 2 lb tins, the only pack, and labelled "H.P.A." "HONEY".

Beekeeper packers packed direct from their extracting tanks, so this was the most up to date plant. There was nothing elsewhere to learn from. In the United Kingdom honey packing was a very small business, the family copper being the means most used for melting honey.

Canada had not yet come into the honey business and the U.S.A. and Australia put out their honeys in a liquid form, whereas the New Zealand practice was to sell it granulated.

In due course it was felt that some improvement should be made and when Mr W. J. Jordan was in charge of the packing it was decided to investigate other heating systems which might be adapted to the heating of honey. Mr Jordan and the writer undertook this and were impressed with the possibilities of a hot water circulating system seen in a skin drying store. Two large shallow chambers insulated with pumice were built on the floor. A system of two inch pipes were run through these in such a way that the 60 lb tins would be on an angle resting on the pipes, through which water passed, from a gas heated water circulating system. (Later electricity was used for heating).

The vat was designed for softening the honey, not for melting the honey. The tins were laid with the lids off, opening downwards so that the honey would run away as soon as it was soft enough to move. The bottom of the vat sloped towards the down pipe in the centre so that if the different classes of honey were distributed in the chamber, it would blend as it travelled and no mixing was required. Also, as the honey did not melt right out no starter was needed, and the honey afterwards always remained soft. Froth, however, was imprisoned in the honey and if subject to heat, say in a shop window, it would rise to the surface, making the pack unsightly.

For dealing with the honey in this way, this method was fairly satisfactory and is the method still used in the London Depot. Placing the honey into the vats was, however, rather a heavy job. The method in use could not be made to reduce the grain of the honey very much and as demand grew for a smooth honey, there was no alternative but to melt the honey right out and regranulate. To do this, the tins were put in the vats right side up and left there until melted. This took much longer and the most that could be turned out in a week was five tons and about 3 tons in winter. Another chamber was made heated by electric elements. It was inconvenient to work and difficult to effectively distribute the heat and all chambers had the serious disadvantage of all honey being subject to heat until the last bit was melted. A year before the I.M.D. took over the business an entirely new system of melting was devised and this is now in operation.

FILLING MACHINES: Horticulture Division undertook to be present at the meeting. The writer is in for reference to

Where packages must be net weights, hand filling will always result in a loss apart from the slowness of the process. When in London in 1927 the writer asked the London agents if there was any machine to be had for filling honey packages. They said they were then trying one out but it would not work. On inspection it was obvious that whether or not the machine would do the job, two feet 2 inches rubber hose connecting it to the tank would make it impossible. The makers of the machine did not seem very interested and nothing else was on offer so when visiting the German New Zealand Honey Company in Wiesbaden enquiries were made and a hand filling machine was readily forthcoming. Four of these were obtained and were used up to the period when the plant was reconstructed. Enquiries were then made through the High Commissioner's office for the addresses of filling machine makers. The office communicated with various firms in the United Kingdom and America and had catalogues forwarded. None of the machines offering, however, seemed very suited to the job and the Brookfield Engineering Company were commissioned to make a mechanised filler similar to the German make, but filling two pounds instead of one pound with a single stroke. These fillers were made and installed and have proved very satisfactory.

BLENDED FOR PACKING:

This also went through a period of development. It was considered at one time that an expert knowledge of honey was required for this. In making up a blend the honeys were examined and the number of tins each flavour and colour required to make up a blend decided upon. With the best care results were not as uniform as could be wished. A development was to make up a small sample blend each small part of the sample representing a 60 lb tin. This sample was then checked with a standard sample. This was fairly fool-proof but was somewhat tedious. Then the method of working from grade certificates was devised and also the method of calculating the number of tins of a particular grade to be used. This has proved expeditious and satisfactory so that given a correct grading honeys can be blended direct from certificates and no inspection of the honeys themselves is needed.

STORAGE OF HONEY:

With the best of care there is always a liability for some honeys to ferment in ordinary storage. Few 60 lb tins are actually air-tight and breath with changing temperatures. Honey being hygroscopic, attracting moisture to itself perhaps up to 30%, this breathing will give rise to conditions suitable for fermentation in an atmosphere over 60% humidity, the likelihood increasing with increasing humidity. The latest provision by the I.M.D. for cool storage has largely solved this difficulty and prolonged storage is not now a cause for concern and repeated examinations.

