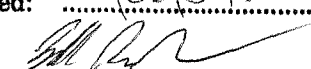


Pender, Bill (REPS)

From: Kieren Sunderland
Sent: Thursday, 7 June 2007 11:51 AM
To: Committee, Aff (REPS)
Subject: Inquiry into the Future Development of the Australian Honey Bee Industry

The Secretary
 Agriculture, Fisheries & Forestry Committee
 House of Representatives
 PO Box 6021
 Parliament House
 Canberra ACT 2600

Submission No:	59
Date Received:	07/06/07
Secretary:	

Dear Sir/Madam,

We refer to your news release on the 26th March 2007 – Bees: Australia's unpaid workers.

Please enclosed our submission with regard to the above. Our Secretary contacted your office on 24th May 2007 and requested an extension due to circumstances beyond our control.

Please find attached a file that show the cost of Beekeeping in NSW. We have used the NSW Department of Primary Industries, Honey Cost of Production Calculator as an estimator, unfortunately, this does not factor in all income and expenses, we have inputted costs and income that are from our end of year financials and directly relate to our Commercial Beekeeping Operation.

As a regional Australian Beekeeper some of the future issues that we see affecting our Business and Industry are:

- Lack of Natural Resources
- Bee Diseases and Pest
- Cost of doing Business in Regional Australia
- Access to Current Information – Electronically, Journals and Government Bodies
- Research and Development
- Beekeeping as a Career
- Marketing of Honey and Bee Services

Some of the above mention points will have been discussed by others. I will concern myself with a few point.

Bee Pests - namely Varroa - If and when this Pest arrives in Australia, and as we are one of the last countries to get it and from my experience working and talking to Beekeepers in other countries, we will most probably get Varroa that is Resistant to current treatments. Finding the dollars to do much need Research into Varroa is a priority to this Industry, due to the fact that we will need to be able treat our bees to keep them healthy and productive, so what is that treatment going to be.

The cost of doing business in Regional Australia is increasing, with the rise in Fuel costs, access to infrastructure (High Speed Internet, Roads, Mobile Technology). As the access to resources keeps declining we have to travel further a field to find places to position our hives. We are accessing more and more remote country, travelling further, which have an impact on our costing and the social impact of doing this is increasing. Some of these factors also help to discourage younger people to look at beekeeping as a potential career.

20/06/2007

Marketing of Honey and the services bees provide is a fundamental issue for our industry. This is needed to help keep the beekeeper financially secure. We need to educate the general public , to understand the importance of bees in our society and the role that they play in the environment, our own well being and health. How many people understand the importance of pollination (as bees are a foundation of the food supply chain), the use of honey for human health and well being. The World Health Organisation, has written reports about the Antimicrobial resistance to Antibiotics. <http://www.who.int/mediacentre/factsheets/fs194/en/> , <http://www.who.int/inf-pr-2000/en/pr2000-41.html>. The small amount of research to date shows that honey could play a major part in our future well being.

We need to have a robust well informed and economically viable Beekeepers and Industry for any of this to happen.

Regards

Kieren Sunderland
Sunderland Apiaries Pty Ltd

Honey Cost of Production Calculator

Developed by
 Janet Martin & Adrian Doss
 Country Capital Software Pty Ltd
 Graeme Taylor & Greg Roese
 NSW DPI (Agriculture) © 2006



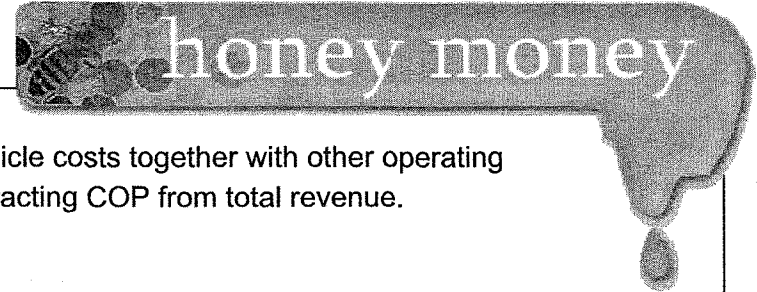
NSW DEPARTMENT OF
 PRIMARY INDUSTRIES

www.nsw.dpi.gov.au/reader/honeybees

Feedback welcome
 (02) 67631100

Version 1 Beta

Financial year ending June **2002**



Cost of production (COP) in the honey industry is calculated by adding vehicle costs together with other operating expenses. The profitability margin over honey sales is then calculated by subtracting COP from total revenue.

