

Pender, Bill (REPS)

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Australian Honey Exports Pty Ltd

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Submission to the Inquiry into the Honey Industry in Australia.

Having reviewed many of the submissions that have been made, I would like to add the observation that the key solution to the problems lies in taking our honey into a bigger market, in order to return a better price to producers, and to our country.

I am a person with 46 years of interest in bees, and the beekeeping industry, mostly from an independent point of view.

The industry has always struggled under the burden of a limited market that fosters monopolistic control on prices and consequent "pressure" on beekeepers, effectively creating an attitude of exclusion towards independent thinkers or those who don't support the status quo. The monopolistic nature of the industry is in turn subject to the constraints and pressure of a limited market dominated by so few major retailers who seem ruthless in their policies and myopic in their outlook.

There is generally a fearful respect for the major buyers of honey, and an undercurrent of dissatisfaction with the way things are. The investment of time and money to become established as a viable honey producer means that an individual has too much at stake to take the risk of offending the major buyer or those in favour, simply because there has never been a viable alternative market to which they have had access. The situation leads to mediocrity rather than excellence.

Anyone who tries to establish themselves in the same retail market has to contend with considerable risks, and rarely succeeds. The situation in the Australian market is now reasonably stable, but also stagnant.

It is my opinion, based on listening to many beekeepers, that the industry needs a big change, with new Leadership. The current world predicament of bees gives us the chance for a fresh start like never before, but there will have to be significant differences in our approach to management of the industry.

I wish this industry could get the sort of support from the Australian Government that must have been given to primary producers in New Zealand. The strength of their Dairy products in Japan shows what an advantage can be gained by co-ordinated government and industry support. Their success with Dairy products in Japan is virtually unassailable by our Dairy industry. Similarly the marketing of Manuka honey, has been very effective in brand recognition. Even though it is usually a blended honey it sells for almost twice the retail price of Australian product.

Other submissions have focussed on the importance of biosecurity and access to forests, both are extremely important and well described so I will not reiterate what has been well said by others. I believe it is a matter of commonsense that native bees are not going to be disadvantaged by the utilisation of large areas of forest that could benefit the honey industry more than the forestry industry acceptably might, in a more radical way as it has in other places.

I want to focus on the issue of marketing.

In my experience, testing the market in different ways over ten years, we need to have a viable presence in Europe (and other markets) based on a stockpile that can be delivered at short notice directly to retailers. How can you expect an industry to be successful if you don't take the products to the best and strongest markets?

Export sales of bulk honey have achieved little for our producers, but have given European packers great profits. The answer is to establish an agreement binding on exporters, particularly in regard to minimum prices and quality, that reflects a fair share of the retail prices for packed product in other markets. In other words, dare I say it, there needs to be a conduit through which exports are facilitated, "a single desk" and it shouldn't be the existing structure of AHBIC, who are generally mistrusted. You cannot get exports of prepacked honey off to a good start in Europe without either sacrificing a large share of the profit to a distributor, or having a strong enough Brand Identity so that retailers come to us. The people in these markets have to be respected for their own cultural values, and not imposed upon with an arrogant attitude that has previously generated hostility.

In effect, I believe that a much more sophisticated marketing programme aimed at selected key retailers in foreign

markets, will establish greater respect for Australian product, and consequently a stronger bargaining position for the sales of bulk honey to end users of honey in industrial ways. It may take a year or two to establish but it is the only way it will work quickly enough.

My plan is to use the uniqueness of one particular variety, to effectively establish a floor price for other varieties, but it will only take the interference of someone offering to sell at lower prices to waste the whole effort. Regrettably this happened recently to no significant advantage to that person either. Hence, the need for a unified approach.

I believe in paying producers more than the cost of production. There are some very bright minds in the beekeeping industry, and we can improve our production with just a little bit of Government support, especially in Queensland where access to forests is fundamentally important. Government funding would not need to be a handout, but could be by way of security for finance, although the Australian banks are not at all supportive. In fact, I have found three Australian banks to be derisive of such an insignificant industry, Those banks will never benefit from me. Perhaps a direct Government loan would be the answer, but an EMDG refund would not allow the scale of expenditure required.