DEFLAVOURING AND DECOLOURISING HONEY:

The Cawthron Institute, which has a bequest from the late Mr Isaac Hopkins to be used for investigation work in matters affecting the honey industry, was requested to investigate the practicability of removing colour and strong flavour from honeys which suffered from those qualities.

To this end the National Beekeepers Association, N.Z. Honey Ltd and the Honey Control Board contributed £10 each towards purchasing a pressure filter for the purpose. A young scientist, Mr Thomson, was put in charge and the work was carried out in N.Z. Honey Limited's premises. It was demonstrated that the colour and flavour could be entirely removed. The product was to all appearances a white honey but so far as aroma and flavour was concerned could not be classed as such.

To demonstrate its commercial possibilities 5 tons of Tea Tree honey was sent to the sugar of milk works at Edendale, the only plant available for this purpose, and there treated.

Mr Winter of the Horticulture Division undertook to be present during the work and if at any time the matter is up for reference no doubt the Horticulture Division could supply his report.

Apart from the cost of treatment, the long freights made the cost of treatment at Edendale uneconomical. To test the value of the product it was sent to London but no special outlet could be found for it other than blending it into the pack.

The pressure filter was recently returned to the Cawthron Institute at the request of the Research Department.

side the Association was comparatively little and before the Association only some isolated shipments. The regular export of honey began with the Association activities.



## THE EXPORT MARKET

In the files of the Honey Section there is a report by the Fruit sales Division on the formation of a Committee to work with the Ministry of Food in London in the matter of the distribution and sale of imported honey. In this there is a statement attributed to a packer of imported Weitzel, I think, that he had imported hundreds of tons of New Zealand honey. This was too far from a possibility to be an exaggeration. Hundreds of tons were never exported to the United Kingdom until the Honey Producers Association took the matter in hand and these exports went to the Association's Agents who made no sales to Weitzel and only to approved packers. The honey exported outside the Association was comparatively little and before the Association only some isolated shipments. The regular export of honey began with the Association activities.

At this period two of the largest exporters to the United Kingdom of recent years, Canada and the U.S.A. were not operating. The former had not at that time taken up honey production. This development came with the development of dairying.

The U.S.A.'s internal marketing was absorbing all its production.

The principal exports came from the British West Indies, Cuba Chile, and smaller lots from numerous other countries.

Production in the United Kingdom was at a very low ebb due to the outbreak of Isle of Wight disease in 1904 and which during the next few years killed off nearly all the bees in Britain. Imports for the year 1926, the only year's figures I have for reference, give a total of 3548 tons in which year the U.S.A. accounted for 900 tons, so that imports in the year 1945 must have been much less. It was apparent that the demand for honey in the United Kingdom was very small indeed compared with the population. In 1927 the Empire Marketing Board's offer to investigate the incidence of the sales of honey was accepted and their computation was that the consumption of honey in the United Kingdom amounted to 4 oz. per head of population. This information was not available in 1945 when the H.P.A. commenced exporting, but it was only natural that New Zealand should look for a market for its surplus honey in Britain. In any case, there was no other possible market.

It is a want of knowledge of this small use of honey in the United Kingdom that has caused so much misunderstanding with regard to our export marketing and many producers just blankly wondered why the difficulty in selling such a small quantity of honey among so large a population, while others pointedly attributed it to bad management. Accustomed as they were to butter in any quantity being readily sold at cabled quotations, they expected the same to apply to honey. Owing to the varying quantity of honey there was no standard price and a cabled price for honey did not necessarily mean that that was the price at which your honey would sell. There was, of course, a price beyond which a buyer would not go. For instance, one quotation was as follows:-

New Zealand	...	...	...	52/-	to	88/-
Canadian	...	...	...	42/-	to	60/-
Australian	...	...	...	44/6	to	52/6
Jamaican	...	...	...	45/-	to	50/-
Cuban	...	...	...	40/-	to	50/-

Honey could be nothing else than a small trade article with all its variations in quality and price and one must conclude that it was a sound policy to try to standardise the quality of New Zealand honey offered on the English Market.

