

12 June 2019

Marie Long  
Director – Planning, Permissions and Land  
Department of Conservation  
PO Box 10420  
Wellington 6143

Dear Marie

I am writing on behalf of beekeeper members of Apiculture New Zealand who have requested that I approach the Department of Conservation on their behalf in relation to hive charges and land concessions for beekeepers.

The beekeeping industry in New Zealand is currently experiencing a serious market downturn, following three poor honey seasons. This has seen a significant fall in prices that New Zealand beekeepers are receiving for their honey (particularly for the non-manuka honeys and multiflora manuka honeys). For example, in the previous season, beekeepers could expect \$10 to \$15 per kilogram for their native monoflora and multiflora non-manuka honeys; this season prices have fallen by 50% plus, with prices around \$4 to \$4.50 per kg. In addition, we are seeing significant stockpiles of this honey and a general downturn in the international markets for these honeys, given considerable international competition.

The concern is that the hive rental charged by DoC for non-manuka sites do not fairly reflect the situation outlined above and we would ask that DoC looks at urgently reviewing the concession fees for the beekeepers with non-manuka sites.

I would be very happy to supply you with further information regarding the current season and to put you in direct contact with affected ApiNZ members.

I look forward to hearing from you.

Kind regards

s9(2)(a)

Karin Kos  
Chief Executive

Cc: s9(2)(a)



To: Deidre Ewart, Business Support Manager PPL  
From: Marie Long, Director Planning, Permissions and Land  
Date: 1 July 2019

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**Task Assignment: Overarching Review and Update of Concession Activity Fee Price Book 2019/20**

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The Department maintains a Concession Activity fee price book to guide staff when making recommendations to the decision maker on pricing for all types of concession activities.

Last year we commenced the systematic review of specific categories within the Price book and this should continue to ensure that within the next two years, all categories of the Price book have had a formal review and are then scheduled for regular review to ensure transparency and maintenance of the pricing. There are still categories in the Price book that have not yet had a review in some time and the intention is to progress specific categories this year, as per this task assignment.

**Purpose**

To recommend for approval updates to the pricing in the Price Book.

**Outcome:**

- The specified categories of fees are reviewed.
- Support is provided to the communications advisor updating the website.
- Clear justification of the fee/s and the methodology used is provided.

**Quality:**

- Ensure an appropriately qualified/ knowledgeable and experienced Valuer provides a valuation where this is required.
- Ensure sound, tested and reviewed methodology is used, that it is clearly articulated and able to be easily explained by staff
- Within 4 weeks of commencement a roadmap/ project plan or engagement plan is agreed with the Pricing and Economics team for each individual category of fee review
- Utilise resources provided
- Request changes to resources if required
- Assess and escalate critical issues

**Resources**

Pricing and Economics team  
SME from PPL team by request  
Budget for external Valuers

**Reference documents**

Concession Activity Fee Pricing Book [DOCCM-1326222](#)



Department of Conservation  
*Te Papa Atawhai*

**Ongoing support and finalisation:**

The following categories have been substantially completed and may require support from the Pricing and Economics team to reach completion

Out of  
Scope

**Timeframes for review:**

Commencement date	Completion date	Category	PPL Resource	Notes	Potential value
Out of Scope					

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Out of Scope

1 February 2020	30th June	Beehives	Deidre plus Hamilton staff member	Pricing was reviewed a couple of years ago with respect to a large volume of new applications targeting Manuka – these prices need to be retested.	Potentially increase	no
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**22 July 2019**

**To:** Laura White, Director

**cc:** Phil Brownie

**Peer reviewer:** Steven Kerr

**From:** Dhriti Bose

## **Review of Beehive pricing – Study of honey market trends**

### **Summary**

Non-manuka honey prices recently fell because of two factors. First, the Government tightened manuka honey regulation in December 2017. As a result, the supply of non-manuka honey not meeting the prescribed standard increased. At the same time, honey packers reduced their demand for non-manuka honey. Secondly, the fall in non-manuka honey prices reflected a correction from high prices. Despite the fall, non-manuka honey prices for all varieties except dark honey remain higher than the historical average.

### **Context**

1. On 12 June, Apiculture New Zealand (ApiNZ) wrote to Permissions Planning and Land (PPL) requesting the Department of Conservation (DOC) to review concession fees for beekeepers of non-Manuka sites in the light of a sharp fall in non-manuka honey prices. Before this review is done, our Unit has agreed to study recent honey market developments vis-à-vis historical trends to ascertain how do the non-manuka honey prices after the fall compare with the average.

### **Purpose**

2. This paper compares (i) recent non-manuka and manuka honey prices with the historical average, (ii) identifies factors behind the recent drop in non-manuka honey prices, (iii) discusses price book fee methodology in the light of recent market developments and (vi) draws conclusions.

### **Recent honey prices and trends**

3. Ministry of Primary Industries' (MPI) data from Apiculture Monitoring Reports shows a fall in all non-manuka honey prices (light clover, light amber and dark) while manuka honey prices held up in 2017/18 (Table 1). These are bulk prices paid to New Zealand beekeepers by honey packers.

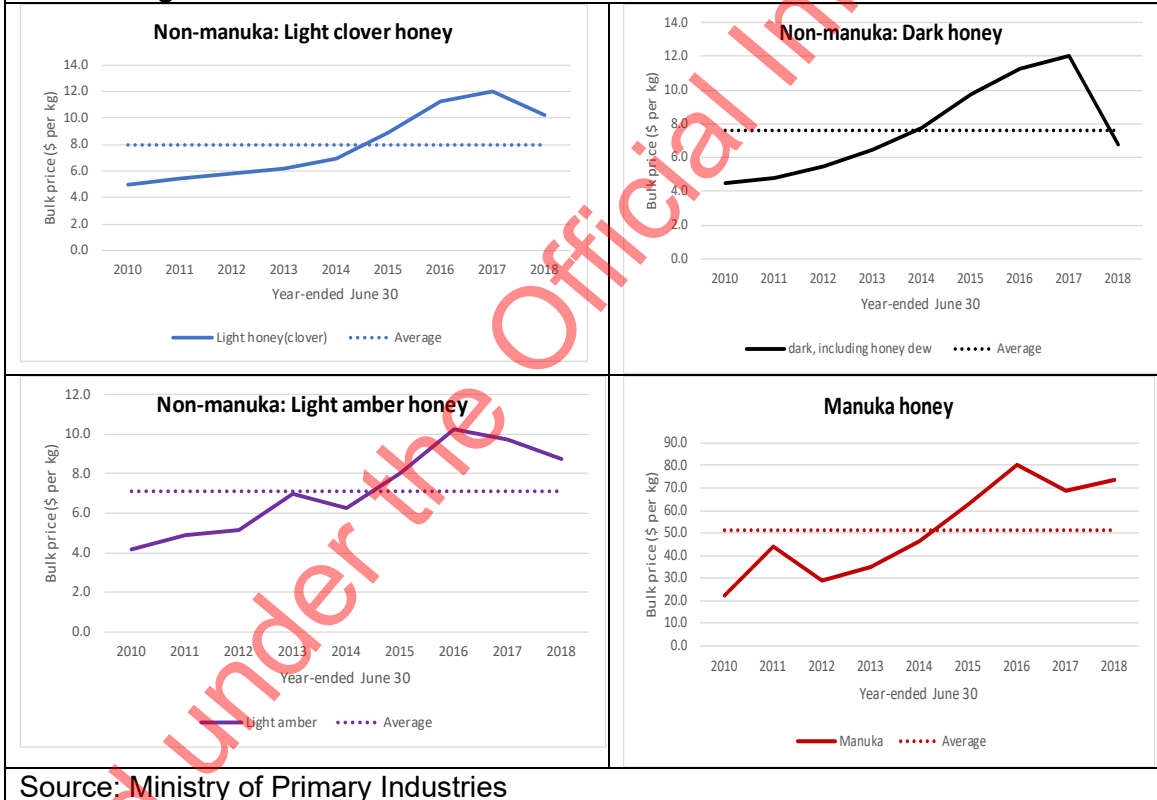
**Table 1: Bulk Honey Prices, 2013 to 2018**

YEAR ENDED 30 JUNE	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
<b>Bulk honey<sup>1</sup> (\$ per kg)</b>						
Light (clover type)	5.00-7.30	5.50-8.30	7.00-10.75	9.50-13.00	10.00-14.00	8.50-12.00
Light amber	5.50-8.50	4.50-8.00	7.00-9.00	9.00-11.50	6.50-13.00	7.50-10.00
Dark, including honeydew	4.50-8.50	5.50-10.00	7.00-12.50	8.00-14.50	8.00-16.00	5.00-8.50
Mānuka <sup>2</sup>	10.45-60.00	8.00-85.00	9.50-116.50	12.00-148.00	10.80-127.00	12.00-135.00

Source: Apiculture Monitoring Programme 2018, Ministry of Primary Industries

- Despite the recent fall, non-manuka honey prices remained higher than historical averages for all varieties except dark honey (Figure 1).

**Figure 1: Non-manuka and Manuka Honey Prices (Middle) – Recent movements and averages**



**Factors impacting honey prices**

Policy factor

*Tighter regulation for Manuka honey knocked down dark non-manuka honey prices*

- MPI tightened requirements for authenticating honey as manuka honey in December 2017. Numerical thresholds were set for monofloral (pure) and multifloral (blended)

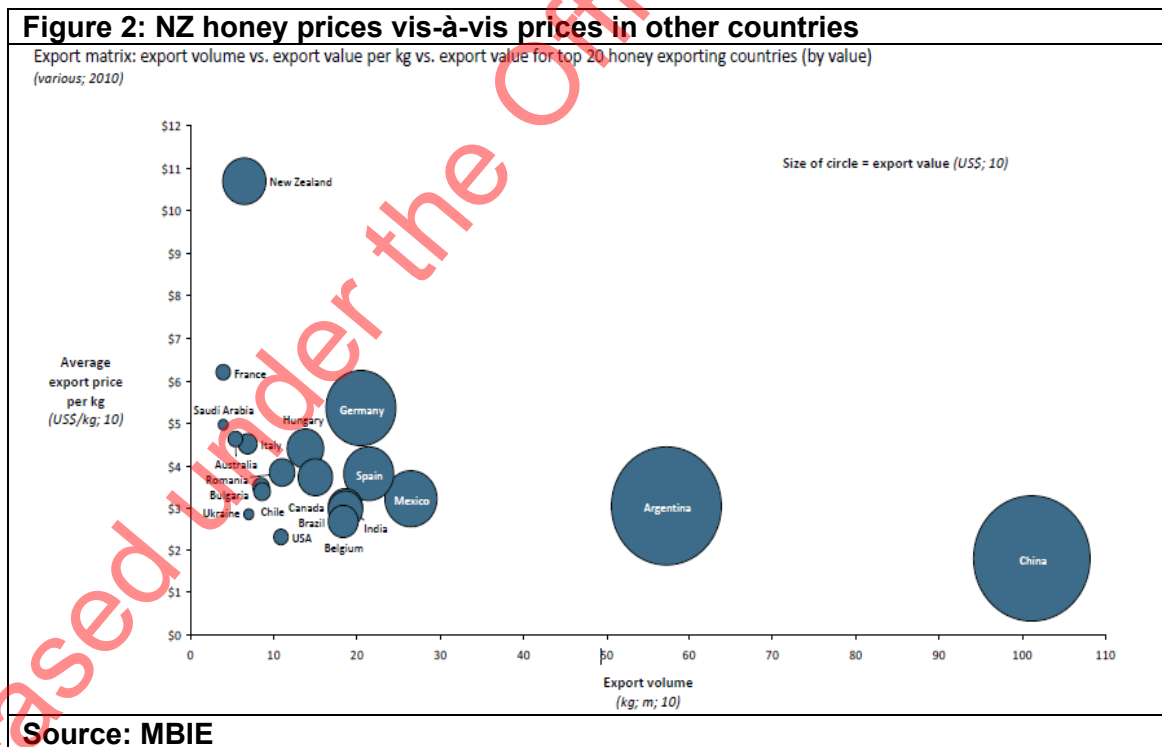
manuka honey. Honey not meeting the thresholds in laboratory testing cannot be sold as manuka honey (MPI, 2018<sup>1</sup>).

6. Monofloral manuka prices remained high because internationally this is the most sought honey from New Zealand. As a result of tighter requirements, honey not meeting the manuka honey standards increased the supply for non-manuka honey. Also, the demand for non-manuka honey fell. Consequently, prices for non-manuka honey (particularly the dark variety) fell in 2017/18.

International trends

*Fall in light non-manuka honey prices reflected a correction toward international levels*

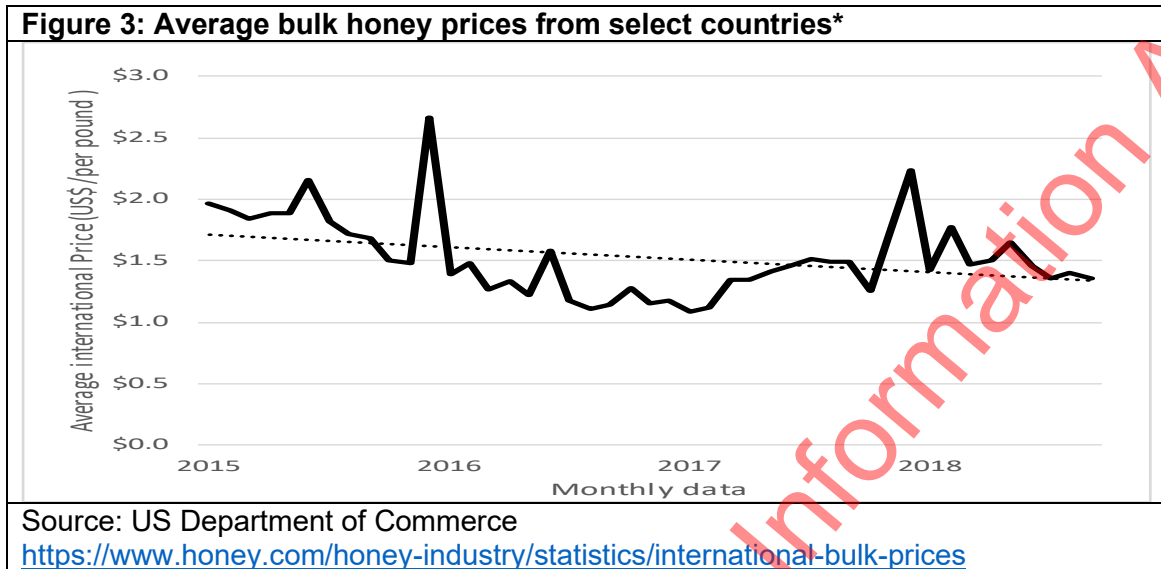
7. The international market faced honey supply shortage during 2012-14. This lifted international honey prices. In contrast, New Zealand witnessed record honey production over this period. Hence, the international demand for NZ honey (including non-manuka) increased and lifted their prices. Overall, NZ honey prices have generally remained higher than prices elsewhere reflecting international premium attached for NZ honey (Figure 2).



8. International bulk honey prices generally trended down after 2015 (Figure 3). In this context, MPI noted in its 2018 Apiculture Monitoring Report that the drop in light clover

<sup>1</sup> Ministry of Primary Industries (MPI), *Apiculture Monitoring Programme Report, 2018*.

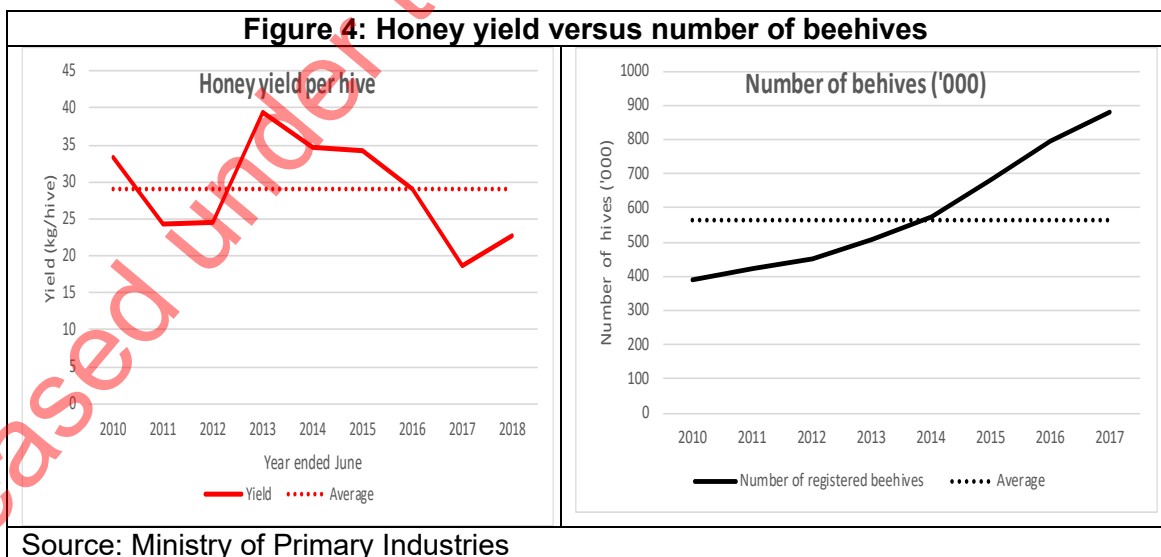
non-manuka honey prices in 2017/18 reflected a correction from high prices of the previous two years and an alignment with the global trend.



Domestic trends

*Fall in honey yields kept honey production subdued*

- Average honey yield per hive has trended down below the historical average. Hence, honey production has been sustained through increase in the number of hives which offset the fall in yields. If yields had not trended down, then honey production would have been higher and prices lower than the current levels.



- MPI indicated that high stock level has been one of the factors that contributed to the fall in honey yields to lower than average levels from 2016. Anecdotally, higher than



usual stocks were there for multifloral and non-manuka (clover) honey. Also, the focus of beekeepers was found to shift from maximising yield to maximising financial return (MPI, 2018).

### **DOC's Price Book fee methodology and current non-manuka honey prices**

11. [Concession Activity Fee pricing Book \(DOCDM-1326222\)](#) sets a flat base rental fee of \$30 per hive for non-manuka honey beekeepers (see pages 6-7). These beekeepers pay DOC fees based on the number of hives they are allocated rather than revenue. Hence, if the number of hives increase and prices received by the beekeepers fall then the burden of flat fees increases, and *vice-versa*.
12. In the recent history, the beekeepers have been meeting international demand for NZ honey by increasing the number of hives rather than raising honey yield per hive. Currently, the number of hives is higher than the historical average (see Figure 4). Hence, under DOC's fee based on the number of hives, the amount for fees increases when the number of hives for a concessionaire beekeeper increases. When honey prices went up, the burden of fees was not felt. Now that non-manuka honey prices are going down, the beekeepers feel the burden of DOC's fees.

### **Conclusion**

13. The recent fall in non-manuka honey prices has been influenced by two factors. The first is a policy-induced factor whereby the tighter requirements for manuka honey increased the supply and reduced the demand for non-manuka honey. The second is due to a correction, non-manuka honey prices are converging to the international trend. Despite the recent fall, non-manuka honey prices (except for dark honey) remain above the historical average.
14. DOC charges a flat base rental fee for non-manuka beekeepers based on the number of hives rather than the revenues of the concessionaires. This has meant that with recent fall in non-manuka prices, the beekeepers are feeling the burden of DOC fees more than when the non-manuka honey prices were going up.
15. Overall, both policy and international factor impacts on non-manuka honey prices are expected to be temporary. Once beekeepers adjust to the new regulatory environment and non-manuka honey prices converge to the international trend, the fall in non-manuka honey prices would get arrested.



09 August 2019

For the Attention of Karin Cos

Apiculture New Zealand,  
PO Box 110 – 414,  
Wellington, 6143  
New Zealand

Dear Karin,

Thank you for your letter, dated 12 June 2019, regarding the Department's concession activity fees for the placement of non-manuka hives on public conservation land.

The Department's Pricing and Economics Team ('the Team') has undertaken a review of whether the current activity fees for beehive concessions is appropriate. The review considered the recent prices of manuka honey and non-manuka honey against the historical average, and the factors behind the recent reduction in non-manuka honey prices.

The Team's review highlighted that, despite the recent fall of non-manuka honey prices, non-manuka honey prices (except for dark honey) have remained higher than historical averages.

The Team also noted the current market prices for non-manuka honey reflects a correction in the international and domestic market. For the domestic market, as a result of MPI's manuka definition, an increased percentage of honey (previously sold as manuka) was defined and sold as non-manuka. This increased the supply of non-manuka honey on the market. As a result, there was an excess supply of non-manuka honey, effecting the price for non-manuka honey.

For the international market, there was a honey shortage from 2012 to 2014. This increased the demand for New Zealand honey. Since 2015, the international market has stabilised due to increased honey production from other countries. This has caused market prices for New Zealand honey to decrease.

The Team concluded the impact of these domestic and international factors is temporary. Therefore, there will be no alteration to the Departments pricing for activity fees for beehive concessions.

The Team noted in recent years beekeepers have transitioned from focusing on high hive yield (per hive) to increasing their hive numbers. As a result, the effects of this activity fee pricing model has been felt more strongly by beekeeping concessionaires.

It should be noted the Department offers two pricing models for beehive concessionaires. The first pricing model (discussed above) allows concessionaires to pay a set rate per hive. The current rate is:


- \$30 + GST per hive per annum (non-manuka)
- \$75 + GST per hive per annum (manuka)

The second pricing model allows concessionaires to pay \$10 per hive per annum plus 10% of annual revenue from the hive. This pricing model is only appropriate for hives where DOC can remotely monitor honey production. This second model was designed to better reflect the changes in the honey market but also the success of each honey season (which can significantly fluctuate).

On review, I have decided the first pricing model (of set fees per hive) will remain. However, the Department encourages concessionaires to consider the second pricing model (for percentage of revenue per hive) if it is appropriate for their circumstances.

Yours sincerely,

s9(2)(a)



Marie Long  
Director - Planning, Permissions and Land

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## PRICING AND ECONOMICS

### Beehive Rental Review for Price Book: Project Plan (15 November, 2019)

#### **Purpose**

- To review the rental fees for beehive concessionaires in the Price Book

#### **Steps**

- **Context meeting** (Dhriti, Deidre, Phil, Arna and Heike) held on 13 November. Key points were:
  - About 15 years back beekeepers on PCL were not charged any rental fee
  - Beehive concessions started emerging as economic opportunity over the past 10 years
  - DOC then started charging rental fee for the beehive concessions
  - DOC has found the per hive pricing mechanism more convenient than % of revenue because:
    - the concessionaires frequently overstock and sell harvested honey stock later, hence the timing and revenue stream are uncertain
    - beehive concessionaires' revenues fluctuate as per market prices.
  - Some beehives on PCL border with private land and could be difficult to reach
  - The term "beehive" has not been properly defined
  - As per guidelines, beehives need to be GPS tracked, however, DOC is not joined up with other agencies to enable remote monitoring of beehives
  - Per hive activity fees structure indicated in the Price Book is loosely based on % of revenue.
- **Submit first draft report** (by 9 December). Broad outline is:
  - Section 1: Issues raised by beehive concessionaires
  - Section 2: Summary findings from Dhriti's honey market paper
  - Section 3: Beehive Concession Activity Fee Research Report Analysis
  - Section 3: Pricing Options: Pro and Cons
  - Sector 4: Recommendations.
- **Next steps?**

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**From:** Dhritidyuti Bose [REDACTED] s9(2)(a)  
**Sent:** Tuesday, 26 November 2019 12:51 pm  
**To:** Dhritidyuti Bose  
**Subject:** Fw: Honey prices

----- Forwarded Message -----

**From:** [REDACTED] s9(2)(a)  
**To:** 'Dhritidyuti Bose' [REDACTED] s9(2)(a)  
**Sent:** Sunday, November 24, 2019, 1:07:38 PM GMT+13  
**Subject:** RE: Honey prices

Hi Dhriti

Yes we do, where do live?

[REDACTED] s9(2)(b)(ii)

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**From:** Dhritidyuti Bose [REDACTED] s9(2)(a)  
**Sent:** Saturday, 23 November 2019 6:01 p.m.  
**To:** [REDACTED] s9(2)(a)  
**Subject:** Re: Honey prices

Hi s9(2)(a)

Thanks. Do you also sell non-manuka honey? What are the prices of its varieties?

Regards

Dhriti

On Saturday, November 23, 2019, 05:00:27 PM GMT+13, s9(2)(a) wrote:

Hi Dhriti

Sorry delay in replying, my apologies

s9(2)(b)(ii)

Plus courier costs to your requested address once paid

Kind regards

s9(2)(a)

-----Original Message-----

From: Dhritidyuti Bose s9(2)(a)  
Sent: Wednesday, 20 November 2019 12:03 p.m.  
To: s9(2)(a)  
Subject: Honey prices

Hi,

I was interested in knowing the purchase prices of the following honey varieties as advertised on your website:

- 1) Manuka Honey UMF 10+
- 2) Manuka Honey UMF 5+
- 3) Honipai Kanuka Honey

Can you please let me the know the prices for above?

regards,  
Dhriti

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**From:** Phil Brownie  
**Sent:** Friday, 15 November 2019 9:52 am  
**To:** Dhritidyuti Bose  
**Subject:** RE: Beehive Pricing review - Draft Plan

Excellent thanks Dhriti , I have nothing to add

Cheers Phil

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**From:** Dhritidyuti Bose <dbose@doc.govt.nz>  
**Sent:** Friday, 15 November 2019 8:50 a.m.  
**To:** Phil Brownie <pbrownie@doc.govt.nz>  
**Subject:** Beehive Pricing review - Draft Plan

Hi Phil,

In the link below is my draft plan incorporating my points from the meeting on 13 November (offline word version is attached for ready reference).

**View**

**Document:**''

<https://doccm.doc.govt.nz/wcc/faces/wccdoc?dDocName=DOC-6128665>

Happy to discuss.

Regards,  
Dhriti

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**From:** Phil Brownie <pbrownie@doc.govt.nz>  
**Sent:** Monday, 11 November 2019 5:22 p.m.  
**To:** Dhritidyuti Bose <dbose@doc.govt.nz>  
**Subject:** Beehive Pricing - Team Process

Thanks Dhriti

Sent from Workspace ONE Boxer

On 8/11/2019 8:54 AM, Dhritidyuti Bose <dbose@doc.govt.nz> wrote:

F.y.i

Hi Phil,

I have sent invites for next Wednesday's beehive price book meeting to Deidre, Heike and Arna as well, besides you. Deidre has set out the purpose of the meeting in email trail below.

Regards,  
Dhriti

Out of Scope

[Redacted text block]

Out of Scope



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**To:** Phil Brownie, Principal Commercial Advisor

**From:** Dhriti Bose

**Peer reviewed by:** Steven Kerr

**Date:** 2 December 2019

### **Price Book Review of Beehive Activity Fees**

This paper recommends new fees of \$17/hive for non-manuka honey and \$89/hive for manuka honey beehives. These have been based on honey production per hive and prices data collected/estimated from Ministry of Primary Industries, Apiculture New Zealand, the Permissions database and Haines Honey.

The recommended fee for non-manuka is lower than the current fee (\$30/hive) while for manuka it is higher than the current fee (\$75/hive). This is considered reasonable given that the fall in non-manuka honey prices is partly on account of tightening of manuka honey stipulations outside the control of the beehive concessionaires. For manuka honey, the higher recommended fee is reasonable considering continued demand in manuka honey.

#### **I. Purpose and Context**

1. Planning, Permissions and Land (PPL) seeks a review of beehive concession activity fees as part of its overall task of fees review of specified categories in the Concession Activity Fee Price Book (Price Book) ([DOC-5970144](#)). This paper reviews and recommends the new activity fees for manuka and non-manuka beehive concessions for the Price Book.
2. A context meeting on 13 November with PPL suggested the beehive fee review was to be done in the context of:
  - a 10-year history of improving economic prospects for beehive concessions,
  - recent falls in non-manuka honey prices, and
  - the convenience of using the per hive fee structure.
3. This paper is based on the context meeting and the plan submitted earlier ([DOC-6138710](#)). It covers the issues raised by beehive concessionaires (Section II), the findings from the Pricing & Economics (P&E)'s study of honey market (Section III), beehive concession fee research analysis (Section IV), beehive fee options (Section VI), recommendations (Section VI) and risks (Section VII).

#### **II. Issues raised by beehive concessionaires**

4. Apiculture New Zealand (APNZ)'s letter on behalf of the beehive concessionaires (June 2019) requested the Department of Conservation (the Department) to review

non-manuka beehive charges because of a significant fall in non-manuka honey prices, a fall in international honey prices and a significant accumulation of honey stocks. The concern expressed was that the Department's hive rental charges for non-manuka sites did "not fairly reflect the market situation". The letter indicated that this season the prices for non-manuka honey fell by 50% to \$4-4.5 per kg ([DOC-5970064](#)).

### III. Findings of the honey market study

5. Pricing & Economics Unit's study on honey market (July 2019) ([DOC-6016717](#)) found that:
  - non-manuka honey prices (except for dark honey) remained higher than the historical average over 2010-18 despite their recent falls (Table 1),
  - non-manuka honey prices fell recently owing to: (i) regulatory tightening of manuka honey specifications, and (ii) a correction to international prices,
  - the beekeepers were meeting honey demand by increasing the number of hives rather than honey yield per hive.
6. The study concluded that once beekeepers adjust to new manuka honey regulations, and non-manuka honey prices converge to the international trend, the fall in non-manuka honey prices is expected to be arrested.

**Table 1: Honey Prices and Yields**

Year ended 30 June	2013	2014	2015	2016	2017	2018	2010-18 (average)
<b>Bulk honey prices (\$ per kg)</b>							
Non-manuka*	6.6	7.0	8.9	10.9	11.3	8.6	7.6
Manuka honey	35.2	46.5	63.0	80.0	68.9	73.5	51.4
<b>Honey yield (kg per hive)</b>	39.4	34.7	34.2	29.1	18.7	22.7	29.0

\* Based on average of prices for light clover, light amber and dark non-manuka honey  
 Note: Prices are middle prices between low and high prices published by MPI.  
 Source: Apiculture Monitoring Programme 2018, Ministry of Primary Industries (MPI)

### IV. Beehive Concessions Activity Fee Research Report Analysis

7. A fee research report of beehive concessions compiled from the Permissions database shows that seven major permissions accounted for 34% of total activity fee revenue, nine medium permissions accounted for 23%, and 112 small permissions accounted for 43%. Overall, the average fee amounts paid under each of the three categories are below \$30,000 (Table 2).

**Table 2: Activity Fees of Beehive Permissions at a Glance**

Category	Number of permissions	Total Activity Fee amount (\$)	Share in total	Average Fee amount (\$)
Major (Fee:\$20k and above)	7	196,485	34%	28,069
Medium (Fee:\$10k-\$19k)	9	129,358	23%	14,373
Small (Fee:\$30-\$9k)	112	246,128	43%	2,198
<b>Total</b>	<b>128</b>	<b>571,971</b>	<b>100%</b>	

Source: Fee Reseach Report, Permissions

8. Appendix 1 reports manuka honey production per hive compiled from activity returns submitted by 25 concessionaires. Appendix 2 presents non-manuka honey production per hive as reported by 18 concessionaires. Based on these tables, the average honey production per hive worked out to 11.3 kg for manuka honey and 16.8 kg for non-manuka honey.

