

## SPEECH NOTES

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ASSOCIATE MINISTER OF AGRICULTURE

ADDRESS TO

NATIONAL BEEKEEPERS ASSOCIATION CONFERENCE

ANGUS INN  
HASTINGS

10am, Wednesday 22 July 1992

I am delighted to join you at this Beekeepers' conference.

I want to record my admiration of your industry, and the role it plays in the wider horticultural arena. Bees are literally a vital link in the chain of life, and I trust that they once again do their thing on my kiwifruit orchard this year.

However that's about as close as I want to get. Anton Vogt said back in the fifties that people admire bees for their efficiency, until they get stung!

I was interest to learn that this is the first beekeepers conference since 1978. A lot of honey has been spread on the nation's toast since then, but it is interesting to compare 1978 with 1992.

With the benefit of hindsight, we can see that 1978 was a watershed year for this industry.

New Zealand had a record crop of honey in 1978, and one that has not been exceeded since on a per hive basis. Metric packaging for honey was introduced in that year.

Also in 1978 the Cone Honey Producers Association put together one of the largest ever exports of New Zealand honey. 39 containers holding 7800 dozen packs of comb honey were shipped to the Middle East.

That sale was in no small measure due to the tireless work of Percy Berry, of Arataki Honey - just down the road at Havelock North.

At 83, Percy is still very much involved in his business which is one of the largest privately-owned beekeeping operations in the world.

Back in 1978, beekeepers were grappling with marketing issues. The hottest issue of the time was the demand of private beekeepers to export bulk honey as well as comb honey and retail packs, something the Honey Marketing Authority had to be convinced of as it controlled bulk exports.

But that was then. Today the Honey Marketing Authority is no longer and beekeepers are looking at the options for regulkating exports. A marketing consultancy promotes honey on both domestic and export markets.

In 1978 the NAFTA agreement with Australia was beginning to show its age and limitations. Today CER presents new opportunities and challenges in a market of 20 million sweet-toothed consumers.

Joint protocols are being developed with Australia for the import and export of honey. The potential for honey to carry bee diseases is well known, but heat sterilisation provides a significant comfort zone.

Our exports across the Tasman are dependent on heat sterilisation, and certification of absence of chalkbrood spores.

A similar arrangement is proposed for certifying that Australian honey is free of European brood before entry into New Zealand is considered.

But the proposals go further than that:

- \* Only retail packs will be allowed in under permit;
- \* Each jar must have a tamper-proof seal;
- \* The honey must be processed in premises that meet or exceed our regulations;
- \* Australian honey must be certified as free of antibiotic residues;
- \* Only approved surfaces can be used for storing, processing and packing honey - no galvanised drums.

The draft protocol has just been approved by the Chief Veterinary Officer. Interested parties are to be given another opportunity to comment before the issue is finalised.

I am aware that most producers here are opposed to importing Australian honey. However I have to say that CER is a door that swings both ways, unless there is very good reason to sanction one-way trade. If honey can be made, and certified, safe then we cannot erect quarantine barriers which are really trade barriers. Those days are gone - that is what CER and GATT are all about.

However we must be assured that international trade is safe. If we needed any reminder of that we certainly had it late last year in the Nelson area.

An observant apiarist reported his suspicions to MAF. Samples were sent off, and initial findings were consistent with European Brood Disease. We fulfilled our international obligations of notifying all the relevant authorities, and discharged our domestic responsibilities by declaring a disease control area.

The resulting survey was a massive exercise. 4000 hives were inspected, 988 smears examined and many beekeepers co-operated with the disruptive operation. Eventually authorities both here and overseas were convinced there was no evidence of European brood in New Zealand.



This was a costly exercise for all concerned, but it could have been worse. There has been no long-term ill effect on the export of our bees or honey.

However we have learnt a lot from this incident, and the news was not all good. For example the disease survey showed that American brood disease was much more common in the area than expected. Bee keepers with infected hives were informed of their obligation to destroy them.

More controversially, the apiarist primarily affected found out that he was not entitled to any compensation under the Apiaries Act 1969.

While this observant and conscientious person who sounded the alarm was paid for his out-of-pocket expenses and the time spent in assisting MAF during the event, no compensation was paid. Other apiarists who put in requests for compensation or ex-gratia payments did not receive compensation..

The reason for not paying compensation is simply that there is no provisions to do so under the law. Ex-gratia payments were ruled out because there was no firm criteria to set the ground rules for these payments.