The Honey Producers Association broke new ground not only in standardising its quality through its pack, but it also brought granulated honey to be the standard pack, so that practically all packs going through the trade took this form.

76-

Later, our method of packing granulated honey was threatened by an application by Canada to register Dr Dyce's process in the United Kingdom. The success of this application would have prevented us using methods of regranulation long followed in New Zealand and applying to the honey we exported, or involved us in heavy Royalties. Briefly, Dr Dyce produced a thesis on the granulating of honey and for which he obtained his doctorship, setting out the process which is commonly used today and which had been used in New Zealand some time before Dr Dyce's thesis appeared. One item was new, that is that a temperature of about 57° F. was the best granulating temperature. We had obtained results by using cool temperatures without the actual temperature being specified. Fortunately, The New Zealand process had been mentioned in Beekeepers Journals and the production of these induced Canada to withdraw her application.

When the Honey producers Association opened up with the British and Dominion Association, no particular policy was visualised but that the honey should be packed as was being done in New Zealand and so sold. No difficulty in selling was anticipated, so much so that the Association's Agents were under agreement not to sell outside the United Kingdom.

This was in the war years. Honey was controlled and was in demand as a sweet stuff and gave opportunity for speculation. Lines were sold and resold several times before reaching the legitimate trade. Prices were forced up until in 1918 bulk of inferior quality reached 108/- cwt. All sorts of honey was bought up in Australia and sold at approximate prices. New Zealand, however, did not participate in the 1918 prices as no shipping could be obtained. The Dunedin Director of the Association did manage to make an arrangement for a ship to take six tons but this caused considerable trouble as the arrangement was considered contrary to the shipping regulations.

There was one possibility of getting honey away; that was as broken stowage and might have been arranged with the stevedors who had the right to say what they would take as broken stowage. Honey was much more difficult to use as broken stowage than tinned rabbit, etc., and required some special consideration. The then Manager of the Company, however, thought this procedure was not quite correct and put his application through the shipping committee which closed this avenue for any shipments.

In the meantime, in London a Committee of three had been set up to go into the matter of controlling honey. The Manager of the B. & D. was one of the Committee, which delayed action so long that the Armistice came before anything was done.

With the freeing of shipping after the Armistice, the accumulated honey was shipped and shortly afterwards the Bristol and Dominions Association went into liquidation. This cut the Association connection with the United Kingdom and in 1920 there was no general demand for honey there, the mishandling of honey over the war period having left a legacy of bad repute for the honey business.

The sale of 1920 season's honey by the Association to a buyer in San Francisco and the sending to London of its Auditor, Mr Spinley, is referred to in the section dealing with the Honey Producers Association. Messrs. G. Mills & Co., who accepted the Honey Producers' Association Agency and later were appointed agents for the Honey Control Board, were well known in New Zealand as they were large importers of butter and cheese, which they handled mostly on consignment. These consignments were sold by them direct to the trade and through brokers. To handle the honey they formed a Home Trade Department managed by Mr H. W. Castle. This department had other retail lines, one with the biggest turnover being Danish pressed ham.

Mr Castle put much energy into the honey business and soon had an extensive distribution of the Association's pack. Mr T. E. Clark, a Director of the Association and later also Government representative on the Control Board, was in London on private business in 1924 and reported favourably on their operations.



At the commencement of Mills & Company's agency "Imperial Bee" had been registered as the Association's brand in New Zealand and was adopted as the brand for the London pack. It was found, however, that "Imperial" and a Bee Man device was added to the label and registered in the United Kingdom established about ten minutes walk from Mills & Co's office in Tooley street. When in London in 1927, the depot struck me as far too inadequate to take care of any extension of business and I pressed on Mr Mills the necessity for an immediate move to larger premises. I had previously gone into figures with regard to the cost of distribution with Mr MacDonald who was visiting England in the interests of Australian honey and was establishing a depot at Mitcham. We agreed that distribution costs would not increase within an area of 25 miles. I had also inspected the Slough district which was in the economic area and was served by a canal. Several packing industries were establishing there, and two in operation were the Biz-e-bee Company - packers of Cuban honey - and a jam factory with in and outs similar to the Association depot.

