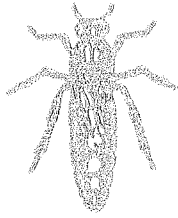


AUSTRALIAN QUEEN BEE EXPORTERS PTY. LTD.

A.B.N. 96 078 192 300



Submission No:	37
Date Received:	7/6/07
Secretary:	<i>[Signature]</i>

1st June 2007

MR. BILL PENDER
Inquiry Secretary
Standing Committee on Agriculture, Fisheries and Forestry
P.O. Box 6021
Parliament House
Canberra ACT 2600

Dear Sir,

Re: Inquiry into beekeeping industry

Attached please find my submission to the upcoming inquiry into the Australian beekeeping industry.

Should you need additional information do not hesitate to contact me.

Yours sincerely,

[Signature]
WARREN TAYLOR

SUBMISSION ON CURRENT SITUATION AND FUTURE DEVELOPMENT OF THE AUSTRALIAN HONEY BEE INDUSTRY

**PREPARED BY AUSTRALIAN QUEEN BEE EXPORTERS PTY LTD
SIGNED WARREN TAYLOR**



INTRODUCTION:

The beekeeping industry via the Parliamentary committee hearing on Skills, Training and Research have been able to bring to the attention of government the importance of honeybees to Australian agriculture.

This new inquiry now enables the beekeeping industry to explain to government some of the issues that are leading to a reduction in the size of the industry in Australia.

Some issues raised will be beyond government control however it is important for this committee to be made aware of all of the issues.

I am asking the committee to carefully consider all of the submissions and to arrive at the conclusion that:

1. The Australian govt. should provide **special** assistance to an industry deemed to be vital to Australian agriculture.
2. That these actions should aim to encourage growth in the beekeeping industry.

You will receive a number of submissions from different industry sectors however I ask you to give special attention to those presented by producers. Some of these will be from people who have had a lifetime in the industry and these are the people best able to identify issues that have the ability to destroy beekeeping in Australia.

The issues I raise below are the main issues I believe affecting the commercial viability of beekeeping.

HONEY PRICES

Prices to the producer have, for the past 12 to 24 months been below the cost of production. Honey retails at \$8 - \$10/kg and yet producers have been receiving (on average) \$2/kg.

Honey is a unique product in that it needs little processing and simply needs heating, straining and bottling.

When I entered commercial beekeeping in 1972 (after 7 years as an Apiculturalist with NSW Dept. of Ag) the producer received 50% of retail price. This is now down to 20% at a time when costs associated with production have risen dramatically. In an effort to survive many beekeepers have begun to pack their own honey. It is now common to see vehicles parked beside the road offering honey at \$4 -\$6/kg.. It is now common to see honey for sale in non-traditional outlets such as butcher shops, service stations, tourist outlets and newsagents.

Because honey can be stored for long period without deterioration the normal laws of supply and demand should not affect honey as it does to more perishable agricultural produce. However because suppliers are being paid below their cost of production many are forced to liquidate honey as soon as it is produced in order to keep operating.

The U.S.A. have had a loan program which put some stability into marketing.

HONEY PROMOTION

The industry at one stage had the Australian Honey Board to promote and defend Australian honey.

The Capilano Honey Company encouraged its shareholder/suppliers to use their voting power to get rid of the board leaving no-one to defend and promote generic honey. The market share of honey has reduced in the past few years and this reduction may relate to increase in shelf price or because of introduction of new products such as chocolate spreads.

The beekeeping industry needs promotion to encourage use of honey in cooking, industrial uses and incorporated into alternate honey-based spreads.

The necessary legislation is still in place with promotional levy rate set at zero so it would not be difficult to re-introduce this levy.

In fairness I must say that the previous board has deficiencies and these may have been related to low income, high administrative cost leaving insufficient funds for useful promotion.

I did not support abolition of the board however I did support some restructuring so that the producers levy was spent more effectively.

