

MINUTES OF MEETING OF THE EXECUTIVE OF THE BOARD HELD  
IN THE OFFICE OF THE CHAIRMAN DILWORTH BUILDINGS, AUCKLAND  
ON MONDAY, 1st. DAY OF MARCH, 1937.

PRESENT - J.R.BUTLAND, Esq., Chairman and Government  
Representative, and P.A.HILLARY, Esq.,  
Producers' Representative.

PURPOSE  
OF MEETING - The meeting was called to discuss the short  
-supply of Honey for Export, and how best to  
secure Honey to meet the Board's London  
requirements.

PURCHASE  
OF HONEY - After full consideration of the matter it was  
decided that as the bulk of New Zealand honey  
available would be required to meet "IMPERIAL  
BEE" demand, the position could best be met  
by a purchase of Australian Honey for other  
purposes, if suitable qualities could be  
obtained.

PURCHASE  
DECIDED - It was decided that an amount up to <sup>150</sup> Tons  
of Australian Honey be purchased and that  
Mr. Hillary be authorised to proceed to  
Australia at the Board's expense to purchase  
Honeys in accordance with the standard and  
price required.

NOTE - The Executives decision was communicated by <sup>letter</sup>  
telegram to Mr. Watson on March 2nd. and  
his reply agreeing was received on 3rd. March.

READ AND CONFIRMED THIS

16<sup>th</sup> DAY OF

June 1937

*Butland*  
CHAIRMAN

COPY

24th. May, 1937.

The Hon. W. Lee Martin  
Minister of Agriculture  
W E L L I N G T O N C. I.

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Dear Sir:

Your telegram reading as follows:-

"Have mentioned your proposals to Hon. Fraser and am to discuss them further with him on Tuesday morning glad if you would write me by tomorrow's mail giving details"

reached me this morning. This letter goes forward by the first Wellington mail and should be in your office early Tuesday morning.

I shall endeavour to cover the points raised in our discussion, which were perhaps more fully covered with Mr. Campbell. The circumstances which led up to my interview with the Hon. P. Fraser and yourself in Wellington were that the Honey Crop failure in New Zealand this season caused the Board considerable anxiety as to the best means to adopt to prevent:-

- (1) The loss of goodwill in London as a result of not being able to maintain supplies of sufficient honey for "Imperial" Bee Sales
- (2) The necessity of providing honey to execute contracts for bulk and maintain the business built under the secondary pack "MOORE'S EMPIRE HONEY".

It was considered that the acquiring of suitable Australian honey would, in addition to taking care of No 2. go a long way towards solving No. 1. as by the provision of suitable honey to satisfy the requirements of No.2. honey in London, in transit and yet to be shipped would be available for "IMPERIAL BEE" pack. The position seemed at the time of my visit to Wellington to be reasonably secure as during the months of May, June and July a large proportion of the season's export is expected to come forward for grading and shipment. The principal crop produced in New Zealand this season has been "IMPERIAL BEE" types, the types used for secondary pack and bulk sales, principally Waikato honeys, having failed. It was reasonably safe, in view of the

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Australian purchase to provide for No.2. to presume that the "IMPERIAL BEE" position did not present a mediate embarrassment.

N.Z. Honey Ltd. had advised the Board in February that it expected to be in a position to export in the vicinity of 200 tons of "IMPERIAL BEE" types. I now find that despite the supplementing local honey is being received by the Company that they will not have sufficient to take care of their own commitments and there is little likelihood in these circumstances of the Board, receiving other than a small proportion of the anticipated quantity, despite the considerably higher return from export.

The quantity in grade store during May, Direct from producers for export is five tons, and in these circumstances it is reasonably certain now to assume that the honey is not available in New Zealand. Had some system of crop statistics been available this position could have been ascertained earlier (see separate letter)

There is sufficient honey in sight to provide for the increasing "IMPERIAL BEE" sales for the next two months, but in view of the above circumstances I felt it was my duty to bring before you my anxiety as to the position likely to apply when supplies become exhausted with the prospect of totally inadequate supplies from New Zealand before the new crop arrives in London in March 1938. This anxiety is shared by the Board's agents, who sent a cable received on Saturday, a copy of which was forwarded to you in my previous letter.

"IMPERIAL BEE" goodwill provides a premium to New Zealand producers of from 3d. to 4d. per lb over that of any other honey imported into Great Britain. The goodwill has been built as a result of the creation of consumer demand by advertising and organised selling. There are two alternatives facing the Board.

- (1) Whether we are to allow this valuable and increasing asset to be seriously set back through failure to supply the demand.
- (2) or -  
To acquire such suitable honeys immediately for the purpose of blending with New Zealand honey to enable present supplies to carry through until new season's become available.