Approximately every two weeks a similar event occurs in animals which could lead to claims for payments. Just consider the claim that could be made by the farmers of the Southern high country after the big snow.

It would be irresponsible for Government to foster false expectations of financial compensation which is not based or supported by legislation.

However I don't want you to think that Government did not do its bit. The direct costs of the event paid for by the public purse was \$439,000, and that does not include MAF Head Office costs or MAF salaries. Now that is a substantial contribution.

You may say that the Government had to spend that money to assure the international community of New Zealand's bee health. You should also say that the primary beneficiary is the bee and honey industry.

The Nelson incident has illustrated some basic home truths about this industry. The response to any suspicion about diseases will be in three phases:

- (1) definition
- (2) containment and assessment
- (3) containment and eradication.

The Nelson event was a phase 2 response. It shows that in these incidents there will be restrictions in the movement of bees, equipment and products. Costs will be incurred in mounting a response and there will be personal financial loss.

Any investigation of an internationally important disease must be notified to our trading partners, and losses will be suffered even when the suspicions are not well founded, as in Nelson.

This is an issue of critical importance, and one on which the future of the industry could well hinge. Consider the current quandary in the United Kingdom, where the entire South of England has been quarantined in an effort to control the Varroa mite.

The cost of this exercise will be immense, and there is no assurance that the controls will be effective. New Zealand would be hit with similar costs if the mite was found here.

Some of the questions that spring to mind are:

- \* How much would live bee exports would be affected?
- \* Who would pay?
- \* Would it be worth it?

Obviously any decision about what to do about exotic pests would be best made after full consultation with all the parties concerned. That consultation has been going on behind the scenes as MAF and the National Beekeepers Association executive have been addressing this issue in the lead-up to the Biosecurity Bill.

Crunch decision have to be made about the appropriate level of response to various organisms, the degree of obligation to notify suspect cases, if compensation should be paid in some cases, and if so - how? Should it be self-funded?

The Government intends to address the tricky issue of compensation in the Biosecurity Bill. I am sure that most people would agree that the responsible informant should not be penalised by his actions. However the law has to be explicit on how compensation is to be handled - if at all - and it must be equitable.

Several options are being considered. For example the Bill could require a pest management plan to be developed by the industry and interested parties.

The Government would then endorse the plan, once agreement is reached with all parties. The plan may suggest a recommended compensation regime, but it must satisfy the requirements of the whole industry and Government.

Obviously it is better if these issues can be settled before an emergency so as to give more certainty to the industry. At least there is some certainty that MAF will investigate suspect exotic diseases. The expertise is being maintained and contracts signed with the Horticulture and Food Crown Research Institute.



MAF aims at an active sampling of 500 hives and exporters are expected to supplement that sampling with a further 500 hives per year in at-risk areas. This is the kind of regime that works in other livestock industry areas.

This conference is very timely. Many issues have to be resolved including a Commodity Levy for the industry, the endemic bee disease programme and the current hive levy. In fact all these issues are inter-related.

Since your industry has funded the endemic disease programme, in line with the established policy of charging out services where a major beneficiary has been identified, the NBA has used an increase in the hive levy to bridge the gap.

I have approved an increase in the levy for 1993, but the rate has not yet been gazetted pending the outcome of this conference.

However using the hive levy in this way should only be seen as a stopgap. The Hive Levy Act 1978 will be repealed in 1996, under the Commodities Levies Act 1990. If this industry wants a compulsory levy after 1996, it will have to make a fresh application for it.

I am well aware of the problems the NBA is wrestling with while trying to put a commodity levy in place for this industry. I wish you every success in resolving those problems at this conference.

I suggest that we start where we all agree. It is in the interests of everyone in the bee industry to have an effective control programme for endemic diseases. Indeed it is necessary to maintain New Zealand's current health status, and the industry's future prospects.

However the decisions about how this programme is to be operated and funded are properly made by the industry. Obviously the crucial question is how wide to cast the net to be cost-effective. One of the basic truths in economics is the law of diminishing returns, which could feature in the discussions on this issue.

You may be comforted by research conducted by Dr Mark Goodwin, which opens up possibilities for beekeepers to sample hives and send them into a lab for testing.

That seems to offer considerable promise of economies over field inspections. We have to examine all the possibilities, but be aware that the clock keeps on ticking.

Obviously there is important work for this conference to do, and I don't want to hold it up any longer. I wish you well in your discussions, and will be very interested to hear what you achieve.

I have much pleasure in declaring this conference officially open.