9. To determine the business revenue of concessionaires per hive, apart from production per hive, the data on honey prices are needed. However, the concessionaires' activity returns do not provide any data on prices or revenue. Hence, based on a correspondence as a customer, the current manuka and non-manuka honey prices were obtained Haines Honey<sup>1</sup>(Table 3) ([DOC-6139712](#)). Haines Honey contributes to the highest share of the Department's beehive concession fee.

**Table 3: Honey prices of Haines Honey**

Type of Honey	Price (\$/kg)
<b>Non-manuka</b>	
1 Clover	18.0
2 Multiflora Bush	18.0
3 Manuka Blend	25.0
Average	20.3
<b>manuka</b>	
1 Manuka Honey UMF 10+	80.0
2 Manuka Honey UMF 5+	35.0
Average	57.5

Source: Haines Apairies (based on correspondence in November 2019)

## V. Beehive Fees – Options

10. The current fees set in the Price Book are \$30 per hive based on number of hives allocated (for non-manuka honey) and \$75 per hive based on number of hives allocated or \$10 per hive plus 10% of revenue based on number of hives used (for

<sup>1</sup> Details of manuka and non-manuka honey prices are based on a correspondence with Haines Honey as a customer.

manuka honey). As per the context meeting discussions, the new per hive fees needed to be anchored to average revenue per hive.

11. The context meeting indicated that per hive fees are more convenient to apply (instead of percentage of actual revenue) because of two reasons:

- concessionaires frequently overstock and sell harvested honey stock later, hence the timing and revenue stream are uncertain, and
- beehive concessionaires' actual revenues fluctuate as per market prices.

12. Hence, beehive fees for both non-manuka and manuka beehives needed to be set on a per hive basis. This is to ensure a certainty of the Department's concession fees and less sensitivity of fee revenue to fluctuations in honey prices. However, the per hive fees needs to anchor to an average concession business revenue per hive as per the current mechanism. Hence, the per hive fee is determined below by applying (i) a certain percentage factor on (ii) the estimated average business revenue per hive.

#### Determining a percentage of average revenue factor

13. A percentage factor based on the Price Book's percentage of revenue pricing framework worked out to 8%, as a sum of the following components:

- Base fee: 7.5%, this assumes an average beehive concessionaire's capital expenditure is less than \$200,000
- Premium/land uniqueness: 0%, this assumes no uniqueness of the public conservation land (PCL) as demand for beehive on PCL is well below capacity, and majority of beehives are outside PCL,
- Department's infrastructure factor: 0%, this assumes that the Department does not invest in infrastructure supporting beehive activity
- Exclusiveness: 0.5%, as the beehive concessionaires have exclusiveness of allocated beehives with right to keep the general public out.

14. Another alternative percentage used as a benchmark is 6%. This is New Zealand Treasury's default discount rate recommended for public sector projects<sup>2</sup>.

#### Determining estimated average business revenue per hive, and fees per hive

(i) *Manuka honey*

15. A grand average concession business revenue per hive for manuka honey was calculated from four revenue estimates based on the available combinations of prices and production data per hive as shown in Table 4. The Ministry of Primary Industry's

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<sup>2</sup> See, NZ Treasury's guidance on discount rates (<https://treasury.govt.nz/information-and-services/state-sector-leadership/guidance/financial-reporting-policies-and-guidance/discount-rates>).

price (as at end-June 2018) and Haines Honey's price (November 2019) were the two prices used for manuka honey. For production per hive, the average figure compiled from the permissions data base in Appendix Table 1, and the MPI's data (as at end-June 2018) were used for manuka honey. Each of the two prices was multiplied with each of the two production/hive data to derive four estimates of business revenue per hive.

16. The grand average revenue per hive of the four estimates worked out to \$1,114. Applying 8.0% on grand average revenue, the fee for manuka honey worked out to \$89 per hive. As a second option, applying 6% on this revenue, the fee per hive for manuka honey worked out to \$67 per hive.

**Table 4: Average business revenue and calculated fee per hive – Manuka Honey**

Estimated revenues per hive based on specified prices (rows) and production/hive (columns) for Manuka Honey			
	MPI production/hive (22.7kg)*	Concessions' average production/hive (11.3 kg)	Average
MPI Prices (\$73.5/kg)*	\$1,668	\$831	\$1,250
Haines Honey prices (\$57.5/kg)	\$1,305	\$650	\$978
<b>Grand average revenue per hive</b>			<b>\$1,114</b>
<b>Estimated Fee per hive (8.0% of grand average revenue)</b>			<b>\$89</b>
<b>Estimated Fee per hive (6.0% of grand average revenue)</b>			<b>\$67</b>

17. Out of the two options, 8.0% rate is preferred, and accordingly \$89 per hive is considered more appropriate as the manuka brand is unique and continues to have strong demand internationally.

*Non-manuka honey*

18. A grand average concession business revenue per hive for non-manuka honey was calculated from six estimates based on the available combinations of prices and production data per hive as shown in Table 5. MPI's price (as at end-June 2018), Haines Honey's price and the price indicated in Apiculture New Zealand's letter were the three prices used for non-manuka honey. For production per hive, the average figure compiled from the permissions data base in Appendix 2, and the MPI's data (as at end-June 2018) were used for non-manuka honey.
19. Multiplying each of the three prices with each of the two figures for production/hive, six estimates for business revenue from non-manuka honey were calculated. The grand average revenue per hive of the six estimates worked out to \$219. Applying 8.0% on the grand average revenue, the fee for non-manuka honey worked out to \$17 per hive. Applying 6.0% of this revenue, as a second option, the fee for non-manuka honey worked out to \$13 per hive.

**Table 5: Average business revenue and calculated fee per hive – Non-manuka Honey**

Estimated revenues per hive based on specified prices (rows) and production/hive (columns) for Non-manuka Honey				
	MPI production/hive (22.7kg)*	Concessions' average production/hive (16.8 kg)		Average
MPI price (\$8.6/kg)*	\$195	\$144		\$170
Haines Honey price (\$20.3/kg)	\$461	\$341		\$401
Apiculture NZ price (\$4.3/kg)	\$98	\$72		\$85
<b>Grand average revenue per hive</b>				<b>\$219</b>
<b>Estimated Fee per hive (8.0 % of grand average revenue)</b>				<b>\$17</b>
<b>Estimated Fee per hive (6.0% of grand average revenue)</b>				<b>\$13</b>

20. Out of the two options, 8.0% rate is preferred, and the corresponding fee of \$17 per hive is considered low enough (compared to current \$30 per hive fee) to financially protect the non-manuka beehive concessionaires given the recent fall in non-manuka prices.

## VI. Recommendations

21. Based on the results in Tables 4 and 5, the new recommended fees for the Price Book are:

- Non-manuka honey: \$17/hive based on hives allocated
- Manuka honey: \$89/hive based on hives allocated.

22. The recommended fee for non-manuka is lower while for manuka it is higher than the current fees. This is considered reasonable given that the fall in non-manuka honey prices is partly on account of tightening of manuka honey stipulations. For manuka honey, the higher recommended fee is reasonable considering continued demand in manuka honey (Table 6). The option of \$10/hive plus 10% of revenue is suggested to be removed given the experience of uneven fee amounts collected and the problems experienced by the Department for remotely monitoring the weight of the honey produced.

Table 6: Current and Recommended Fees		
	Current Fees	New recommended Fees
Non-manuka	\$30/hive, based on number of hives allocated	\$17/hive, based on number of hives allocated
Manuka	\$75/hive, based on number of hives allocated or \$10/hive+10% of revenue based on the number of hives used	\$89/hive, based on number of hives allocated

23. It is recommended that the above fees get reviewed at least once a year so that they can be anchored to the current market conditions.

24. It is also recommended that all concessionaires are advised to provide data on (i) production per hive and (ii) the price for honey in their activity returns.

## VII. Risks

25. MPI's 2018 report<sup>3</sup> indicates that rentals paid by landowners for non-manuka sites are variable, often 500 grams per hive. Based on average of prices used in this paper, this works out to \$5.53 per hive. This is lower than the recommended fee of \$17/hive.
26. The MPI's report indicates rental fee range of \$50-\$400/hive for manuka sites in 2017/18. The recommended fee of \$89/hive is close to the lower bound of this range.

### Appendix 1: Manuka Honey Concessions – Hive Numbers and Yields

Name of concessionaire	Number of hives	Production(kgs)	Production (kg)/hive
1 Te Kaahui o Rauru Trust			s 9(2)(b)(ii)
2 Kaimai Range Honey Limited			
3 s9(2)(a)			
4 Lazarus Group Limited			
5 Trees & Bees Limited			
6 Hanmer River Honey Limited			
7 Bushmeadow Apiaries Limited			
8 Ngatiwai Trust Board			
9 The True Honey Co Limited			
10 Okiwi Apiaries Limited			
11 Manuka Health New Zealand Limited			
12 Arataki Honey Limited			
13 Tai Tokerau Honey Limited			
14 Forest For The Trees Limited			
15 s9(2)(a)			
16 s9(2)(a)			
17 Beelieve Enterprises Limited			
18 P.A. & S.C. Steens Limited			
19 Trees & Bees Limited			
20 Lazarus Group Limited			
21 Forest For The Trees Limited			
22 Manuka Apairies (2012) Limited			
23 East Taupo Lands Trust			
24 A G Silson Apiaries Ltd			
25 The True Honey Co Limited			
<b>Total</b>	<b>4585</b>	<b>51869</b>	<b>11.3</b>

Source: Activity Returns of concessionaires in Permissions Database.

<sup>3</sup> Ministry of Primary Industries (2018), "Apiculture: Ministry of Primary Industries Apiculture 2018 Monitoring Programme".



## Appendix 2: Non-manuka Honey Concessions – Hive Numbers and Yields

Name of concessionaire	Number of hives	Production(kgs)	Production (kg)/hive
1 Kaimai Range Honey Limited		s 9(2)(b)(ii)	
2 Lazarus Group Limited			
3 Trees & Bees Limited			
4 The True Honey Co Limited			
5 Okiwi Apiaries Limited			
6 Arataki Honey Limited			
7 s9(2)(a)			
8 Grubs & Company Limited			
9 s9(2)(a)			
10 The True Honey Co Limited			
11 Haititaimarangai Ahu Whenua 438 Trust			
12 Trees & Bees Limited			
13 Elwood Endeavour Limited			
14 Hunter Reilly Limited			
15 Glasson Apiaries Limited			
16 CGH Holdings Ltd			
17 Te Awhina Whanau Trust			
18 Trees & Bees Limited			
<b>Total</b>	<b>3854</b>	<b>64858</b>	<b>16.8</b>

Source: Activity Returns of concessionaires in Permissions Database.

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**From:** Heike Mohr  
**Sent:** Thursday, 12 December 2019 11:25 am  
**To:** Dhritidyuti Bose  
**Subject:** RE: Beehives fee review  
**Attachments:** [Redacted] s9(2)(b)(ii)

FYI ( some correspondence from concessionaires who commenting on current beehive process.)

Cheers  
Heike

~~KhinP ru#~~

National Transaction Centre Advisor  
Department of Conservation—*Te Papa Atawhai*  
[Redacted] s9(2)(a)

**Planning, Permissions and Land**

Ōtepoti/Dunedin Office  
John Wickliffe House - Level 1 | 265 Princes Street | Dunedin 9016  
[Redacted] s9(2)(a)

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**From:** Dhritidyuti Bose <dbose@doc.govt.nz>  
**Sent:** Thursday, 21 November 2019 12:24 p.m.  
**To:** Heike Mohr <hmohr@doc.govt.nz>  
**Subject:** Beehives

Hi Heike,

In the context of my task on Price Book Review of beehive prices, I have been studying activity returns submitted by some concessionaires, and have a question.

Does yield (in kgs) in these returns represent yield per hive or total yield for all hives?

I have attached a spreadsheet showing activity returns by the different concessionaires in separate tabs.

[Redacted] s9(2)(b)(ii)

Happy to discuss.

Regards,  
Dhriti

---

**From:** Phil Brownie <[pbrownie@doc.govt.nz](mailto:pbrownie@doc.govt.nz)>  
**Sent:** Wednesday, 6 November 2019 7:38 a.m.  
**To:** Dhritidyuti Bose <[dbose@doc.govt.nz](mailto:dbose@doc.govt.nz)>  
**Subject:** Fwd: RE: RE: Beehives

Fyi

Sent from Workspace ONE Boxer

----- Forwarded message -----

**From:** Deidre Ewart <[dewart@doc.govt.nz](mailto:dewart@doc.govt.nz)>  
**Date:** 6/11/2019 6:27 AM  
**Subject:** RE: RE: Beehives  
**To:** Phil Brownie <[pbrownie@doc.govt.nz](mailto:pbrownie@doc.govt.nz)>  
**Cc:**  
Thanks Phil,

Please don't forget that if Dhriti does have this capacity then we need to run a team process with those that need to be involved. This will include me, Heike and staff from the Hamilton office.

Please let me know if I need to arrange this?

Cheers  
Deidre

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**From:** Phil Brownie <[pbrownie@doc.govt.nz](mailto:pbrownie@doc.govt.nz)>  
**Sent:** Tuesday, 5 November 2019 10:52 a.m.  
**To:** Deidre Ewart <[dewart@doc.govt.nz](mailto:dewart@doc.govt.nz)>  
**Subject:** Fwd: RE: Beehives

Dhriti now has the TA and will work on this as and when he has time prior to his holiday and then finish it upon his return in early Feb .

Phil

Sent from Workspace ONE Boxer

----- Forwarded message -----

**From:** Dhritidyuti Bose <[dbose@doc.govt.nz](mailto:dbose@doc.govt.nz)>  
**Date:** 1/11/2019 4:39 PM  
**Subject:** RE: Beehives  
**To:** Phil Brownie <[pbrownie@doc.govt.nz](mailto:pbrownie@doc.govt.nz)>  
**Cc:**  
Hi Phil,

Thanks.

Great. Yes, I look forward to working on this.

I have a look at the task assignment and the Price Book, and would discuss with you next week.

Regards,  
Dhriti

---

**From:** Phil Brownie <[pbrownie@doc.govt.nz](mailto:pbrownie@doc.govt.nz)>

**Sent:** Friday, 1 November 2019 4:03 p.m.

**To:** Dhritidyuti Bose <[dbose@doc.govt.nz](mailto:dbose@doc.govt.nz)>

**Subject:** Beehives

Hi Dhriti

The overarching Task Assignment for Beehives is contained in the doccm 5970144

My thinking was that as you had done such an excellent job with your research on the previous request for a response to the industry after their letter to Marie that you may have some time before your head off on leave to continue your work which would make the task of completing the price book review that much easier in February.

Have a think and we can discuss next week .

Cheers Phil

Phil Brownie

Principal Commercial and Revenue Advisor

Policy and Visitors Group

Phone s9(2)(a)

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**From:** Marieke Mahoney  
**Sent:** Thursday, 27 February 2020 8:39 pm  
**To:** Dhritidyuti Bose  
**Subject:** RE: Beehive Pricing review - Draft paper

Hi Dhriti,

I just wanted to give you a quick update on the chat I had with Deidre regarding the beehive pricing:

- As per her comments below, she had some concerns around lowering the price, and the potential revenue impact on DOC. It might be interesting to understand what the impact would actually look like.
- She suggested, too, that it might be interesting to engage in consultation with the concessionaires to find out whether the current price is actually acceptable to them or not. I am not sure around the background of why the review was initiated in the first place – it was my understanding it was driven by a desire from the concessionaires for a review. In that case we may already have some feedback, but let's discuss tomorrow to see if any more consultation may be useful.
- We also discussed that it would be interesting to keep tracking the price of non-Manuka honey, as you noted this might be a short-term development. Ideally we might have a market indicator or price that we can adjust our fees by – but I am not sure how possible that is.

Let's discuss tomorrow!

Best,

Marieke

**Marieke Mahoney**  
Commercial Economics Manager  
Department of Conservation | Te Papa Atawhai  
s9(2)(a)  
[www.doc.govt.nz](http://www.doc.govt.nz)

---

**From:** Dhritidyuti Bose <dbose@doc.govt.nz>  
**Sent:** Friday, 21 February 2020 4:01 p.m.  
**To:** Deidre Ewart <dewart@doc.govt.nz>  
**Cc:** Phil Brownie <pbrownie@doc.govt.nz>; Marieke Mahoney <mmahoney@doc.govt.nz>  
**Subject:** Beehive Pricing review - Draft paper

Hi Deidre,

Thanks for your comments. Below is my response and my further advice:

- **Yes I agree it is a great idea to include in the Price Book a requirement that concessionaires submit data on honey volumes.** Since the Department's activity fee is on a per hive basis, ideally they should provide the data in volumes as number of kgs per hive, or total volume (in kgs) per site and total number of hives per site (to calculate kgs/hive).
- The annual rental review was suggested keeping in mind that non-manuka prices were currently falling due to temporary factors, and the likelihood of the prices reversing to increase in future.

Also, as my grand average calculations implied the new activity fee to be \$17/hive, down from the current \$30/hive, an annual review was indicated so that there was a scope in revising the rental fee up in a year's time. **If we were to retain the current non-manuka activity fee at \$30/hive, then we may continue to review the prices every three years.**

- Yes, I understand your point about the concession clause of not allowing the activity fees to decrease. The reduced \$17/hive for non-manuka was based on grand average involving all available price and production/hive combinations (highlighted in yellow). Also, the trigger was the plea made by the non-manuka concessionaires for reducing the rental fee below \$30/hive.

If the non-manuka concessionaires are comfortable with the current \$30/hive fee, then we may keep it unchanged. To justify this we need to consider only the non-manuka price data provided by Haines Honey (the top concessionaire) and not other prices. Using this price and the production/hive data of Haines Honey and of MPI, the non-manuka fee works out to \$32/hive (highlighted in green in the table below). **Rounding off this figure, the non-manuka rental fee would remain unchanged at \$30/hive.**

<b>Estimated revenues per hive based on specified prices (rows) and production/hive (columns) for Non-manuka</b>		
	MPI production/hive (22.7kg)*	Concessions' average price/kg
MPI price (\$8.6/kg)*		\$195
Haines Honey price (\$20.3/kg)		\$461
Apiculture NZ price (\$4.3/kg)		\$98
<b>Grand average revenue per hive</b>		
<b>Estimated Fee per hive (8.0 % of grand average revenue)</b>		
<b>Estimated Fee per hive (6.0% of grand average revenue)</b>		

Hope this answers your questions.

Happy to discuss.

Regards,  
Dhriti

---

**From:** Deidre Ewart <[dewart@doc.govt.nz](mailto:dewart@doc.govt.nz)>  
**Sent:** Friday, 21 February 2020 2:04 p.m.  
**To:** Dhritidyuti Bose <[dbose@doc.govt.nz](mailto:dbose@doc.govt.nz)>  
**Cc:** Phil Brownie <[pbrownie@doc.govt.nz](mailto:pbrownie@doc.govt.nz)>; Marieke Mahoney <[mmahoney@doc.govt.nz](mailto:mmahoney@doc.govt.nz)>  
**Subject:** RE: Beehive Pricing review - Draft paper

Hi Dhriti,

Thank you for this and welcome back, hope you had a great holiday.

I have looked at the paper and made a few notes of some things that I would like you to consider and provide further advice on please?

Your comments around the lack of data for activity returns, including the quantity and value of honey are noted. I understand that due to the storing of honey, when activity returns are submitted, declaring the value may be difficult, however declaring the total volume of honey extracted from a site shouldn't be difficult. When the Price book is updated, I would like to see this included as a requirement, in the Price book. That way, staff are alerted to include this requirement in the concession documents, when they are looking up the correct price

You note under paragraph 23 that the fees should be reviewed every year. I think that we need to understand the requirement for this, in the sense of, what work is involved in doing this – do we now have an established process and what is the value of doing this work. Remember that fees are only reviewed for concessionaires every three years – we can review them more frequently, but this would of course reduce certainty for concessionaires and require us to be more actively engaged in taking on anything that they may have to contribute for the coming seasons price. Annual changes to concessions is also administratively more costly for us. I know that for aircraft concessions, for example, we provide future pricing – however that industry operates in a much more stable environment and we are simply forecasting CPI increases.

I am keen to understand some more of your thinking around this?

Our standard concession documents have a clause that effectively only ever allows the price to increase and never to decrease. Considering that our existing concessions are in place (and you could read that those concessionaires are therefore comfortable paying the price of \$30 per hive) should we retain the non-Manuka price at \$30 for administrative purposes?

If we were to propose reducing the price, I would need some analysis of what this would likely do to our revenue, as we could assume that all concessionaires would seek to have their fees reduced, effective immediately. Also keen to understand some more of your thinking around this please?

Happy to discuss, but I thought it easiest to set some thoughts down for you to consider first.

Kind Regards  
Deidre

---

**From:** Dhritidyuti Bose <[dbose@doc.govt.nz](mailto:dbose@doc.govt.nz)>  
**Sent:** Wednesday, 19 February 2020 5:06 p.m.  
**To:** Deidre Ewart <[dewart@doc.govt.nz](mailto:dewart@doc.govt.nz)>  
**Cc:** Phil Brownie <[pbrownie@doc.govt.nz](mailto:pbrownie@doc.govt.nz)>; Marieke Mahoney <[mmahoney@doc.govt.nz](mailto:mmahoney@doc.govt.nz)>  
**Subject:** Beehive Pricing review - Draft paper

Hi Deidre,

I have returned from leave.

Phil suggested me to re-send you my draft paper on Price Book Review of Beehive Activity Fees ([DOC-6139430](#)) which I had submitted in December (offline word version is attached).

Happy to discuss.

Regards,  
Dhriti

---

**From:** Phil Brownie <[pbrownie@doc.govt.nz](mailto:pbrownie@doc.govt.nz)>  
**Sent:** Monday, 2 December 2019 3:33 p.m.  
**To:** Dhritidyuti Bose <[dbose@doc.govt.nz](mailto:dbose@doc.govt.nz)>  
**Subject:** RE: Beehive Pricing review - Draft paper

Thanks Dhriti , I will get back to you tomorrow on this and the list of work items

Phil

---

**From:** Dhritidyuti Bose <[dbose@doc.govt.nz](mailto:dbose@doc.govt.nz)>  
**Sent:** Monday, 2 December 2019 11:51 a.m.  
**To:** Phil Brownie <[pbrownie@doc.govt.nz](mailto:pbrownie@doc.govt.nz)>  
**Subject:** Beehive Pricing review - Draft paper

Hi Phil,

Below is a link to my draft paper on Price Book Review of Beehive Activity Fees (offline version is attached):

**View**

**Document:**''

<https://doccm.doc.govt.nz/wcc/faces/wccdoc?dDocName=DOC-6139430>

**Key points:**

- Recommended \$17/hive fee for non-manuka honey is lower than current \$30/hive, this factors in fall in non-manuka prices owing partly to government regulations
- Recommended \$89/hive fee manuka honey is higher than current \$75/hive, this factors in continued high prices in manuka honey
- The recommended per hive fees are based on applying 8% on average estimated concessionaires' business revenue per hive for non-manuka and manuka sites respectively.
- The 8% factor was derived by adding up base fee (7.5%) + exclusiveness (0.5%) components.
- As an option, the NZ Treasury's 6% default discount rate was also used to derive benchmark fees for non-manuka (\$13/hive) and manuka (\$67/hive). However, these were not preferred.
- The average business revenue/hive has been calculated from available combinations of honey prices and production/hive which are available both from the Permissions data base and MPI data.

The paper includes inputs from the context meeting held on 13 November, discussions with Heike Mohr, research from Permissions data base, my honey market study and Ministry of Primary Industries Apiculture reports.

Steve Kerr has peer reviewed my paper.

Happy to discuss.

Regards,  
Dhriti

---

**From:** Phil Brownie <[pbrownie@doc.govt.nz](mailto:pbrownie@doc.govt.nz)>  
**Sent:** Friday, 15 November 2019 9:52 a.m.  
**To:** Dhritidyuti Bose <[dbose@doc.govt.nz](mailto:dbose@doc.govt.nz)>  
**Subject:** RE: Beehive Pricing review - Draft Plan

Excellent thanks Dhriti , I have nothing to add

Cheers Phil

---

**From:** Dhritidyuti Bose <[dbose@doc.govt.nz](mailto:dbose@doc.govt.nz)>  
**Sent:** Friday, 15 November 2019 8:50 a.m.  
**To:** Phil Brownie <[pbrownie@doc.govt.nz](mailto:pbrownie@doc.govt.nz)>  
**Subject:** Beehive Pricing review - Draft Plan

Hi Phil,



In the link below is my draft plan incorporating my points from the meeting on 13 November (offline word version is attached for ready reference).

**View**

**Document:**'''

<https://doccm.doc.govt.nz/wcc/faces/wccdoc?dDocName=DOC-6128665>

Happy to discuss.

Regards,  
Dhriti

---

**From:** Phil Brownie <[pbrownie@doc.govt.nz](mailto:pbrownie@doc.govt.nz)>  
**Sent:** Monday, 11 November 2019 5:22 p.m.  
**To:** Dhritidyuti Bose <[dbose@doc.govt.nz](mailto:dbose@doc.govt.nz)>  
**Subject:** Beehive Pricing - Team Process

Thanks Dhriti

Sent from Workspace ONE Boxer

On 8/11/2019 8:54 AM, Dhritidyuti Bose <[dbose@doc.govt.nz](mailto:dbose@doc.govt.nz)> wrote:

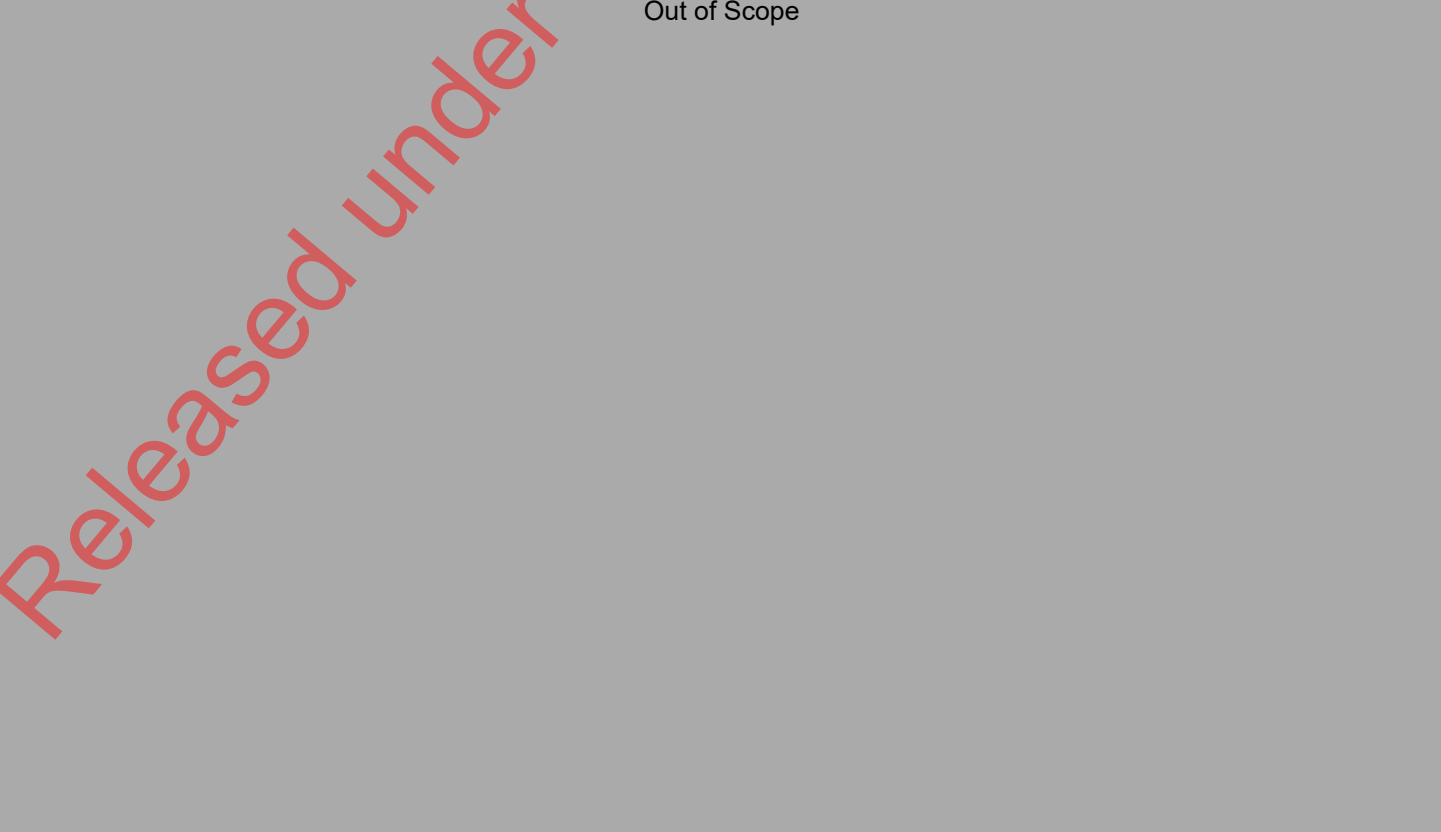
F.y.i

Hi Phil,

I have sent invites for next Wednesday's beehive price book meeting to Deidre, Heike and Arna as well, besides you. Deidre has set out the purpose of the meeting in email trail below.

Regards,  
Dhriti

Out of Scope



Released under the Official Information Act

Out of Scope

Released under the Official Information Act

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**From:** Dhritidyuti Bose  
**Sent:** Thursday, 26 March 2020 9:47 am  
**To:** Heike Mohr; Arna Litchfield; Deidre Ewart  
**Cc:** Marieke Mahoney; Jill Brunson; Phil Brownie  
**Subject:** Beehive Pricing review Meeting (25 March): Notes, critical issues and actions

Hi everyone,

Thank you all for attending the meeting from home yesterday. Below are our key points, critical issues and actions noted from the meeting.

**Key points:**

- Clarified that beehive concessionaires are being charged per hive fee rather than a lumpsum fee. Some exceptions are there where a low per hive rental is topped up by the percentage of revenue fee component (True Honey)
- Clarified that beehive concessions are limited supply opportunities which denote an exclusivity criterion for fee setting. Currently, this is managed by charging a base fee (equivalent to the non-Manuka fee of \$30) that has to be paid regardless of whether hives were placed or not, plus an add-on fee only if Manuka honey was harvested.
- Clarified that research findings on conservation benefits of beehive activities are inconclusive. Also, beehive concessionaires are supposed to maintain the sites properly as a concession requirement. Hence we may not consider these issues as requiring fee offsets.
- Clarified that schedule of receipt activity returns can be phased after the testing for manuka/non-manuka honey is done for new concessions/rental renewals.
- Clarified that MPI's definitions of manuka (monofloral), multifloral and non-manuka honey need to be used.
- *Any other issues?*

**Critical Issues**

- How to ensure concessionaires pay fees based on the actual type of honey they harvest (possibly including a provision for Manuka grade)
- How to ensure limited supply opportunity is taken into account when pricing
- What if test results are not available prior to concession period end / activity return due date
- How to ensure concession terms are aligned with honey season
- How to ensure that before we potentially lower prices we are satisfied that current pricing is unsustainable for non-Manuka concessionaires
- How to engage with concessionaires throughout the process
- How to use an appropriate proxy for concession pricing given honey prices fluctuate, production fluctuates and sales often don't happen for several years
- How to ensure compliance with concession terms (particularly around honey type and grade)

**Actions**

- Action 1 is to circulate the list of critical issues to the meeting attendees in case they need to add (Dhriti) (*complied with circulation of this email*)
- Action 2 is to tabulate details of how many concessions have been surrendered based on permissions database (Jill) (*will be sent separately*)
- Action 3 is to contribute inputs addressing the above critical issues (all)
- Action 4 is to work on developing appropriate honey market indicators on which rental fees can be anchored (Dhriti)
- Action 5 is to prepare a supplementary advice based on the above actions (Dhriti).
- *Any other actions?*

May I ask you all to (i) confirm the above points, critical issues and actions, and (ii) send inputs for action 3.

