

ELECTION

HONEY MARKETING AUTHORITY

September, 1966.

"The way you cast your vote in this election can be of immense importance to the future of your Industry. The establishment and operation of a Marketing Authority is a constantly approved policy, and those you elect should work for its success, both on the local and export markets. If access to the local market is denied and the export market for bulk honey is opened to speculative buyers and private exporters, the functions of your Authority would be seriously undermined."

Ballot papers Must be with the RETURNING OFFICER by

NOON, September, the 14th.

AUTHORITY POLICY REVIEW

It is six years since producers elected me to serve on the Honey Marketing Authority. In standing again for election you are entitled to both a short review of what has been achieved, and, some indication of the possibilities for the future.

There were two main differences in the working of the Authority operating from the time of my election. Firstly a new manager had just been appointed, trained in private enterprise, and, secondly, there was a reorganisation of the Authority membership, with myself as a new member. Most of you will agree the appointment of the manager has been a most fortunate one. I hope my own election was as important in the considerable improvement in confidence and esteem in which the Authority is now held.

At that time the affairs of the Authority were in a state of chaos. Main factors for improvement were:—

- (1) The undue friction among Authority members had to cease, so that the abilities of the elected members could be brought to bear on the practical problems involved.
- (2) The establishment of a capable and contented staff, so that decisions could be properly implemented, was essential.
- (3) The combined knowledge of H.M.A. members to organise the methods of handling the sale of the honey had to be used.
- (4) It was also essential that co-operation between the National Assn. and the H.M.A. was assured.

During the first three years, and in spite of some rough patches, the first three conditions were achieved. As President of the National Association I gave full and frank reports of the efforts of the Authority to the National Association Executive, to achieve fullest co-operation between the two bodies.

The second three years has been marked by a new member initiating a very searching appraisal of our agency agreement, and marketing methods. From the outset it seemed to me the wise course was to use this strong pressure to reorganise the Kimpton agreement to the advantage of the Beekeeping Industry. Accordingly, I was not completely antagonistic to the views of Mr. Ebbry, but sought amendments to the original contract, with the result that we now have considerably more freedom, and power to negotiate, without antagonising a large overseas dealer in honey, who had worked for us for many years.

We have had no years of great intake. Disposing of crops has been no problem, rather, shortages of certain grades have given difficulty. A major advantage of the Authority is that it can, and does, take grades of honey which would be otherwise difficult of disposal, and by skilled blending, use them to best advantage. This skill has been developed to the point where we have an actual shortage of manufacturing lines. Conditions still justify endeavour to maintain the Marketing Authority as a stabilising factor on the local market. With merchants able to purchase stocks from competent packers at prices below those of the Authority it is difficult to increase local market sales spectacularly. Nor might this be desirable, but the changing patterns of retailing, especially the development of large supermarkets with centralised control, will mean that those in command have an ever increasing decision about

packs which will occupy their shelves. It is for this reason that I believe we must make determined efforts to attain a worthwhile position on the local market. The recent success of the manager in designing named packs, presented attractively, and at prices in excess of Imperial Bees, should be supported by all, as a worthwhile industry achievement. It would be tragic to elect an Authority which did not encourage this kind of progress in the Industry.

As in other primary industries, we see a trend toward accumulation in single hands of large holdings. This is supported by economic "experts" who do not look beyond financial achievement to the type of life afforded those occupied in it. In my view it is the task of the Authority to endeavour to provide conditions in which the one man producer can operate comfortably. Although overhead costs of any central Authority seem high compared with those whose labour force, transport, and equipment are used both for production and packing, I am strongly of the opinion that we need on the Authority men whose efforts at all times shall be toward securing the highest returns for the suppliers. As this return works as a base for the whole Industry the advantage is reflected for us all.