To customise reports:

1. Click the **Nme-Add** button below.
2. Enter your name to appear on the reports.

To calculate COP and margins:

1. Enter the financial year above.
2. Enter the number of productive hives that you operate each month, and your storage opening balances in the boxes below.
3. Click the **Benchmark** button below and enter data.
4. Click the buttons below to enter details of your **Sales** and **Expenses**.
5. View your results on the **Summary** sheet.

To calculate historical financial indicators and site profitability:

1. Click the **Business Profit** button below and enter your details in Table 1 and view your results in Table 2.
2. Individual site profitability can be calculated using the **Site Names** and **Site Profit** sheets.

Hives in production:

Opening Balances

Storage (kg):

Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
700	700	700	700	700	700	700	700	700	700	700	700

Honey		
Farm	Packer	Wax
1000		1000

Financial Year Ending June 2002		Benchmarks			Your Values
		(Yearly Averages)			
Number of hives		250	700	1,500	700
Income					
Honey	Production (kg)	22,000	94,500	180,000	34,960
	Average production / hive (kg)	88.00	135.00	120.00	49.94
	Sales (kg)	17,000	56,000	127,500	34,960
	Sales (\$)	35,750	123,200	280,500	76,887
Wax	Production (kg)	333	1,575	3,000	1,000
	Sales (kg)	275	910	2,100	1,000
	Sales (\$)	1,238	4,095	9,450	5,680
	Average Price (\$/kg)	4.50	4.50	4.50	5.68
Other Bee Related Income (\$)		4,000	12,000	27,000	36,408
TOTAL INCOME		40,988	139,295	316,950	118,975
Less Expenses					
Vehicle expenses (\$)		6,400	17,870	38,250	14,282
Other expenses (\$)		45,694	128,521	260,968	91,728
TOTAL EXPENSES (\$)		52,094	146,391	299,218	106,010
INCOME less EXPENSES		-11,106	-7,096	17,732	12,965
Summary (\$/kg honey sold)					
Honey sales		2.10	2.20	2.20	2.20
Other sales		0.31	0.29	0.29	1.20
Vehicle expenses		0.38	0.32	0.30	0.41
Other expenses		2.69	2.30	2.05	2.62
Cost of Production		3.06	2.61	2.35	3.03
Margin		-0.65	-0.13	0.14	0.37
Total Assets (excluding land)		200,000	500,000	1,000,000	1,000,000

Financial Year Ending June 2002

Monthly Production & Sales

HONEY	Jul	Aug	Sep	1st Qtr	Oct	Nov	Dec	2nd Qtr	Jan	Feb	Mar	3rd Qtr	Apr	May	Jun	4th Qtr	Total
Honey Production(kg)	1,365	1,365	1,590	4,320	1,930	2,050	2,390	6,370	2,615	4,350	4,980	11,945	4,905	4,435	2,985	12,325	34,960
Sales(kg)	1,365	1,365	1,590	4,320	1,930	2,050	2,390	6,370	2,615	4,350	4,980	11,945	4,905	4,435	2,985	12,325	34,960
Sales(\$)	3,000	3,000	3,500	9,500	4,250	4,500	5,250	14,000	5,750	9,557	10,975	26,282	10,785	9,765	6,555	27,105	76,887
Average Price(\$/kg)	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
Storage – on farm																	
Opening Balance(kg)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Into Storage (kg)																	
Storage Sales(kg)																	
Storage Sales(\$)																	
Average Price(\$/kg)																	
Closing Balance(kg)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Storage – Packer																	
Opening Balance(kg)																	
Into Storage (kg)																	
Storage Sales(kg)																	
Storage Sales(\$)																	
Average Price(\$/kg)																	
Closing Balance(kg)																	
TOT. HONEY SALES(\$)	3,000	3,000	3,500	9,500	4,250	4,500	5,250	14,000	5,750	9,557	10,975	26,282	10,785	9,765	6,555	27,105	76,887
WAX																	
Storage OpBal(kg)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Wax Production(kg)	250	500	250	1,000													
Sales(kg)	250	500	250	1,000													
TOT. WAX SALES(\$)	1,420	2,840	1,420	5,680													5,680
Average Price(\$/kg)	5.68	5.68	5.68	5.68													5.68
Storage CloseBal (kg)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
TOT. OTHER SALES(\$)	3,034	3,034	3,034	9,102	3,034	3,034	3,034	9,102	3,034	3,034	3,034	9,102	3,034	3,034	3,034	9,102	36,408
TOT INCOME (\$)	7,454	8,874	7,954	24,282	7,284	7,534	8,284	23,102	8,784	12,591	14,009	35,384	13,819	12,799	9,589	36,207	118,975