Happy to discuss.

Regards,  
Dhriti

---

**From:** Dhritidyuti Bose

**Sent:** Tuesday, 17 March 2020 10:11 a.m.

**To:** Deidre Ewart <[dewart@doc.govt.nz](mailto:dewart@doc.govt.nz)>; Heike Mohr <[hmohr@doc.govt.nz](mailto:hmohr@doc.govt.nz)>; Arna Litchfield <[alitchfield@doc.govt.nz](mailto:alitchfield@doc.govt.nz)>; Phil Brownie <[pbrownie@doc.govt.nz](mailto:pbrownie@doc.govt.nz)>

**Cc:** Marieke Mahoney <[mmahoney@doc.govt.nz](mailto:mmahoney@doc.govt.nz)>; Jill Brunson <[jbrunson@doc.govt.nz](mailto:jbrunson@doc.govt.nz)>

**Subject:** Beehive Pricing review Meeting (18 March): Agenda and Notes

Hi all,

For tomorrow's meeting on Beehive Pricing Review (2-3pm), below is our agenda and some notes you may like to see.

**Agenda:**

**Purpose:** To confirm critical issues regarding the pricing of beehives, decide on the need to engage with the industry for this task.

- Overview of the progress and issues (Dhriti, 5 minutes)
- Details of the revenue impact of the proposed new fees, and data issues (Jill, 5 minutes)
- Discussion on critical issues (all 45 minutes)
- Next steps (Marieke, 5 minutes).

**Notes on Progress and Issues**

Progress

- Context is ApiNZ asked DOC in June 2019 to review the beehive rentals as the non-manuka prices had dropped significantly.
- Two tasks were pursued:
  - P&E studied the honey market to examine the reasons why the non-manuka prices were dropping.
  - P&E also prepared a draft advice on the rental fees.
- The study found that MPI's stricter manuka regulations, and a correction of NZ prices to the lower international levels were the primary reasons for the drop in non-manuka prices. Nonetheless, MPI data showed that non-manuka prices in June 2018 were above the 10-year average.
- P&E draft advice (Dec 2019) recommended a reduction in non-manuka rental fee to \$17/hive (from \$30/hive) and an increase in manuka rental fee to \$89/hive (from \$75/hive). These were based both on macro (MPI) and micro (cessionaires) data of honey prices and production/hive.
- Applying the new fees, the net beehive concession revenue is projected (March 2020) to show a net gain of \$72k. The gain in manuka concession revenue (+\$131k) is projected to offset the loss in non-manuka concession revenue (-\$59k). Two caveats:
  - The increase in manuka prices will be more difficult to implement (and time-delayed) than a decrease in non-manuka prices, thus an overall revenue loss on honey concessions is likely in the immediate future.
  - The projections assume that the split between manuka and non-manuka honey will stay similar – an unknown at this stage as manuka regulations are tightened.

- In terms of stakeholder involvement, two concessionaires complained to DOC (Oct-Dec 2019) about collapsing multifloral honey prices, and how DOC’s proposed rental increases would make their hiving activities unsustainable:
  - s9(2)(a) (Heaphy honey) noted that his hives produce multifloral and not manuka honey. He found that DOC’s proposed rental fee increase from \$50/hive to \$75/hive for multifloral honey was “extremely concerning”. He noted that the proposed increase would make his concession “uneconomic”.
  - s9(2)(a) wrote that DOC’s decision to increase the multifloral rental fee for his concession from \$15/hive to \$30/hive was unsustainable. He was also concerned that big companies (Air born honey) were flooding the market with both types of honey. This was also reducing the prices that were offered to sole traders like him. s9(2)(a) has surrendered his concession.

Issues:

- *Reducing the non-manuka concession fee:* Ordinarily, DOC does not lower the concession fees. However, this practice may need to be reconsidered for non-manuka concessions. This is because the non-manuka prices are projected to decline and this could have an impact on the sustainability of beekeeping activities. This is reflected from s9(2)(a) decisions to surrender of his concession.
- *Uncertainty about manuka or non-manuka outturn:* Is it true that concessionaires won’t know until they have produced the honey (which type it will be (manuka vs. non-manuka)? The uncertainty may also be stemming from stricter guidelines of monofloral honey which is now classified as “manuka” while those honey types not meeting the guidelines including multifloral honey get classified as non-manuka honey.
- *Per hive pricing versus percentage of revenue framework:* Since honey produced may get sold with a time lag, the per hive fee rather than percentage of revenue mechanism continues to be more appropriate rental pricing mechanism. This is somewhat complicated by the fact that both prices and production can vary significantly year by year.
- *Alternative rental pricing method:* The industry practice is that most beekeepers pay landowners in honey rather in cash for rentals of non-manuka sites. MPI’s analysis shows that many landowners regard honey payments as an appreciation for access on to their land and reporting stock damage to hives, etc, rather than payment for the use of their land. MPI’s data show that the average non-manuka apiary rental fee is about 500 gm of honey/hive.
- *Updating data from MPI:* MPI’s last available data is for June 2018. Data for June 2019 is likely to be released in April 2020. Meanwhile, MPI’s Dec 2019 outlook on primary industries projected that non-manuka prices are likely to keep falling over the next few years. MPI’s last available data showed a decline in non-manuka prices by 24% in the year ended June 2018. Even assuming a smaller decline (10%) each year, this could mean non-manuka prices (macro average) could go below \$7 per kg (Table 1). Sole trading concessionaires may face non-manuka prices even below this level.

**Table 1: Manuka and non-manuka prices**

Prices/kg for year ending June	MPI data		My forecast	
	2017	2018	2019	2020
Non-manuka honey	11.3	8.6	7.74	6.97
Manuka honey	68.9	73.3	73.5	73.5

Based on the above forecasts and the concessionaire data used in P& E’s draft fee advice report, the non-manuka activity fee still works out to \$17/hive.

- *Potential for annual review of beehive rentals:* MPI releases annually in its Apiculture Monitoring reports. Potentially, this could be used for reviewing/monitoring DOC’s rental fees.
- *Crown data versus Permissions data on beehive concession revenue:* The Crown revenue for top 10 beehive concessions added up to a total to \$299k for the year ended June 2019. This was higher than the total of \$209k arrived from the Permissions data on the basis of activity returns for the Crown top 10. The difference may be due in part to aggregation of multiple concessions and fee types in Crown revenue, and timing of invoice payments.
- Next steps??

Regards,

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**From:** Jill Brunson  
**Sent:** Tuesday, 31 March 2020 10:21 am  
**To:** Dhritidyuti Bose; Heike Mohr; Arna Litchfield; Deidre Ewart  
**Cc:** Marieke Mahoney; Phil Brownie  
**Subject:** RE: Beehive Pricing review Meeting (25 March): Notes, critical issues and actions  
**Attachments:** pdb\_feesRpt\_beehives.xlsx

Kia ora team

Attached please find a report from the permissions database (PDB) on surrenders for beehive concessions, with comparison to Crown Accounts.

In the course of comparing Crown Accounts to the PDB I ended up looking at 8 of the 12 the surrenders in the PDB. It appears hive pricing was not a key factor for these surrenders.

Cheers  
Jill

**Jill Brunson**  
Analyst | Kaitātari  
Department of Conservation | Te Papa Atawhai  
[jbrunson@doc.govt.nz](mailto:jbrunson@doc.govt.nz) | M: [REDACTED] s9(2)(a)  
[www.doc.govt.nz](http://www.doc.govt.nz)

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**From:** Dhritidyuti Bose <dbose@doc.govt.nz>  
**Sent:** Thursday, 26 March 2020 9:47 a.m.  
**To:** Heike Mohr <hmohr@doc.govt.nz>; Arna Litchfield <alitchfield@doc.govt.nz>; Deidre Ewart <dewart@doc.govt.nz>  
**Cc:** Marieke Mahoney <mmahoney@doc.govt.nz>; Jill Brunson <jbrunson@doc.govt.nz>; Phil Brownie <pbrownie@doc.govt.nz>  
**Subject:** Beehive Pricing review Meeting (25 March): Notes, critical issues and actions

Hi everyone,

Thank you all for attending the meeting from home yesterday. Below are our key points, critical issues and actions noted from the meeting.

**Key points:**

- Clarified that beehive concessionaires are being charged per hive fee rather than a lumpsum fee. Some exceptions are there where a low per hive rental is topped up by the percentage of revenue fee component (True Honey)
- Clarified that beehive concessions are limited supply opportunities which denote an exclusivity criterion for fee setting. Currently, this is managed by charging a base fee (equivalent to the non-Manuka fee of \$30) that has to be paid regardless of whether hives were placed or not, plus an add-on fee only if Manuka honey was harvested.
- Clarified that research findings on conservation benefits of beehive activities are inconclusive. Also, beehive concessionaires are supposed to maintain the sites properly as a concession requirement. Hence we may not consider these issues as requiring fee offsets.
- Clarified that schedule of receipt activity returns can be phased after the testing for manuka/non-manuka honey is done for new concessions/rental renewals.
- Clarified that MPI's definitions of manuka (monofloral), multifloral and non-manuka honey need to be used.

- Any other issues?

#### Critical Issues

- How to ensure concessionaires pay fees based on the actual type of honey they harvest (possibly including a provision for Manuka grade)
- How to ensure limited supply opportunity is taken into account when pricing
- What if test results are not available prior to concession period end / activity return due date
- How to ensure concession terms are aligned with honey season
- How to ensure that before we potentially lower prices we are satisfied that current pricing is unsustainable for non-Manuka concessionaires
- How to engage with concessionaires throughout the process
- How to use an appropriate proxy for concession pricing given honey prices fluctuate, production fluctuates and sales often don't happen for several years
- How to ensure compliance with concession terms (particularly around honey type and grade)

#### Actions

- Action 1 is to circulate the list of critical issues to the meeting attendees in case they need to add (Dhriti) (*complied with circulation of this email*)
- Action 2 is to tabulate details of how many concessions have been surrendered based on permissions database (Jill) (*will be sent separately*)
- Action 3 is to contribute inputs addressing the above critical issues (all)
- Action 4 is to work on developing appropriate honey market indicators on which rental fees can be anchored (Dhriti)
- Action 5 is to prepare a supplementary advice based on the above actions (Dhriti).
- Any other actions?

May I ask you all to (i) confirm the above points, critical issues and actions, and (ii) send inputs for action 3.

Happy to discuss.

Regards,  
Dhriti

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**From:** Dhritidyuti Bose

**Sent:** Tuesday, 17 March 2020 10:11 a.m.

**To:** Deidre Ewart <[dewart@doc.govt.nz](mailto:dewart@doc.govt.nz)>; Heike Mohr <[hmohr@doc.govt.nz](mailto:hmohr@doc.govt.nz)>; Arna Litchfield <[alitchfield@doc.govt.nz](mailto:alitchfield@doc.govt.nz)>; Phil Brownie <[pbrownie@doc.govt.nz](mailto:pbrownie@doc.govt.nz)>

**Cc:** Marieke Mahoney <[mmahoney@doc.govt.nz](mailto:mmahoney@doc.govt.nz)>; Jill Brunson <[jbrunson@doc.govt.nz](mailto:jbrunson@doc.govt.nz)>

**Subject:** Beehive Pricing review Meeting (18 March): Agenda and Notes

Hi all,

For tomorrow's meeting on Beehive Pricing Review (2-3pm), below is our agenda and some notes you may like to see.

#### Agenda:

**Purpose:** To confirm critical issues regarding the pricing of beehives, decide on the need to engage with the industry for this task.

- Overview of the progress and issues (Dhriti, 5 minutes)
- Details of the revenue impact of the proposed new fees, and data issues (Jill, 5 minutes)
- Discussion on critical issues (all 45 minutes)
- Next steps (Marieke, 5 minutes).



## Notes on Progress and Issues

### Progress

- Context is ApiNZ asked DOC in June 2019 to review the beehive rentals as the non-manuka prices had dropped significantly.
- Two tasks were pursued:
  - P&E studied the honey market to examine the reasons why the non-manuka prices were dropping.
  - P&E also prepared a draft advice on the rental fees.
- The study found that MPI's stricter manuka regulations, and a correction of NZ prices to the lower international levels were the primary reasons for the drop in non-manuka prices. Nonetheless, MPI data showed that non-manuka prices in June 2018 were above the 10-year average.
- P&E draft advice (Dec 2019) recommended a reduction in non-manuka rental fee to \$17/hive (from \$30/hive) and an increase in manuka rental fee to \$89/hive (from \$75/hive). These were based both on macro (MPI) and micro (concessionaires) data of honey prices and production/hive.
- Applying the new fees, the net beehive concession revenue is projected (March 2020) to show a net gain of \$72k. The gain in manuka concession revenue (+\$131k) is projected to offset the loss in non-manuka concession revenue (-\$59k). Two caveats:
  - The increase in manuka prices will be more difficult to implement (and time-delayed) than a decrease in non-manuka prices, thus an overall revenue loss on honey concessions is likely in the immediate future.
  - The projections assume that the split between manuka and non-manuka honey will stay similar – an unknown at this stage as manuka regulations are tightened.
- In terms of stakeholder involvement, two concessionaires complained to DOC (Oct-Dec 2019) about collapsing multifloral honey prices, and how DOC's proposed rental increases would make their hiving activities unsustainable:
  - s9(2)(a) (Heaphy honey) noted that his hives produce multifloral and not manuka honey. He found that DOC's proposed rental fee increase from \$50/hive to \$75/hive for multifloral honey was "extremely concerning". He noted that the proposed increase would make his concession "uneconomic".
  - s9(2)(a) wrote that DOC's decision to increase the multifloral rental fee for his concession from \$15/hive to \$30/hive was unsustainable. He was also concerned that big companies (Air born honey) were flooding the market with both types of honey. This was also reducing the prices that were offered to sole traders like him. s9(2)(a) has surrendered his concession.

### Issues:

- *Reducing the non-manuka concession fee*: Ordinarily, DOC does not lower the concession fees. However, this practice may need to be reconsidered for non-manuka concessions. This is because the non-manuka prices are projected to decline and this could have an impact on the sustainability of beekeeping activities. This is reflected from s9(2)(a) decisions to surrender of his concession.
- *Uncertainty about manuka or non-manuka outturn*: Is it true that concessionaires won't know until they have produced the honey which type it will be (manuka vs. non-manuka)? The uncertainty may also be stemming from stricter guidelines of monofloral honey which is now classified as "manuka" while those honey types not meeting the guidelines including multifloral honey get classified as non-manuka honey.
- *Per hive pricing versus percentage of revenue framework*: Since honey produced may get sold with a time lag, the per hive fee rather than percentage of revenue mechanism continues to be more appropriate rental pricing mechanism. This is somewhat complicated by the fact that both prices and production can vary significantly year by year.
- *Alternative rental pricing method*: The industry practice is that most beekeepers pay landowners in honey rather in cash for rentals of non-manuka sites. MPI's analysis shows that many landowners regard honey payments as an appreciation for access on to their land and reporting stock damage to hives, etc, rather than payment for the use of their land. MPI's data show that the average non-manuka apiary rental fee is about 500 gm of honey/hive.
- *Updating data from MPI*: MPI's last available data is for June 2018. Data for June 2019 is likely to be released in April 2020. Meanwhile, MPI's Dec 2019 outlook on primary industries projected that non-manuka prices

are likely to keep falling over the next few years. MPI's last available data showed a decline in non-manuka prices by 24% in the year ended June 2018. Even assuming a smaller decline (10%) each year, this could mean non-manuka prices (macro average) could go below \$7 per kg (Table 1). Sole trading concessionaires may face non-manuka prices even below this level.

**Table 1: Manuka and non-manuka prices**

Prices/kg for year ending June	MPI data		My forecast	
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Based on the above forecasts and the concessionaire data used in P& E's draft fee advice report, the non-manuka activity fee still works out to \$17/hive.

- *Potential for annual review of beehive rentals:* MPI releases annually in its Apiculture Monitoring reports. Potentially, this could be used for reviewing/monitoring DOC's rental fees.
- *Crown data versus Permissions data on beehive concession revenue:* The Crown revenue for top 10 beehive concessions added up to a total to \$299k for the year ended June 2019. This was higher than the total of \$209k arrived from the Permissions data on the basis of activity returns for the Crown top 10. The difference may be due in part to aggregation of multiple concessions and fee types in Crown revenue, and timing of invoice payments.
- Next steps??

Regards,  
Dhriti

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# Memo



Department of  
Conservation  
*Te Papa Atawhai*

Date: 22 June 2020  
To: Deidre Ewart  
cc: Marieke Mahoney and Jill Brunson  
From: Dhritidyuti Bose

DOC:6285003

**Subject: Beehive Pricing Review – Progress, critical issues, and questions for engaging with Apiculture New Zealand**

## Executive summary

P&E recommended an increase in manuka concession fees to \$89/hive (from \$75/hive) and a reduction in non-manuka concession fees to \$17/hive (from \$30/hive) in December 2019. This memo examines the critical issues discussed in P&E's meeting with PPL in March 2020. It suggests questions for PPL in engaging with Apiculture New Zealand (ApNZ). It also suggests that P&E can review the recommended fees based on ApNZ's responses to those questions.

### I. Context

1. Planning, Permissions and Land (PPL) tasked Pricing and Economics (P&E) to study the honey market and review the Department of Conservation (Department)'s beehive concession fees in *Concession Activity Fee Pricing Book (Price Book)*. This was in response to Apiculture New Zealand (ApNZ)'s request (June 2019) for a review of these fees in view of the significant decline in non-manuka prices.

### II. Progress summary

2. P&E's study (July 2019) found that non-manuka prices for all types (except dark honey), despite the falls, were above their historical averages ([DOC-6016717](#)). Based on the data from the Ministry of Primary industries (MPI) and concessionaires, P&E's draft pricing review (December 2019) recommended a reduction in non-manuka fee to \$17 per hive (from \$30) and an increase in manuka fees to \$89/hive (from \$75) ([DOC-6139430](#)).
3. PPL expressed some concerns (February 2020) about lowering the non-manuka fee, and the potential revenue loss this may entail. PPL suggested that the Department needs to engage with the beehive concessionaires to find out if they still found the current fees unacceptable. Finally, the need to track the latest non-manuka prices was also indicated ([DOC-6281995](#)).

4. In response, P&E estimated the revenue impact of the recommended fees. This showed an overall net gain in concession revenue of \$72k if the new fees could be implemented for both manuka and non-manuka fees. The gain from setting a higher fee for manuka hives (\$131k) offset the loss from lowering the non-manuka fee (-\$59k). As the manuka fee increase would be difficult to implement, the likelihood of a loss in concession revenue in the short-term was also indicated. These findings and other critical issues were discussed in P&E's meeting with PPL (March 2020).
5. In response to an action point from the meeting, P&E prepared a report from the permissions database (PDB) on surrenders for beehive concessions, with comparison to Crown Accounts. Eight of 12 recent surrenders were researched, and it was found that hive concession fee pricing was not a key factor in these surrenders ([DOC-6290439](#)).
6. As another action point, it was decided that P&E would prepare supplementary advice in the context of engaging with the concessionaires ([DOC-6284674](#)). This is below.

### **III. Supplementary Advice**

#### *Purpose*

7. This memo examines the critical issues that emerged from P&E's meeting with PPL, reviews the draft fees recommended in December 2019 based on MPI's latest available data on the honey market and suggests some questions for PPL in engaging with ApNZ.

#### *Critical issues*

8. Table 1 lists the critical issues. Analytically, they can be grouped into three categories: (a) those that emerge because of timing differences among the various hiving activity stages – production, testing, stocking and selling of honey, (b) those that emerge because now “manuka” honey needs to be certified through testing as per MPI's specifications (December 2017), and (c) those that emerge because of market related and other factors, such as the need to ascertain to what extent the recent fall in prices for multifloral (including declassified manuka) and non-manuka honey are making hiving businesses unsustainable.

**Table 1: Critical issues**

<b>a) Timing-related issues</b>
1 How to ensure concessionaires pay fees based on the actual type of honey they harvest?
2 How to ensure concession terms are aligned with the honey season?
<b>b) Testing-related issues</b>
3 What if test results are not available prior to concession period end / activity return due date?
4 How to ensure compliance with concession terms (particularly around honey type and grade)?
<b>c) Market-related and other issues</b>
5 How to ensure limited supply opportunities are taken into account when pricing?
6 How to ensure that before we potentially lower the concession fees we are satisfied that current fees is unsustainable for non-Manuka concessionaires?
7 How to engage with concessionaires throughout the process?
8 How to use an appropriate proxy for concession fee pricing given honey prices fluctuate, production fluctuates, and sales often don't happen for several years?

9. To address (a) the timing-related and (b) testing-related issues, ideally if the concessionaires can submit their activity returns to the Department after the testing stage, then this would verify the type of honey produced (monofloral manuka, multifloral manuka or non-manuka). As monofloral honey is classified as manuka by MPI, the Department's fee of manuka hives would apply to only those whose honey production tests confirm for monofloral manuka honey. For those testing negative for monofloral manuka, the non-manuka honey fee would apply. Hence, non-manuka fee would apply for both multifloral manuka honey and non-manuka honey.
10. PPL has indicated that the timing of the activity returns can be matched with the timing of availability of test results for some concessions. For those concessions that are not easily aligned with the availability of test results, PPL should investigate further if/how their reporting dates could be changed. Only if this is not possible, the activity fee could be based on a predeclared honey type subject to adjustments following the testing results<sup>1</sup>.
11. To address the (c) market-related and other issues, the Department's fees could be anchored on a suitable market indicator. P&E's draft pricing review recommended anchoring per hive fees for manuka and non-manuka honey beehives on honey prices and production per hive based on both MPI's honey market data and the activity returns submitted by the concessionaires (Tables 2 and 3). However, production/hive and honey

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<sup>1</sup> Testing results would be relevant only for manuka hive concessions. These would be assumed to produce monofloral manuka honey unless the concessionaires provide testing evidence showing negative results for monofloral manuka honey. In case of the latter, the excess fee can be refunded.

prices data of concessionaires differ sizeably from the corresponding macro averages published by MPI. The reasons behind these differences need to be explored with ApNZ.

**Table 2: Estimated revenue per hive based on specified prices (rows) and production (columns) for manuka honey**

	MPI production/hive(average) (25.1 kg/hive)**	Concessions' average production/hive (11.3 kg)	Average
MPI Prices (mid-range) (\$65.0/kg)*	\$1,632	\$735	\$1,183
Haines Honey prices (\$57.5/kg)@	\$1,443	\$650	\$1,047
<b>Grand average revenue per hive</b>			<b>\$1,115</b>
<b>Estimated Fee per hive (8.0% of grand average revenue)</b>			<b>\$89</b>
<b>Estimated Fee per hive (6.0% of grand average revenue)</b>			<b>\$67</b>

\*Refers to the middle price of MPI's manuka honey price range of \$5-\$125 published for year ended June 2019  
\*\*Refers to MPI's average honey production/hive published for year ended June 2019  
@ Obtained through separate correspondence with Haines Honey as a customer in November 2019 (DOC-6139712)

**Table 3: Estimated revenue per hive based on specified prices (rows) and production (columns) for non-manuka honey**

	MPI production/hive(average) (25.1 kg/hive)**	Concessions' average production/hive (16.8 kg)	Average
MPI price (\$6.25/kg)*	\$157	\$105	\$131
Haines Honey price (\$20.3/kg)	\$510	\$341	\$425
Apiculture NZ price (\$4.3/kg)	\$108	\$72	\$90
<b>Grand average revenue per hive</b>			<b>\$215</b>
<b>Estimated Fee per hive (8.0 % of grand average revenue)</b>			<b>\$17</b>
<b>Estimated Fee per hive (6.0% of grand average revenue)</b>			<b>\$13</b>

\*Refers to the middle price of MPI's average non-manuka honey price range of \$4.3-\$8.2 published for year ended June 2019  
\*\*Refers to MPI's average honey production/hive published for year ended June 2019  
@ Obtained through separate correspondence with Haines Honey as a customer in November 2019 (DOC-6139712)

Reconfirming the draft new fees: \$89/hive (manuka) and \$17/hive (non-manuka)

12. The fee rate of 8% of business revenue of concession per hive was derived based on the Price Book's percentage of revenue (PoR) components (base fee:7.5% + exclusivity: 0.5%). This was applied to the estimated grand average revenue per hive figure to recommend the fees of \$89 per hive for manuka honey and \$17 per hive for non-manuka honey. Another option of applying Treasury's discount rate of 6% was also used to derive alternative fees of \$67/hive for manuka and \$13/hive for non-manuka. However, we reconfirm the fees based on PoR as the recommended draft fee. This also factors in an exclusivity factor to proxy the limited supply opportunity of these concessions. The recommended fees remain unchanged even after incorporating MPI's latest available honey prices (2019 Apiculture Monitoring Report).

13. Before finalising the new fees for the *Price Book*, we recommend that PPL engage with ApNZ. ApNZ represents the beehive concessionaires. Fee issues relating to individual concessions can be addressed bilaterally outside the *Price Book* fee setting process.

Issues for engaging with ApNZ

14. We suggest that PPL engage with ApNZ based on the questions listed in Table 4<sup>2</sup>. We do not recommend communicating any new fees in this correspondence. Based on ApNZ's response we can assess if concessionaires find the current Price Book fees unsustainable. This would also enable the Department to obtain current data from ApNZ which can be compared with MPI's data. After receiving ApNZ's response, P&E can review its draft Price Book fees recommended above.

**Table 4: Issues for corresponding with ApNZ**

1	What were the average prices of manuka and non-manuka honey for the beehive concessionaires over the past year (May 2019 to April 2020)?
2	What were the levels for manuka honey and non-manuka honey being produced per hive by the concessionaires on average over the past year*(May 2019 to April 2020)?
3	Does ApNZ find the current fees in the Price Book (\$75/hive for manuka, and \$30/hive) unsustainable? If so, then why?
4	Does ApNZ have any thoughts on the level of fees that would be more sustainable?
5	How can concessionaires verify the honey type they produce? Can they do so before they submit their activity returns and attach evidence? What does ApNZ recommend to match the timing of activity returns with the schedule of receiving the testing results?
6	Does concessionaires' production per hive vary significantly? If so, is there a method other than per hive pricing the Department should consider?
7	Can APNZ recommend that concessionaires provide details of (i) production per hive, (ii) number of hives per category of honey (manuka, non-manuka), and (iii) expected/actual selling prices in their activity returns?

Note: Manuka honey comprises only monofloral manuka honey as defined by MPI. Non-manuka honey includes multifloral manuka honey and non-manuka honey.

#### Caveats

15. ApNZ's update on COVID 19 released in April 2020 indicated that COVID-19 has had little impact on beekeeping activity (see, <https://apinz.org.nz/covid-19/>). Nonetheless,

<sup>2</sup> In terms of engagement so far, ApNZ requested the Department to review its fees in June 2019. As per inputs from PPL, two concessionaires had separately written to the Department on how they are finding the current beehive fees unsustainable in view of falling non-manuka honey prices ([DOC-6284858](#)).

we suggest that the Department needs to be mindful of COVID-19 and decide accordingly the appropriate time to engage with ApNZ.

16. Finally, should the Department decide not to increase fees in the coming year, would this policy also apply to non-tourism concessions such as beehives as well.

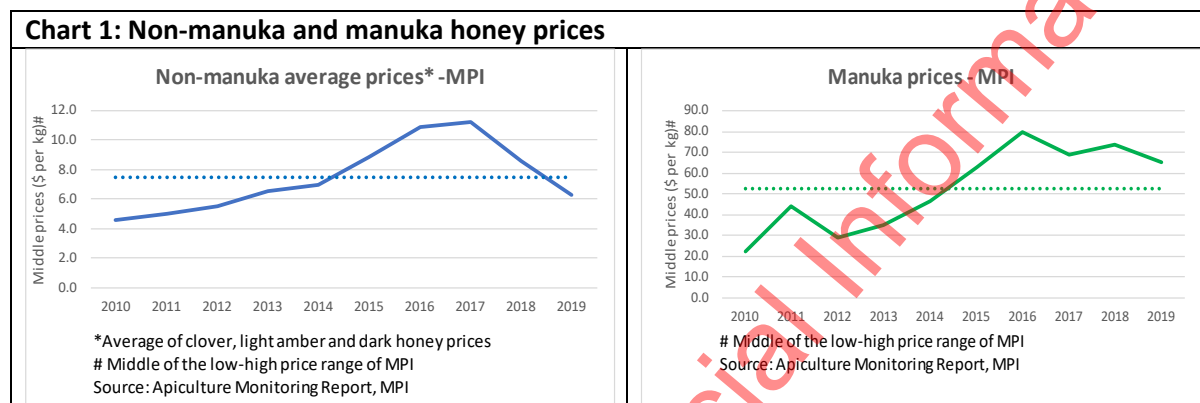
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## Beehive concession fees review - Engagement with Apiculture New Zealand (ApiNZ)

**Context:** ApiNZ asked the Department of Conservation (the Department) to review beehive concession fees (\$30 per non-manuka hive and \$75 per manuka hive<sup>1</sup>) in view of a significant fall in non-manuka prices.

**Honey market:** Ministry for Primary Industries (MPI)'s data show that in June 2019 manuka honey prices were above the 10-year average while the non-manuka prices fell below the 10-year average (Chart 1). MPI's analysis showed the stricter manuka (monofloral) honey definition, oversupply conditions and weak demand as key factors leading to significant recent falls in non-manuka and multifloral manuka prices.



**ApiNZ's letter and the concessionaires' concerns:** ApiNZ's June 2019 letter to the Department expressed concerns about a 50% fall in non-manuka prices to \$4-\$4.50 per kg. The letter said that beekeepers were stockpiling honey and that there was a general downturn in international honey markets.

Some beehive concessionaires wrote to the Department expressing concerns about falling honey prices. Some sole trader concessionaires indicated that they were facing falling honey prices because big companies were offloading honey supply, driving down prices.

### Critical issues

- **Covid-19 Impact:** ApiNZ's alerts indicated that beekeepers could operate under the Alert Level 4 in April/May and were also exempt from travel restrictions to/from Auckland under Alert Level 3 in August.
- **Manuka honey definition:** MPI introduced a stricter definition for manuka honey in 2017.
- **Timing of the concession year:** Currently, the starting month of the year differs across concessionaires depending upon the timing of concession applications. Hence, the concession year may not match with the beekeeping year.

<sup>1</sup> These fees are as per the Department's Concession Activity Fee Pricing Book. For manuka hives, an alternative fee for manuka hives indicated is \$10 per hive, per annum + 10% of revenue based on the number of hives used. The revenue sharing option is only available if the concessionaire has the equipment to allow DOC to remotely monitor the weight of the honey being obtained. The charges referred here exclude GST.

