

### Cooperative offers beekeepers sweet future

by Rod McKenzie  
Chairman, New Zealand Honey Producers Cooperative Ltd

The New Zealand Honey Producers Co-operative (NZHPC) was established in 1981 by beekeepers who wanted an assured outlet for all their produce and to have control of the product from the hives to the consumers. In the ensuing 25 years, NZHPC has established itself as one of the major honey packers in the country with a throughput of some 1,100 tonnes from the 80 shareholder suppliers.



With a turnover of around \$8 million, we are not a large company but we are big in the honey industry. Shareholders are located throughout New Zealand from Hokianga to Southland supplying a wide variety of honey types.

Like all primary producers, beekeepers are usually price takers selling into a market that has wild price fluctuations caused by export prices, the size of the crop, and undercutting of prices in the local retail market. At the time of the formation of NZHPC there were too many small operators packing retail packs in to stores in their local areas. Today, there are still too many brands and suppliers on the supermarket shelves and rationalising by the two big chains is likely in the near future.

The NZHPC processes some 1,100 tonnes of honey each year at its factory in Pleasant Point, South Canterbury, on the same site where honey has been packed for a long time, originally by the Holland family. The coop's primary brand is **Hollands** and the leading seller in supermarkets nationwide is **Hollands 500g Pure White Clover Creamed Honey**. The **Sweet Meadow** range is also a NZHPC brand and is used to pack honey from specific floral sources such as rata, manuka and kamahi.

Although originally packing mainly for the local market, the NZHPC now exports 40% of its output under the **Sweet Meadow** range and also packs brands belonging the importers into the Asian markets. As with all exporters, the currently over high value of the NZ dollar is decreasing the potential return to the shareholders, all of whom are beekeeper suppliers.

The cooperative concept that was at the heart of the establishment of the NZHPC is still as relevant as it was 25 years ago. Our shareholders know that all their honey is sold before it is removed from the hives and that their company will endeavour to get as high a return as possible for their honey. The profit of the company is distributed to the shareholders by way of a rebate paid at a rate based on the kilograms of honey supplied. The shareholders also contribute to the financial base for the company via a five-year rolling retention scheme whereby a percentage of the value of their crop is taken each year and used for operating the company.

There are some clouds hanging over the future of the New Zealand honey industry, namely the invasion of the varroa mite into the South Island, the importation of cheap overseas honey and the reduction in retail outlets to the two major supermarket chains. All of these threats are surmountable by beekeepers with good management skills and a company that is determined to succeed. The New Zealand Honey Producers Cooperative combines both.

The varroa has to be managed by the beekeepers and, like all livestock managers, the good ones will survive. Consumers will determine the fate of the imported honey and most will not like its flavours, as the countries most likely to export to NZ do not produce clover or manuka honey. As the NZHPC is a strong leader in the industry with



product NZ consumers demand, it is most unlikely that we will be deleted from the shelves.

Over the next few years, the NZHPC will consolidate its operations at Washdyke, where our warehousing facility is. A new packing factory will be built, enabling us to process more honey and meet the ever more stringent food safety standards required by customers, here and overseas.

The success of the NZHPC will encourage more beekeepers to join the cooperative and share in the benefits a cooperative provides primary producers. The NZHPC is in a strong position due to its reliability of supply and the wide base of producer shareholders we have, and although a lot of packers will be shut out of the supermarkets in the future, the NZHPC will not be. ●

Rod McKenzie,  
chairman, New Zealand  
Honey Producers  
Cooperative Ltd

The New Zealand Honey  
Producers Cooperative  
can be found online at  
[www.nzhoney.co.nz](http://www.nzhoney.co.nz)

#### A REPRINT FROM

Cooperatives News  
newsletter of the  
New Zealand  
Cooperatives  
Association Inc.  
Level 5  
Agriculture House  
12-22 Johnston St  
Wellington 6011  
P 04 472 4595  
F 04 472 4538  
[nzca@nz.coop](mailto:nzca@nz.coop)