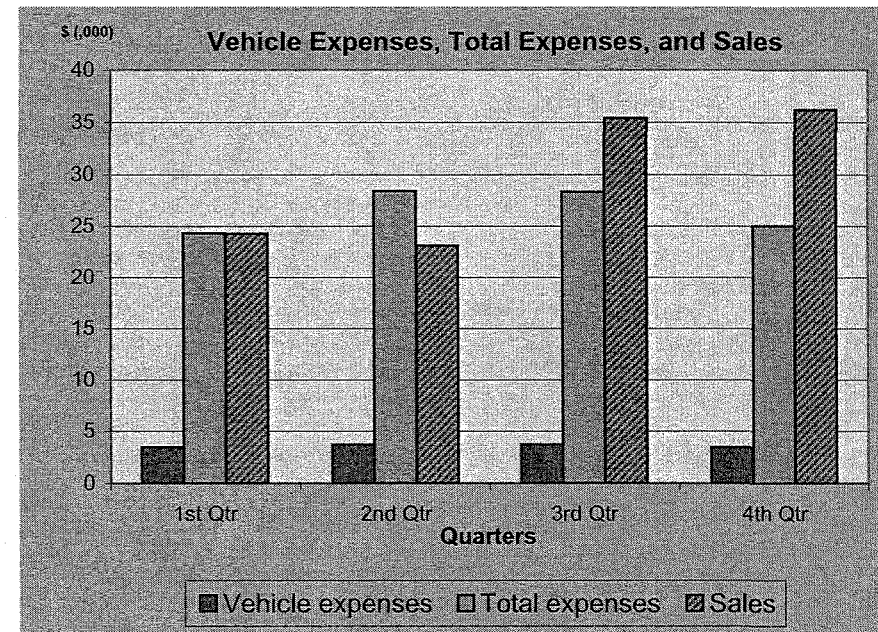
Financial Year Ending June 2002

Vehicle Expenses

	Jul	Aug	Sep	1st Qtr	Oct	Nov	Dec	2nd Qtr	Jan	Feb	Mar	3rd Qtr	Apr	May	Jun	4th Qtr	Total
Fuel & oils (\$)	301	570	570	1,441	570	570	570	1,710	570	570	570	1,710	570	570	301	1,441	6,302
Maintenance & repairs(\$)	415	415	415	1,245	415	415	415	1,245	415	415	415	1,245	415	415	415	1,245	4,980
Fixed – rego & insurance	250	250	250	750	250	250	250	750	250	250	250	750	250	250	250	750	3,000
TOT VEHICLE COSTS (\$)	966	1,235	1,235	3,436	1,235	1,235	1,235	3,705	1,235	1,235	1,235	3,705	1,235	1,235	966	3,436	14,282

Vehicle Calculator

		Cost/yr Vehicle 1	Cost/yr Vehicle 2	Cost/yr Vehicle 3	Total Costs			
Heavy truck	Fuel & oil	3,080			3,080	Distance Travelled (km / yr)	Cost (\$ / km)	Calculator
	Maintenance	1,700			1,700			
	Fixed costs	1,500			1,500			
	Heavy Truck Total Costs	6,280			6,280			
					50,000	0.13	1,200	1,615
Light truck	Fuel & oil							
	Maintenance							
	Fixed costs							
	Light Truck Total Costs							
Ute / sedan	Fuel & oil	5,000	3,050		8,050			
	Maintenance	1,000	950		1,950			
	Fixed costs	725	713		1,438			
	Ute / sedan Total Costs	6,725	4,713		11,438	50,000	0.23	700
Total Vehicle Costs	13,005	4,713		17,718	#VALUE!		1,900	2,424