LABOUR FOR BEEKEEPING

Beekeeping is an unusual occupation and one that the majority of people find unattractive. To grow a beekeeping business one must have access to labour and in the event of loss of employees one must be able to find replacement labour quickly. Australian Queen Bee Exporters Pty Ltd has grown to the largest beekeeping company in Australia because 20 years ago the Dept. of Immigration recognized the unusual nature of beekeeping and approved our company to import foreign labour.

This approval must be allowed to continue and beekeeping companies with growth potential must be allowed to use foreign labour.

Unfortunately the shortage of labour includes a severe shortage of persons to carry out the less technical work e.g. Remove honey from hives, migrate hives to new sites etc.

It is vital that this committee allow approved beekeeping sponsors to use foreign labour via the 457 visa.

Unfortunately under present immigration rules Australian beekeepers must pay a foreign worker \$10,000 above what would be paid to an Australian beekeeping employee if they were available. In addition under immigration rules the employer is not allowed to incorporate as part of the salary things like accommodation (beekeeping is migratory), airfares, health insurance, superannuation, education expenses for children etc. So the employee can cost the employer almost \$50,000 to produce a product that currently sells for below the cost of production.

The U.S. and Canadian govt. publicly recognise the value of the beekeeping industry and the majority of employees come from Mexico and Central Sth America. The worker receive US\$7 to US\$10 per hour. Furthermore, beekeeping being a seasonal occupation

U.S. employers are allowed to employ for 6-8 months as against our system that demands full time employment.

To be forced to employ (particularly in a large company) workers for winter months creates unnecessary overheads for Australian beekeepers. The alternative of sponsoring for 8 months and then re-applying for the same person for next season is impractical. Approvals can take time and result in the employee not arriving in time for the season.

This committee should be in the position to make recommendations to D.I.A.C. on the above issues.

SUPPORT TO BEEKEEPING IN OTHER COUNTRIES

The E.U. provides non-repayable grants of \$60,000 to young people wanting to become beekeepers. They also provide substantial subsidies for purchase of replacement bees and for sugar for feeding hives when needed.

Most major beekeeping countries have extensive research facilities and apicultural education centres .

As the World Bee Congress (APIMONDIA) is held in Australia Sept. 2007 I am embarrassed that Australia has zero education centres and almost no Bee Research Centres.

Following the massive loss of bees in the U.S.A. in the past 12 months, Congress has allocated millions of extra dollars to the already extensive bee research network and are planning to provide subsidies for beekeepers to replace bees killed by this new problem called Chronic Collapse Disorder (C.C.D.).

The U.S.A. has large areas of monoculture and an absence of feral colonies. This means that U.S. Agriculture must rely on managed colonies to pollinate crops.

The current problems of the Australian Beekeeping Industry will lead to a serious shortage of managed colonies in 10 years. Unless this committee can make recommendations that lead to growth in our industry.

POLLINATION

Following large planting of almonds in Vic and S.A., Australians beekeepers are now being paid \$50/hive to pollinate these trees in July/August. This is small compared to the US\$150 to US\$180 being paid to pollinate almonds in California.

Disease problems in the U.S.A. have resulted in a massive decline in hive numbers to the extent that demand exceeds supply.

Should certain exotic pests enter Australia the feral populations (estimated up to 50 swarms/sq km in some areas) will be wiped out. Farmers who previously received free pollination from feral populations will be forced to rent managed colonies.

The question is will there be sufficient beekeepers remaining in Australia to provide a service. The average age of Australian beekeepers is 59 and many are downsizing or getting out.

Australian farmers cost of production is significantly higher than many of their competitors. For this reason higher crop yields could significantly reduce this competition. Planned (or incidental) pollination is a realistic means of increasing yields of many crops. For this reason managed colonies (and feral colonies) are vital to Australian agriculture.

EXPORT OF PACKAGE BEES

Due to the massive loss of bee colonies in the U.S. recently Australia has been granted approval to ship package bees to U.S.A. to restock dead hives and provide a source of bees to pollinate the Californian almond crop in Feb/March. The timing is good as in Feb. in Australia most of our hives have peak populations. The sale of surplus bees is becoming an alternate source of income for Australian Honey Producers .