## Questions to discuss with ApiNZ

### **Covid-19 impact**

- 1) *What has been the extent of the COVID-19 impact on income and employment for beehive concessionaires?*

### **Honey production, testing, activity reporting and concession year– Timing issues**

- 2) *What is the time lag between honey production and testing outcomes?*
- 3) *Can beehive concessionaires get testing done for their honey produced and submit activity returns to the Department by attaching evidence of the testing results?*
- 4) *What can be done to schedule timing of testing results and activity returns better?*
- 5) *Should the Department match the concession year with the beekeeping year (producing, harvesting and testing) such that the year start/end dates remain same for all concessionaires rather than varying with the anniversary dates for the respective concessions?*

### **Concession Fees**

- 6) *Should the Department review the fees every year instead of every three years? Would it be preferable to have fees adjusted based on particular indicators, i.e. MPI average prices and MPI average yield per hive?*
- 7) *Is there a method other than per hive pricing the Department should consider?*
- 8) *Does ApiNZ want the current fees in the Price Book (\$75/hive for manuka, and \$30/hive) to change? If so, why?*

### **Activity returns – Reporting format**

- 9) *Can ApiNZ recommend that concessionaires provide details of (i) yield per hive, (ii) number of hives per category of honey (manuka, non-manuka), (iii) expected/actual selling prices (manuka, non-manuka) and (iv) total activity fees in their activity returns?*

### **Data required**

**It would be very helpful if ApiNZ supply this data in advance of a discussion.**

1	Average price of manuka honey for 2019/20 (July-June)	----\$/kg
2	Average price of non-manuka honey for 2019/20 (July-June)	----\$/kg
3	Average yield per hive for manuka honey 2019/20 (July-June)	----kg/hive
4	Average yield per hive for non- manuka honey 2019/20 (July-June)	----kg/hive

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**From:** Jill Brunson  
**Sent:** Tuesday, 19 January 2021 2:34 pm  
**To:** Dhritidyuti Bose  
**Cc:** Marieke Mahoney  
**Subject:** RE: How to clearly set out beehive activity fees in Concession Contract (Post Admin check) / Rent Review Notification

Kia ora Dhriti

I had a chat with Heike yesterday about her suggested beehives revisions and we agreed the text still needs a bit of work to clarify the fee structure.

She said the fee structure is meant to be \$30 non-Manuka/\$75 Monofloral Manuka, not \$30 non-Manuka/\$30 + \$75 Monofloral Manuka. So we were on the right track before.

It looks like we may also need to clarify how the base fee works. Heike said the practice is to charge the base (non-Manuka) fee for the entire allocation regardless of number of hives placed for non-Manuka, but to only charge for actual hives placed for Monofloral Manuka. Unless the actual hives placed for Monofloral Manuka generates a fee less than the base (non-Manuka) fee, in which case the base fee would be charged. So in her suggested revision below she has removed the "based on allocation" text from the Monofloral Manuka paragraph. Here are some examples:

20 hives allocated to a concessionaire

1. 10 hives placed, Monofloral Manuka  
Determining the fee:  
**Monofloral Manuka: 10 x \$75 = \$750**  
Base fee: 20 x \$30 = \$600  
Monofloral Manuka fee is greater so the fee is \$750.
2. 5 hives placed, Monofloral Manuka  
Determining the fee:  
Monofloral Manuka: 5 x \$75 = \$375  
**Base fee: 20 x \$30 = \$600**  
Monofloral Manuka fee is less than the base fee, so the fee is \$600.
3. 10 hives placed, non-Manuka  
Determining the fee:  
Non-Manuka: 10 x \$30 = \$300  
**Base fee: 20 x \$30 = \$600**  
Base fee is greater so the fee is \$600.

If this aligns with your understanding of how the base fee works, I think we're ok.

Ngā mihi  
Jill

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**From:** Dhritidyuti Bose <dbose@doc.govt.nz>  
**Sent:** Thursday, 14 January 2021 5:08 p.m.  
**To:** Jill Brunson <jbrunson@doc.govt.nz>

**Cc:** Marieke Mahoney <mmahoney@doc.govt.nz>

**Subject:** RE: How to clearly set out beehive activity fees in Concession Contract (Post Admin check) / Rent Review Notification

Hi Jill,

The Price Book does not include the “number of sites” as a factor for determining the fees.

The Price Book wording means \$30 per hive as non-manuka fees which means total fees = \$30 × number of hives = total non-manuka fees.

For manuka honey it indicates additional premium \$75 per hive. There is a confusion on this: Several concessions (39896-OTH, TW-32295-OTH) have manuka activity fee as \$75 per hive, but some have manuka fee \$30+\$75 (premium)=\$105 (like 61025-OTH). I had noted this as a comment in the Price Book ([DOCDM-1326222](#)).

For our Price Book review work, as most concessionaires pay \$75 per manuka hive, we assume the current manuka Price Book fee as \$75 per hive. For non-manuka, we assume \$30 per hive.

Happy to discuss.

Regards,  
Dhriti

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**From:** Jill Brunson <[jbrunson@doc.govt.nz](mailto:jbrunson@doc.govt.nz)>

**Sent:** Thursday, 14 January 2021 4:43 p.m.

**To:** Marieke Mahoney <[mmahoney@doc.govt.nz](mailto:mmahoney@doc.govt.nz)>; Dhritidyuti Bose <[dbose@doc.govt.nz](mailto:dbose@doc.govt.nz)>

**Subject:** FW: How to clearly set out beehive activity fees in Concession Contract (Post Admin check) / Rent Review Notification

Kia ora Marieke and Dhriti

This suggestion to update the beehives section of the Price Book came in while I was on leave from Heike. On reading it I wondered if the work we did previously on pricing beehives aligns with the fee structure as set out below. I may be misremembering as this was early in my time at the department, but I don't recall base fees being factored in, just that we looked at manuka and non-manuka prices. Your thoughts?

Ngā mihi  
Jill

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**From:** Heike Mohr <[hmohr@doc.govt.nz](mailto:hmohr@doc.govt.nz)>

**Sent:** Tuesday, 22 December 2020 7:05 p.m.

**To:** Jill Brunson <[jbrunson@doc.govt.nz](mailto:jbrunson@doc.govt.nz)>; Ashleigh Johns <[ajohns@doc.govt.nz](mailto:ajohns@doc.govt.nz)>; Becky Port <[bport@doc.govt.nz](mailto:bport@doc.govt.nz)>; Dave Johnstone <[djohnstone@doc.govt.nz](mailto:djohnstone@doc.govt.nz)>; Heike Mohr <[hmohr@doc.govt.nz](mailto:hmohr@doc.govt.nz)>; Jenny McNally <[jmcnally@doc.govt.nz](mailto:jmcnally@doc.govt.nz)>; Judith Popplewell <[jpopplewell@doc.govt.nz](mailto:jpopplewell@doc.govt.nz)>; Kayla Mahon <[kmahon@doc.govt.nz](mailto:kmahon@doc.govt.nz)>; Meg Houseman <[mhouseman@doc.govt.nz](mailto:mhouseman@doc.govt.nz)>; Michelle Pearce <[MPEARCE@doc.govt.nz](mailto:MPEARCE@doc.govt.nz)>; Racquel Edmonds <[redmonds@doc.govt.nz](mailto:redmonds@doc.govt.nz)>; Suzanne Craik <[sucraik@doc.govt.nz](mailto:sucraik@doc.govt.nz)>; Tegan Robertson <[trobertson@doc.govt.nz](mailto:trobertson@doc.govt.nz)>; Teresa Gutteridge <[tgutteridge@doc.govt.nz](mailto:tgutteridge@doc.govt.nz)>; Toni Anderson <[toanderson@doc.govt.nz](mailto:toanderson@doc.govt.nz)>; Permissions Hamilton <[permissionshamilton@doc.govt.nz](mailto:permissionshamilton@doc.govt.nz)>

**Subject:** How to clearly set out beehive activity fees in Concession Contract (Post Admin check) / Rent Review Notification

Hi Jill and all you other lovely team members,

Unfortunately I have noticed, quite some inconsistency in regards to the wording of beehive activity fees in contracts etc. (this can be confusing for the concession holder, my experience is that concessionaires often don't understand that the minimum fee is a fixed annual amount and payable regardless if hives sites have been utilised or not – I know this also applies to internal staff)

Going forward it would be great to see that any new beehive concessions have the same wording in their contracts (including variation contracts and rent review notifications).

In order to fix this my recommendation would be

**At Jil**

The current wording in the Price book is somewhat confusing at least I have been told so in the past by NTC team members as well as Permissions Advisors. Therefore, I was hoping there is change you could update the wording in the Price Book as follows:

Beehives	<p>Minimum fee:</p> <ul style="list-style-type: none"><li>Fixed amount calculated based on \$30.00 per hive plus GST per annum using the maximum allocation of beehives.</li></ul> <p><i>e.g. ( 4 sites, max allocation 40 hives Fixed amount = 4 x 40 x \$30 = \$4800+GST – the fixed amount should be stated in the contract)</i></p> <p>Additional fee:</p> <ul style="list-style-type: none"><li>A premium fee of \$75 per hive plus GST per annum for every hive which produces monofloral manuka honey.</li></ul> <p style="text-align: center;">Or</p> <p>\$10 per hive, per annum + 10% of revenue based on the number of hives used.</p> <p>The revenue sharing option is only available if the concessionaire has the equipment to allow DOC to remotely monitor the weight of the honey being obtained. Other conditions may also apply</p>
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**At NTC and Permissions Advisors** - Wording in contracts and on rent review notifications should be as follows:

Minimum Fee

\$3600 plus GST per annum

This has been calculated on the standard rate for non-manuka beehives of \$30.00 per hive plus GST per annum using the maximum allocation of beehives.

Additional Fee

A premium fee of \$75 per hive plus GST per annum for every hive which produces monofloral manuka honey.

Let me know what you think or if anyone has any questions.

Many thanks  
Heike

**Heike Mohr**

National Transaction Centre Advisor  
Department of Conservation | Te Papa Atawhai  
Dunedin Office | Ōtepoti

s9(2)(a)

**From:** Heike Mohr  
**Sent:** Thursday, 23 April 2020 5:50 pm  
**To:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Subject:** FW: How to clearly set out beehive activity fees in Concession Contract

Hi Bryn

Thanks again for making contact with us and figuring this out together.

I would say the first option seems not appropriate, it is not clear that there will be a fixed rate invoiced each year regardless if hive site was utilised or not. The Price Book clearly states a base fee of \$30 per hive plus GST needs to be charged for maximum number of beehives approved.

Beehives	<p>Base rental fee:</p> <ul style="list-style-type: none"> <li>\$30 per hive, per annum. Based on the number of hives allocated.</li> </ul> <p>Additional premiums where Manuka honey production:</p> <ul style="list-style-type: none"> <li>\$75 per hive, per annum. Based on the number of hives allocated.</li> </ul> <p style="text-align: center;">Or</p> <p>\$10 per hive, per annum + 10% of revenue based on the number of hives used.</p> <p>The revenue sharing option is only available if the concessionaire has the equipment to allow DOC to remotely monitor the weight of the honey being obtained. Other conditions may also apply</p>
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Option 2 is good but I felt something was missing. I discussed with Ash ( Senior Fee adviser) and we came up with this

1.	<p><b>Concession Fee</b> (clause 4)</p>	<p><b>Activity Fee:</b>  <u>Minimum Fee</u>          \$3600 plus GST per annum</p> <p>This has been calculated on the standard rate for non-manuka beehives of \$30.00 per hive plus GST per annum using the maximum allocation of beehives.</p> <p><u>Additional Fee</u>          A premium fee of \$75 per hive plus GST per annum for every hive which produces monofloral manuka honey.</p> <p><b>Management Fee:</b>          \$400.00 per annum plus GST</p> <p><b>Environmental Monitoring Fee</b> (clause 9)          Standard Department charge-out rates for staff time and mileage is applicable if and when required. ( I usually add this when I draft re-issues or conforming tack contracts to</p>
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		<p>ensure DO offices can charge for their monitoring visits if needed --Permissions advisors seem to follow different systems and rules. I am not sure what is correct. But for us we are told to include this for the reason mentioned above.)</p> <p><b>Community Services Contribution</b> (clause 6)</p> <p>Not required</p>
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What do you think?

It is probably best practice to include the calculation methods in the DSD instead of the contract. Basically enough in the contract to inform the concessionaire of the actual fee and the basis on which it was calculated. You probably didn't know, any methodology included in the contract itself is a constraint for us when undertaking the 3 yearly rent review. The detailed explanation and calculation you provided would be great to include in the DSD for the concession fees. The same would apply for the management fee, e.g. management fee of \$400 plus GST, consisting of \$150 basic rate and \$100 rent review fee and \$150 collecting of activity returns.as per guidance doc DOC-596529. It helps permissions advisors, our team and probably other team members within DOC if it is clear how the fee was established.

It would be great to see that any new beehive concessions have the same wording in their contracts. ( Once we come up with a final definition).

I hope this is not coming across harsh, recommending all these changes. Remember this is just a recommendation based on my experience... super happy to discuss if you think it could be worded better.

Many thanks  
Heike

## Heike Mohr

National Transaction Centre Advisor  
Department of Conservation—*Te Papa Atawhai*  
s9(2)(a)

### Planning, Permissions and Land

Ōtepoti/Dunedin Office  
John Wickliffe House - Level 1 | 265 Princes Street | Dunedin 9016  
s9(2)(a)

Conservation leadership for our nature *Tākina te hī, tiakina, te hā, o te ao tūroa*  
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**From:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Sent:** Monday, 20 April 2020 2:28 pm  
**To:** Heike Mohr <[hmohr@doc.govt.nz](mailto:hmohr@doc.govt.nz)>  
**Cc:** Sharon Te Whaiti-Rowe <[stewhaiti-rowe@doc.govt.nz](mailto:stewhaiti-rowe@doc.govt.nz)>  
**Subject:** How to clearly set out beehive activity fees in Concession Contract

Hi Heike,

Thanks for catching up with me on Friday.

I know you mentioned a base rental fee for beehives of \$30 + GST per hive (regardless of whether honey is manuka or non-manuka), and then an additional charge for any hives that produce manuka.

Me and Sharon have been discussing how best to set out the activity fee in the Concession Contract.

Can you look at the two Options below, tell us which one is better/makes sense to you from a billing perspective? Alternatively, if you can think a better way of clearly setting this out in the Concession Contract so the Applicant understands what they are paying for.

**Options 1**

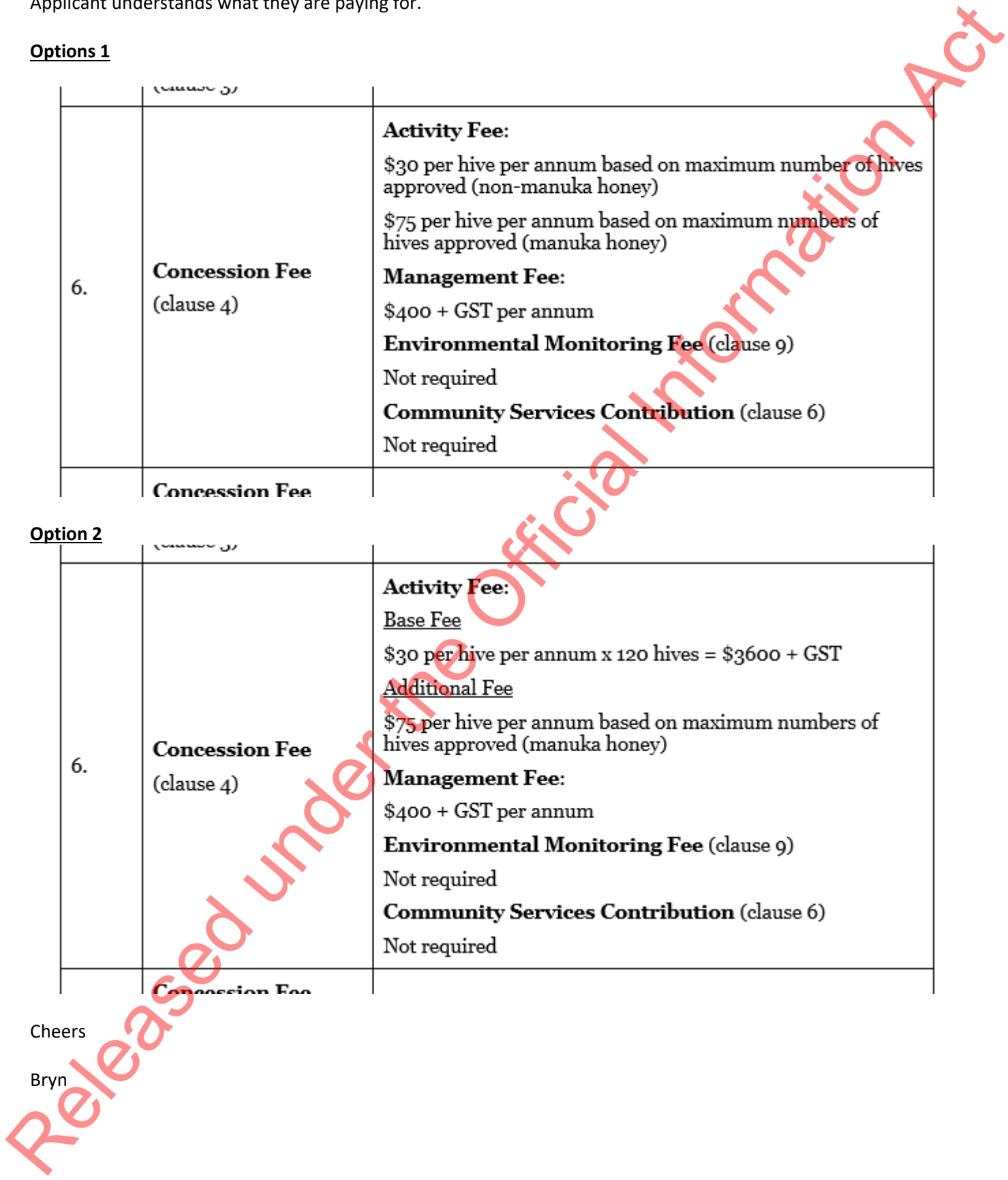
6.	<b>Concession Fee</b> (clause 4)	<p><b>Activity Fee:</b>            \$30 per hive per annum based on maximum number of hives approved (non-manuka honey)            \$75 per hive per annum based on maximum numbers of hives approved (manuka honey)</p> <p><b>Management Fee:</b>            \$400 + GST per annum</p> <p><b>Environmental Monitoring Fee</b> (clause 9)            Not required</p> <p><b>Community Services Contribution</b> (clause 6)            Not required</p>
<b>Concession Fee</b>		

**Option 2**

6.	<b>Concession Fee</b> (clause 4)	<p><b>Activity Fee:</b>  <u>Base Fee</u>            \$30 per hive per annum x 120 hives = \$3600 + GST</p> <p><u>Additional Fee</u>            \$75 per hive per annum based on maximum numbers of hives approved (manuka honey)</p> <p><b>Management Fee:</b>            \$400 + GST per annum</p> <p><b>Environmental Monitoring Fee</b> (clause 9)            Not required</p> <p><b>Community Services Contribution</b> (clause 6)            Not required</p>
<b>Concession Fee</b>		

Cheers

Bryn





# Memo



Department of  
Conservation  
*Te Papa Atawhai*

Date: 22 January 2021  
To: Deidre Ewart, Business Support Manager, PPL  
Cc: Marieke Mahoney, Commercial Economics Manager  
From: Dhritidyuti Bose  
Subject: **Beehive Concession Activity Fee Review – Options**

## Executive summary

- Average non-mānuka price (per kg) fell from \$11.3 in 2017 to \$6.25 in 2019 (MPI).
- Average mānuka price (per kg) fell from \$80.0 in 2016 to \$65 in 2019 (MPI).
- Beekeepers are building up honey stocks as prices continue to fall.
- ApiNZ noted beekeepers are reluctant to provide their own pricing information.
- ApiNZ felt that \$75 fee per hive was fair for higher grade mānuka.
- ApiNZ felt that \$30 fee per hive for non-mānuka was too much.
- Three fee options discussed in his memo are:
  - Fixed fee per hive: this provides certainty on dollar rental but misaligns with the market when prices persistently rise (2010-14) or fall (2017-20)
  - Percentage of revenue fee: this aligns with the market but is challenging to administer when stocks are built up and not sold
  - Base fee plus percentage of revenue: this provides certainty of minimum fees when stocks are not sold, and when they are sold the total fee comprises the base fee *plus* the percentage of revenue fee.
- Recommended next steps include discussing the above fee options, critical questions and some administrative issues covered in section IV with concessionaires as identified by PPL.

## I. Purpose and context

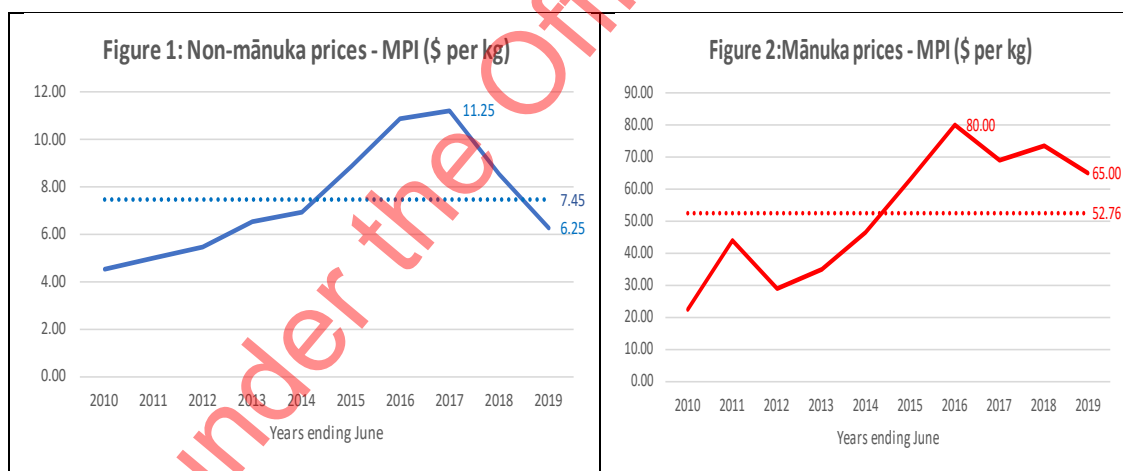
1. This memo provides beehive fee options for engaging with the beehive concessionaires. This is based on our meeting with Apiculture New Zealand (ApiNZ) and work done so far (summarised in [DOC-6285003](#)).
2. This work responds to Planning, Permissions and Land (PPL's) task for reviewing the current per hive activity fees of \$30 for non-manuka and \$75 for manuka honey in the Concession Activity Fee Pricing Book<sup>1</sup>. ApiNZ in June 2019 also requested the Department of Conservation (the Department) to review these fees in view of the falling non-manuka honey prices.

<sup>1</sup> The Price Book's current fees are \$30 per non-mānuka hive and \$75 per mānuka hive or an additional premium \$10 per hive + 10% of revenue based on the number of hives used for mānuka honey. The revenue sharing option is only available if the concessionaire has the equipment to allow the Department to remotely monitor the weight of the money obtained (See, [DOC-6550358](#)).

- Section II discusses the Ministry of Primary Industry (MPI)'s honey market update and lists Apiculture New Zealand's (ApiNZ) points discussed in our meeting with them in December 2020. Section III analyses the sensitivity of beehive activity fees to the range of honey prices (low, average and high) published by the MPI. Section IV discusses three beehive activity fee options, critical questions and some administrative issues for engaging with the concessionaires. Section V suggests some next steps.

## II. Honey market updates from MPI and ApiNZ

- The MPI data show that the average non-mānuka price (per kg) decreased from \$11.25 in 2017 to \$6.25 in 2019, which is now below the 2010-19 average of \$7.45. MPI's December 2020 outlook expects non-mānuka prices to continue to fall over the next two years reflecting falling demand and the impacts from MPI's stricter definition for mānuka (Figure 1).
- Average mānuka price (per kg) declined from \$80 in 2016 to \$65 in 2019. The price is still above the 2010-19 average of \$52.76. MPI's December 2020 outlook expects mānuka prices to hold up owing to continued high demand in 2020 for healthy lifestyle retail food products (Figure 2).



- ApiNZ indicated that non-mānuka prices (per kg) were around \$3.50-\$4.00 in December 2020. Mānuka prices varied within a wide range - the prices for low grade mānuka were around \$6-\$12 per kg (Table 1).

	MPI (2018/19 ending June)		ApiNZ (Dec 2020)
	Range	Average	
Non-manuka (Price/kg)	\$3.50-\$9.25	\$6.25	\$3.50-\$4.00
Manuka (Price/kg)	\$5.00-\$125.00	\$65.00	\$6.00-\$12.00*

\*Refers to low grade manuka; for higher grade APINZ indicated a yearly fall by 15%.

7. Other points noted by ApiNZ in our meeting were:

- honey stocks were piling up due to high production and “only incremental” increase in export demand;
- higher stocks were escalating storage costs;
- beekeepers were increasing the number of hives to support production;
- beekeeping was not impacted by COVID-19 although border closures was impacting activities in absence of overseas workers;
- individual beekeeping businesses will have their own pricing information available, however they are often reluctant to sharing – best would be to assume the last year’s prices;
- they could provide data on honey production per hive and the number of hives;
- they may be able to synchronise their beekeeping year - honey production, testing results for the honey type and the activity reporting phases - so as to match a common start/end months of the concession year that the Department can adopt for all the concessionaires regardless of their concession start dates;
- the sites matter for the type and value of honey extractable;
- ApiNZ considered the fee of \$75 per hive for higher grade mānuka as fair, but \$30 per hive for non-mānuka was too much;
- ApiNZ suggested that within the mānuka category there could be further differentiation based on the quality/grade of honey;
- bigger Manuka businesses may be interested in a risk-sharing (Percentage of Revenue) approach, however for smaller operators, certainty over pricing (a “per hive” fee) was important;
- ApiNZ did not trust the MPI report pricing ranges, however said there is no better indicator available at the moment either;
- marketing is often the “value-add” step that determines final pricing, rather than honey production itself;
- ApiNZ questioned whether the administrative process could be made simpler; and
- ApiNZ asked to explore a “holding fee” model for sites that are not used actively by the concessionaire.

### III. Sensitivity of beehive fees to honey prices

8. Beekeepers are currently concerned about falling prices. The wait and watch policy make the selling prices hard to predict. The prices also vary based on the honey type.
9. Tables 2 and 3 use the MPI's average prices for 2019 along with prices indicated by Haines Apiaries (a top concessionaire) and ApiNZ (for non-mānuka) honey and the production yields per hive published by MPI for 2019 and the average derived from the concessionaires' activity returns to determine a grand average revenue per hive, and then an 8% fee<sup>2</sup> is applied on this grand average revenue to estimate the activity fees of \$17 per hive for non-mānuka and \$89 per hive for mānuka honey (see [DOC-6139430](#) for details).

Estimated revenue per hive based on specified honey prices (rows) × yields per hive (columns) for non-mānuka honey			
	MPI yield (\$25.1/hive)	Concessions' average yield (\$16.8/kg)	Average revenue per hive
	(Price × yield)	(Price × yield)	
MPI price (\$6.25/kg)*	\$157	\$105	\$131
Haines Honey price (\$20.3/kg)*	\$510	\$341	\$425
Apiculture NZ price (\$4.3/kg)	\$108	\$72	\$90
Grand average revenue per hive			\$215
<b>Estimated Fee per non-manuka hive</b>			<b>\$17</b>

\*Refers to data provided by Haines Apaires in November 2019

Estimated revenue per hive based on specified prices (rows) and yields per hive (columns) for mānuka honey			
	MPI yield (\$25.1/hive)	Concessions' average yield (\$11.3/kg)	Average revenue per hive
	(Price × yield)	(Price × yield)	
MPI Prices (\$65/kg)	\$1,632	\$735	\$1,183
Haines Honey prices (\$57/kg)*	\$1,443	\$650	\$1,047
Grand average revenue per hive			\$1,115
<b>Estimated Fee per manuka hive</b>			<b>\$89</b>

\*Refers to data provided by Haines Apaires in November 2019

10. Table 4 shows how the estimated fees change, if alternatively, low, average and high prices of the non-mānuka and mānuka price ranges published by MPI for 2019 are considered. This shows non-mānuka fee could vary \$15-\$18 per hive while mānuka fee could vary within a wide \$46-\$133 per hive.

<sup>2</sup> The 8% fee is based on the Price Book's percentage of revenue fee method (base fee: 7.5%+exclusivity: 0.5%)(See [DOC-6139430](#) for details).

		Non-mānuka		Mānuka	
		MPI Prices for 2019	Fee/hive	Prices for 2019	Fee/hive
	Lowest	\$3.50	\$15	\$5.00	\$46
	<b>Average</b>	<b>\$6.25</b>	<b>\$17</b>	<b>\$65.00</b>	<b>\$89</b>
	Peak	\$9.25	\$18	\$125.00	\$133

#### IV. Pricing options

##### A. Methodology

###### Option 1: Fixed fee

11. An option could be to continue with the current Price Book system of setting fixed fees per hive. It provides a certainty to the concessionaires on their dollar rental cost. Another advantage is that it is easy to administer. However, persistent increases/decreases in honey prices misaligns the fixed fee with the market. For instance, the concessionaires benefited when non-mānuka prices kept increasing over 2010-2017 while they pay fixed dollar fees. However, a falling trend in these prices after 2017 is putting them at a disadvantage.

12. Key questions if the fixed fee per hive needs to continue are:

- What is/are the factors to consider for fixing the fee?
- What approach to use to fix the fee level based on those factors?
- How often should the fixed fee be reviewed – annual or three years? (And based on what?)
- Should there be further differentiation between Manuka grades?

Table 5 provides a detailed list of the questions.

1	If the fee needs to be linked to a market indicator – what should that be? If it is honey prices, then should they be based on MPI's low/average/high prices or can the concessionaires provide information on prices based on their latest selling invoices in their activity returns?
2	What components are considered for setting honey prices? What role does marketing play for final pricing?
3	If the fee needs to be linked to production yields per hive, can the concessionaires provide this information in their activity returns?
4	If the fee needs to be based on the types and grades of honey, then what are those sub-categories under non-mānuka and mānuka?
5	Are there any other indicators that need to be considered for fixing the fee?
6	What methodology can be used to determine the fixed fee per hive based on market and non-market indicators?
7	How can we keep the factors and methodology simple, consistent, fair and easy to implement for all the concessionaires?

8	How appropriate are the current levels of fixed fees per hive for non-mānuka (\$30) and mānuka fees (\$75) indicated in the Price Book?
9	What are your views on setting a "holding fee" model for hives that are not actively used? What factors can be used to determine this fee?

*Option 2: Percentage of revenue fee*

13. A percent of revenue fee provides an advantage of keeping the fee anchored to the market prices. However, as many concessionaires are currently building up honey stocks and waiting for the falling trend in non-mānuka prices to stop, the actual selling revenue would not be available for determining fees based on a percent of revenue framework.
14. Table 6 lists some critical questions for determining the percentage of revenue fees.

<b>Table 6: Critical questions for determining percentage of revenue fees</b>	
1	Can the concessionaires who are able to sell the honey produced during the same year provide activity returns with the requisite details? These details are (i) the prices, (ii) yield per hive, (iii) total production for all hives, (iv) actual revenue and (v) invoice fees based on a percentage of revenue fee as determined for the Price Book or otherwise agreed.
2	Can the concessionaires who are not able to sell the honey produced during the same year provide activity returns with the following details separately for non-mānuka honey and mānuka honey: (i) expected prices, (ii) yield per hive, (iii) total production for all the hives, (iv) estimated revenue and (v) fees to be invoiced based on a percentage of revenue fee?
3	How to ensure that the concessionaires not able to sell honey during the same year have the equipment to for the Department to remotely monitor the weight of the honey produced during the year?
4	How can the Price Book's percentage of revenue framework used to determine the percentage of revenue fees for non-mānuka honey and mānuka honey?