It has always been necessary that the Authority should have access to adequate finance at reasonable rates of interest, but we have been under recurring pressure to reduce our reliance on Reserve Bank funds. There is no avenue by which these reserve funds can be accumulated except by reduction of the payout. The security of the H.M.A. is being ensured by progressive repayments of principal on our site and building. It is unlikely to be other than an appreciating asset.

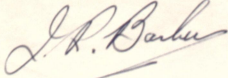
I have been, and, if elected, propose to continue to be, quite opposed to the establishment of reserves without some form of ownership by those contributing. I see no reason why primary industry should not receive adequate funds to cover purchase of stocks at low interest rates.

The composition of your Authority needs to be a blend of experience, enthusiasm and vigour. Although elected as a Life member of the National Beekkeepers' Assn. during the recent conference, an honour which I much appreciate, I am still an active worker in the Industry. There have been times when poor administration has affected my affairs very adversely, following a period of twenty years of constant supply to the various organisations. Past experience has shown that over caution is devastating in its effects. Those who hold a mirror to past events, seeking to highlight actions taken that might be criticised, will do little other than to restore the ever cautious attitudes of the past. Unless prudent initiative is shown involving some element of risk, nothing worthwhile will be achieved.

The way you cast your vote in this election can be of immense importance to the future of your Industry, and I approach you all confident that I have deserved your continued support.

With every good wish to you, and the hope that the coming season will be a good one for us all.

Yours sincerely,
I. R. BARBER.
Box 50, Piopio.



Dear Colin,

I had this composed and ready, but it is Hell to get work done down here. I saw my printer in Te Kuiti some time ago to make sure he would do it, then went with it and he was in a flat spin over electoral rolls and let me down.

New Plymouth paper did it for me, and it was supposed to be on Friday's bus, I have met them all and it was here this morning, Tuesday.

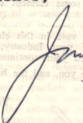
I was stilled to see the F.O.B. return for the Mamuka packs, would be interesting to know what it is after all deductions, we might have to consider the possibilities of shipping pre-packed lines in cargoes, with agents in Britain, if low intakes become regular.

The minute book is still with me, and I hope to be up shortly, shall bring it with me. Have not looked at much, but was ~~staring~~ staggered at how poor some of them were, particularly how my own submissions on the take over terms was written.

See you shortly. Hope you consider this adequate, I am wondering how much effect the pamphlets have, the early voters will know how they are voting I expect and this might be just right for the late ones, a reminder. I note Percy did not slather me up at all. Wait till next time you might have Percy, Lloyd, myself and Darryl Carey for an Authority.

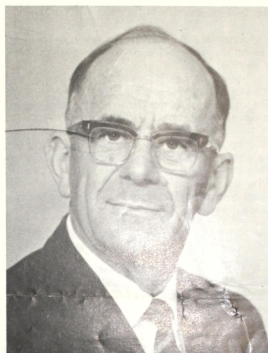
Be interesting to see how this goes. I shall not be surprised at anything, and believe Percy might get back.

Best wishes,



**N.Z. HONEY MARKETING AUTHORITY
ELECTION — 1966**

**Producer
Representative**



TO FELLOW BEEKEEPERS

from . . .

P. BERRY

Fellow Beekeepers,

Three years ago you elected me to the Honey Marketing Authority on a clearly stated policy of breaking the Kimpton grip on our industry.

Two and a half years ago Mr. Kimpton toured this country and spoke to meetings of beekeepers organised, and in part paid for, by the Honey Marketing Authority.

Two years ago you elected Mr. Fraser and Mr. Lorimer to oppose the policy on which you clearly elected me.

Two of your four representatives are now retiring and standing for re-election; but irrespective of whom you elect, the present policy would seem certain to be a continuing one within the Authority for at least twelve months.

The Chairman, Mr. Fraser, and Mr. Lorimer will be continuing in office until the elections next year and, since the Chairman has the casting vote, they are in complete control except in the extremely unlikely event of the Government Representative casting a vote against their policy.