Expenses Year ending June 2002

Average hives per year:	Quarters				Your value 700	B'mark 2002 250 hives/yr	B'mark 2002 700 hives/yr	B'mark 2002 1500 hives/yr
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr				
Apiary & veterinary chemicals	150	150	150	150	600	100	350	600
Cleaning & pest control	175	550	175	206	1,106	140	385	825
Sugar	15	15	15	15	60	1,050	2,940	6,300
Protein supplement	15	15	15	15	60	500	1,000	3,000
Queen bees	300	300	300	300	1,200	1,250	3,500	7,500
Marketing expenses	90	271	292	250	903	50	400	800
Accommodation & meals	600	1,575	1,966	900	5,041	900	2,600	5,600
Freight	387	388	388	387	1,550	900	1,500	5,000
Machinery maintenance.	100	200	300	100	700	1,500	5,000	10,000
Building structure maintenance	2,000	3,595	3,291	2,200	11,086	940	2,200	4,850
Hive equipment – maintenance	1,000	1,000	1,000	1,000	4,000	2,270	5,270	7,700
Hive equipment – purchase								
Drums & containers	65	128	148	125	466	425	875	2,550
Packing materials	65	127	148	125	465	600	1,000	5,000
Building, (vehicle) & liability ins.	242	243	243	243	971	1,800	5,000	10,900
Small tools, equip. & supplies	660	660	660	660	2,640	440	1,230	2,640
Rates & land rent	150	151	151	150	602	520	1,450	3,100
Bee site rent (government)	600	977	985	500	3,062	1,500	4,200	9,000
Bee site rent (private)						750	2,100	4,500
Laboratory fees	100	100	100	100	400	100	280	600
Protective clothing	375	395	396	375	1,541	125	350	750
Levies	50	50	50	50	200	244	746	1,913
Power & gas	562	576	588	560	2,286	500	1,400	3,000
Phone	565	592	595	575	2,327	500	1,400	3,000
Memberships & associations	435	435	430	430	1,730	150	500	1,000
Accountancy & legal	837	838	838	837	3,350	465	1,155	2,790
Administration	114	115	115	114	458	1,250	3,500	7,500
Bank charges	417	418	417	417	1,669			
Miscellaneous costs	122	122	122	122	488	1,225	3,430	7,350
Subtotal	10,191	13,986	13,878	10,906	48,961	20,194	53,761	117,768
Vehicle fuel & oils	1,441	1,710	1,710	1,441	6,302	3,350	9,350	20,000
Vehicle maintenance	1,245	1,245	1,245	1,245	4,980	2,100	5,860	12,550
Vehicle fixed costs	750	750	750	750	3,000	950	2,660	5,700
Total Vehicle Costs	3,436	3,705	3,705	3,436	14,282	6,400	17,870	38,250
Total Depreciation Costs	2,049	2,050	2,050	2,050	8,199	6,000	19,000	23,000
Owner-operator allowance	1,641	1,641	1,641	1,641	6,564	11,400	32,000	68,000
Paid labour	833	834	834	833	3,334	5,000	15,000	35,000
Labour on-costs								
Total Labour Costs	2,474	2,475	2,475	2,474	9,898	16,400	47,000	103,000
Add Operating Interest								
Interest on borrowing	1,113	1,113	1,113	1,113	4,452	1,700	4,760	10,200
Leases/HP	5,052	5,057	5,057	5,052	20,218	1,400	4,000	7,000
Total Finance Costs	6,165	6,170	6,170	6,165	24,670	3,100	8,760	17,200
Total Expenses/ quarter	24,315	28,386	28,278	25,031	106,010	52,094	146,391	299,218
Monthly Average Expenses / Quarter	8,105	9,462	9,426	8,344	8,834	4,341	12,199	24,935
Total Expenses / Hive / Quarter	34.74	40.55	40.40	35.76	151.44	208.38	209.13	199.48