Mr Mills said he had in mind building on a section which he owned in a nearby area and expected to get this underway immediately. However, nothing was done and the following year serious loss was caused by the depot not being able to pack up to requirements. Honey in the United Kingdom and on the Continent is a seasonal demand, particularly so in some places where no honey is sold in summer. The winter of 1925 was a record cold one, boosting the sales of honey far beyond anticipations. The depot could not pack to requirements. Unprecedented orders came from Denmark which could not be filled from the depot. At this time a German New Zealand Honey Company was operating in Wiesbaden and arrangements were made for them to pack for the Danish orders. The honey was packed and despatched but before it arrived in Denmark the approaches to the ports had frozen over and shipping was held up. The winter season was thus lost and the Danish people cancelled their orders and 4,000 cases of packed honey had to be returned to London.

On a subsequent visit to London in 1930, I was taken to some stores whose orders had not been filled in 1928 and who had refused to again buy "Imperial Bee" honey. Their attitude was that there must have been some honey and they did not get any. Perhaps an oversight.

After this the depot was established in larger premises at Bankside at the south end of Southwarkbridge. The depot was actually the property of the Association, it paying the rent and all wages. Supervision was Mills' Co's concern as agents.

The task of establishing the Imperial Bee pack on the United Kingdom market was not only one of obtaining some of the trade offering. This provided only a small outlet. The consumption of 1lb per head previously mentioned was not all domestic consumption. A large portion was used for manufacturing by chemists, confectioners and others. To absorb increasing surplus it was necessary to expand consumption. Also prices of other bulk honey on the market would give too low a return to the New Zealand producers. It was necessary, therefore, to supply a special quality and build up a price for that quality that would return the producers a margin of profit. To do this, propaganda was necessary. The use of the daily press to any extent was too costly for the money available. Family journals, and local papers coincident with window displays when these could be arranged gave considerable publicity. Windows were not easy to get and prices asked were high. This even applied to small counter stands. The High Commissioner window in the Strand was made available for various exports in succession and good use was made of this. Exhibitions such as the British Industries Fair were used. Space was generally taken for Meat, Cheese and Butter, and Honey joined in. A film was also made, part taken in New Zealand and part in the United Kingdom. I believe Mr Winter has the remnants of this.

One popular effort was a coupon system entitling the holder of a certain number of coupons to a doll in the likeness of the Bee Man device on the label. This system was also adopted in New Zealand and coupons were returned from as far afield as Malaya and Siam.

Another factor in the retail business in Holland particularly, but also throughout Scandinavia and they were induced to handle the New Zealand pack. It was not all



A contract to supply the A.B.C. Tea shops with portion pots, small jars holding 1 oz. which a person could buy with other foods for a small sum, was a practical connection with the consumer. It was necessary to advertise on the Menu and while this contract brought no profits, it was a valuable advertisement self liquidating.

While this advertising paid for itself in the enhanced price, thereby secured, this was never appreciated by the generality of the producers who considered it a waste of money which they, otherwise, might have obtained.

That the handling and distribution of honey in the United Kingdom was confined to one controlling agent also brought about much criticism, but it was contended that the development of the business could be better secured by a sole agent who would benefit in proportion to the effort put into the work; that there would be little incentive for any one of a number of distributors to make special efforts when he might not secure the repeat business. Here again, critics were thinking in the terms of butter, with no knowledge of honey sales conditions.