I have considered the matter from every aspect and with the knowledge I have of the British Market supported by Major Buckley's letter (copy enclosed) I unhesitatingly recommend that we should take immediate steps to ensure that there is no failure in the continuity of supply of "IMPERIAL BEE" honey. The question is how this can be accomplished? The Australian honeys already purchased and under option are not "IMPERIAL BEE" types and would be unsuitable for this purpose and although types suitable for "IMPERIAL BEE" are available at 4<sup>1</sup>/<sub>2</sub>d. New Zealand currency which would prove a very profitable transaction I would not feel happy about purchasing this without proper inspection which could not be arranged at present.

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I am sure more advantageous arrangements could be made in London with Canadian, Australian, Jamaican and Californian honeys.

There are two methods by which this honey could be purchased:-

- (1) By the High Commissioner's office. I understand the Hon. W.J. Jordan has a full knowledge of the honey business.
- (2) By the Board's agents.

From every point of view the putting of the responsibility on the agents is sound as they have to blend and sell the honey and are bound in their agreement to pack exactly to the Board's standard. The Board's agents, however, could not reasonably be asked to purchase and pay for the honey and remit to the Board the full proceeds less their usual selling commission. The only alternative would be to pay the agents a buying and financing commission. A transaction of this kind where purchases are being made at varying prices and from different sources might easily give rise to unjust suggestion which in the interests of the Board and the agents should be avoided.

I feel sure the agents would willingly undertake the arrangement if required to do so, but notwithstanding the many advantages in the adoption of the above, I recommend that unless you see any disadvantage that the High Commissioner's office be instructed to buy and supply honey to the prices, grades and quantities specified by the Board through its agents. The funds used for such purposes to be repaid to the Government from realisation as in the case of exports.

An important point in our discussion was how such honey blended with New Zealand should be labelled? The question as to whether we should add the words "and EMPIRE" or eliminate the word New Zealand. On further consideration I am forced to agree with the tentative view of yourself and Mr. Campbell that we should market as "IMPERIAL BEE, eliminating the word New Zealand rather than add "and Empire". It did not occur to me at the time that we may need to purchase Californian or other foreign honey in London for price and quality consideration, which otherwise would not be possible under the "and Empire" suggestion.

We discussed the question as to whether in selling "IMPERIAL BEE" without the words New Zealand on the label (see label attached), the question of inference would apply. I think not but if it is thought necessary an explanatory slip could be put on the bottles (see suggestion attached) This I do not recommend, and think it was agreed in our discussion that the temporary elimination of the word New Zealand from the label seemed sufficient evidence that we are taking the step to avoid such inference. The trade can buy New Zealand honey from packers and blenders, and the Board has no control over that, and I am sure it is principally the trademark "IMPERIAL BEE" which sells honey, and not the country of origin.

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Mr. Hillary, the Producers representative on the Board, and Mr. Renton the Board's manager, are fully in agreement with the above proposals. There has not yet been time to submit the matter to Mr. Watson.

I would not, being Government representative on the Board, allow any steps to be taken in this direction without your approval, but with such approval I will take the full responsibility and see the matter through. The result will be:-

- (1) The ensurance of continuity of "IMPERIAL BEE" supplies.
- (2) The avoidance of any hold-up in sales development.
- (3) The preservation through the No.1. and 2. of "IMPERIAL BEE" goodwill.

As a result of the considerable difference in the prices at which suitable honeys are obtainable in bulk and the high comparative return under "IMPERIAL BEE" brand the suggested scheme will produce considerable profit to the industry at a time when a short crop makes this particularly desirable. In addition the Board's distribution remains intact and ready to absorb an increasing quantity of next year's crop without setback.

These are the facts as I see them. I shall look forward to hearing from you at your earliest possible convenience, as the position will need to be dealt with promptly by cable if these recommendations are to be carried out and made effective.

Yours faithfully

CHAIRMAN  
N. Z. HONEY CONTROL BOARD.

MINUTES OF MEETING OF THE N.Z. HONEY CONTROL BOARD  
HELD IN THE OFFICE OF THE CHAIRMAN, DILLON BUILDINGS,  
AUCKLAND, ON MONDAY, NOVEMBER 29th, 1977 AT 10 A.M.,  
AND TUESDAY, NOVEMBER 30th, AT 11 A.M.

PRESENT:- J.R. Butland Esq. Chairman., W. Watson Esq.  
and P.A. Hillary Esq.

Major Buckley, the Board's London representative was present by the Board's invitation.