Site Names and Usage

No.	Site Name	Site Usage	No. of Hives	Prod. / Site	Ave. Prod. / hive	Comments
1						

Honey Money Farm
 4 Marsden Park Road
 CALALA NSW 2340

Site Profitability for Financial Year Ending June 2002

Site name																					Total	
No. of hives																					700	
Start Date																						
End Date																						
Placement time (wks)																						
Av. dist. / trip (k)																						
No. of truck trips																						
No. of light truck trips																						
No. of ute / sedan trips																						
Total vehicle costs (\$)																					14,282	
Other costs (\$)																					91,728	
Honey production (kg)																					34,960	
Honey value (\$/kg)																					2.20	
Honey income (\$)																					76,887	
Other Bee Income (\$)																					36,408	
Total return (\$)																					118,975	
Margin (\$)																					12,965	
Honey / hive (kg)																					49.94	
Return / hive (\$)																					170	
Summary (\$/kg honey sold)																					Vehicle Costs	
Honey Sales																					Vehicle	\$/km
Vehicle Expenses																					Truck	0.13
Other Expenses																					Lt Truck	
Cost Of Production																					Ute	0.23
Margin																						

Honey Cost of Production Calculator & Profitability Check for Beekeepers

Financial year ending June 2002

Monthly Summary (\$/kg honey sold)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Honey sales	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
Other sales	3.26	4.30	2.80	1.57	1.48	1.27	1.16	0.70	0.61	0.62	0.68	1.02	1.20
Vehicle expenses	0.71	0.90	0.78	0.64	0.60	0.52	0.47	0.28	0.25	0.25	0.28	0.32	0.41
Other expenses	5.10	5.10	4.38	4.26	4.01	3.44	3.13	1.88	1.64	1.47	1.62	2.41	2.62
Cost of Production	5.81	6.00	5.15	4.90	4.62	3.96	3.60	2.17	1.89	1.72	1.90	2.74	3.03
Margin	-0.35	0.50	-0.15	-1.13	-0.94	-0.49	-0.25	0.73	0.92	1.10	0.98	0.48	0.37

	Bench mark	Your value
	1500	700
Honey sales	280500	76887
Other sales	36450	42088
Vehicle expenses	38250	14282
Other expenses	260968	91728
Cost of Production	2.35	3.03
Margin	0.14	0.37

Summary by Quarter

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Honey sales	2.20	2.20	2.20	2.20	2.20
Other sales	3.42	1.43	0.76	0.74	1.20
Vehicle expenses	0.80	0.58	0.31	0.28	0.41
Other expenses	4.83	3.87	2.06	1.75	2.62
Cost of Production	5.63	4.46	2.37	2.03	3.03
Margin	-0.01	-0.83	0.59	0.91	0.37

Annual Summary (\$/kg honey sold)

	2005	Current
Honey sales	2.20	2.20
Other sales	0.26	1.20
Vehicle expenses	0.26	0.41
Other expenses	0.75	2.62
Cost of Production	1.02	3.03
Margin	1.45	0.37

Business Profitability

Financial year ending June 2002

To calculate the viability of your business, complete the following table using figures from previous tax returns and profit and loss statements, preferably for the past five years.

Table 1

	1998	1999	2000	2001	2002
Total liabilities	0	19,740	48,790	74,247	144,000
Total income	0	24,426	35,275	132,468	156,103
Total assets	0	155,583	183,320	25,750	154,000
Net income	0	10,631	28,105	-1,315	-16,882
Net worth		135,843	134,530	-48,497	10,000

On completion of data entry, the following financial indicators will be calculated. Indicators that are marginal will appear in red and the trends will provide an assessment of business viability.

Table 2

	1998	1999	2000	2001	2002	Marginal
Liabilities to income ratio		0.81	1.38	0.56	0.92	> 1
Debt to assets		12.7%	26.6%	288.3%	93.5%	> 80%
Return on assets		6.8%	15.3%	-5.1%	-11.0%	< 6%
Equity		87.3%	73.4%	-188.3%	6.5%	< 65%
Return on equity		7.8%	20.9%	2.7%	-168.8%	< 10%
Return on capital		6.8%	15.3%	-5.1%	-11.0%	< 0%