As a matter of fact, I found in 1927 that N.Z. honey had a far wider distribution than any other New Zealand product. Butter and Meat and Cheese were sold in London and the south of England. Only one shop in Glasgow had New Zealand meat - A.ples had a wider distribution, but still not as wide as Imperial Bee Honey. Mills & Company's Home Trade Department had also used its connection with the Continent to introduce Imperial Bee into various Continental countries. In 1927 the pack was established in Denmark and Sweden and fairly extensively in Germany. In the latter country our agents had entered into an arrangement with A. Eschmann at Wiesbaden to supply it with bulk honey which he was to pack and distribute under the Imperial Bee label Germanised. For this purpose he formed the New Zealand Honey Coy (Neuseeland-Honig-Vertrub Ge Sellschaft für Zentral Europa). The agents took all responsibility for payment for this honey, bulk honeys of the right quality were shipped and towed up the Rhine in barges, freights up the Rhine being very low - the equivalent of 2/6 a ton. The Company had an efficient but small packing plant and turned out a pack comparative with the best on the market. In 1927 I was taken by the Principal of the Germany Company through the Black Forest (the Swartwald) and as far south as Freyberg and saw Imperial Bee in many shops. Naturally, New Zealand honey appearing in these countries created hostilities with the local beekeepers, the same as it did in England and the Wiesbaden Company's enthusiastic propaganda for New Zealand honey brought them and the local beekeepers into conflict. The Company in its publicity had stated that "New Zealand honey was the best in the world; that it was packed under Government supervision, and that German honey was mostly adulterated". The case came before the Court, the Company securing a notable success. It was too much to expect that the reference to Germany honey could be let stand, so the Court decided that isolated cases of adulteration could not be given a general application, but it was decided that the claim was justified that it was "the best in the world" as it brought the highest price in Britain against all other honeys, and the claim that it was packed under Government supervision was justified in that it was graded by the Government and accompanied by a Government certificate.

In Denmark the Imperial Bee pack practically supplied all domestic honey requirements not met by local production. While there in 1927 I saw 20 cases being loaded in a boat for Greenland.

Business on the Continent continued to develop and during a further visit in 1930, I called on many shops stocking Imperial Bee Honey in Holland and Norway and found it also well established in Sweden. On the occasion of my visit to Holland the local agent had rather spread himself and several shops had window and counter displays evidently promoted by the agent for my benefit. Holland was not a honey eating country but quantities were used in baking. I was told by shop keepers that the people did not like "Heide" (Heather) Honey, which was mostly the honey of the country. The Wholesale Co-operatives were a big factor in the retail business in Holland particularly, but also throughout Scandinavia and they were induced to handle the New Zealand pack. It was not all

smooth going, however, as the agent for N.Z. honey in Stockholm complained that the Wholesale Co-operative shops cut the price. In 1927 I had arranged that the advertising allocation for that year should be spent in GE many and for this was taken to task by a Christchurch newspaper. But New Zealand honey was liking for a market where it offered and at that time Germany had big possibilities; whereas Britain imported a little over 3,000 tons annually, Germany's imports were 10,000 tons. It was the biggest honey eating country in the world.

In 1930, however, with the world slump well developed, trading conditions in Germany were hopeless. I called on Carl Joosten, trading time German Consul in Christchurch. I called on Carl Joosten, at one verified previous information and the conclusions from my own observations. It was obvious that any further expenditure in Germany would be wasted.

In small population countries, small sections of the community have greater influence in Government than in larger countries and the bee-keepers in Norway had induced the Government there to raise the duty on imported honey to an equivalent of 6d per pound. Here, too, the agents for New Zealand honey got into conflict with the beekeepers. An appointee of the beek epers who has an official standing in the matter of honey made an accusation that the Imperial Bee brand was adulterated. The agents in Oslo took this to Court and supported by a local analysis of the honey, the accusation had to be withdrawn.

The extent to which New Zealand honey was known on the Continent was humorously exemplified by a letter received by the Honey Control Board from Finland, in which application was made for an agency for Finland. The writer of the letter, apparently under the impression that New Zealand was a Spanish country, had gone to the trouble of writing the letter in Spanish - bad Spanish.

The Imperial Bee brand was registered in all the countries mentioned as well as in Austria, Czechoslovakia and Belgium.

Copy of a report covering the activities of my visit to the United Kingdom in 1927 is in the Honey Control Board's Minute Book dated 20/1/27.

Events since then have given me no reason to alter the opinions expressed in that report and it would be superfluous to rewrite here what has been written there. The progress of the London Agency continued satisfactorily until a large accumulation of stocks resulted from the excessive exports in 1928 and 1929. The crisis thereby brought about and the changeover of the Agency to Messrs C. & E. Morton Ltd has been covered in the section on the Honey Producers Association.

