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ANALYSIS OF IMPACT OF NEW VOTING ENTITLEMENTS UNDER COMMODITY LEVIES

There concern has been expressed that the introduction of new members to the NBA, brought about by the Commodity Levies order currently being sought, might have a negative impact on the concept that the commercial membership of the NBA should exert strongest influence on the industry's affairs.

The levy order is being sought for all apiaries except a beekeeper's first apiary, which is exempt from levy. During planning the NBA Executive used the following assumptions:

1. Those beekeepers with less than 10 hives would consolidate as much as possible onto a single site each where possible. For planning purposes, none of them were included in the figures.
2. There were about 850 beekeepers with between 10 and 50 hives. These would be the 'new levy payers', the beekeepers who are not currently levied under the Hive Levy Act. In total, they had 2550 apiaries.

The 1 vote for each 10 apiaries with a maximum of 12 votes is intended to be a rounded off equivalent of the current voting system (1 vote for each 100 hives with a maximum of 12 votes). For this analysis, I have assumed that the relative voting strengths within the groupings will not change. That is, beekeepers would, for the most part, 'translate across' to the new voting system with approximately the same number of votes.

For this analysis, I will use the voting entitlements at the end of the last financial year and the planning figures re: Commodity Levy to determine the impact of the new voting system..

At the end of 1994, the NBA had approximately 850 members. The 450 commercial members, those with more than 50 hives, had a total of about 2000 votes. The 400 ordinary members each had a vote, giving them 400 votes in total.

Commercial members controlled 2000 of the 2400 possible votes, 83% of the total.

The planning figures used to arrive at the levy rates show that there were 850 beekeepers with 10-50 hives, the group that will be 'new levy payers' under the Commodity Levy order. Each of these would receive 1 vote, totalling 850 'new' votes.

For this calculation, consider the worst for commercial voting interests. Assume that *none* of the 850 'new levy payers' are some of the same people that are our 400

current ordinary members. Under these conditions, commercial members would still control 2000 votes out of the 3,250 votes possible, 62% of the total.

Votes held at the Annual Meeting should be considered as well. There is the potential that relative voting strengths could be changed by the Commodity Levy order, since voting at AGM is one vote for each person present. There has always been the possibility that local hobbyist beekeepers or a special interest sector of the industry could encourage attendance at the AGM to exert influence in this way. I do not consider it to be a serious threat to the concept of primary commercial control.