

# Evidence Framework for Owner Reimbursement Costs

## For the Honey Bee Industry

Version 1 - May 2008



Plant Health  
AUSTRALIA

## Evidence Framework for Owner Reimbursement Costs for the Honey Bee Industry

Principle – average for the year of destruction (price) will be estimated from the current year’s price. The longer term average (over 5 years) will be made from the current years estimate plus the previous 4 years price (1+4)

Formula for calculation of ORCs for Bees, hives, honey and associated products from Schedule 6, Part 4.4.17

$$\text{ORC} = \text{A} + \text{B} + \text{C} + \text{D} + \text{E} + \text{F} + \text{G}$$

Crop	PHA Member
Bees and hives	Australian Honey Bee Industry Council

### Australian Honey Bee Industry Council

	Definition (extracted from the EPPRD)	Evidence requirements/Authorised persons - DRAFT	Comments
A	= Value of the particular hive destroyed.	<p>In this instance, the “hive” is the super and liquid honey (yield) contained within the hive. The other components of the “hive” as defined by Industry are dealt with separately. These components include:</p> <p>Queen bee Colony (Workers) Frames and Foundation Wax Pollen traps (some States)</p> <ol style="list-style-type: none"> <li>1. Receipts from the producer will be used to determine the value of the hive</li> <li>2. Where this is not available or not practical,</li> </ol>	<p>The value of a production hive changes on the season and number of storey that are producing honey.</p> <p>The condition of the equipment and the condition of the contents (bees, honey, frames, wax, pollen etc.) The proportion of liquid to comb honey would also need to be determined as they are of different value.</p> <p>The hives are valued on the basis of the number of boxes, the season, the condition of the boxes, and the condition of the hive as a total (Appendix 2).</p>

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		<p>“Authorised” assessors sourced through the AHBIC Board who are then endorsed by Relevant Parties will be used to estimate hive value.</p> <p>3. The volume of extracted honey would be dealt with at F = <i>Value of any honey stocks destroyed.</i></p> <p>A schedule of hive components is attached at Appendix 2.</p>	<p>If insecticides are used in a Response Plan. The inside would be destroyed (the hive which is the bees, frames, wax etc) and the empty boxes could then be steamed or irradiated, cleaned and reused.</p> <p>The price for a new super (ideal) is \$30.60 but can be purchased from another producer.</p> <p>A basic box = \$70-75 (with base and lid but without labour and paint). Each additional box = \$30.</p> <p>Pollen traps are used in some States and cost approximately \$60.</p>
<b>B</b>	= Value of the queen bee destroyed.	<p>The value of the Queen bee will be sourced from the average industry price during the year of the incursion as published in industry magazines.</p> <p>If Relevant Parties believe there is a significant difference in price over the current and preceding year, they can agree to use the average price over those 2 years.</p>	<p>“Stud” queens are very valuable</p> <p>The breeders are valued (at a minimum) at \$400. Recent sales records, over the last couple of years, could be used to prove previous prices.</p> <p>The production queen price as an average Australia wide is \$15-20. They depreciate over time and are replaced every season or every 2 seasons.</p>
<b>C</b>	= Value of the bee colony component.	A schedule of products, prices and suppliers of Package Bees is listed in Appendix 3	A 2kg package of bees (without queen) is \$60. There are 3 packaged bee producers in Australia. Details for these are available from AHBIC if needed. Note: There is a lag

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			time for honey production when a new hive is used. A second hand hive is ready to produce honey right away.
<b>D</b>	= Replacement value for any other capital items destroyed.	<p>A schedule of hive components is attached at Appendix 2.</p> <p>The value of the Super (box) component of the hive is considered in "A"</p>	In the event of fumigation, the contents of the Supers would be discarded (frames, wax, foundation) but the super would be treated and reused. The value of the super is dealt with in "A". The other components of the "hive" as defined by industry are listed in Appendix 2. The relevant components and the numbers of each component to be included in the Response Plan and ORC claim will be specific for the Incident.
<b>E</b>	= Any other costs incurred by the beekeeper as a direct result of the Response Plan and not normally incurred.	A standard schedule will be developed to estimate the usual costs as determined by Relevant Parties using applicable best practice and industry average costs.	<p>These are costs that are incurred through requirement of the Response Plan and may include containerising, sterilisation through cold, hot or irradiation treatment, Irradiation is normally done through Steritech Australia.</p> <p>Transport of hives from a site and lock up of hives may also cause extra costs to be incurred. These requirements would all need to be stipulated in the Response Plan.</p>
<b>F</b>	= Value of any honey stocks destroyed.	<p>The volume of extracted honey would be determined by inspection at the time of the incursion. The value of honey within the hive will be considered in "A", not here.</p> <p>The price attributed to that volume will be the current price</p>	
<b>G</b>	= the loss of the estimated Farm Gate Value of products foregone, less beehive operating costs, resulting from a		Loss of production through use of a new hive will be addressed here. The lag time for the

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	requirement under a Response Plan that for a specified period bees be quarantined in, or excluded from, a specified area, if applicable.		production.  There would need to be records for production from areas and properties as evidence of what products are produced from those properties.

## Appendix 2 – Hive components and indicative price.

NOTE: These costs are estimates. In the event of an incursion where Owner Reimbursement Costs may be paid, the costs and values will be reviewed and updated by agreement of the Relevant Parties to allow current and case specific information to be used.

The price of these items will be reviewed and updated at the time of Framework use.

<b>Component</b>	<b>Price</b>
Outer Telescoping Cover	\$7.50
Inner Cover	\$4.50
Shallow Extracting Super	\$15.25
Queen Excluder	\$8.00
Full Depth Hive Body	\$17.30
Bottom Board	\$4.50
Bottom Board Risers	\$1.10
Frames assembled – Wired and waxed	\$4.30

### Appendix 3 – Package bees supplier details and product prices

NOTE: These costs are estimates. In the event of an incursion where Owner Reimbursement Costs may be paid, the costs and values will be reviewed and updated by agreement of the Relevant Parties to allow current and case specific information to be used.

<b>Supplier</b>	<b>Products and Prices</b>
Queens 1-9	\$21.00 each
Queens 10-49	\$18.50 each
Nucleus Colony (queen, 3-4 combs with worker bees, brood and honey)	\$60.00
2kg package of bees (without queen)	\$60.00

**Appendix 4: Operating Costs**

NOTE: These costs are estimates. In the event of an incursion where Owner Reimbursement Costs may be paid, the costs and values will be reviewed and updated by agreement of the Relevant Parties to allow current and case specific information to be used.

<b>Expenses</b>	
Apiary and Veterinary Chemicals	
Cleaning and Pest Control	
Sugar	
Protein Supplement	
Queen Bees	
Marketing Expenses	
Accommodation and Meals	
Freight	
Machinery and Maintenance	
Building Structure Maintenance	
Hive equipment - maintenance	
Hive equipment – purchase	
Drums and containers	
Packing Materials	
Building, (vehicle) and liability insurance	
Small tools, equipment and supplies	
Rates and land rent	
Bee site rent (government)	
Bee site rent (private)	
Laboratory fees	



Protective Clothing	
Levies	
Power and Gas	
Phone	
Membership and Associations	
Accountancy and Legal	
Administration	
Bank Charges	
Vehicle Costs	
<b>Labour Cost</b>	
Owner-Operator Allowance	
Paid Labour	