I wish just here to explain why the Agency was changed without any period of notice being given to the Agents. Early in the relations between the Association and Messrs Mills & Co. an agency agreement was drawn up. Messrs Mills & Co., however, laid down, and it was agreed, that if either party was dissatisfied no agreement could make the position satisfactory to either party and it was better for the agency to terminate. Acting on this principle the agency was terminated forthwith.

As mentioned in the account of the Association, Mr J. R. Butland was deputed to go to London to arrange a settlement with Messrs C. & E. Morton Ltd with regard to the Association's debts and the future carrying on of the agency on account of the Board.

Mr Butland came back with a settlement with Mortons accepted only in principle and an agency for his firm for the sale of Morton's products in New Zealand.

In 1937 the supply of honey both to the Board and N.Z. Honey Ltd was far short of requirements and the Board decided to buy a quantity of honey in Australia to supplement the small quantity it was able to export. At the same time Messrs Butland (Pty.) Ltd agreed to buy a quantity for the use of N.Z. Honey Ltd in New Zealand. Mr P. A. Hillary went to Australia to make the purchases. The Board for certain reasons had its honey first shipped to Auckland where it arrived in a very leaky condition. The mess in the wharf stores gave it considerable publicity and subsequent explanations of the purpose for which it was required led



the authorities to take steps to prevent it being blended with New Zealand honey for sale in the United Kingdom. The honey procured for N.Z. Honey packs and what remained was also shipped to London and sold in bulk on its merits along with the Board's Australian honey, there being a substantial loss on both lines.

Before closing the account of the Honey Marketing business in the United Kingdom and Europe, I wish to refer to the Assistance afforded by the High Commissioner's office in promoting the sale of New Zealand honey overseas. During my visit in 1927, Sir James Farr, and in 1930, Mr T. Wilfred, did more than could reasonably be expected in boosting New Zealand honey. Every request was energetically taken up and all my appointments were made by the Office, giving me an approach to the heads of firms that otherwise would not have been possible. As an instance of prompt action, I mentioned to Sir James that a poster on display at Charing Cross had every other New Zealand product on it except honey. These posters were put out by the Empire Marketing Board. Calling up the Acting Publicity Officer, he forcibly told him to "shake up the Marketing Board and see that they put Honey on their posters", which they did.

Mr Wilfred was equally helpful. He asked me to give him the dope and he would put it across. This was amusingly illustrated at a farewell dinner on the occasion of Lord Bledisloe's leaving to take up his appointment as Governor of New Zealand. I was sitting at a table along with Mr Mills, Manager of the Bank of New Zealand, Mr Crab (?) of the High Commissioner's office, and Dr Burdett and ladies. Dr Burdett asked what my interests were and when I said "Honey!" without exception they all smiled at such a poor thing and continued to smile until Mr Wilfred arose to propose the toast of New Zealand. Liking straight at our table he commenced "New Zealand exports to this country the finest honey in the World". The smiles didn't fade, they went out. I am sure Mills would have given me an overdraft if I had gone to his bank next day.

Mr W. J. Jordan, the present High Commissioner will also, no doubt, owing to his previous association with honey, take a keen interest in its welfare. All through this time there were continuous efforts to make sales of New Zealand honey in countries outside the Board's control. When Mortons took over the Agency their overseas business, which was really their whole business, gave them the opportunity of placing honey with their other goods. Small parcels of "Imperial Bee" went to many places, even the U.S.A., the largest honey producer in the world, with the exception of Russia. Mortons continued to forward the Indian business which the previous Agents had established.

The writer, when returning to N.Z. in 1927, was not successful in opening agencies in the Dutch East Indies, there being no demand, but an agency was arranged in Colombo and operated from New Zealand. Regular shipments went to Malaya where the Association had an agency in the Singapore Cold Storage Company. Repeated efforts were made to promote business in China and Hong Kong, the only result being a few cases to Shanghai occasionally. Japan was also tried out. On the occasion of a visit of two representatives of the Japanese press enquiring into the possibilities of reciprocal trade, I got in touch with the Japanese Consul and he brought them to the office. They did not know anything about the honey, but suggested I write to a Dr Takuda, head of some bureau, which I did. The reply was to the effect that honey was little used there, that they themselves had a growing production already in excess of their requirements, and that the only imports were a few cwt. from America.