MINUTES:- The Minutes of the meeting held on June 15th. and 16th. were read and confirmed.

MAJOR BUCKLEY:- The Chairman on behalf of the Board welcomed Major Buckley to New Zealand and to the meeting of the Board. He referred in complimentary terms to Major Buckley's interest and work in connection with the Honey business.

Major Buckley in reply outlined the progress of sales of N.Z. Honey and the immediate possibilities. He confidently expressed his conviction that they could sell easily 1000 tons a year and increase the quantity with further developments which were in sight. He also referred to the increasing amounts being sent to various overseas countries and to continental possibilities.

MR HILLARY  
CONGRATULATED:-

The Chairman congratulated Mr. Hillary on being elected to the Board unopposed.

LOAN REPAYMENT:-

The Chairman's action in arranging with the Treasury a postponement of the portion of the Loan repayment and interest due June 1st. last, until the due date next year was approved on the motion of Mr. Watson, seconded by Mr. Hillary.

AGENTS COMMISSION  
ON PURCHASED HONEY:-

On the motion of Mr. Hillary, seconded by Mr. Watson it was decided that the Board's London agents be paid a buying commission of 5% on the price of the honey purchased by them for blending with the Board's honey for special contracts and that interest be paid on money outstanding in this connection at minimum Bank Rate, viz 4½%.

SELLING COMMISSION:-

Resolved that the agents be paid 5% on the sale of Bulk honey blended from honeys purchased by the agents on account of the Board.

WORDING OF  
IMPERIAL BEE

LABELS:- Resolved to add to the "IMPERIAL BEE" label the following words - "Pure Honey Free from Preservatives" and leave off the word "Blended".

Minutes of  
Meeting 29th. and ( 2 )  
30th. Nov. 1937.

2nd. PROGRESS PAYMENT  
1937 SEASON:-

Resolved to make a second Progress Payment on 1937 season's honey bringing the total payment up to 5d. per lb. Pro Rata.

1936 SEASON  
REALISATION

ACCOUNT:-

The Manager reported that the 1936 account showed a surplus of £1513-8-10.

POSITION REGARDING  
1938 SEASON:-

Major Buckley stated his desire to discuss with the Board the Agents' suggestions for the ensuing season sales campaign; Mr. Butland informed him that in view of the stated intention of the Government to bring down legislation dealing with the marketing of Honey the Board was not then in a position to discuss the matter.

Major Buckley agreed that the only alternative for him was to interview the Minister of Marketing with a view to having the position clarified so that he could continue discussions with the Board later.

Members agreed that the suggestion made was the only course and that the Board would consider the position further after Major Buckley's discussion with the Minister.

GRADING PRECAUTION:-

Resolved that the Department of Agriculture be requested to instruct the Grader to forward to the Board's office a two ounce sample of every line of ten cases of honey or over which he grades, the sample to be numbered with the number of the Grade Certificate before being sent to the Board.

SUSPENSION OF IMPERIAL BEE SALES:-

Resolved that the Board record the following statement in connection with the temporary closing down of the English business:-

"That when it was definitely known that sufficient honey could not be secured by the Board to meet its overseas requirements a very careful analysis of the whole position was made to ascertain if it were possible and to what extent, the Board's requirements could be met by purchases of other honey so that contracts could be kept and continuity of supply of the Board's packs maintained.

The desire was to avoid a serious set-back in the Board's business which had been built up at considerable cost and effort while at the same time avoiding any change in quality or grade likely to react against the interests of Imperial Bee.

(P.T.O.)

Minutes of meeting ( 3 )  
29th. and 30th. Nov.  
1937.

The Board had knowledge that quantities of honey could be obtained from Canada, Honolulu and Jamaica that could be blended with what New Zealand honey was available to obtain a product approximating to the standard blend so that there would not have been sufficient loss of quality to discredit the brand.

Any suggestion of misleading the public could be avoided by explaining the circumstances in the sales propaganda and by removing for the time being any reference to New Zealand from the labels.

The remaining consideration was the effect the Board's action would have had on the future reputation of New Zealand Honey. As the intention was only to put out something that would be satisfactory to customers, the Board was of opinion that there would be no unfavourable reaction, and with the reinstatement of N.Z. Honey a further explanation would clear up the whole matter.

While the Board could not but acquiesce in the decision of the Government which was supported by the Board's Agents to hold up Imperial Bee sales until further supplies of New Zealand Honey were available, it is of opinion that the continuation of the pack by purchasing preferably other Empire honeys would have been the better alternative.

READ AND CONFIRMED THIS 18<sup>th</sup> DAY OF Feb

*Challans*  
*Channon*