*Option 3: Fixed base fee plus percentage of revenue fee*

15. A combination of a fixed fee per hive plus a percentage of revenue from expected or actual selling of honey is a third option. Currently, the Price Book provides this option to some mānuka honey concessionaires who have the equipment to enable the Department to remotely monitor the weight of honey obtained. The mānuka fee as per this option is a sum of \$30 per hive + premium (\$10 per hive+10% of revenue based on hives used).
16. This option can be offered to all non-mānuka and mānuka concessionaires. A base fixed fee per hive ensures that the concessionaires always pay the minimum rental fee, and when they sell honey, they pay a percentage of revenue on top of the minimum rental fee. However, critical questions listed in Tables 5 and 6 will apply for this option.

B. Administrative issues

17. Currently, the concession year's start and end months differ across concessionaires depending upon their joining month as a concessionaire. To ensure consistency, the

concession year should match the beekeeping year beginning with production, testing for honey type, availability of test results, selling of honey and ending with the submission of activity returns to the Department. The Department needs to confirm from the concessionaires whether the consistency between the concession year and the beekeeping year can be achieved, and which can be common for all the concessionaires. In this context, several critical questions are listed below:

- What is the time lag between honey production and testing outcomes?
- Can beehive concessionaires get testing done for their honey produced and submit activity returns to the Department by attaching evidence of the testing results?
- What can be done to schedule timing of testing results and activity returns better?
- Should the Department match the concession year with the beekeeping year (producing, harvesting and testing) such that the year start/end dates remain same for all concessionaires rather than varying with the anniversary dates for the respective concessions?

**V. Recommended next steps**

18. The Commercial Economics (CE) team sends this memo to PPL for comments and finalise it memo based on their feedback.
19. PPL identifies key individual concessionaires to engage under the following groups:
  - Non-manuka honey (light clover, bush and others)
  - Multifloral manuka honey (including lower grade like UMF 5+ - and 10+)
  - Manuka honey (higher grade)
  - Monofloral honey (highest grade).
20. The CE team shares the fee options, critical questions and administrative issues (Section IV) with the identified concessionaires.
21. PPL arranges meetings with the identified concessionaires to discuss the fee options.
22. The CE team leads discussions in the concessionaire meetings.
23. The CE recommends the new Price Book fees.

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**From:** Deidre Ewart  
**Sent:** Tuesday, 13 April 2021 8:28 am  
**To:** Deidre Ewart  
**Cc:** Dhritidyuti Bose  
**Subject:** Beehive pricing review - Have your say

Kia ora,

DOC is reviewing the activity fees for beehive concessions.

This review is looking at our standard pricing for beehives. Any change to our standard pricing will be considered when the regular three-yearly rental review is undertaken for an individual concession.

Our goal is that our fees are fair and reasonable for the beehive opportunities we provide to concessionaires. As a part of the review we are also considering changes in honey prices and other factors affecting beehive activities.

As a beehive concessionaire we would really appreciate if you could take the time to complete the survey. Your response is critical to help us review our current fees.

You can access the survey here: <https://www.surveymonkey.com/r/DOC-beehives-survey>

The survey is anonymous. It should take no longer than 10 minutes to complete.

Please complete the survey by 20 May 2021.

If you would prefer to be interviewed rather than complete the survey please contact Dhritidyuti Bose ([dbose@doc.govt.nz](mailto:dbose@doc.govt.nz), s9(2)(a)) to arrange a time that suits.

Please also contact Dhritidyuti with any questions about the survey or the review.

Thanks in advance for completing the survey. We anticipate publishing any changes to beehive pricing on our website later this year as well as advising you directly. Any price changes would be applied to an individual concession at the time of the regular three-yearly rental review.

**Deidre Ewart**  
Business Support Manager – Pou Tautoko Kaipakihi  
Department of Conservation—*Te Papa Atawhai*  
Phone: s9(2)(a)

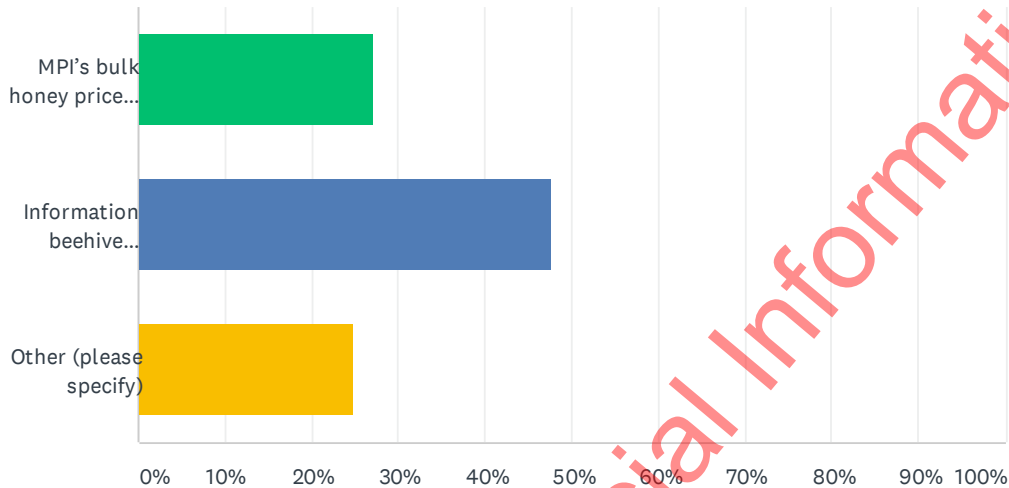
[www.doc.govt.nz](http://www.doc.govt.nz)





Q1 If DOC linked its fees to honey prices, we could use information from the Ministry of Primary Industries (MPI). Alternatively, we could use information that beehive concessionaires provide on honey prices which are derived from their own honey sales. Which honey prices do you think DOC should use?

Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
MPI's bulk honey price ranges (See <a href="https://www.mpi.govt.nz/dmsdocument/40849/direct">https://www.mpi.govt.nz/dmsdocument/40849/direct</a> , Table 5, page 6)	27.27%	12
Information beehive concessionaires provide on their honey prices	47.73%	21
Other (please specify)	25.00%	11
<b>TOTAL</b>		<b>44</b>

#	OTHER (PLEASE SPECIFY)	DATE
1	MPI's honey prices are probably based on the added value export price as they always seem to be unrealistically high as compared to the actual price that beekeepers may be paid. Perhaps DOC should take into consideration both the beekeepers and MPI sets of pricing to find a realistic and acceptable set of pricing guidelines.	5/17/2021 10:30 PM
2	Set a low rate per hive, restricting hive numbers to 1 hive per 2 hectares	5/13/2021 12:11 PM
3	Geographic variation of Honey activity levels and thus price would need to be addressed. Eg North Island vs South island	5/12/2021 3:19 PM
4	Information from the beehive concessionaires plus taking into review of the different regions as different scenarios occur around the country with drought conditions in different areas taking huge effects on the return from the hives or if any return is gathered at all and yet we still have to pay exorbitant fees or the price for the honey taken off does not compare against the price charged per hive	4/30/2021 11:51 AM
5	I have ticked this box so i can make a point. It needs to be the concessionaires and the annual apiculture report is too vague (\$5.00 - \$125.00) The MPI Report is not broken down to the grade of manuka honey and DOC needs the test results from the honey batches that are produced off each specific concession site. These can vary depending on the region and the season.	4/16/2021 4:20 PM
6	REGIONAL bulk honey price ranges, as there's a huge difference in honey price ranges between North and South Island and regions within each island, currently we seem to be paying top dollar prices on our low grade manuka and non-manuka concessions	4/15/2021 2:11 PM
7	Being aware of the export prices being paid to the exporter, and the prices paid to the	4/15/2021 9:20 AM

DOC Beehives survey

beekeeper is essential because those prices are very different. A mix of MPI's bulk price ranges and beehive concessionaires prices would be good.

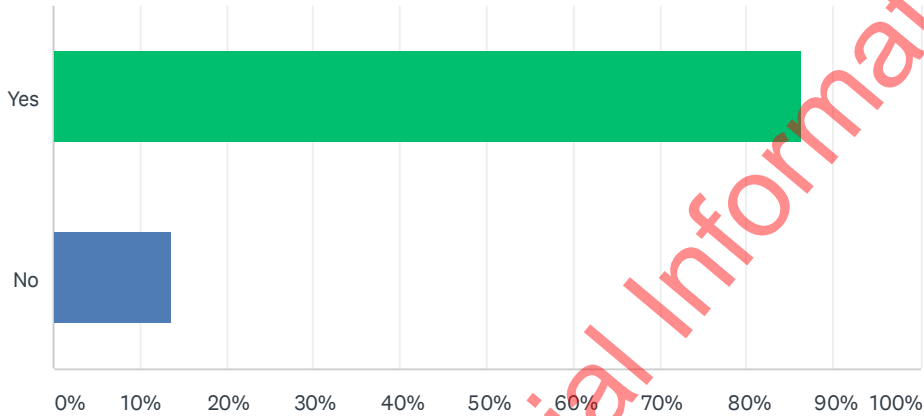
8	Honey prices differ each season depending on supply & demand . At present I have honey in stock from 2017 production season. A set fee as is in my current concession is I feel fare.	4/13/2021 7:59 PM
9	Honey from sites is different each year and beekeepers should submit a list of key MPI markers and activity levels to determine price based on updated MPI prices from the current year. Beekeepers will have this information and it can be traced back to site. MPI prices are generally 12 months out of step so cant reasonably use them unless they are updated to reflect the current market rates.	4/13/2021 3:28 PM
10	The only relevant honey price is that which the beekeeper receives for the crop in bulk. So MPI prices for retail or export honey must NOT be used. For instance I have been offered \$3.50/kg for Rata honey, but the retail price is around \$7.00 for a 500g pot. Stick with the actual price to the beekeeper.	4/13/2021 12:58 PM
11	Mark related prices of bulk honey sales	4/13/2021 8:49 AM

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Q2 If DOC linked its fees to types and grades of honey, do you agree with the categories below? Non-mānuka Mānuka Multifloral mānuka Monofloral mānuka Mānuka categories are based on MPI guidelines for multifloral and monofloral honey:

<https://www.mpi.govt.nz/dmsdocument/17374-Manuka-Honey-Science-Definition-infographic>

Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	86.36%	38
No	13.64%	6
<b>TOTAL</b>		<b>44</b>

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Q3 What changes do you suggest to the mānuka and non-mānuka categories? Non-mānuka Mānuka Multifloral mānuka Monofloral mānuka

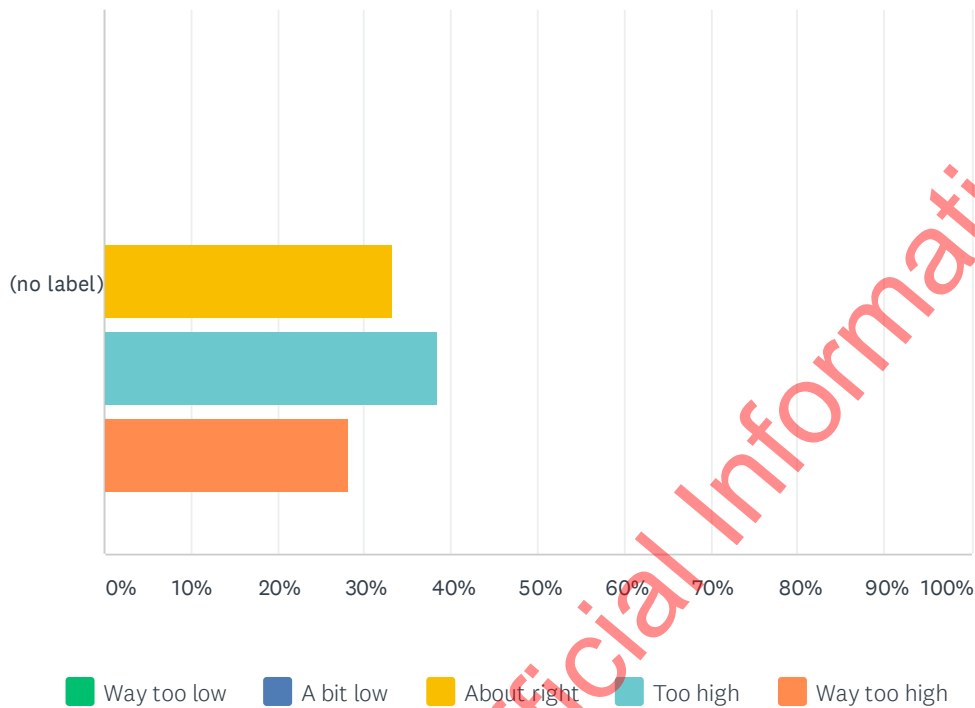
Answered: 4 Skipped: 40

#	RESPONSES	DATE
1	Disregard those 2 sub-categories	5/13/2021 12:12 PM
2	remove mpi from this process	4/30/2021 7:23 AM
3	DHA, NPA	4/16/2021 7:37 AM
4	Base it on regional data and don't use the highest/most lucrative data, take an average.	4/15/2021 2:12 PM

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### Q4 What do you think about DOC's current fixed fee of \$30 per hive for non-mānuka?

Answered: 39 Skipped: 5



	WAY TOO LOW	A BIT LOW	ABOUT RIGHT	TOO HIGH	WAY TOO HIGH	TOTAL	WEIGHTED AVERAGE
(no label)	0.00%	0.00%	33.33%	38.46%	28.21%	39	3.95
	0	0	13	15	11		

#	DO YOU HAVE ANY COMMENTS ABOUT THIS FEE?	DATE
1	The previous fee of \$10 per hive is more in line with our thinking.	5/20/2021 12:45 PM
2	\$5 per hive	5/13/2021 12:14 PM
3	cant sell my non manuka honey	5/13/2021 11:46 AM
4	The current cost to produce 1kg of honey is \$7-\$8 - due to rising compliance costs let alone the cost to meet export requirements	5/13/2021 7:46 AM
5	Non-manuka honey typically isn't worth much at all. We rely on volume just to make it pay which means placing more hives with then incur higher placement fees... If there is poor production due to the season then beekeepers are stuck with the same placement fee with little or no returns from those hives	5/11/2021 2:36 PM
6	The price paid for non manuka does not equate back to what the market is paying for this honey. also there is no stopping of other companies placing large amounts of hives around out side of the concessions and therefore cutting the returns that would be expected from this area whilst they are filling there boxes for no payment or a small fee to the local farmer for using his property.	4/30/2021 12:11 PM
7	Currently my business is struggling to have any sales. It is living on savings accumulated from better times. I did not have any sales between May 2019 and September 2020. Financially things are very hard. It should get better. The reapplication fee of over \$2500 is hard to take, especially when it is indicated to be for only 3 years.	4/29/2021 8:49 AM
8	I have recently sold 60 tonne of non manuka honey for \$3.50 / kg. The breakeven price is \$6 / kg as a beekeeper, lucky we focus on manuka so this is actually a by-product, but if that was all that was all the beekeeper was producing then they are not making a lot of money. It costs on average \$350 per years to run a beehive.	4/16/2021 4:26 PM

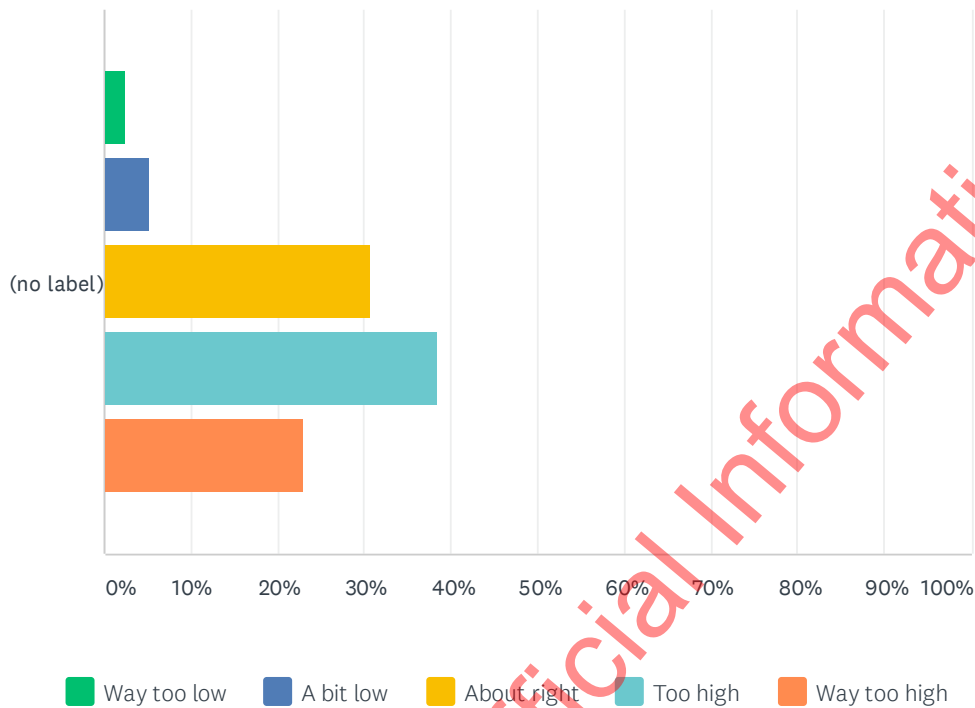
DOC Beehives survey

9	non-manuka honey is returning around \$3/kg and that barely covers overheads if at all, with some it is not worth having the concession anymore, especially on a poor year	4/15/2021 2:17 PM
10	When non-manuka pricing to the beekeeper is \$4-5 per kg and it costs \$10 to produce, that is hard to pay. Which is why I have pulled out of most of my DOC non manuka sites.	4/15/2021 9:29 AM
11	My concession fee is \$30 a hive & I produce Non Manuka Honey That at present is difficult to find a market for	4/13/2021 8:16 PM
12	Non manuka is down to \$4 a kg so if you yield an average of 35kg this only gets you \$140 gross less \$30 is \$110 profit...hives cost around \$300 to \$350 per year to be maintained, so anything \$20 and above makes the site extremely unprofitable.	4/13/2021 3:36 PM
13	It all depends on what the bulk honey price is. If the average price is around \$4.00/kg then one needs to produce around 8kg just to pay this fee. Average NZ production is 30kg/hive so a large proportion of the crop is spent on just hive siting, not to mention other DOC costs.	4/13/2021 1:06 PM
14	My farmer payments are currently about this level. They will have to go down more to \$20 or nonpayment if the current market of not able to sell, and if able , very low prices	4/13/2021 8:58 AM
15	We have around 800 hives the cost to service these is around \$300 each. We collect 30-50 Kg of honey say average 40Kg at the moment we have been getting paid 4\$ Kg which is \$160 . \$140 loss!	4/13/2021 8:57 AM

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### Q5 What do you think about DOC's current fixed fee of \$75 per hive for mānuka?

Answered: 39 Skipped: 5



	WAY TOO LOW	A BIT LOW	ABOUT RIGHT	TOO HIGH	WAY TOO HIGH	TOTAL	WEIGHTED AVERAGE
(no label)	2.56%	5.13%	30.77%	38.46%	23.08%	39	3.74
	1	2	12	15	9		

#	DO YOU HAVE ANY COMMENTS ABOUT THIS FEE?	DATE
1	Should be based on concessionaire's harvest	5/20/2021 12:45 PM
2	If beekeeper producing low grade manuka or in some cases multiflora manuka (if production per hive over 25 kg). No problem if beekeeper produced UMF 10+ manuka.	5/19/2021 1:49 PM
3	Just because there is manuka around it doesn't however guarantee you a crop each year	5/17/2021 10:43 PM
4	\$10 per hive	5/13/2021 12:14 PM
5	needs to be more specific to the grade being produced e.g. if the area produces only multiflora manuka this price is way too high	5/13/2021 7:46 AM
6	Considerably out of line with private landowner fees paid in the south island	5/12/2021 3:25 PM
7	Manuka does not have a consistent flowering period, it can be two weeks, it can be 8 weeks or not at all. Beekeepers spend a fortune on preparing hives, moving them into sites they are paying top dollar for. When the Manuka flowers well and beekeepers are able to produce a decent crop then life is great and we would be happy to pay the fees, but that would need to be reciprocated by DOC. Share the good seasons and the bad seasons. These high fees are breeding dishonesty with some beekeepers simply placing hives in hidden areas on doc sites for 4 weeks and removing them, often within 100 metres of a doc concession which means the beekeeper paying \$75.00 per hive to place them legally produces less honey and still pays.	5/11/2021 2:36 PM
8	This does not reflect on the difference between mono floral or multi floral honey. Also the other factor in this is that in some areas if you are selling your honey under the UMF standard then it may also fail the Leptosperin count	4/30/2021 12:11 PM
9	Mainly due to an erratic climate, I have not produced much Manuka in the last 5-6 years	4/29/2021 8:49 AM

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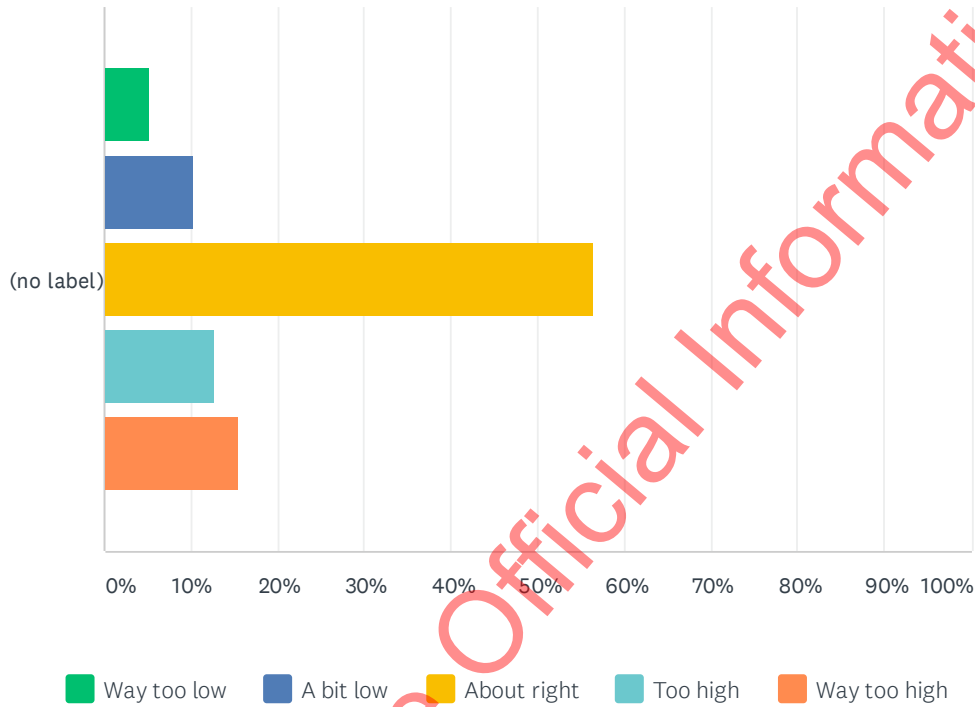
10	Its never going to keep every one happy but i think its about right. We \$50 / hive for poor sites and \$100 / hive for really good sites so this seems about middle ground.	4/16/2021 4:26 PM
11	way too high for those in low grade manuka regions that only return a mono-floral manuka crop on occasional years, which is why I believe it should be based on the average for a region	4/15/2021 2:17 PM
12	Unfortunately there is such a wide range of pricing for manuka depending on the umf grading. Not a level playing field. I am getting \$13-15 per kg for my manuka and it is hard to make a living at that.	4/15/2021 9:29 AM
13	As honey producers we take big risk from weather, poor flowering, over stocking of beehives, beehive disease beyond our control	4/13/2021 8:16 PM
14	The term is too loose...some sites will get \$15/kg honey others \$60/kg...need some method to determine the value...also how hard is the site to access?? a big factor!! The \$75 seems to be reasonably fair.	4/13/2021 3:36 PM
15	See my comments above. It depends on the yield per hive, the quality of the honey, and the price that honey reaches. All are out of the control of the beekeeper. For a good season, with good crops and prices, this fee is sustainable. But not this year!	4/13/2021 1:06 PM
16	Up to \$100 per hive, as a maximum	4/13/2021 11:46 AM
17	There is a large variation on the price we get for mono-floral Manuka e.g. in Marlborough and NPA of 8 is high yet in parts of the North they get NPA 25 and the price is about a 100% higher. That is why I would prefer the price we get sets the price we pay to DOC.	4/13/2021 11:05 AM
18	It does depend on the grade of manuka. Some sites are a lot more valuable, however consistency is also a real issue for beekeepers. Maybe you could allow the beekeeper to pay off the \$75 fee over 12 months if its a bad season? That would be a big help as low quality honey s hard to sell.	4/13/2021 10:53 AM
19	I havent produced much monofloral manuka in the last 6 years. A series of difficult climate events.	4/13/2021 8:58 AM
20	The activity of Manuka Honey in our aria is low 4.5-at the most 6.5 and it has high Kanuka as well . Which often downgrades it to bush blend.	4/13/2021 8:57 AM
21	The price can not be fixed as the grade and volume of honey produced is not constant year on year	4/13/2021 8:51 AM

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Q6 What do you think about DOC's current 'base plus percentage of revenue fee', which is \$10 per hive allocated plus 10% of revenue? (This option is only available if the concessionaire has equipment to allow DOC to remotely monitor honey weight, otherwise it will be a fixed fee per hive)

Answered: 39 Skipped: 5



	WAY TOO LOW	A BIT LOW	ABOUT RIGHT	TOO HIGH	WAY TOO HIGH	TOTAL	WEIGHTED AVERAGE
(no label)	5.13%	10.26%	56.41%	12.82%	15.38%	39	3.23
	2	4	22	5	6		

#	DO YOU HAVE ANY COMMENTS ABOUT THIS FEE?	DATE
1	We were not aware of this option, but it is appealing as our concessionaire does have the equipment and software to monitor the honey weight.	5/20/2021 12:45 PM
2	If honey quality is good around UMF 10+ beekeeper can share around 15% of revenue or even more depends on a quality of site.	5/19/2021 1:49 PM
3	Not appropriate	5/13/2021 12:14 PM
4	It'll be difficult to apply as honey is not selling as it use to. We still have honey we can't sell from 2 years ago. Many beekeepers are in this situation. Do you calculate 10% of revenue at time of harvest or at time of sale - under the current market pressures this model would be challenging	5/13/2021 7:46 AM
5	Great pricing structure! would need to determine honey prices very early in the season	5/11/2021 2:36 PM
6	Not having the equipment to do this I feel I cannot give a valid answer to this but working on our own approx. returns from our hives this would be a fairer way to go.	4/30/2021 12:11 PM
7	Does DOC want a share of the profit, but not pay up when there is a loss.	4/29/2021 8:49 AM
8	a hive price based on productivity is too variable-better a simple overall fee regardless of seasonal variation-everyone knows where they stand	4/22/2021 6:26 AM
9	We have some sites like this and we pay \$50 /hive and/or 20% of the value of the green	4/16/2021 4:26 PM

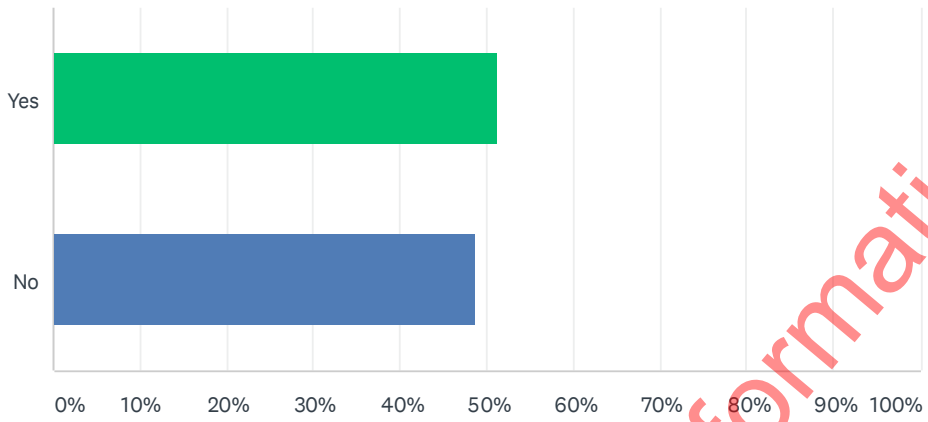
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	honey once extracted and tested.	
10	more lucrative for DoC but not the beekeeper	4/15/2021 2:17 PM
11	It sounds complicated especially when it can take 2 years or more to sell the honey?	4/15/2021 9:29 AM
12	Very difficult to manage as honey that has not sold if Active manuka can increase or in some instances drops in value as HMF levels increase to the point that markets will not accept the change due to ageing of honey. Market dictates when & what value the producer receives, this mite take some years to realise a sale, how can a %be calculated on value of unsold honey?	4/13/2021 8:16 PM
13	Seems low but access is the determining factor	4/13/2021 3:36 PM
14	Are you serious? How does DOC intend to monitor each hive? And determine the revenue, which will vary from beekeeper to beekeeper. Strikes me as a can of worms. Unworkable.	4/13/2021 1:06 PM
15	The cost to monitor honey weight is unreasonable and therefore impractical to sustain	4/13/2021 11:46 AM
16	Does not apply to me	4/13/2021 11:05 AM
17	Although unlikely any beekeeper would allocate such a resource to a block that produced anything below a UMF20+, given todays market.	4/13/2021 9:00 AM
18	Not relevant to my business. My answer above should be ignored. I cant proceed without ticking a box	4/13/2021 8:58 AM
19	Require further information to understand this model	4/13/2021 8:51 AM

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### Q7 Do you think DOC should charge a holding fee for sites that are not actively used?

Answered: 39 Skipped: 5

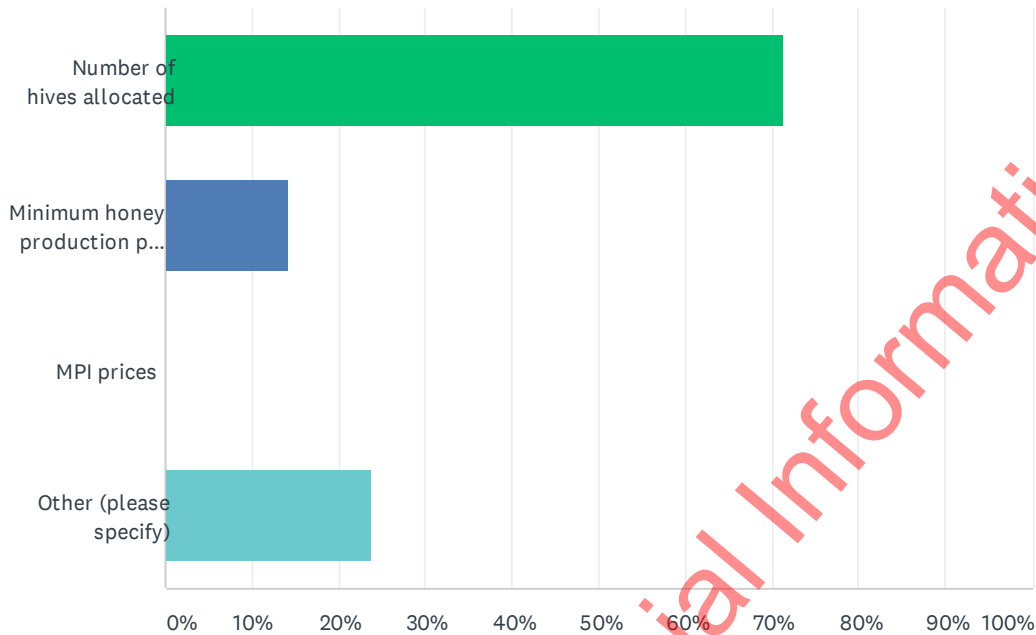


ANSWER CHOICES	RESPONSES	
Yes	51.28%	20
No	48.72%	19
<b>TOTAL</b>		<b>39</b>

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### Q8 What factors do you think DOC could use to set a holding fee for sites that are not actively used?