In standing for re-election I am this time asking electors to look twelve months ahead. I do not want to be again placed in the position of being elected on a very clearly stated policy which electors are not prepared to support twelve months later.

This year and next year you must vote for the standards of ability and integrity you want applied to your business.

There is at present far too much evidence of unethical tactics at administrative level in our industry and I believe this to be the greatest retarding factor in the development of our economy.

For instance is an overseas trip at the Authority's expense already contemplated for a member?

It does appear significant that the Chairman of the recent National Beekeepers' Association annual conference at Whangarei, Mr. H. Cloake, ruled out of order an amendment that obviously was in order.

This amendment was moved by me after remit No. 7 had been moved and seconded. The original remit read:

"THAT no member of the Honey Marketing Authority be sent overseas without conference approval"

and the proposed amendment, as handed to the Chairman in writing, read:

"Amend by deleting all the words after the word 'That' and substituting the words 'The Honey Marketing Authority be asked to keep the National Beekeepers' Association fully informed when contemplating overseas travel on behalf of our industry'."

Since the conference, both lay and professional opinions I have sought have been unanimous in agreeing that the amendment was in order.

Immediately after the Chairman turned down the amendment the debate on the issue was terminated by the moving and passing of a formal resolution which made it impossible to discuss the matter further.

The net result of these tactics was to prevent the reading of my prepared statement showing that the whole question of whether a member of the Authority would be sent overseas could be completely controlled by the two men previously referred to and not by conference.

There is not to my knowledge one beekeeper in this country with the necessary business training to represent you successfully in discussions overseas on marketing matters. If and when such representation is required would it not be better to be represented by a man trained in methods of agricultural marketing and in overseas negotiations, rather than by a member of the Authority to whom the journey is more in the nature of a perk than a mission he is equipped to accomplish?

On marketing matters generally I think we need more professional advice and I will press for early action on the following Hawke's Bay Branch remit passed at our recent conference.

"That the Department of Agricultural Economics of Massey University be invited to prepare a proposal for a full study of the marketing of N.Z. honey with a view to recommending possible improvements."

I am opposed to the Government's suggestion that the H.M.A. establish a reserve fund to reduce the Authority's dependence on Reserve Bank 1% money for advances to suppliers. The price at which a producer is prepared to sell on any market available to him is dictated by the H.M.A. payout — the higher the payout, the more the producer or producer packer can ask for his honey on the local market. The H.M.A. normally handles less than one quarter of our production, so it follows that if it withholds £10,000 from the payout, the income of those who produce the remaining three quarters of our honey drops by £30,000. Low payout by the H.M.A. may suit the Government, but I am standing for election as a representative of the producers.

Every elector should clearly understand the multiple effect on the industry as a whole, resulting from any depression of H.M.A. payout to suppliers.

All expenses incurred by the Authority including overseas travel and commissions must be multiplied by four when assessing the cost to the industry. Therefore we must do everything possible to eliminate unnecessary expenses. For example, over twelve months ago the honorariums were raised from £400-£500 for the Chairman, and from £200-£250 each for the members. In my opinion this amounted to unnecessary and unjustifiable expense to the Authority. The old rate should be reinstated, particularly as adequate travel and accommodation expenses are provided. Personally I did not accept the rise or travelling expenses. While I do not feel that any member should be financially penalised by serving on the Authority, I do not feel that the position should provide financial gain.

As the Authority met only three times during the past year, including the short meeting held just prior to the N.B.A. conference it seems to me that H.M.A. members are not necessarily spending more time on H.M.A. matters than N.B.A. executive members spend on N.B.A. affairs — without honorarium!

Further, the honorarium for the Government Representative, who is really charged with the responsibility of keeping the price of honey down, should not be a drain on the H.M.A. funds as at present. As long as he is to represent the interests of the consumers of honey it will be my policy to see that the Government pays his honorarium.

The whole cost structure of our marketing set-up needs thoroughly overhauling. Our small industry cannot stand the load of high over-heads and high commission rates when in effect they are multiplied by four.