South Africa as a possible field of sales was barred by its regulations prohibiting the import of honey from any country which had bee diseases. Uganda took small lots from the Association, also from one or two bee-keepers, but the exports to any of these countries outside of the Association were so small as to be negligible.



4. I have brought this short history of honey marketing only to the time when the Internal Marketing Division took over. Events from then will be recorded in the I.M.D. files. There is, however, a matter in connection with the London negotiations with the Ministry of Food requiring some explanation. In a Fruit Sales Division report in the above connection, and in the claim for a premium on the price fixed for N.Z. Honey, there is revealed an objection by the Committee of Packers and Handlers of Honey appointed to work with the Ministry, to New Zealand obtaining a premium. Some of the names on this Committee were familiar to me. These packers in the past were anxious to obtain N.Z. Honey on account of its position. There were grave objections to supplying them in view of the policy that all honey labelled New Zealand should be guaranteed.

At the request of the West Indian Committee, I met them in meeting. This was an august body with prominent personages on it. Its functions were to look after the interests of West India in London. They were dissatisfied with the way their honey was being handled. Jamaican honey had been exported to London for many years and its position was so established that it was still taken in when other imports of honey were stopped. Following this meeting, by special arrangement, I met the Secretary, and discussed the handling of honey by packers. He produced a label "packed from Jamaican, Canadian and other British honey". "Yes", he said, "probably one of the British and 20 of foreign" - or to that effect.

New Zealand packs were not solely confined to "Imperial Bee", but approved qualities were supplied to reliable people such as Geddes & Son of Bristol, who put up a high class pack of New Zealand honey, they having a contract to pack and supply only New Zealand, which they bought at prices fixed by the agents, and Knights of Kensington. Other packs were put up at the depot under proprietary labels. Where a proprietary pack was put up different from the standard pack and sold at a lower price New Zealand did not appear on it. These particular packers could not obtain New Zealand honey and were naturally not very friendly.

One further matter should, perhaps, be recorded. In an effort to find a market for Tea Tree honey, which is comparative to heather except in aroma and flavour, the agents tried out a pack of Tea Tree but with no success, naturally, as the heather honey trade is largely a tourist one peculiar to Scotland.

#### CONCLUSION:

Whether or not the policy in Export Marketing outlined in the foregoing will have any application to conditions after the war remains to be seen.

The attitude in Britain and America in not including in any way honey in the Army diet does not augur development in the use of honey in the post-war period. At the best, the stoppage of imports into the United Kingdom has prevented the mishandling of honey that occurred during the last war.

There is no likelihood that there will be any substantial market for New Zealand honey other than the United Kingdom and there is a possibility that this market will be more crowded than before. Methods of marketing honey will not have changed so much but that New Zealand will be able to benefit from past sales and will to a considerable extent be able to take up where she left off. I am convinced that the policy followed in the past was sound within the limits that were imposed by having to finance payments to producers by advances made by the agents. Working through one distributor was desirable while initiating and expanding the business and would still be desirable if the packing and distribution is not under direct control. But this alternative should be considered.

If the honey were blended in New Zealand a small packing plant could be run inexpensively in a suitable locality and an office as in Auckland to arrange and control distribution, using all suitable distributors available. There is undoubtedly a limit to which one single firm can go in distribution - a New Zealand honey business run by New Zealand would be non partisan and should have access to all means of distribution. This establishment of a depot would, of course, only be possible if ample supplies were reasonably certain.

Pressure on export could be relieved by boosting sales in New Zealand. I am assuming that after the war sales will largely revert to the aforesaid scale. From that point there is a good possibility of increasing consumption by suitable publicity and presenting honey in the right way.

The ideal marketing in New Zealand would be for the Beekeeper to supply his own local store and the central organisation the main centres. With this, some standardisation of quality all round should be aimed at and the label made to indicate in some way the quality of honey packed. There is no use in advertising honey unless you can tell the public what sort of honey it is. There are too many kinds.

As soon as it is possible the Gift Parcel Scheme should again be taken up. This was valuable for introducing honey to the people in Britain and provided a ready means for New Zealand people to send a valued gift to their friends abroad.

J. RENTOUL.