



National Beekeepers' Association of N.Z. Incorporated

"BETTER BEEKEEPING—BETTER MARKETING"

Hon. C.F. Skinner, M.P.,
Minister of Agriculture,
Parliament Buildings,
WELLINGTON.

21st June, 1960.
*Edwin Guatata
to all branches - direct
members.*

Dear Mr. Skinner,

Industry Assistance
Report on Honey Marketing.

My Executive has considered the report of your committee appointed to investigate honey marketing and has paid particular attention to its recommendations and conclusions. In accordance with your wishes expressed to us in your letter of 10th May, we now place before you our views as a basis of discussion on the points raised:-

1. Firstly, we wish to commend your Committee for its work and to express appreciation of the thorough nature of its recommendations and its helpful attitude to the industry. We trust that after our discussions with you this afternoon, you will permit us to make the Report more widely available within the Association as we consider that it will form a valuable work of reference for some years to come and any informed discussion at our forthcoming Conference will be impossible if delegates are not familiar with the Committee findings.
2. We desire to express the industry's appreciation for Government's action in adjusting the Stock Debt incurred by the Authority at its inception. The provision made for working capital by way of overdraft accommodation has now placed the Authority's affairs on a business-like basis and has inspired producers with renewed confidence.
3. In general we are in complete agreement with the Committee findings numbered 101, 103, 105, 106, 107, 108, 109, 112, 113, and we applaud the definition of the Authority's functions expressed in Nos. 100 and 104.
4. We wish to make comment on Nos. 99, 102, 110 and 111:-

No. 99. The growth in the industry suggested by the Committee is NOT borne out by the production figures quoted for the years reviewed.

No. 102. The Committee has recommended that direct representation of the Association on the Authority should cease. We would point out that such representation was agreed to by an overwhelming majority of producers in a postal ballot when the Authority was set up. The Committee has produced no evidence to show that Association representation has been in any way inimical to the interests of the Authority, the industry or the Association, nor has such evidence been produced by any individual or organisation. The chief reason advanced by the Committee in support of its recommendation would appear to be that no other primary producers organisation enjoys a similar privilege. We accept the Committee's recommendation that if the appointment is to be continued it should be for a full three-year term. If you consider that Association representation must be withdrawn then the present appointment should run its full term of three years before any such change is made. We are prepared to recommend to the industry that this change should be accepted.

Mes. 110 & 111 - Source of Funds

We agree with the Committee that the industry lacks funds and unless Government is prepared to provide a consumer-subsidy or payment for pollination services, we are reluctantly forced to concede -

- (a) That the incidence of the Seals Levy be widened to include all honey sold in retail containers and that all such containers be embossed with the seal at the point of manufacture.
- (b) That the rate of the levy be one and one-half pence (1½d) per pound and that the proceeds be applied as follows:-
 - (1) Up to one-fifth of total Seals Revenue be applied to honey advertising.
 - (2) Up to £1500 be made available to the Association.
 - (3) The balance to be used as an industry fund.

The Executive is prepared to recommend this course to the industry for endorsement at the forthcoming Dominion Conference PROVIDED THAT A PRIOR ASSURANCE IS RECEIVED THAT SUCH HALF-PENNY INCREASE IN THE LEVY BE RECOVERED FROM CONSUMERS BY A COMMENSURATE INCREASE IN THE HONEY PRICE ORDER.

- 5. For the future guidance of the industry and to prevent misunderstandings we would appreciate a statement from you confirming:-
 - (a) That the function of the Authority is to administer the Regulations and to operate within their provisions only.
 - (b) That opinions of the industry upon the form of the Regulations and amendments thereto should be expressed solely through the Association.

Yours faithfully,
for the Dominion Executive.

(J.W. Fraser.)
National President.

C O P Y

NEW ZEALAND HONEY MARKETING AUTHORITY.

21st June, 1950.

REPORT OF THE HONEY MARKETING INVESTIGATING COMMITTEE
STATEMENT OF MR. WALLACE NELSON, CHAIRMAN OF HONEY MARKETING AUTHORITY.The Hon. C.P. Skinner,
Minister of Agriculture.

Sir,

The recommendations contained in the report of your Honey Marketing Investigating Committee were considered at a recent meeting of the Honey Marketing Authority and I have to report to you as follows:-

Of the fifteen recommendations (99 to 113) on pages 20 and 21 of the report the Honey Marketing Authority unanimously accepted twelve (99, 100, 101, 103, 104, 105, 106, 107, 108, 109, 112, 113.)

In connection with No. 102 recommendation of your Committee which reads -

"The Committee recommends that direct representation from the National Beekeepers' Association on the Authority should cease. The Authority would then comprise four elected members and one Government (and consumer) representative (Para. 36)"

At the Authority meeting the following motion was considered - "The Authority is of the opinion that the National Beekeepers' Association representation be retained."

This motion was defeated by four votes to two. Mr. J. Fraser the National Beekeepers' Association representative and Mr. G. Gumbrell a producer representative recorded their votes in support of this motion.

With regard to recommendations Nos. 110 and 111 the Authority resolved as follows:-

"While the Authority accepts the Committee's recommendation that the application for subsidy be declined it re-affirms the importance and value to agriculture of pollination by bees".

"The Authority is still of opinion that its financial position needs strengthening but it considers that the proposal to do this by means of an increase in the seals levy should be referred to the industry."

Permit me, Sir, to make the following comments on two other paragraphs of the report:-

On page 6 paragraph 28 there is embodied the sentence "Two of the four elected members of the Authority at present were suppliers representatives on the former Honey Marketing Committee which preceded the Authority when only suppliers might vote. They were elected to the Authority and have retained continuous membership. This suggests that the voting system is if anything weighted in suppliers favour."

As one of the two members referred to, allow me to correct the statement that only suppliers might vote for the former Honey Marketing Committee which preceded the existing Honey Marketing Authority. The facts are that on July 19th, 1950 the voting strength of the non-supplier was raised to a parity with the supplier and this parity was continued when the Honey Marketing Authority was established on 1st December 1953.

On page 11 paragraph 53 of the report the committee commends the decision of the Authority to alter the basis of payout for the 1959 season and adds the following statement "To foster the production of the less acceptable dark honey at the expense of the payout for the more remunerative light honey added to the Authority's difficulties."

It has been the practice of the Authority to review the basis of payout every year and the guiding factor for the 1959 season was the analysis of realisations referred to in paragraph 49 of the report. It is gratifying to know that the committee agrees with the decision for this particular season but it is wrong to assume from the analysis referred to that the payout for previous year was in any way incorrect or that the new basis will be appropriate for future years. Each year must be considered on its own merits. The Authority has never followed the policy of subsidising the payout of one class of honey at the expense of another class of honey.

In my foregoing comments I have expressed my feelings in regard to two clauses of the report. I believe that the best interest of all would be served by your releasing the report as soon as possible to the Industry and I have no wish to press the matter to the extent of perhaps making you feel that you should withhold the report or delay action on its recommendations.

- * May I respectfully suggest, Sir, that it would be sufficient if a covering letter from me giving my views on these two clauses accompanied the report. If you accept this as a satisfactory solution I would be glad to draft out such a letter for your approval to be released with the report.

Wallace Nelson,
CHAIRMAN.

* FOOTNOTE:

In order to give Mr. Nelson every facility for making his views known the Executive N.B.A. agreed to circulate the whole of his submissions to the Minister as above.