Over all I am satisfied that producers are receiving approximately 3d. per pound less than the value of their product as a result of unwise marketing procedures. The comparison of c.i.f. London values with in-tank values plus reasonable costs from tank to c.i.f. will enable anyone interested to confirm this figure. This is a very substantial figure and it represents the difference between success and failure for beekeeping in New Zealand.

If re-elected I will continue to see that full information is available to the industry.

You may have been told that this has always been the policy of the Authority members to keep you fully informed regarding the Kimpton Agreement. The truth of the matter, however, is clearly shown in the minutes of the first H.M.A. meeting I attended in October, 1963. The vital section is shown in heavy type.

I quote: "MINUTE No. 32. KIMPTON'S AGREEMENT — DISCLOSURE OF TERMS.

IT HAS BEEN RESOLVED THAT Kimpton Bros. be advised that it has been suggested that the full terms of the agreement including Clause 6 be made available to individuals of the Beekeeping Industry, that the broad principles of the Agreement have been known for some years but that the Authority has so far deemed it prudent not to disclose the details as contained in Clause 6 and that Kimpton Bros. be requested to state their views on this matter.

J. R. BARBER/E. W. LEE

IT WAS RESOLVED THAT if the reply from Kimpton Bros. indicated that they did not object to the full terms being disclosed then the terms of the agreement may be disclosed by any Member of the Authority or the General Manager.

E. W. LEE/J. R. BARBER

Mr. G. E. Gumbrell requested that his dissenting vote be recorded.

IT WAS RESOLVED THAT if the reply from Kimpton Bros. indicated that they did object to the full terms being disclosed then the matter be submitted to arbitration between the Chairman, Mr. P. Berry and a recognised legal authority acceptable to them both.

P. BERRY/J. R. BARBER

Mr. P. Berry temporarily retired from the meeting during the course of discussion of a letter from Col. Kimpton addressed to the chairman and endorsed "Private and Confidential."

As one might expect the question did not need to go to arbitration and in my pamphlet "Submissions to the Minister of Agriculture" you were given a full copy of the agreement as it then was.

The Clause No. 6 in question related to commission rates being paid.

It was only after I was elected to the Authority that the commission rates were disclosed to me. I was satisfied then and I am satisfied now that we are paying over three times the normal commission rates, that the so-called incentive commission is not working to our advantage and the system is open to abuse. Refer to note on Incentive Commission.

If elected it will remain my firm policy to see that the H.M.A. regains and retains full control of our overseas marketing.

The H.M.A. was established to give the industry the necessary powers to organise its marketing. In committing themselves in advance to any sole agency agreement your representatives abdicate these powers. We are always in a position to market through any agent, in any particular area, for just as long as it suits us. Why should we commit ourselves in advance, particularly when our agent does not commit himself to selling honey from N.Z. only?

Unfortunately my colleagues seem determined that Mr. Kimpton shall be all-powerful. The proof of this will be found in Clause 1a of the new Kimpton Agreement and my separate note relating to this Clause.

Fortunately your H.M.A. is now developing within its trading activities a new approach to one aspect of marketing which could prove to be of great significance. I refer to the special retail packs of named nectar sources for which we are now probing potential new markets.

To me this is a very encouraging development and providing it is strongly pursued is likely to prove the most beneficial aspect of the Authority's trading activities.

I hope this statement will assist electors to see more clearly the nature of our marketing problems. I hope too that it will provide all concerned with a clear definition of what I intend to do about these problems if re-elected now, and given further support by candidates elected next year.

The fact that I am strongly supported by my three sons, who are all associated with my company's business, enables me to be free to continue my efforts as your representative on our marketing council.

Like so many of you I have my all at stake in beekeeping and I am determined to promote a marked improvement in both the economic and political well-being of our industry.

P. BERRY.

Arataki Apiaries Ltd.,
P.O. Box 16,
Havelock North.

August, 1966.