Answered: 21 Skipped: 23



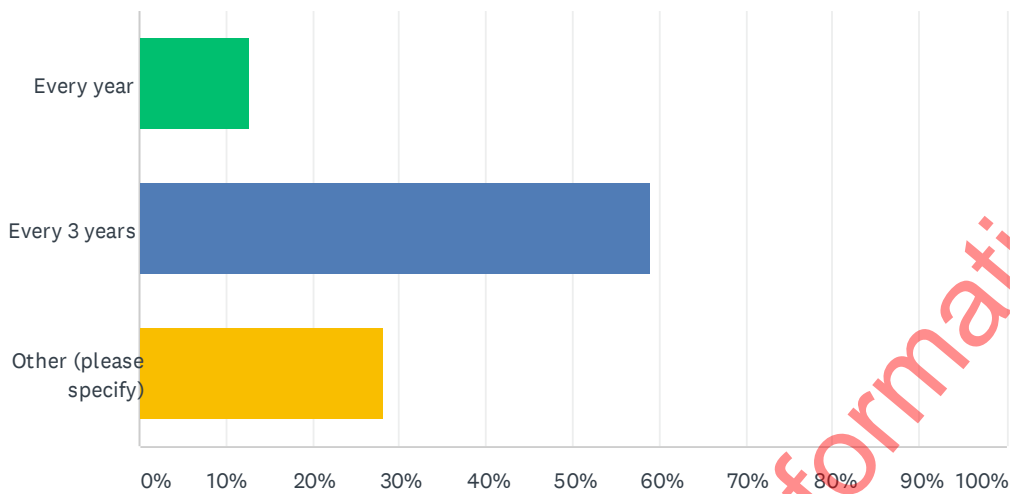
ANSWER CHOICES	RESPONSES
Number of hives allocated	71.43% 15
Minimum honey production per hive	14.29% 3
MPI prices	0.00% 0
Other (please specify)	23.81% 5
<b>Total Respondents: 21</b>	

#	OTHER (PLEASE SPECIFY)	DATE
1	If beekeeper want to use this site in a future then he need to pay for it and we think DOC should tender concession every 3 years to create healthy competition.	5/19/2021 1:59 PM
2	If they are not being used then either forego the concession and let someone else use it or pay \$50 / hive / year. It is revenue that doc is missing out on and honey that could be produced by another beekeeper.	4/16/2021 4:28 PM
3	A flat rate administration fee per site, minimum honey production per hive is 0 kg	4/13/2021 8:19 PM
4	A fixed cost per hive based on the maximum number of hives allowed per site (30)	4/13/2021 1:08 PM
5	I think if a good reason is given no charge but if no satisfactory reason given charge the per hive ammount.	4/13/2021 9:01 AM

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## Q9 How often should DOC review beehive activity category fees?

Answered: 39 Skipped: 5

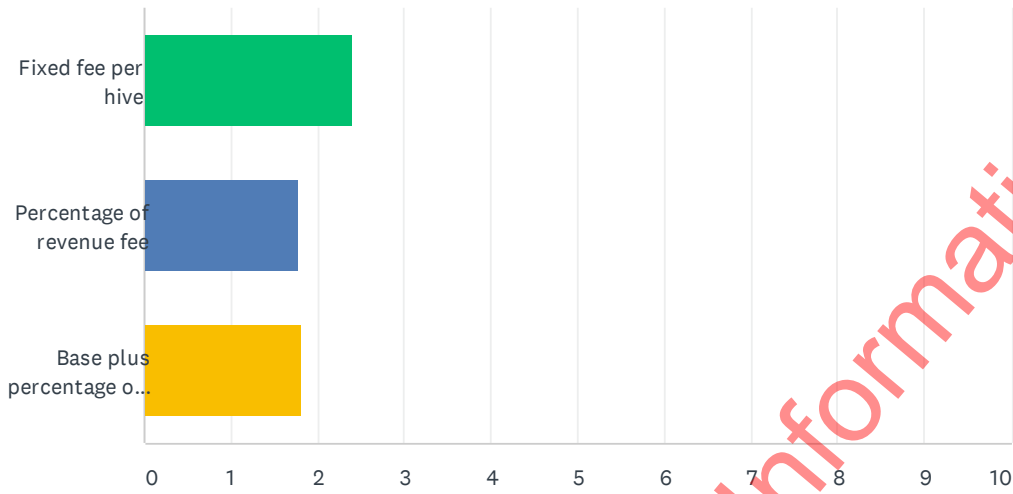


ANSWER CHOICES	RESPONSES
Every year	12.82% 5
Every 3 years	58.97% 23
Other (please specify)	28.21% 11
<b>TOTAL</b>	<b>39</b>

#	OTHER (PLEASE SPECIFY)	DATE
1	Every 5 years	5/13/2021 12:14 PM
2	Assess honey prices annually, if the market price is low and the flowering was poor then we would appreciate that to be considered by DOC	5/11/2021 2:39 PM
3	As every year is different with the returns and you end up paying out a lot of money for a small return which is putting a lot of companies under financial pressure	4/30/2021 12:14 PM
4	I would say every 2 years. 1 year would be and admin nightmare and the market moves so much year to year, depending on supply (good season or bad) and demand of manuka honey globally. The market can move a long way in 3 years.	4/16/2021 4:30 PM
5	5 years	4/16/2021 7:38 AM
6	In line with land rates review or at the renewal of beehive concession	4/13/2021 8:21 PM
7	Every year...The playing field is changing so quickly that prices are hard to keep up with and many beekeepers have not sold honey for 1 to 2 years so cash flow is non-existent	4/13/2021 3:38 PM
8	On a yearly basis, but use only staff that are experienced with bees and have some commercial knowledge. Too often in my experience DOC staff are ignorant of beekeeping practice and unaware of market realities. This can lead to misunderstanding and poor choices.	4/13/2021 1:10 PM
9	2 yearly	4/13/2021 11:47 AM
10	At the beginning of the concession	4/13/2021 9:02 AM
11	Ideally every 12-18 months given the changes in the market although 2-3 years understandable given the cost.	4/13/2021 9:01 AM

Q10 Which fee option do you think DOC should implement? Please rank your preferences.

Answered: 37 Skipped: 7



	1	2	3	TOTAL	SCORE
Fixed fee per hive	62.16% 23	16.22% 6	21.62% 8	37	2.41
Percentage of revenue fee	16.22% 6	45.95% 17	37.84% 14	37	1.78
Base plus percentage of revenue fee	21.62% 8	37.84% 14	40.54% 15	37	1.81

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## Q11 Why do you prefer your first choice?

Answered: 37 Skipped: 7

#	RESPONSES	DATE
1	This would be the preferred option because it will account for fluctuations in good seasons and not so good seasons	5/20/2021 12:54 PM
2	provides certainty	5/19/2021 7:03 PM
3	If we make a plan for 3 years but there still uncertainty on a market what price it will be for the honey product, I believe we(as a beekeepers) can sustain this deal and DOC will have certainty to be paid.	5/19/2021 2:37 PM
4	Consistency, budget for fixed cost, easy to verify, trustworthy	5/17/2021 10:56 PM
5	Everyone knows what they are paying and it is easier to administer	5/14/2021 3:04 PM
6	Equitable	5/13/2021 12:17 PM
7	reflects sales or not	5/13/2021 11:51 AM
8	you know exactly what you are to pay each year. This is my preference as long as the fix fee reflects the honey type and grade	5/13/2021 7:52 AM
9	straight forward to administer for both beekeeper and DOC	5/12/2021 3:32 PM
10	It's fair, if we cant sell our stock its not because we dont want to Its because we are struggling	5/11/2021 2:45 PM
11	EASY TO MANAGE	5/11/2021 2:09 PM
12	Because you know the exact number of hives. It is what you can be sure of.	5/4/2021 2:11 PM
13	Easy to administer	5/3/2021 8:36 AM
14	Because every honey season is different and it's hard to pay fixed fees on years when there is a poor honey crop	4/30/2021 10:11 PM
15	This to me is a fairer way to go and the percentage of revenue should be taken on the quality of the honey at the time of extraction not at the time of sale as the beekeeper has tken all the risk and hardship so should be aloud to make a reasonable return on his efforts	4/30/2021 12:25 PM
16	easier	4/30/2021 7:25 AM
17	certainty of outgoings. Keep my business dealings private	4/29/2021 8:55 AM
18	simple-everyone knows where they are re budgeting etc	4/22/2021 6:29 AM
19	DOC receives a fixed amount of money - good for budgeting and/or a top-up. However all honey gets sold eventually so I would make the beekeeper pay the % each year or have an estimated table for green honey prices. If the beekeeper doesn't sell or pack the honey they will go bankrupt.	4/16/2021 4:35 PM
20	fixed price	4/16/2021 7:40 AM
21	Costs are escalating and returns are deminishing. Fixed fee is much easier to use when budgeting.	4/15/2021 11:28 PM
22	less risk for beekeeper	4/15/2021 9:39 PM
23	self explanatory - honey may not sell for several years, and beekeepers can accurately budget their DoC fees	4/15/2021 2:27 PM
24	I would like to see a graded scale fee for hives depending on UMF potential of area eg 5+ umf \$30 per hive 10+umf \$45 per hive 15+umf \$60 per hive.	4/15/2021 9:46 AM
25	Good balance	4/14/2021 9:32 AM
26	Simple to collect	4/14/2021 8:38 AM
27	Fixed fee is a fixed cost that is factored into the seasonal management plan for annual	4/13/2021 8:51 PM

DOC Beehives survey

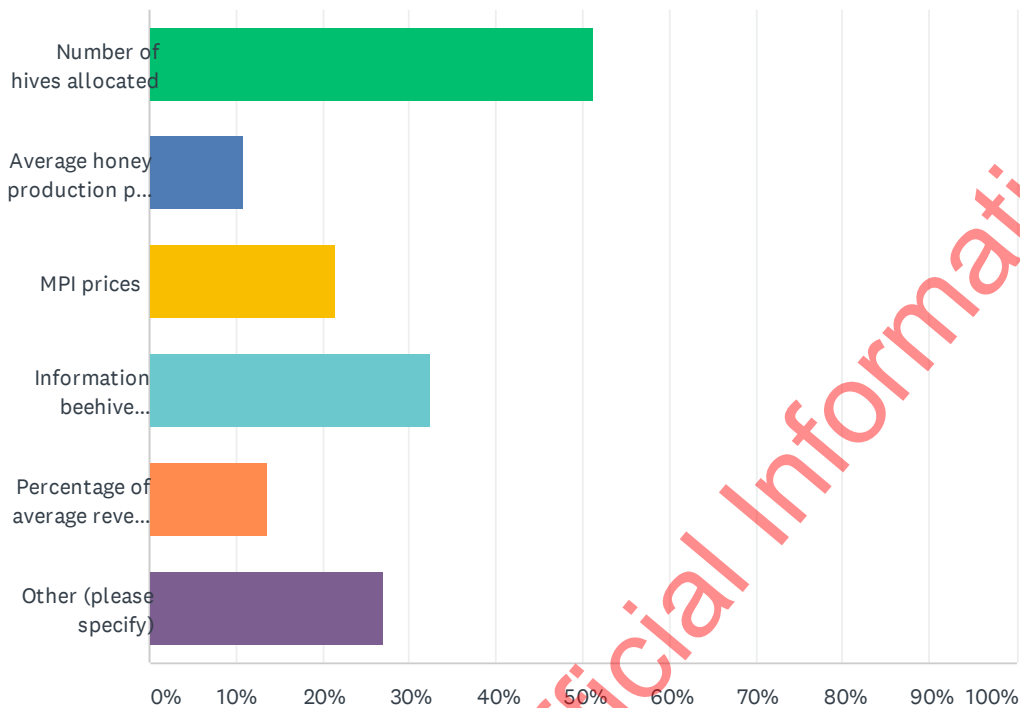
	expenditure	
28	Its cleaner and quicker for all...plus no one knows when their honey will sell and for what now. If DOC want a % then they could be waiting a while	4/13/2021 3:55 PM
29	% or revenue is difficult to administer and assess. I have always steered away from this. The likelihood is that many will falsify their revenue to avoid paying. Fixed fees are simple, easy to administer, and beekeepers can make decisions based on long-term economies. There are ups and downs in our industry and I feel that a reasonable long-term site fee and long-term leases are best. By long-term I mean 10 years at least. The 3 year term at present is too short.	4/13/2021 1:27 PM
30	It is the least complex, whilst the others are open to manipulation and/or too long to complete fee calcs.	4/13/2021 11:55 AM
31	it is simple	4/13/2021 11:08 AM
32	Easier on cash flow	4/13/2021 10:57 AM
33	Lowers the base, meaning cost likely to be covered by beekeeper in poor season. Ideally percentage of potential revenue would be better suited	4/13/2021 9:57 AM
34	ensure beekeeper remains profitable in a bad honey season	4/13/2021 9:23 AM
35	Sounds the fair option . Although admin could be complicated and open abuse. Fixed fee much easier and cheaper to administer	4/13/2021 9:07 AM
36	I object to disclosing the income to other organisations	4/13/2021 9:06 AM
37	Fixed fee per hive	4/13/2021 8:51 AM

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## Q12 If DOC implements a fixed fee per hive, which factors do you think we could use to set the fee?

Answered: 37 Skipped: 7



ANSWER CHOICES	RESPONSES
Number of hives allocated	51.35% 19
Average honey production per hive	10.81% 4
MPI prices	21.62% 8
Information beehive concessionaires provide on their honey prices	32.43% 12
Percentage of average revenue per hive	13.51% 5
Other (please specify)	27.03% 10
<b>Total Respondents: 37</b>	

#	OTHER (PLEASE SPECIFY)	DATE
1	I think it should be offered on open market for beekeeper to decided what they prepare to pay for each hive location. There too many factors to consider, but best option for DOC put the tender out per each property and see who have the best offer! Some comments on options above: - Number of hives allocated - this is up to each beekeeper to decided and you cant make decision on this because some people want to have 10 hives and some 40 hives. - Average honey production per hive - this is difficult because first beekeeper need to reports correct info and second some beekeepers with more experience can produce 30-40 kg per hive and others 10-15 kg MPI prices - not always acquired because depends on a deal between beekeeper and honey buyer price can be \$15-20 per kg different. - Information beehive concessionaires provide on their honey prices - there no guaranteed beekeeper will provide actual price, he may provide lowest price and sell product at much higher price. - Percentage of average revenue per hive - there to many variables, first beekeepers with different skills and experience can produced different kg per hive and second they can achieve different sail price based on they arrangement and quality of collected honey	5/19/2021 2:37 PM
2	On a per hive basis with no link to honey prices	5/13/2021 12:17 PM

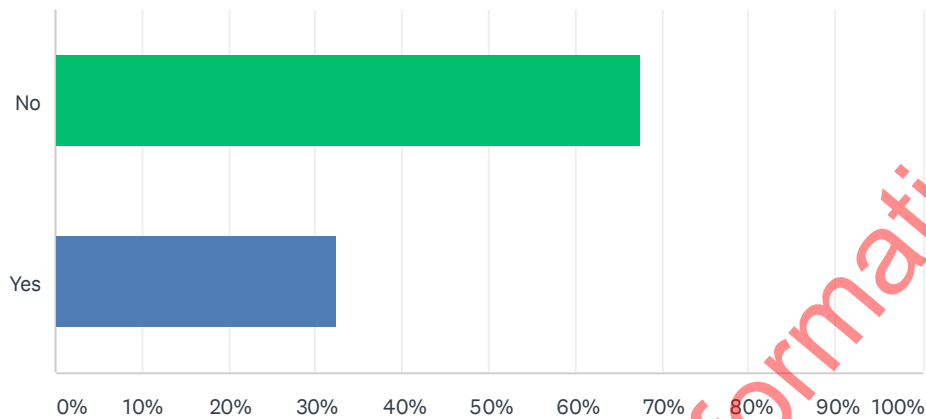
DOC Beehives survey

3	It should be somewhere around the \$75 mark. This would be fair and have no admin costs to run. The stocking rate of hives would need to be agreed for each block which is not hard.	4/16/2021 4:35 PM
4	MPI to accurately provide regional averages, its unfair that South Island beekeepers with low grade manuka are paying the same as lucrative high grade North Island beekeepers, and the same for non-manuka honeys which are now not worth producing or having concessions for	4/15/2021 2:27 PM
5	Fixed fee per hive based on 1) Average kgs per hive 2) UMF rating of the honey 3) Is the honey non manuka multi manuka or mono manuka. One price structure for all will not work. A vast difference between someone producing non manuka and someone producing 20+ umf manuka.	4/15/2021 9:46 AM
6	+ the administration fee	4/13/2021 8:51 PM
7	If you are paying \$75 a hive and for whatever reason you get clover rather than Manuka then you should be able to leverage the fee down...or up if your DOC	4/13/2021 3:55 PM
8	No. of hives is already fixed by DOC regs at 30 per site. Average production varies between seasons and also with the skill of beekeepers. Likewise prices vary between beekeepers depending on marketing, as will revenue and profitability. General price per kg of various honeys is easily found and varies with each season, world markets, and exchange rates. Simplest is to assess what is the average price per season for each variety of honey, and then charge a reasonable fixed charge (say 10% of the average national crop) for each hive. So on a non-manuka site it might be \$5/kg x (10% of 30kg) = 5x3= \$15. Simple. Multifloral at \$12/kg = \$36, Monofloral at \$20 = \$60. You would need to employ a qualified operative who could assess the honesty of beekeepers in declaring the above categories, however.	4/13/2021 1:27 PM
9	Quality of honey produced off the particular block. Ideal if historic data is available	4/13/2021 9:57 AM
10	A fixed price per hive is not the correct model to use as the kg produced year on year are not constant	4/13/2021 9:23 AM

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## Q13 Is there another fee methodology that you think DOC should consider?

Answered: 37 Skipped: 7



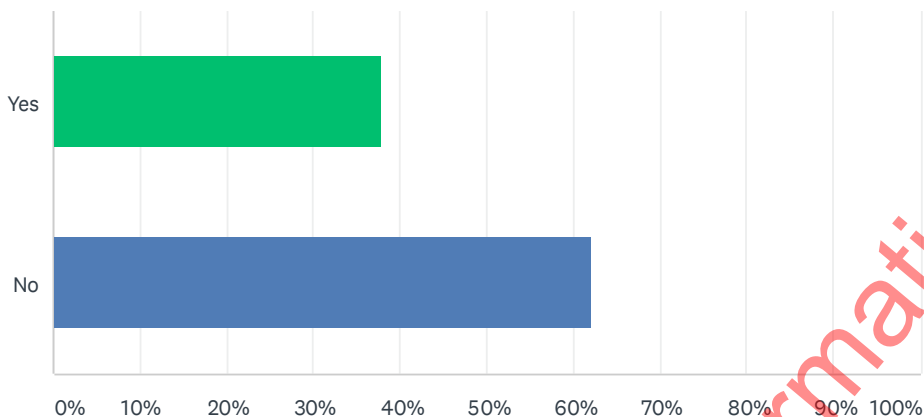
ANSWER CHOICES	RESPONSES	
No	67.57%	25
Yes	32.43%	12
<b>TOTAL</b>		<b>37</b>

#	YES	DATE
1	As an iwi organisation, we feel that it is in breach of the Tiriti O Waitangi to charge for the use of our own whenua. Therefore concession site fees should be zero.	5/20/2021 12:54 PM
2	Notify beekeepers through DOC website about upcoming tender for they properties. Then beekeepers will have a chance to present they offers with a base payment and % they prepare to share.	5/19/2021 2:37 PM
3	The fee should reflect the honey type and grade	5/13/2021 7:52 AM
4	Honesty and compliance... If beekeepers flaunt the rules they should be charged more. If a beekeeper places hives without a concession they should be banned from concessions for a period of time	5/11/2021 2:45 PM
5	a percentage of average revenue per hive would be good but it would have to be based on regions as each year different regions perform good but other years production can be very minimal	4/30/2021 12:25 PM
6	A site fee which we previously had	4/15/2021 11:28 PM
7	See previous comments	4/15/2021 2:27 PM
8	My answer was NO but it would not let me comment! My DOC concession sites produce Non Mono /multi floral manuka honey of which the price has dropped by \$4.00kg on the NZ honey production stats of approx 30kg per hive leaves me now approx \$120 less per hive x my 750 hives is a significant reduction in income revenue in recent times, very difficult some seasons to generate a Living Wage for staff with seasonal honey production & price fluctuations My answer was NO	4/13/2021 8:51 PM
9	The only reasonable method is a quick payment as the honey market is too unstable to do % payments.	4/13/2021 3:55 PM
10	concessionaire to pay a sliding scale percentage of the honey value calculated against a sliding scale of MGO activity. Must be backed up with testing reports done by certified labs in NZ. No other fees such as admin, to apply at all.	4/13/2021 11:55 AM
11	ease of Access to blocks should be considered. I.E Helicopter blocks are hugely expensive and roadside blocks are not.	4/13/2021 10:57 AM

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Q14 Does your beekeeping year run from 1 October to 30 September?

Answered: 37 Skipped: 7

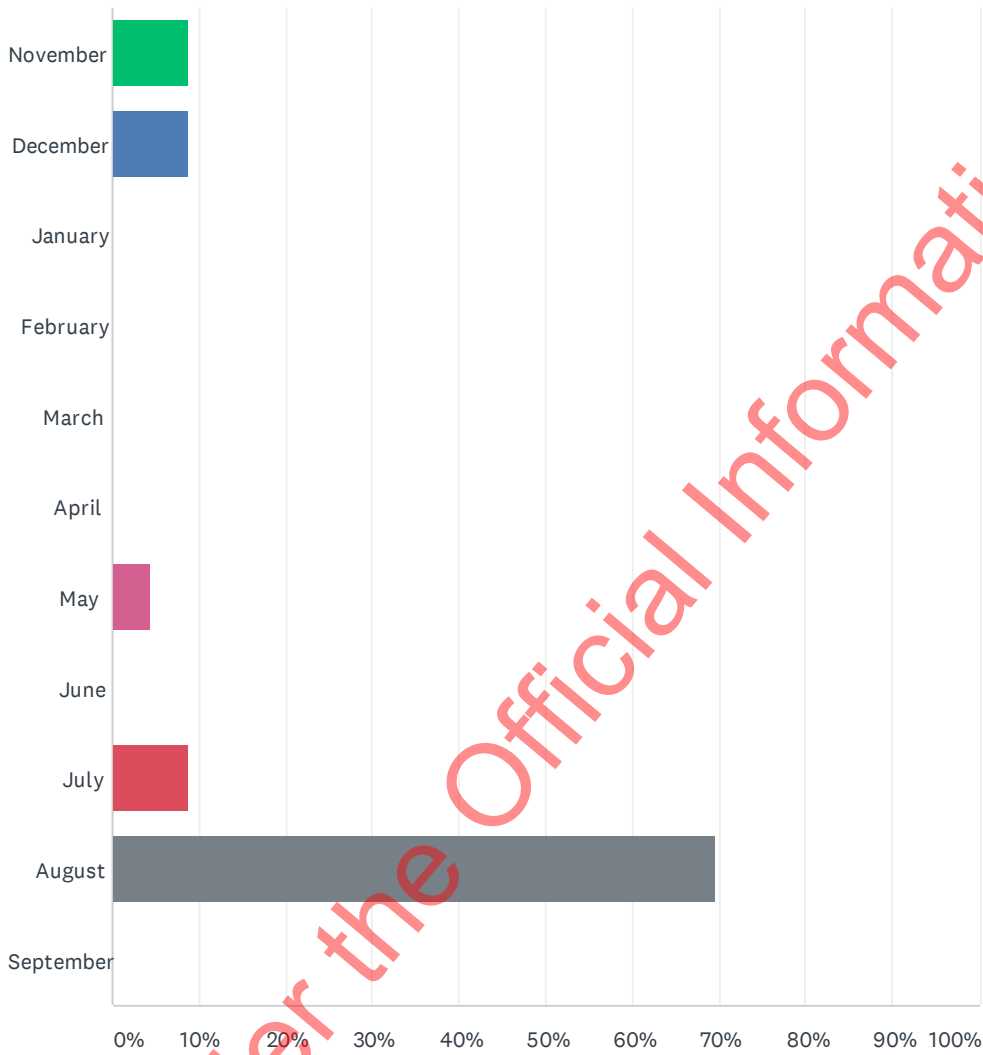


ANSWER CHOICES	RESPONSES	
Yes	37.84%	14
No	62.16%	23
<b>TOTAL</b>		<b>37</b>

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### Q15 If your "beekeeping year" doesn't start in October, what month does it start in?

Answered: 23 Skipped: 21



#### QUIZ STATISTICS

Percent Correct  
5%

Average Score  
3.7/11.0 (34%)

Standard Deviation  
3.27

Difficulty  
1/1

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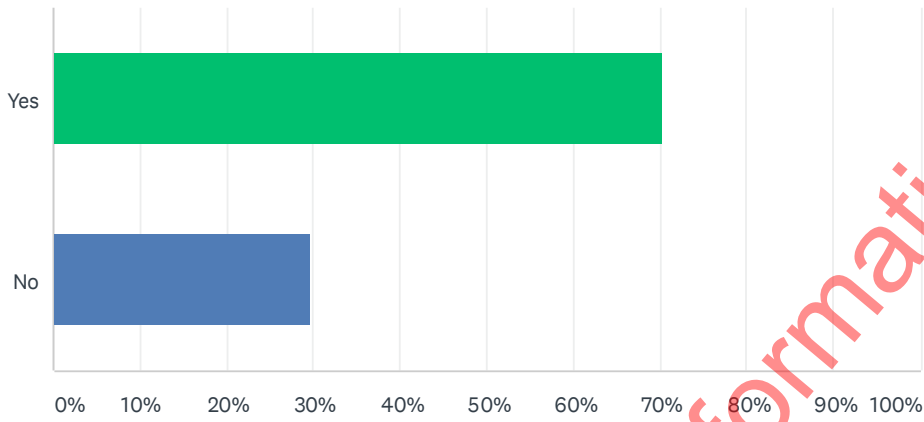
DOC Beehives survey

ANSWER CHOICES	SCORE	RESPONSES	
✓ November	11/11	8.70%	2
December	10/11	8.70%	2
January	9/11	0.00%	0
February	8/11	0.00%	0
March	7/11	0.00%	0
April	6/11	0.00%	0
May	5/11	4.35%	1
June	4/11	0.00%	0
July	3/11	8.70%	2
August	2/11	69.57%	16
September	1/11	0.00%	0
<b>TOTAL</b>			<b>23</b>

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Q16 Would it be easier for you if DOC aligned your concession(s) to the "beekeeping year"?

Answered: 37 Skipped: 7



ANSWER CHOICES	RESPONSES	
Yes	70.27%	26
No	29.73%	11
<b>TOTAL</b>		<b>37</b>

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## Q17 Do you have any additional comments about the "beekeeping year" and concession timing?

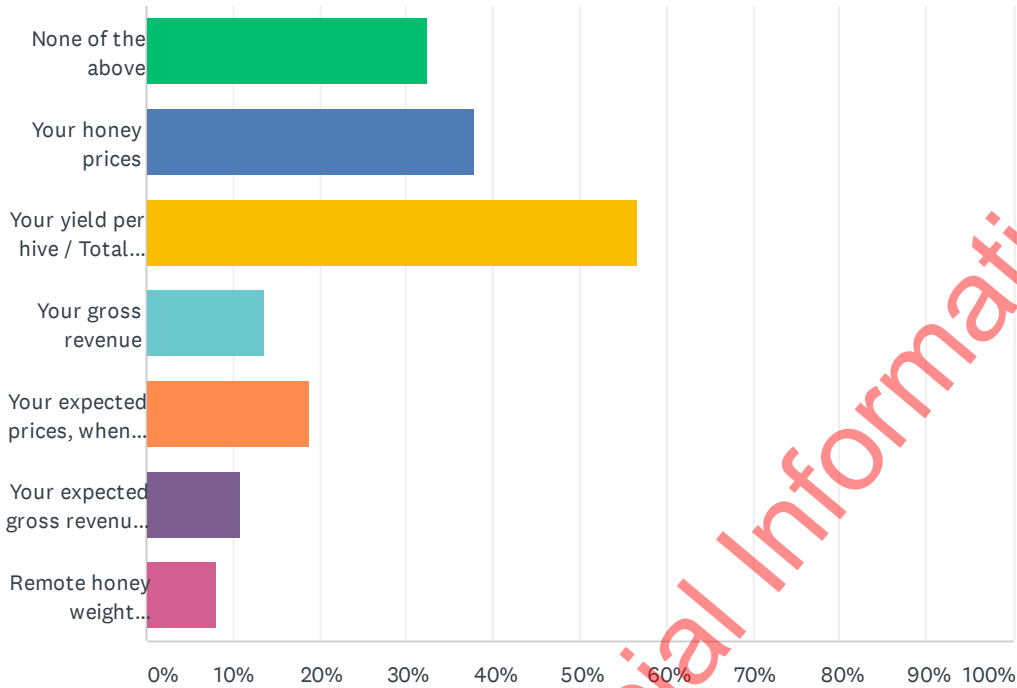
Answered: 17 Skipped: 27

#	RESPONSES	DATE
1	Other than we think the fees should be zero, payment of the costs should align with the income we receive from our concessionaires.	5/20/2021 12:59 PM
2	Main point about beekeeper season and rights to be on a property is time to plan and be able move his hives on and off the property. Important to place and remove hives when its still have reasonable access (dry weather conditions). I think concession should run from August till June, its mean hives can stay on a property for this period of time. Then beekeepers should be notified about upcoming tender for the property in March, then in April review of application should take place and in May beekeeper notified if he successful or not and have time in May to remove hives or keep them on a property.	5/19/2021 3:40 PM
3	Bees are generally wintered down and the most inactive mid winter. They start their new season as they break out of their winter cluster and grow in colony strength as the days get longer and warmer.	5/17/2021 11:03 PM
4	No	5/13/2021 12:18 PM
5	We used to be able to clearly define the honey wholesale buying periods e.g. April/May and Sept/Oct. However, under current market conditions it is impossible to say when your honey will sell or for how much.	5/13/2021 7:57 AM
6	We only use DOC locations for a 6 week period. Timing of concession renewal during winter time would be best	5/12/2021 3:36 PM
7	No	5/4/2021 2:15 PM
8	This would have to be based upon regions as different regions have different times for there starting of honey flow	4/30/2021 12:27 PM
9	I am very busy in November. My best time to deal with concession matters is in winter. May , June , July	4/29/2021 8:58 AM
10	The manuka season start in August in the far north and finishes in mid March in the back blocks of Taranaki. It depends which region the concession is in. Generally green manuka prices are not known till around June once all the honey from NZ has been extracted and the total harvest for the whole of NZ is known - the supply for that season. Some regions will produce poorly and some may produce really well. This year the Wairapapa was a disaster but Taranaki was good. Hive placement fees should be paid when the hives go on to the block. %age fees (price for green honey) wont be known until all the honey is in and the wash-up begins.	4/16/2021 4:43 PM
11	n/a	4/15/2021 9:40 PM
12	Often our concession fees are due when we have the analysis results on type of honey but no sale, meaning it comes when finances are low and adds pressure, especially if the results say monofloral manuka yet you can't find anyone who wants to buy it and DoCs fees are very high for low grade manuka.	4/15/2021 2:32 PM
13	It is very challenging to pay DOC fees prior to selling honey.	4/14/2021 9:33 AM
14	Invoicing for me would be best to be sent in April, to be paid in May as our holiday break is June / July Season starts in August	4/13/2021 8:58 PM
15	Not every beekeeping year will be the same, so that could be an option to chose, depending what part of NZ applies. It usually starts with hive placements for a targeted nectar flow that can be October for Northland and can be January for Taranaki. The honey flow period can last 4 - 10 weeks, so end period is well catered for if it is 30 September. The latter months will give time for testing and reporting and should always be completed beforehand. Perhaps an incentive to report in a timely manner could be offered along the line of a prompt payment discount.	4/13/2021 12:01 PM
16	The season for honey production is August to March moving from Northland to southland	4/13/2021 9:24 AM

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Q18 Please let us know which of the following you can provide:

Answered: 37 Skipped: 7



ANSWER CHOICES	RESPONSES	
None of the above	32.43%	12
Your honey prices	37.84%	14
Your yield per hive / Total Yield	56.76%	21
Your gross revenue	13.51%	5
Your expected prices, when you don't sell your honey in the same "beekeeping year"	18.92%	7
Your expected gross revenue, when you don't sell your honey in the same "beekeeping year"	10.81%	4
Remote honey weight monitoring at your site(s)	8.11%	3
<b>Total Respondents: 37</b>		

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## Q19 Do you have any other ideas to help DOC keep our pricing methodology consistent, fair and easy to implement?