The wine industry is effectively not as essential as the beekeeping industry, yet wine is a product of far less integral value, and far greater commercial significance. My marketing plan involves using some of the money wasted on the notoriously stupid programmes of the tourism industry that haven't yielded any significant benefit over the years. Let's be pragmatic about why people find Australia appealing, lets give them a chance to taste "the Essence of Australia". Link Honey with tourism and wine, and other fine food.

It has been the case for many years that honey producers are best at producing honey. Market development is a different skill, and so is company management.

Here we have a high value, low volume product, of clearly limited supply, and the industry is being dominated by people evidently without an adequate cultural understanding of the most significant potential markets. It has always been that you have to be respectful of the existing hierarchy, but respect them as honey producers not marketing or management specialists. Austrade is a great help, but the range of their help is restricted (in a way that is understandably appropriate,) We need more help in a direct way.

This is the time when a modicum of commonsense needs to be applied to set things up properly and establish a superior industrial management plan based not on individual interest, but on the welfare of producers and the long term survival of our capacity to benefit, particularly in conjunction with the welfare of bees.

To say the least, the survival of our bees and therefore our honey industry, is as important as defence planning or superannuation. That is unequivocal, Who will benefit from superannuation unless there are bees to produce food crops?

Here are my specific recommendations to the Government enquiry into the honey industry, based on an evaluation of all the submissions received, and other knowledge that I have accumulated.

1. It is time to realise that the value of the beekeeping industry is crucial to our survival because we are now dependent on European style agriculture. We cannot revert to hunting and gathering, and native bees are not going to assist our survival. An open mind will acknowledge the increasing significance of our good fortune, to have healthy bees, and circumstances where we can apply ingenuity to sustain the pollination of crops.

2. The importance of biosecurity is so important, but nearly nothing can be done to prevent the loss of our advantage by one accident or act of stupidity. We MUST have a solution in place before varroa parasites get into the country.

3. It is crucially imperative that all that can be done is done to fund the research of people such as Dr Denis Anderson who seems to have a grasp of the problem. Research also needs to be funded, without delay, so that experiments can be carried out in other countries that are already affected by the parasite, so that we know as much as possible before it arrives.

The current R and D rules do not allow enough leeway for experiments to be conducted outside Australia.

4. We need a new alternative to the AHBIC, which is too closely aligned in the perception of many producers, to the commercial interests of the major packer. I believe that my commercial intentions are sufficiently open and transparent, that I have established a suitable foundation for that identity as Australian Honey Exports, which is dedicated to the benefit of the industry in anyway. I have willingly dedicated my self to the service of the honey industry in any way that is of positive value.

5. We need a laboratory equal to the QSI Lab in Bremen that can certify the standards of samples suitable for export. This lab should have close contacts with QSI for its initial credibility, and it should have the capacity to help simplify the export documentation process with minimum delay. The communication between AQIS and state DPI should be easy to facilitate, and is evidently not as good as it could be at present.

6. We need funding in support of market development that will generate payments to producers that allows an increase in production quality and efficiency.

This is so crucial, we have to demonstrate that Australian Honey is worth every cent of its purchase price.and we have to take pride in the fact that our product is so valuable. It is a special distinction to have a knowledge of bees and be a good producer of bee products in a country such as Australia.

There has always been a human interest in the culture of bees, and the beneficial mysteries of honey products. It seems that there is an increase in interest in recent times, that is growing more quickly as we damage the natural world on which we depend. The Honey Industry is an IDEAL place to start making productive change to human attitudes to the things we

value. Lets "get our act together" while we can.

Finally,

There is a perception that any action by a Government takes time. Time is simply something that we can no longer squander. We know that the world is changing far more rapidly than we would wish, and it is necessary to be pragmatic if we are to cope and adapt to the change before it is too late.

NOW is the time to take action to prevent the deterioration of a serious problem in which honey producers are on the brink of financial disaster. The Government, (any government!) simply cannot assume that the situation can be remediated one or two years down the track, because the people who are battling to survive will have had to leave the industry, and then there will be even fewer capable people available than there are at present.

It should be a National Priority that the fundamental process of sustaining the pollination of our crops and food supply is conserved. There is no alternative to the benefits of bees to generate food.

We are on an island that presents the only hope to sustain the well being of bees on this planet.

Our future depends, first of all, on bees and that is no exaggeration.

Producers responses to this submission are most welcome.

Roderick Yates
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