The packaging and export of bees requires some skills that many honey producers do not have however, company's such as ours are able to purchase the bees and ship on behalf of the honey producer.

INDUSTRY POLITICS

Currently the industry is governed by a Federal (peak) body called The Australian Honeybee Industry Council (AHBIC) and each state has its own state association with a network of branches.

The federal body is funded by a voluntary levy and the major contributor is the Capilano Honey Company.

This situation is not ideal as it can lead to the Capilano Honey Company having an unhealthy influence over AHBIC. It would be more desirable if an alternative means of funding could be found and if our federal body was affiliated with the National Farmers Federation.

One suggestion worth exploring is to re-introduce a promotional levy and permit part of this levy to be used to fund industry representation.

Member of the Capilano Company are often dominant on the State Executives in NSW, Vic, Qld and SA and this means that the Capilano influence has the potential to extend into State Associations. This packer/processor influence needs to be addressed to ensure that the rights of all Australian beekeepers are met.

EDUCATION AND TRAINING

I graduated from Hawkesbury Ag. College in 1965 where I studied Apiculture as a part of the general Agriculture Course. Eventually the Apiculture courses at Hawkesbury and Gatton Agricultural College were closed leaving nowhere in Australia for apicultural education.

Following my graduation I spent 7 years as an apiculturist with NSW Dept of Ag. and then went on to develop Australia's largest beekeeping company.

Many beekeepers have spent a period to training in our company before commencing their own business.

If this committee recognizes the value of beekeeping to Australian agriculture they will move quickly to re-establish **at least** one Apicultural course in Australia.

Certainly all agriculturist and horticulturists in colleges and universities should be given a basic knowledge of the value of honeybees and always protect them particularly from the indiscriminate use of insecticides.

Attempts are being made to develop competencies for beekeeping and ultimately put an apprenticeship into place. This plans seems to have stalled maybe from lack of interest by the institutions. Certainly an apprenticeship may attract some Australians to our industry either part time or full time

THREATS FACING AUSTRALIAN BEEKEEPING

Our industry is under constants threat from incursions of exotic diseases and pest. We are now the only country to be free from the damaging mite Varroa destructor.

A recent incursion of Apis cerana (the Asian honey) is worrying. Apis. cerana is capable of carrying Varroa and although this recent discovery in Cairns seems to be free from Varroa it is disturbing that the swarm appears to have been undetected in Cairns harbour

for many months. So far five swarms have been found and I would expect that they could all be traced back to the initial undetected swarm.

Although contingency plans are in place for exotic incursions samples took almost one week to reach a laboratory.

The first swarm was found in the mast of a boat and it was vital that our bee scientists be allowed to cut the mast to access the nest in site to determine:

1. Age of wax – identifying how long swarm was present
2. Presence of swarm cells – has the swarm cast of other swarms
3. Examine brood for presence of Varroa mites

All these were not possible because govt. would not replace the mast - a cost of \$10,000. Compare this decision with the \$106 million spent on fireant control and look at cost /benefits.

A further threat to our industry may come from genetically modified crops. Not only from countries refusing to accept honey from these crops but many G.M. crops have built into them toxins to destroy harmful insects - bees are also insects.

The indiscriminate use of insecticide is an on-going threat to honeybees. This threat is not only to managed hives where beekeepers may receive sufficient warning to allow for removal of the hives from the danger area but more significantly feral hives are poisoned and this provides a direct threat to pollination of pastures and native flora at times when commercial apiaries are not in the area.

If govt. wants to protect our feral populations then there needs to be stricter guidelines for the use of toxic chemicals on flowering colonies.

The restriction of bees to access forested land now in control of National Parks must be overruled. If honeybees are to be deemed the worlds **most** beneficial insect then they should be given some rights and privileges. Access to areas to allow for protection from spray programs and allow for successful over wintering of colonies is a must.