Answered: 19 Skipped: 25

#	RESPONSES	DATE
1	Yes, it should be consistent across Aoteroa e.g. What is Ngai Tahu doing and their arrangement with DOC, what is Ngati Porou doing and their arrangement with DOC. Are these arrangements consistent with all iwi in Aoteroa?	5/20/2021 1:04 PM
2	no	5/19/2021 7:09 PM
3	To keep fair and competitive access to the DOC properties we thinking property should be tendering on a open market for all beekeepers to see it and for term of at least 3 years. This way its easy to see the best offer, good for the DOC to receive best offer and its fair for different areas with different potentials in a country.	5/19/2021 3:48 PM
4	Keep it simple and measurable. Ie. you can drive around and physically count hives. That is a good criteria for a base fee. The type of honey can easily be established or declared.	5/17/2021 11:09 PM
5	No	5/13/2021 12:18 PM
6	Please be a little more understanding and flexible with payments in accordance with market/industry challenges. We are extremely grateful to be working our whenua and appreciate the work DOC does to protect it. We have a wonderful relationship with our local DOC area office and are working hard to keep it that way	5/13/2021 8:03 AM
7	Not at this time.	5/4/2021 2:17 PM
8	The reason for not putting pricing for expected returns for honey is that although we may keep honey so we might get a better return for it we also run the risk of getting alower return if the market takes a down turn which has happened more recently	4/30/2021 12:33 PM
9	be friendlier, i have a bad taste from dealing with you	4/30/2021 7:27 AM
10	My honey harvest combines both DOC sites with Non DOC sites honey. How would I tell how much the DOC sites produced. If i was to only collect DOC sites, it would involve a lot of zigzaging round the place. A lot of extra hassel and cost.	4/29/2021 9:12 AM
11	no	4/22/2021 6:31 AM
12	yes but if you want to call me we can discuss further, i don't have time to write it out. s9(2)(a)	4/16/2021 4:44 PM
13	no	4/15/2021 9:40 PM
14	DO NOT, at least in our business, expect to be provided with hive weights, apiary yield, expected honey prices etc, as its virtually impossible to provide any of it accurately let alone base our fees on it. An average regional honey structure of fees would be best - eg, Tasman Region high grade manuka, low grade manuka, multifloral manuka, non manuka with it being structured to the average prices these honeys have sold for in the past or recent (2-3) years. MPI could provide this for DOC and DoC can submit it with the activity return form every year - and get professional with the activity return form as it has previously been an 'honesty' arrangement submitted on an excel form, at least provide a PDF system	4/15/2021 2:40 PM
15	A Price per Beehive + administration fee Beekeeper takes all the risk of seasonal weather fluctuations, over stocking of beehives & poor hive health on adjacent land, market demand for honey produced & fluctuation in market price, all make a very difficult concession pricing Non Manuka honey producers need a consistent concession pricing structure that ensures fare price paid per hive without discrimination for producing low value honey Honey production is more than only Manuka Honey	4/13/2021 9:17 PM
16	If you consider a hive costs \$300 to \$350 in fixed costs to run then work prices back from here you can work out fair and reasonable price to ask for the honey off the land...if you know the rating of the honey	4/13/2021 4:00 PM
17	I have many ideas, some of which are mentioned above. What I would like to emphasise is my long-term frustration in dealing with DOC. Too often I deal with officers who have no, or	4/13/2021 1:39 PM

DOC Beehives survey

slight knowledge of beekeeping, and limited commercial experience. It is hard to explain the realities of my industry to people who can't relate to what I try to explain. On the few occasions where I have had a good understanding with an official, often this person leaves ,or is transferred elsewhere. There is no corporate memory, and I find myself repeating the same discussion again and again. The decision making process is opaque and often seems to be on another planet. Hopefully this current process is a step in the right direction, but experience has shown that despite being asked for my opinion on matters in the past, I feel that this has been only an exercise in futility on my part. In short I'm frustrated! I look forward to dealing with competent and realistic DOC personnel in the near future, and would like to offer my experience and advice to enable this to happen.

18	My experience is that it has been far too complex, and there have been far too many miscellaneous fees. The cost to administer this should be reduced by simplifying the structure. It would be good if doc enlisted a knowledgeable and experienced "land manager" to discuss better methods, as unless the doc staff are qualified - it is hard to understand the industry as a whole.	4/13/2021 12:05 PM
19	DOC does not undertake the work, risk of business etc. Last year I made a substantial loss. No honey sales for 16 months. If you want to share the profit, then are you going to pay out money when I make a loss. If not, then don't expect a share of the profit. Question 16. This does not give the option to not want to disclose information	4/13/2021 9:15 AM

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# Memo



Department of  
Conservation  
*Te Papa Atawhai*

Date: 28 September 2021  
To: Natasha Ryburn, Director, Planning, Permissions and Land  
cc: Dave Johnstone, National Transaction Centre Manager  
From: Deidre Ewart, Business Support Manager

**Subject: Beehive Concession Activity Fee Review –  
Survey Monkey responses and Advice**

## Abstract

### Survey Monkey concessionaire responses (May 2021)

- Fees need to be set under three categories (non-mānuka, multifloral mānuka and monofloral mānuka).
- Fixed fee per hive system needs to continue.
- Current Price Book fees (non-mānuka: \$30/hive, mānuka: \$75/hive) are high.

### MPI's honey market update

- Non-mānuka price (mid-range) (per kg) fell from \$11.3 in 2017 to \$3.75 in 2020. Average non-mānuka export price (per kg) was \$22.5 in 2020.
- Mānuka price (mid-range) (per kg) fell from \$80.0 in 2016 to \$67.3 in 2020.
- Average monofloral mānuka export price (per kg) was at \$55.4 in 2020.
- Average multifloral mānuka export price (per kg) was at \$32.4 in 2020.

### Recommended beehive category fees for Price Book

- Non-mānuka: \$15/hive plus GST per annum (down from current fee of \$30/hive) based on the number of hives allocated.
- Monofloral mānuka: \$100/hive plus GST per annum (up from current fee of \$75/mānuka hive) based on the number of hives allocated, or \$10/hive based on hives allocated plus 10% of revenue based on the number of hives used plus GST (unchanged) for those having remote honey measuring equipment and opting for this option.
- Multifloral mānuka: \$40/hive plus GST per annum (down from current \$75/mānuka hive) based on the number of hives allocated.

# Memo



Department of  
Conservation  
*Te Papa Atawhai*

Date: 30 June 2021  
To: Deidre Ewart, Business Support Manager, Planning, Permissions & Land  
cc: Paul Casson, Commercial Economics Manager  
From: Dhritidyuti Bose, Senior Environmental Economist

**Subject: Beehive Concession Activity Fee Review –  
Survey Monkey responses and Advice**

## Abstract

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- Multifloral mānuka: \$40/hive plus GST per annum (down from current \$75/mānuka hive) based on the number of hives allocated.

## I. Purpose and context

1. This memo recommends new beehive activity fees for *Concession Activity Fee Pricing Book* (Section VI). This advice is based on beehive concessionaires' Survey Monkey Questionnaire responses ([DOC-6667667](#)) (Section II), the Ministry for Primary Industries (MPI)'s and Apiculture New Zealand (ApiNZ)'s honey market update (Section III) and fee-sensitivity analysis based on data from MPI, ApiNZ, concessionaires' activity returns and the Survey Monkey responses (Section IV), and critical issues (Section V).

2. This responds to Planning, Permissions and Land (PPL's) task assigned to Pricing & Economics (P&E) for reviewing the current per hive activity fees of \$30 for non-mānuka and \$75 for mānuka honey in the Concession Activity Fee Pricing Book<sup>1</sup>. ApiNZ in June 2019 also requested the Department of Conservation (the Department) to review these fees in view of the falling non-mānuka honey prices.
3. Findings from P&E's work done so far are:
  - Honey market analysis: Non-mānuka prices were falling because mānuka not meeting MPI's tighter monofloral definition were being redirected to increase non-mānuka supply, non-mānuka demand was falling, and the domestic honey market was correcting to lower international honey prices (P&E study, July 2019, [DOC-6016717](#)),
  - Draft fee advice: The per hive fees worked out lower for non-manuka (\$17) and higher for mānuka (\$89) than the current fees based on data available for 2019 – (P&E draft price review, December 2019, [DOC-6139430](#)),
  - Discussion with PPL: PPL advised P&E to engage with ApiNZ and the beehive concessionaires (team process, March 2020, [DOC-6284674](#)),
  - P&E's meeting with ApiNZ: ApiNZ felt that the current fees were high for non-mānuka and fair for high grade mānuka (January 2021, ([DOC-6551877](#));
  - Three fee options developed for engaging with beehive concessionaires: (i) Fixed fee per hive, (ii) percentage of revenue fee and (iii) base fee plus percentage of revenue were developed ([DOC-6551877](#)).

## II. Survey Monkey Questionnaire Responses

4. Annex 1 lists the responses from 44 beehive concessionaires grouped under three categories, namely, (a) fee settings, (b) administration/process and (c) follow-ups. The full report can be accessed in [DOC-6667667](#).

### *Fee settings*

5. On fee structure, the concessionaires' first preference was to continue with the fixed fee per hive model compared to the other two fee options (% of revenue, and combined option: fixed fee per hive plus % of revenue). This was because the fixed fee per hive was easier to implement and understand. It also provided concessionaires

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<sup>1</sup> The Price Book's current fees are \$30 per non-mānuka hive and \$75 per mānuka hive or an additional premium \$10 per hive + 10% of revenue based on the number of hives used for mānuka honey. The revenue sharing option is only available if the concessionaire has the equipment to allow the Department to remotely monitor the weight of the money obtained (See, [DOC-6550358](#)).



more certainty on the dollar fee payments compared to the other two options. At present, the combined current fee (\$10/hive+10% of revenue) is available to those having the equipment to allow the Department to remotely monitor the quantity of honey. Those having this equipment supported this combined current fee. However, at present very few concessionaires have this equipment for availing the combined fee option.

6. On current fees, the concessionaires felt that:
  - the current non-mānuka fee of \$30 per hive was high because non-mānuka prices have fallen significantly - their preference is for a fee below \$20 per hive,
  - the current mānuka fee of \$75 per was high for the low grade mānuka types like multifloral mānuka honey but suitable for the high grade types (monofloral mānuka honey) – the hive location, climate and producer expertise play important roles in determining how much and what quality of honey gets extracted.
7. On fee categories, the concessionaires supported the idea of setting fees separately for (i) non-mānuka, (ii) multifloral mānuka, and (iii) monofloral manuka categories based on MPI's definitions.
8. On method for calculating fixed fee per hive, they felt that this needs to be based on (i) average honey production per hive, (ii) unique mānuka factor (UMF) rating of honey, (iii) type of honey (non-mānuka, multifloral and monofloral), (iv) honey prices (average of concessionaire and MPI prices) based on UMF rating and type of honey.
9. On those not using allocated hives, the concessionaires felt that the Department should charge a holding fee/hive or tender these hives to determine fair market fees. This would incentivise the use of these hives.

#### *Administration/processes*

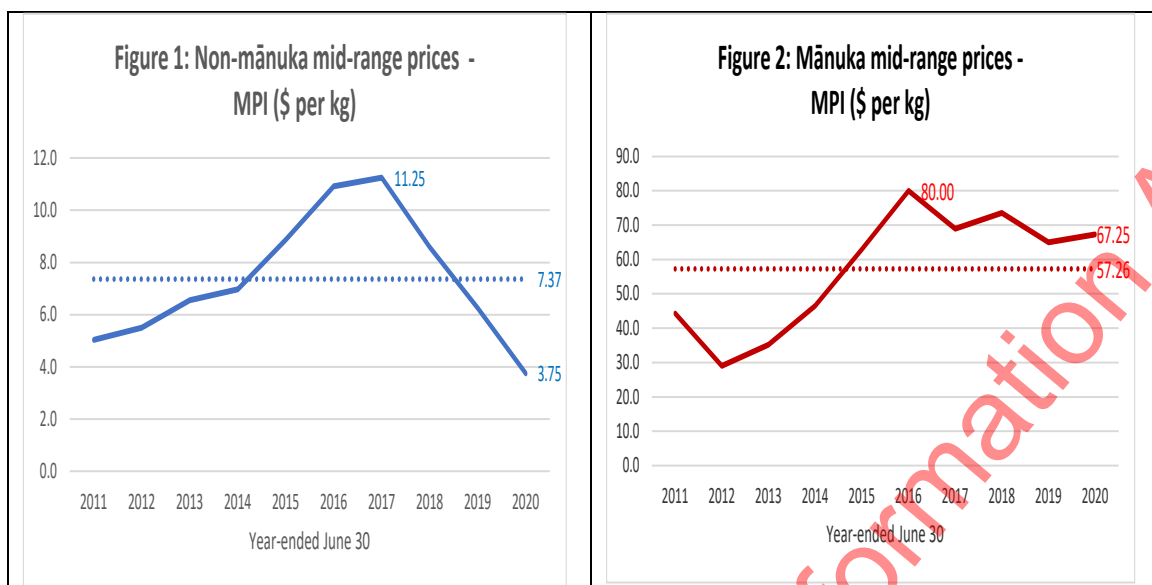
10. The concessionaires confirmed that the Department could align their beekeeping years with their concession years. For most of them, the season starts from August but for a few the season begins from July, November, December, or May.
11. In terms of information, most concessionaires noted that they could provide their data on yield per hive. However, many of them were not keen to provide data on honey prices and their business revenue.

#### *Follow-ups*

12. The concessionaires felt that the Department should obtain more granular data from MPI on mānuka honey under low/high grade types, monofloral mānuka and non-mānuka. This could cover information on honey prices, yields and grades as per various regions. They felt that the North Island regions produce greater quantities and better qualities of honey compared to those in the South Island.
13. Following up with MPI, they indicated that granular data beyond what gets published in their Apiculture Monitoring Reports are not collected. MPI's latest report showed that honey crop yields per hive in the North and the South Islands were same at 31.1 kg in 2020. The 10-year yield average for North Island was lower at 27.1 kg than 32.0 kg in South Island. This does not reflect that North Island hives are more productive than South Island hives which was contended by the concessionaires in the Survey Monkey.
14. Some indicated that the Department personnel should have knowledge of commercial realities of beekeeping business.

### III. Honey Market Update

15. MPI's mid-range (between low and high) non-mānuka bulk price (per kg) fell from \$11.25 in 2017 to \$3.75 in 2020, which was below the average of \$7.37 for 2011-2020 (Figure 1). This was because of the following factors:
  - MPI's implementation of a stricter definition for monofloral mānuka,
  - mānuka not meeting this definition became "multifloral mānuka" honey,
  - demand for multifloral and non-mānuka honey declined, and
  - record good seasons for 2019 and 2020 boosted honey supply.
16. The drop in prices prompted beekeepers to accumulate stocks. MPI indicated that with higher costs of production relative to honey producers in some other countries the New Zealand producers struggled to compete in the export markets for multifloral and non-mānuka honey. Beekeepers were starting to accept the significantly lower prices for these types of honey to reduce their stock levels.
17. MPI's mid-range (low/high) mānuka bulk price (per kg) declined from \$80.00 in 2016 to \$67.25 in 2020. The price remained above the average of \$57.26 for 2011-20 (Figure 2). MPI expects mānuka prices to hold up because of continued high demand for healthy lifestyle retail food products. The decline in mānuka prices reflected a drop in multifloral mānuka honey prices. Furthermore, monofloral mānuka prices trended towards the lower end of the price range because some buyers applied more stringent than the MPI's requirements. Notably, MPI does not provide data for bulk prices separately for monofloral and multifloral mānuka honey. These are provided in terms of export prices.



18. On exports, MPI’s average prices (per kg) for 2019/20 were:

- \$22.50 for non-mānuka honey,
- \$32.44 for multifloral mānuka honey, and
- \$55.36 for monofloral mānuka honey.

19. ApiNZ indicated that non-mānuka prices (per kg) were around \$3.50-\$4.00 in December 2020. Mānuka prices varied within a wide range - the prices for low grade mānuka were around \$6-\$12 per kg (Table 1). The non-mānuka prices indicated by the concessionaires in Survey Monkey were in line with those indicated by ApiNZ.

**Table 1: Honey prices – MPI, ApiNZ and Survey Monkey**

	MPI prices (2019/20 ending June) bulk prices	ApiNZ (December 2020)	Survey Monkey (May 2021)
Non-mānuka (Price/kg)	\$2.50-\$5.50	\$3.50-\$4.00	\$3.00-\$5.00
Mānuka (Price/kg)	\$4.50-\$130.00	\$6.00-\$12.00*	n.a

\* Refers to low grade mānuka; n.a.: not available.

### III. Sensitivity of beehive fees to honey prices

#### Non-mānuka honey

20. Based on MPI’s data, non-mānuka honey prices (per kg) for 2019/20 were \$3.75 (bulk honey mid-range price) and \$22.5 (average export price). Assuming a composition of 65% for bulk honey and 35% for exports, the average MPI price (per kg) for non-mānuka honey was estimated at \$10.31. Based on the Survey Monkey responses, the average price indicated by the concessionaires was \$3.67. The grand average for non-mānuka price based on the two averages was estimated at \$6.99.

21. MPI's honey yield per hive grew by 23.9% from 25.1 kg in 2018/19 to 31.1 kg in 2019/20. MPI does not report data on yields separately for mānuka and non-mānuka honey. Based on concessionaires' activity returns, the average non-mānuka yield per hive was 16.8 kg in 2018/19. Applying a growth of 23.9%, the average yield for concessionaires was projected at 20.8 kg/hive in 2019/20. Based on the MPI and the concession data, the grand average yield per hive was estimated at 25.96 kg.
22. Based on the estimates of price and yield per hive, the average revenue per hive for 2019/20 was estimated at \$181.44. In P&E's draft fee advice, the percentage of revenue fee factor was assessed at 8% of revenue per hive. This comprised a base fee of 7.5% and an exclusivity fee of 0.5% (see [DOC-6551877](#), paragraph 13).
23. **Applying 8% on the estimated average revenue per hive of \$181.44, the non-mānuka fee was calculated at \$14.51 per hive (\$15 per hive rounded-off) (Table 2).** This assumed that bulk honey accounted for 65% and exports accounted for 35% of non-mānuka sales. This seemed reasonable as majority of non-mānuka honey was sold domestically. A sensitivity analysis shows that the fee would come down to \$7.70 per hive if the entire non-mānuka honey was sold as bulk honey. The fee would increase to \$27.17 per hive if non-mānuka honey was assumed to be entirely exported.
24. **Based on the above, the proposed new fee for non-manuka honey is \$15/hive plus GST.**

	MPI average	Beehive concessionaires#	Grand average
1) Non-mānuka prices for 2019/20 (per kg)*	\$10.31	\$3.67	\$6.99
2) Non-mānuka yield per hive for 2019/20 (kg/hive)	31.10	20.82	25.96
3) Revenue per hive (1x2)			\$181.44
4) % fee##			8%
5) Estimated fee per hive (3x4)			\$14.51

\*MPI average price: Weighted average of MPI's mid-range bulk price (\$3.75) and MPI's average export price (\$22.50) assuming weights of 65% and 35% respectively.  
# Beehive concessionaires' non-mānuka price is the average honey price as indicated in Survey Monkey responses.  
Beehive concessionaires' average yield is projected for 2019/20 based on their average yield (16.8) in activity returns for 2018/19 and MPI's yield increase (44%) for 2019/20.  
##%fee=base fee (7.5%)+ exclusivity (0.5%)=8.0% (based on % of revenue fee method in the Concession Activity Fee Pricing Book.

*Mānuka honey – Monofloral and Multifloral*

25. MPI's average export price for monofloral mānuka honey was \$55.36 in 2020. Table 3 calculated the per hive fee of \$99.9 (\$100 rounded-off) for monofloral mānuka honey based on MPI's average export price for monofloral honey for 2019/20, average yield per hive based on MPI and concessionaires' data and 8% fee. This assumed that monofloral honey is predominantly exported. For multifloral mānuka, an average of MPI's export price for multifloral honey (\$32.44) and ApiNZ's mid-range price (\$9) for low grade mānuka, an average yield per hive based on MPI and concessionaires' data

and 8% fee were used to calculate the multifloral fee/hive of \$43 (\$40 rounded-off) (Table 3).

26. **Based on the above, the proposed fee for multifloral mānuka is \$40/hive + GST and for monofloral mānuka honey is \$100/hive + GST.**

	Monofloral honey	Multifloral honey
1) MPI: Average export price (2019/20)	\$55.36	\$32.44
2) ApiNZ: mid-range low grade mānuka price (December 2020)		\$9.00
<b>3) Average price</b>	<b>\$55.36</b>	<b>\$20.72</b>
4) MPI: Yield (kg/hive)	31.1	31.1
5) Concessionaires' yield (kg/hive)*	14.0	20.8
<b>6) Average yield (kg/hive)</b>	<b>22.6</b>	<b>26.0</b>
7) Revenue/hive (3×6)	\$1,248	\$538
<b>8) Percentage of revenue fee#</b>	<b>8.0%</b>	<b>8.0%</b>
<b>9) Estimated fee per hive (7×8)</b>	<b>\$99.9</b>	<b>\$43.0</b>

# Base fee (7.5%)+ exclusivity (0.5%)=8.0% (based on the percentage of revenue fee method in the Price Book)

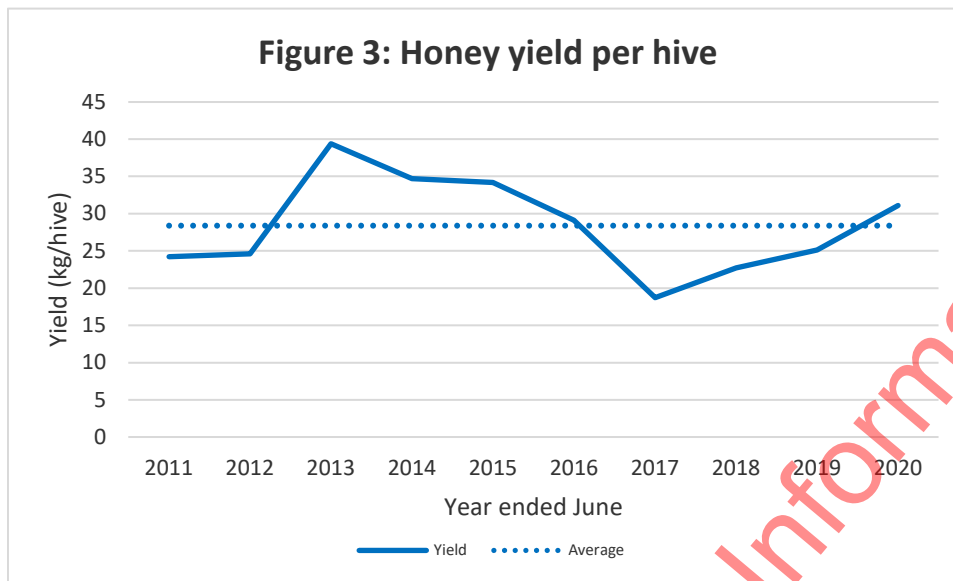
\* Concessionaires' monofloral honey yield (14 kg) applies an increase of 23.9% (MPI's yield increase for 2019/20) on average manuka yield (11.3kg/hive) computed from concession activity returns for 2018/19. Their multifloral yield of 20.8 kg/hive was estimated by applying 23.9% increase over the average non-mānuka yield (16.8 kg/hive) for 2018/19.

## V. Critical issues

*What if the concessionaires do not agree to the new fees?*

27. For non-mānuka honey, the proposed \$15/hive fee is lower than the current fee of \$30/hive. This should be acceptable to the concessionaires as a 50% reduction in fee is in line with a similar fall in non-mānuka prices during 2019/20. Furthermore, the fee of \$15/hive is below the limit of \$20/hive indicated by the concessionaires in the Survey Monkey.
28. For mānuka honey, the new structure proposes fees for two categories, namely, (i) monofloral mānuka, and (ii) multifloral mānuka, which is consistent with MPI's classification and definitions. Majority (85%) of Survey Monkey respondents agreed with these categories and the definitions.
29. Mānuka honey not meeting MPI's monofloral honey definition would be treated as multifloral honey. The proposed \$40/hive for multifloral honey is lower than the current Price Book fee of \$75/hive for mānuka honey, which should be acceptable to the concessionaires. For monofloral mānuka, the proposed \$100/hive fee is higher than the current mānuka Price Book fee. In the Survey Monkey, some respondents felt that a fee for high mānuka grades could go up to \$100/hive. While mānuka prices declined, MPI indicated that favourable climactic conditions resulted in an increased mānuka honey crop in "almost every mānuka growing region" in 2019/20. MPI's data showed that honey yield/hive has been rising since 2016/17 (Figure 3). On a bad season when multifloral instead of mānuka honey gets produced, the concessionaires would pay the

lower fee of \$40/hive. Hence, the \$100/hive for monofloral mānuka honey should be acceptable to concessionaires.



*What if the Department's concession revenue from beehive activity declines?*

30. The revenue impact from proposed Price Book fee changes is challenging to forecast. The activity returns of beehive concessionaire of 2019/20 showed that invoiced fees for many of them differed from the Price Book fees. For instance, some were invoiced \$5-\$6/hive for non-mānuka and \$30/hive for mānuka (multifloral) which were lower than the current Price Book fees for non-mānuka (\$30/hive) and mānuka (\$75/hive) respectively. On the other hand, some were invoiced \$100/hive fee for mānuka which was higher than the current Price Book fee (\$75/hive).

## VI. Recommendation

31. Following fees are recommended for including in the Price Book:

- Non-mānuka: \$15 per hive plus GST, per annum. Total fee to be based on the number of such hives allocated,
- Multifloral mānuka: \$40 per hive plus GST, per annum. Total fee to be based on the number of such hives allocated, and
- Monofloral mānuka:
  - \$100 per hive plus GST, per annum. Total fee to be based on the number of hives allocated or
  - \$10 per hive, per annum + 10% of revenue based on the number of hives used plus GST (for those having remote equipment to allow the Department to measure the quantity of honey and opting for this option).

32. To ensure a smooth transition to the new fee structure, it is suggested that the Department asks the mānuka honey concessionaires wanting to declare their honey as multifloral honey to submit documentary evidence to support their claim for getting invoiced a fee applicable for multifloral mānuka honey of \$40/hive (+GST).
33. For non-mānuka honey, it may be feasible to implement the new fee (\$15/hive + GST) from the next season. Given the significant fall in non-mānuka honey prices, it is advisable to reduce the Price Book fee from the current \$30/hive (+GST) as soon as feasible.
34. For monofloral mānuka honey, it may be advisable to implement the increase of the Price Book fee from the current \$75/hive (+GST) to the new fee of \$100/hive (+GST) for the current mānuka concessionaires as and when their concession terms get renewed.

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**Annex 1: Survey Monkey Responses \***

<b>Category</b>	<b>Responses to Questions</b>
<b>Fee setting</b>	<p>48% preferred their <b>honey prices</b> and 27% preferred the MPI bulk honey prices to be used for setting the activity fees.</p> <p>85% preferred for <b>fee to set under three categories</b> – mānuka (monofloral), multifloral mānuka and non-mānuka.</p> <p><b>\$30 fee per non-mānuka hive:</b> 62% felt this is high, 31% think this is right and 7% think this is low.</p> <p><b>\$75 per mānuka hive:</b> 64% felt this is high, 29% felt it is right and 7% felt it is low.</p> <p><b>Combined fee:</b> \$10/mānuka hive + 10% of revenue: 60% felt the fee is right, 26% think this is high and 14% think it is low.</p> <p><b>Holding fee</b> for unused site? 52% said yes, 48% said no.</p> <p><b>Holding fee setting factors:</b> 74% said number of hives allocated, 13% said minimum honey production, 22% chose other factors (tendering).</p> <p>DOC category <b>fee review frequency:</b> 59% felt every three years, 13% felt every year and 28% chose 5/2 years/land review frequency.</p> <p><b>Fee option (Rank 1):</b> 62% chose <b>fixed fee/hive</b>, 22% chose base plus percentage of revenue and 16% chose % of revenue.</p> <p><b>Fixed fee per hive setting factors:</b>                      Number of hives (50%), concessionaire honey prices (30%), MPI prices (20%), % or revenue (18%), average production per hive (10%) and other factors (tendering) (25%).                      Any other methodology for DOC to consider: 68% said no, 32% said yes.                      Beekeeping year start month: 70% say August as the start month, 9% each say for July, November and December and 4% say May.                      Aligning beekeeping year with concession year: 70% say yes and 30% say no.</p>
<b>Administration/ Processes</b>	<p><b>Comments on the beekeeping year and concession timing</b></p> <p>Beekeeping activity is usually inactive during winter, placing of hive usually takes place during dry and summer condition.</p> <p>Start month varies as per region – for majority the season starts from August and runs till March. However, some feel they should have an option to choose.</p> <p>If mānuka season starts in August, then prices are not known until June when the honey supply for NZ gets known and prices can be set.</p> <p>Often concession fee becomes due when no sale has yet taken place.</p> <p><b>Information that concessionaires can provide:</b>                      Yield per hive (57%), honey prices (38%), expected prices on unsold honey (19%), gross revenue on sold honey (14%) and gross revenue on unsold honey (11%) and none of the above (32%).</p>
<b>Follow-ups</b>	<p>DOC should consider getting MPI prices based on mānuka categories, UMF content and regions.</p> <p>DOC should consider tendering of beehive opportunities.</p> <p>DOC personnel should have knowledge of beekeeping and commercial realities or appoint an experienced land manager.</p>

\*The Survey monkey was circulated to beehive concessionaires on 13 April 2021 and was open until 20 May 2021 (DOC-6672692).  
 44 concessionaires submitted their responses.

Note: The percentages indicated in the responses may not add up to 100% as respondents could select more than one choices or due to rounding-off.

Sources: Links -Survey Monkey Responses downloaded on 21 May 2021 (DOC-6667667)

- Individual responses (DOC-6671723)

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**Date:** 19 December 2022

**To:** Mick Tysoe, Team Lead Data Integration and Development,  
Organisation Support

**From:** Kirsty Cameron, Commercial Manager, Office of Regulatory  
Services

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**Subject: Beehive price implementation**

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### Context

- Beehive activity fees are currently charged under two categories:
  - Non-mānuka - \$30/hive + GST per annum
  - Mānuka - \$75/hive + GST per annum
- Over two years (2019-2021) a review was conducted on the Departments pricing for beehives
- The review suggested that beehive activity fees should be charged under three categories:
  - Non-mānuka: \$15/hive plus GST per annum (down from current fee of \$30/hive) based on the number of hives allocated.
  - Monofloral mānuka: \$100/hive plus GST per annum (up from current fee of \$75/mānuka hive) based on the number of hives allocated, or \$10/hive based on hives allocated plus 10% of revenue based on the number of hives used plus GST (unchanged) for those having remote honey measuring equipment and opting for this option.
  - Multifloral mānuka: \$40/hive plus GST per annum (down from current \$75/mānuka hive) based on the number of hives allocated.
- This paper was signed off however, there were implementation issues as our activity fee returns couldn't accommodate for three categories
- Based on this, the decision was made to keep the fees as is, and to revisit the pricing in a couple of years once the system was updated.

### Requirements

- Before completing this work, we need confirmation that the current activity return process for beehives can be updated to capture three categories
- If this can occur, we need to know how much it will cost and what the timeframe would be.
- Additionally, we would like to know whether it is possible to add an "Apiary" primary service category to the permissions database and a GL code in SAP. Currently this sits under "general agriculture".

---

**From:** Bryn Sheppard  
**Sent:** Tuesday, 11 June 2019 10:03 am  
**To:** CEO @ ApiNZ  
**Subject:** DOC Concession Fee's - Contact Point

Hello Karin,

Good to hear from you, and hope you've been well too.

I'm looking forward to the APINZ Conference end of June, I see there are some very interesting topics on the speakers schedule.

For sending a formal letter re: DOC concession prices, I recommend contacting Marie Long (Director – Planning, Permissions and Land). If you forward the letter as a PDF attachment to myself, I can pass it onto Marie directly.

I have also deleted the confidential email trail.

Please let me know if I can assist with anything else.

Kind regards,

**Bryn Sheppard**  
Senior Permissions Advisor  
Department of Conservation—*Te Papa Atawhai*

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**From:** Bryn Sheppard  
**Sent:** Thursday, 13 June 2019 8:53 am  
**To:** CEO @ ApiNZ  
**Subject:** RE: ApiNZ letter regarding DoC Concessions

Hello Karin,

Thank you for your letter.

I have passed it onto the Director, and you should expect a reply shortly. Ideally by next week.

Kind regards,

Bryn

---

**From:** CEO @ ApiNZ <ceo@apinz.org.nz>  
**Sent:** Thursday, 13 June 2019 8:16 a.m.  
**To:** Bryn Sheppard <brsheppard@doc.govt.nz>  
**Cc:** s9(2)(a)  
**Subject:** ApiNZ letter regarding DoC Concessions

Hi Bryn, as discussed, here is a letter regarding the issue of DoC concessions. Could you please forward on to Marie.

I look forward to a reply

Kind regards

Karin

Karin Kos | Chief Executive | [Apiculture New Zealand Inc](http://www.apiculture.org.nz) | s9(2)(a)  
[www.apinz.org.nz](http://www.apinz.org.nz)



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**From:** Bryn Sheppard  
**Sent:** Thursday, 18 April 2019 12:44 pm  
**To:** CEO @ ApiNZ  
**Subject:** RE: [redacted] Out of Scope + Changes in the beehive market

Thanks for this Karin!

I've had a few phone calls from beekeepers since the new year and decided it's something to raise with my Director. I cannot guarantee fees will be changed, but shifts in the market should at least be considered. I'll be happy to discuss this with you as a key stakeholder/bring your comments to the table.

[redacted] Out of Scope

Thanks again,

Bryn

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**From:** [redacted] s9(2)(a)  
**Sent:** Thursday, 18 April 2019 12:35 p.m.  
**To:** Bryn Sheppard <brsheppard@doc.govt.nz>  
**Subject:** [redacted] s9(2)(a) + Changes in the beehive market

Great thanks for that Bryn – and yes there is a major correction going on – here's a link to an article that talks about exactly that <https://www.stuff.co.nz/business/farming/111456907/tough-times-ahead-for-new-zealands-beekeepers>.

Essentially for all non-manuka honeys the prices have dropped significantly and unlikely to rise anytime soon – a review of fees is probably a good idea, although manuka honey pricing is still holding its own.

[redacted] Out of Scope

Regards

Karin

Karin Kos | Chief Executive | Apiculture New Zealand Inc | [redacted] s9(2)(a)  
[www.apinz.org.nz](http://www.apinz.org.nz)



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**From:** Bryn Sheppard <brsheppard@doc.govt.nz>  
**Sent:** Thursday, 18 April 2019 12:28 PM

To: CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>

Subject: [REDACTED] s9(2)(a) + Changes in the beehive market

Hello Karin,

[REDACTED] Out of Scope [REDACTED]

[REDACTED]

On a separate note, I have had some beekeepers discuss their current experience in the market around the selling of honey (specifically selling honey at lower prices, or being unable to sell). I wondered if you had any information/data around this, as changes in the market may warrant a review of the fee's we charge our beehive concessionaires. Be happy to discuss your thoughts.

Hope you enjoy the long weekend!

**Bryn Sheppard**

Senior Permissions Advisor

Department of Conservation—*Te Papa Atawhai*

M: [REDACTED] s9(2)(a)

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**From:** Bryn Sheppard  
**Sent:** Monday, 15 July 2019 4:00 pm  
**To:** CEO @ ApiNZ  
**Cc:** s9(2)(a) Laura Findlay  
**Subject:** RE: ApiNZ letter regarding DoC Concessions

Hello Karin,

Apologies for the delayed reply, I was out the office on Friday.

I am still working with the pricing team (on behalf of Marie) so we can best respond to your request.

Kind regards,

Bryn

---

**From:** CEO @ ApiNZ <ceo@apinz.org.nz>  
**Sent:** Thursday, 11 July 2019 8:47 a.m.  
**To:** Bryn Sheppard <brsheppard@doc.govt.nz>  
**Cc:** s9(2)(a)  
**Subject:** RE: ApiNZ letter regarding DoC Concessions

Hi Bryn I am just following up the letter we sent to DoC re a review of concession payments. I would appreciate an update.

Kind regards

Karin

Karin Kos | Chief Executive | [Apiculture New Zealand Inc](http://www.apinz.org.nz) | s9(2)(a)  
[www.apinz.org.nz](http://www.apinz.org.nz)



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**From:** CEO @ ApiNZ  
**Sent:** Thursday, 13 June 2019 8:16 AM  
**To:** Bryn Sheppard <brsheppard@doc.govt.nz>  
**Cc:** s9(2)(a)  
**Subject:** ApiNZ letter regarding DoC Concessions

Hi Bryn, as discussed, here is a letter regarding the issue of DoC concessions. Could you please forward on to Marie.

I look forward to a reply

Kind regards

Karin



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**From:** Laura Findlay  
**Sent:** Friday, 9 August 2019 3:05 pm  
**To:** CEO @ ApiNZ  
**Cc:** Bryn Sheppard  
**Subject:** DOC Response to Letter  
**Attachments:** APINZ Letter - Request for Review of Beehive Concession Activity Fees - DOC-6034273.pdf

Good afternoon Karin,

Please see attached for the Department's response to your letter dated 12 June 2019, regarding the Department's concession activity fees for the placement of non-manuka hives on public conservation land.

Kind Regards,

**Laura Findlay**  
Permissions Manager Hamilton/Christchurch (Acting)

Kirikiroa/Hamilton Office  
Level 3, 73 Rostrevor Street  
Private Bag 3072  
HAMILTON 3240

**Department of Conservation - *Te Papa Atawhai***

**Conservation leadership for our nature *Tākina te hī, Tiakina, te hā o te Āo Tūroa***

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**From:** Bryn Sheppard  
**Sent:** Monday, 19 October 2020 2:38 pm  
**To:** CEO @ ApiNZ  
**Subject:** Pricing Review of Concession Fees for Beekeeping Concessions  
**Attachments:** Factsheet for engaging with Apiculture New Zealand .pdf

Kia ora Karin,

Hope you've been well since we last spoke.

Back in June 2019 you submitted a letter to the Department, requesting a review of concession fees for beekeepers. Your query was submitted to our Pricing and Economics Team, who advised there would be no change to the fees. Since then, the Pricing Team has decided to undertake a review of the existing fees.

The Pricing Team would like to meet with you/APINZ to discuss this ongoing review. To support this meeting, the Pricing Team has provided a factsheet (attached). The factsheet outlines specific questions the Department would like to discuss with APINZ, and additional information sought for the review process.

Would you be interested in meeting? I understand this is a busy time of year for the apiculture industry, so we can be flexible to meet your schedule. If you could let me know if possible.

Kind regards,

**Bryn Sheppard**  
Senior Permissions Advisor | Kai Tutohu Matua  
Hamilton | Kirikiriroa

[www.doc.govt.nz](http://www.doc.govt.nz)



---

**From:** Bryn Sheppard  
**Sent:** Thursday, 22 October 2020 1:11 pm  
**To:** CEO @ ApiNZ  
**Cc:** s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Not to worry, I will check with them.

---

**From:** CEO @ ApiNZ <ceo@apinz.org.nz>  
**Sent:** Thursday, 22 October 2020 1:06 pm  
**To:** Bryn Sheppard <brsheppard@doc.govt.nz>  
**Cc:** s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Unfortunately that time is now taken Bryn. Can do either 1-2pm or after 3 on the same day?

Kind regards

Karin

Karin Kos | Chief Executive | [Apiculture New Zealand Inc](http://www.apinz.org.nz) | s9(2)(a)



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---

**From:** Bryn Sheppard <brsheppard@doc.govt.nz>  
**Sent:** Thursday, 22 October 2020 1:02 pm  
**To:** CEO @ ApiNZ <ceo@apinz.org.nz>  
**Cc:** s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Kia ora Karin,

The team have asked if 1pm – 2pm on the 02 November 2020 is suitable.

If so, I will send you and s9(2)(a) a meeting invite.

Kind regards,

**Bryn Sheppard**  
Senior Permissions Advisor | Kai Tutohu Matua  
Hamilton | Kirikiriroa  
[www.doc.govt.nz](http://www.doc.govt.nz)



---

**From:** Bryn Sheppard  
**Sent:** Thursday, 22 October 2020 10:35 am  
**To:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Cc:** [redacted] s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Kia ora Karin,

Thanks for the quick response.

I've emailed the Pricing Team to see if those dates work for them, and if so, will get back to you and schedule a meeting via Microsoft Teams.

Kind regards,

**Bryn Sheppard**  
Senior Permissions Advisor | Kai Tutohu Matua  
Hamilton | Kirikiriroa  
[www.doc.govt.nz](http://www.doc.govt.nz)



---

**From:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Sent:** Monday, 19 October 2020 6:23 pm  
**To:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Cc:** [redacted] s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Hi Bryn nice to hear from you and hope you have got through this year ok. It has certainly been interesting.

It would be good to catch up on this – most of our beekeepers are still struggling in the prices they are receiving for their honey, as well as significant honey stockpiles.

The next couple of weeks aren't any good – how is the first week of November for your team – good days for me are Monday 2 Nov afternoon or Wed 4 Nov late morning?

I have included [redacted] s9(2)(a) in this email – [redacted] s9(2)(a)

Kind regards

Karin

Karin Kos | Chief Executive | [Apiculture New Zealand Inc](http://Apiculture New Zealand Inc) | [redacted] s9(2)(a)  
[www.apinz.org.nz](http://www.apinz.org.nz)



# APICULTURE NEW ZEALAND

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---

**From:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Sent:** Monday, 19 October 2020 2:38 pm  
**To:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Subject:** Pricing Review of Concession Fees for Beekeeping Concessions

Kia ora Karin,

Hope you've been well since we last spoke.

Back in June 2019 you submitted a letter to the Department, requesting a review of concession fees for beekeepers. Your query was submitted to our Pricing and Economics Team, who advised there would be no change to the fees. Since then, the Pricing Team has decided to undertake a review of the existing fees.

The Pricing Team would like to meet with you/APINZ to discuss this ongoing review. To support this meeting, the Pricing Team has provided a factsheet (attached). The factsheet outlines specific questions the Department would like to discuss with APINZ, and additional information sought for the review process.

Would you be interested in meeting? I understand this is a busy time of year for the apiculture industry, so we can be flexible to meet your schedule. If you could let me know if possible.

Kind regards,

**Bryn Sheppard**

Senior Permissions Advisor | Kai Tutohu Matua  
Hamilton | Kirikiriroa

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---

**From:** Bryn Sheppard  
**Sent:** Tuesday, 1 December 2020 11:54 am  
**To:** s9(2)(a)  
**Cc:** s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Thank you for confirming, I'll send a provisional meeting invite as a placeholder.

The team should get back to me shortly to confirm the proposed time.

Kind regards,

**Bryn Sheppard**  
Senior Permissions Advisor | Kai Tutohu Matua  
Hamilton | Kirikiriroa

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**Cc:** s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Hi Bryn Tues 15 Dec 11 to 12 noon works

Regards  
Karin

Karin Kos | Chief Executive | Apiculture New Zealand Inc | P: s9(2)(a) |  
[www.apinz.org.nz](http://www.apinz.org.nz)



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**Cc:** s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Thanks Karin,

Would any of these dates/times work for you?

Date	Time
11 December (Friday)	9am to 12pm 2pm to 4pm
15 December (Tuesday)	11am to 12am
16 December (Wednesday)	10am to 11am
18 December (Friday)	9am to 1pm

---

**From:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Sent:** Tuesday, 1 December 2020 10:50 am  
**To:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Cc:** [REDACTED] s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Hi Bryn before Xmas would be better as our office closes for three weeks. Any chance of a discussion later next week or earlier the following week?

Kind regards

Karin  
Karin Kos | Chief Executive | Apiculture New Zealand Inc | P: [REDACTED] s9(2)(a) |  
[www.apinz.org.nz](http://www.apinz.org.nz)



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**From:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Sent:** Tuesday, 1 December 2020 10:37 am  
**To:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Cc:** [REDACTED] s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Kia ora Karin,

My apologies, I realise I did not follow up with you regarding the meeting to discuss the fee review for beehives on public conservation land.

Do you/[REDACTED] s9(2)(a) have any availability to meet before the 23 December, or would meeting after the new year suit you better? The Department is closed from the 23 December 2020 to the 06 January 2021.

Kind regards,

**Bryn Sheppard**  
Senior Permissions Advisor | Kai Tutohu Matua  
Hamilton | Kirikiriroa

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**From:** [Bryn Sheppard](#)  
**To:** [s9\(2\)\(a\)](#); [Dhritidyuti Bose](#); [Marieke Mahoney](#); [Bryn Sheppard](#)  
**Subject:** APINZ Meeting - Activity Fee Review for Beehive Concessions  
**Attachments:** [Factsheet for engaging with Apiculture New Zealand .pdf](#)

---

Please see the attached factsheet.

It has a list of questions for discussion, and a request for information (if possible) from ApiNZ.

---

Microsoft Teams meeting

Join on your computer or mobile app

Click here to join the meeting <[https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_MjQ4NDI0OGQtZjQ3ZS00NzY5LWFhMjQtOGQ5Njg5YTRhZjA0%40thread.v2/0?context=%7b%22Tid%22%3a%22f0cbb24f-a2f6-498f-b536-6eb9a13a357c%22%2c%22Oid%22%3a%22f2a74171-b443-45e5-9051-5e92da8f0f47%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_MjQ4NDI0OGQtZjQ3ZS00NzY5LWFhMjQtOGQ5Njg5YTRhZjA0%40thread.v2/0?context=%7b%22Tid%22%3a%22f0cbb24f-a2f6-498f-b536-6eb9a13a357c%22%2c%22Oid%22%3a%22f2a74171-b443-45e5-9051-5e92da8f0f47%22%7d)>

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---

**From:** Bryn Sheppard  
**Sent:** Tuesday, 1 December 2020 12:19 pm  
**To:** CEO @ ApiNZ  
**Cc:** s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Kia ora Karin,

I've emailed your request onto the Pricing Team and asked for additional time/to meet in February.

Shall get back to you shortly.

Kind regards,

**Bryn Sheppard**  
Senior Permissions Advisor | Kai Tutohu Matua  
Hamilton | Kirikiriroa

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---

**From:** CEO @ ApiNZ <ceo@apinz.org.nz>  
**Sent:** Tuesday, 1 December 2020 12:15 pm  
**To:** Bryn Sheppard <brsheppard@doc.govt.nz>  
**Cc:** s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Hi Bryn have just opened up your invitation and the fact sheet and questions and frankly the level of detail required will require research and fact-finding on our part first. We are only a small team (just me and s9(2)(a) so we are going to need more time. Can I suggest we reschedule the meeting in Feb next year so that we can get some good intel to discuss further.

Regards  
Karin

Karin Kos | Chief Executive | [Apiculture New Zealand Inc](http://Apiculture New Zealand Inc) | P: s9(2)(a)  
[www.apinz.org.nz](http://www.apinz.org.nz)



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---

**From:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Sent:** Tuesday, 1 December 2020 11:54 am

To: [redacted] s9(2)(a)  
Cc: [redacted]

Subject: RE: Pricing Review of Concession Fees for Beekeeping Concessions

Thank you for confirming, I'll send a provisional meeting invite as a placeholder.

The team should get back to me shortly to confirm the proposed time.

Kind regards,

**Bryn Sheppard**  
Senior Permissions Advisor | Kai Tutohu Matua  
Hamilton | Kirikiriroa

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**From:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Sent:** Tuesday, 1 December 2020 11:52 am  
**To:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Cc:** [redacted] s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Hi Bryn Tues 15 Dec 11 to 12 noon works

Regards  
Karin

Karin Kos | Chief Executive | [Apiculture New Zealand Inc](http://Apiculture New Zealand Inc) | P: [redacted] s9(2)(a) |  
[www.apinz.org.nz](http://www.apinz.org.nz)



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**Sent:** Tuesday, 1 December 2020 11:23 am  
**To:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Cc:** [redacted] s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Thanks Karin,

Would any of these dates/times work for you?

Date	Time
11 December (Friday)	9am to 12pm 2pm to 4pm

15 December (Tuesday)	11am to 12am
16 December (Wednesday)	10am to 11am
18 December (Friday)	9am to 1pm

**From:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Sent:** Tuesday, 1 December 2020 10:50 am  
**To:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Cc:** [REDACTED] s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Hi Bryn before Xmas would be better as our office closes for three weeks. Any chance of a discussion later next week or earlier the following week?

Kind regards

Karin

Karin Kos | Chief Executive | Apiculture New Zealand Inc | [REDACTED] s9(2)(a)  
[www.apinz.org.nz](http://www.apinz.org.nz)



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**Sent:** Tuesday, 1 December 2020 10:37 am  
**To:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Cc:** Phil Edmonds@ApiNZ <[Phil.Edmonds@apinz.org.nz](mailto:Phil.Edmonds@apinz.org.nz)>  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Kia ora Karin,

My apologies, I realise I did not follow up with you regarding the meeting to discuss the fee review for beehives on public conservation land.

Do you [REDACTED] s9(2)(a) have any availability to meet before the 23 December, or would meeting after the new year suit you better? The Department is closed from the 23 December 2020 to the 06 January 2021.

Kind regards,

**Bryn Sheppard**  
Senior Permissions Advisor | Kai Tutohu Matua  
Hamilton | Kirikiriroa

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---

**From:** Bryn Sheppard  
**Sent:** Thursday, 10 December 2020 11:05 am  
**To:** CEO @ ApiNZ  
**Cc:** s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Thanks Karin, have sent the invite through.

Just to confirm, my email this morning referred to meeting on the 16 December (Wednesday) when it is actually the **15 December (Tuesday)**.

---

**From:** CEO @ ApiNZ <ceo@apinz.org.nz>  
**Sent:** Thursday, 10 December 2020 11:03 am  
**To:** Bryn Sheppard <brsheppard@doc.govt.nz>  
**Cc:** s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Thanks and just checking that is on Wed 16 Dec, can you send through the meeting request.

Regards  
Karin

Karin Kos | Chief Executive | Apiculture New Zealand Inc (P.O. Box 1000, Wellington) | s9(2)(a) |  
[www.apinz.org.nz](http://www.apinz.org.nz)



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**From:** Bryn Sheppard <brsheppard@doc.govt.nz>  
**Sent:** Thursday, 10 December 2020 11:00 am  
**To:** CEO @ ApiNZ <ceo@apinz.org.nz>  
**Cc:** s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Thanks for confirming Karin.

Proposed time is 11am to 12 noon.

---

**From:** CEO @ ApiNZ <ceo@apinz.org.nz>  
**Sent:** Thursday, 10 December 2020 10:54 am  
**To:** Bryn Sheppard <brsheppard@doc.govt.nz>  
**Cc:** s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Hi Bryn have managed to speak to a few beekeepers on this, and we will pull together what we can for the meeting so yes will go ahead – just timing for me now – I pulled it off the calendar – what time was this was planned for?

Regards  
Karin

Karin Kos | Chief Executive | [Apiculture New Zealand Inc](http://www.apinz.org.nz) | P: [REDACTED] | [www.apinz.org.nz](http://www.apinz.org.nz)



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**Cc:** [REDACTED] s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Hi Karin,

Thank you for the update. I have asked the Pricing Team if we could reschedule, and they have proposed to proceed with meeting on 16 December. They have asked you provide any information that is easily available, but acknowledge you may not have all information at the present time. I understand the purpose of the meeting is to initiate a general conversation about the proposed pricing review, with the potential for further information sharing and discussion.

On this basis, would you still like to proceed with the meeting next week?

Kind regards,

**Bryn Sheppard**  
Senior Permissions Advisor | Kai Tutohu Matua  
Hamilton | Kirikiriroa

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**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

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Regards

Karin

Karin Kos | Chief Executive | Apiculture New Zealand Inc | P: [REDACTED] | [www.apinz.org.nz](http://www.apinz.org.nz)



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Senior Permissions Advisor | Kai Tutohu Matua  
Hamilton | Kirikiriroa

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Hi Bryn Tues 15 Dec 11 to 12 noon works

Regards  
Karin

Karin Kos | Chief Executive | Apiculture New Zealand Inc | P: [REDACTED] | [www.apinz.org.nz](http://www.apinz.org.nz)



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Date	Time
11 December (Friday)	9am to 12pm 2pm to 4pm
15 December (Tuesday)	11am to 12am
16 December (Wednesday)	10am to 11am
18 December (Friday)	9am to 1pm

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**From:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Sent:** Tuesday, 1 December 2020 10:50 am  
**To:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Cc:** [REDACTED] s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Hi Bryn before Xmas would be better as our office closes for three weeks. Any chance of a discussion later next week or earlier the following week?

Kind regards

Karin

Karin Kos | Chief Executive | [Apiculture New Zealand Inc](http://www.apinz.org.nz) | P: [REDACTED] s9(2)(a) | [www.apinz.org.nz](http://www.apinz.org.nz)



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**From:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Sent:** Tuesday, 1 December 2020 10:37 am  
**To:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Cc:** [REDACTED] s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Kia ora Karin,

My apologies, I realise I did not follow up with you regarding the meeting to discuss the fee review for beehives on public conservation land.



Do you <sup>s9(2)(a)</sup> have any availability to meet before the 23 December, or would meeting after the new year suit you better? The Department is closed from the 23 December 2020 to the 06 January 2021.

Kind regards,

**Bryn Sheppard**

Senior Permissions Advisor | Kai Tutohu Matua  
Hamilton | Kirikiriroa

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Released under the Official Information Act

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**From:** Bryn Sheppard  
**Sent:** Friday, 28 October 2022 2:32 pm  
**To:** CEO @ ApiNZ  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Kia ora Karin

I'm still not 100% so taking leave early today.

I am yet to hear back from our Pricing Team about the outcome of the beehive fee review, so will reach out to you early next week with an update.

Ngā mihi

**Bryn Sheppard**  
National Advisor – Permissions  
Permissions Team – Hamilton/Kirikiroa  
[www.doc.govt.nz](http://www.doc.govt.nz)



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**From:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Sent:** Wednesday, 26 October 2022 10:11 am  
**To:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Hi Bryn – hope you had a good break. Could you please call me re the review re beekeeping concessions – as per my earlier email and discussion with Stephanie, we have had a few member queries on this given the very difficult situation for many this year. My mobile is [REDACTED]

Regards  
Karin

Karin Kos | Chief Executive | [Apiculture New Zealand Inc](http://Apiculture New Zealand Inc) | P: [REDACTED] | [www.apinz.org.nz](http://www.apinz.org.nz)



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**From:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Sent:** Friday, 14 October 2022 3:22 pm  
**To:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Subject:** Automatic reply: Pricing Review of Concession Fees for Beekeeping Concessions

Kia ora

I am currently out of office on annual leave until 24th October. If your enquiry is urgent please contact Stephanie Bowman (Permissions Manager) at [sbowman@doc.govt.nz](mailto:sbowman@doc.govt.nz) otherwise I will respond to you on my return.

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Released under the Official Information Act

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**From:** Bryn Sheppard  
**Sent:** Wednesday, 16 November 2022 5:20 pm  
**To:** CEO @ ApiNZ  
**Subject:** Beehive Concession Fee Review - Work Pending

Kia ora Karin

Just wanted to follow up with you about DOC's work to review the activity fees we charge beehive concessionaires.

As you are aware this work was ongoing in 2020/2021, but was subsequently delayed after the project lead Deidre Ewart (Business Support Manager) left DOC. I have asked our Director for approval to resume this work as a matter of priority, as it was close to completion (and, once finalised, would allow us to give you and the apiculture industry certainty about the fees for beehive concessions). I will update you on the Director's response once received.

If you have any further questions in the interim you can reach me on s9(2)(a)

Ngā mihi

**Bryn Sheppard**  
National Advisor – Permissions  
Department of Conservation

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**From:** s9(2)(a)  
**Sent:** Monday, 14 December 2020 3:59 pm  
**To:** Bryn Sheppard; CEO @ ApiNZ  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions  
**Attachments:** Market position for NZ honey.docx

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hi Bryn,

Please find attached some background information on the current NZ honey market, to assist the discussion during the meeting tomorrow.

Kind regards

s9(2)(a)

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**From:** Bryn Sheppard <brsheppard@doc.govt.nz>  
**Sent:** Tuesday, 1 December 2020 12:19 PM  
**To:** CEO @ ApiNZ <ceo@apinz.org.nz>  
**Cc:** s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Kia ora Karin,

I've emailed your request onto the Pricing Team and asked for additional time/to meet in February.

Shall get back to you shortly.

Kind regards,

**Bryn Sheppard**  
Senior Permissions Advisor | Kai Tutohu Matua  
Hamilton | Kirikiriroa

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**From:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Sent:** Tuesday, 1 December 2020 12:15 pm  
**To:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Cc:** [REDACTED] s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Hi Bryn have just opened up your invitation and the fact sheet and questions and frankly the level of detail required will require research and fact-finding on our part first. We are only a small team (just me and [REDACTED] s9(2)(a) ) so we are going to need more time. Can I suggest we reschedule the meeting in Feb next year so that we can get some good intel to discuss further.

Regards  
Karin

Karin Kos | Chief Executive | [Apiculture New Zealand Inc](http://www.apinz.org.nz) | P: [REDACTED] s9(2)(a)  
[www.apinz.org.nz](http://www.apinz.org.nz)



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**From:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Sent:** Tuesday, 1 December 2020 11:54 am  
**To:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Cc:** [REDACTED] s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Thank you for confirming, I'll send a provisional meeting invite as a placeholder.

The team should get back to me shortly to confirm the proposed time.

Kind regards,

**Bryn Sheppard**  
Senior Permissions Advisor | Kai Tutohu Matua  
Hamilton | Kirikiriroa

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**From:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Sent:** Tuesday, 1 December 2020 11:52 am  
**To:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Cc:** [REDACTED] s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Hi Bryn Tues 15 Dec 11 to 12 noon works

Regards  
Karin

Karin Kos | Chief Executive | Apiculture New Zealand Inc | s9(2)(a) |  
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**From:** Bryn Sheppard <[brsheppard@doc.govt.nz](mailto:brsheppard@doc.govt.nz)>  
**Sent:** Tuesday, 1 December 2020 11:23 am  
**To:** CEO @ ApiNZ <[ceo@apinz.org.nz](mailto:ceo@apinz.org.nz)>  
**Cc:** s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

Thanks Karin,

Would any of these dates/times work for you?

Date	Time
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**Sent:** Tuesday, 1 December 2020 10:50 am  
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**Cc:** s9(2)(a)  
**Subject:** RE: Pricing Review of Concession Fees for Beekeeping Concessions

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**Bryn Sheppard**

Senior Permissions Advisor | Kai Tutohu Matua  
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## Market position for honey

- For the past three years, the industry has produced much more honey than it has been able to sell. This has been based on large escalation of hive numbers and until recently only incremental increases in export demand.
- Cumulative increases in excess production over the past three seasons in particular has led to a large level of honey in storage. ApiNZ estimates the volume is currently approximately 25,000t.
- For the 2019-20 season ApiNZ has estimated the volume of honey produced was 25,000t (MPI is soon to confirm this estimate, which may prove to have been conservative). This current estimate is approximately 11,500t more than the anticipated combined volume exported and sold on the domestic market (13,900t).
- These supply and demand dynamics have had a negative impact on honey prices paid to beekeepers for successive seasons.
- Based on ApiNZ internal research on honey prices, payment from packers for non-contracted clover/bush (non-Manuka) honey is currently \$3.50/kg - \$4.00/kg.
- There is now a large excess of supply of lower grades of manuka (UMF 5+ - and to some extent 10+), which has suppressed prices for non-contracted honey. Current prices for low grade manuka vary between \$6.00 - \$12.00.
- Prices for higher grades of manuka honey are considerably more variable based on activity level and the composition of attributes required by different export markets.
- Higher grade manuka honey has not escaped the general fall in prices. One of the largest honey packers reduced their prices paid for manuka honey across all activity levels by 15% this year given their high honey stocks.
- Honey exports have increased in 2020 – particularly since March. Between April and August there was 2,500t more exported than in the same 2019 period. However, given the absence of international tourism, which is a significant contributor to domestic sales, ApiNZ estimates the net impact to have been +820t over this period, and only led to a 3% dent in the estimated honey in storage.
- Therefore, the additional exports in 2020 is not expected to have any material (positive) impact on prices paid to beekeepers