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Observer Presentation:

The African Honey Trade: Unlocking the Potential

by

Bees for Development

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AFRICAN HONEY TRADE – UNLOCKING THE POTENTIAL

Introduction
Harvested and handled with care, African honey can be of international quality, with unique attributes such as taste and colour. African honey has high environmental credentials: it is produced by indigenous honeybees thriving in natural environments. Bees are essential components of every ecosystem, maintaining biodiversity through pollination, and honey production is therefore highly sustainable.

While apiculture presents an opportunity for small producers, for many African beekeepers the potential to create a significant livelihood from selling honey remains out of reach. Some of the issues facing small honey producers are similar to those facing other small commodity producers, while some aspects are specific to the honey trade. This paper presents African apiculture as a viable business opportunity, explains the main challenges facing the sector, and presents activities underway towards finding solutions.

1.0 BACKGROUND
Beekeeping is often promoted as being a pro-poor income generating activity because it is accessible to marginalised members of communities, has low start up costs and requires little land or labour1. However, without access to a market, these benefits cannot be utilised.

1.1 Honey is a local product with international appeal
Most African communities were practising beekeeping long before they cultivated coffee, cotton or cocoa. Honey has been produced by traditional communities for generations, using local low-cost methods to meet local needs. The same honey which is bartered by poor beekeepers for food and soap in village markets can, with almost no further processing, be an international commodity.

Honey is marketable in many different arenas. The global trade in honey exceeded 300,000 tonnes in 20052. Honey can be blended to produce a generic product, while speciality honeys attract a premium price. African honey is fundamentally the same product as any other honey produced by the honey bee Apis mellifera, but of course, honeys vary in taste and colour according to the plants upon which the bees forage for nectar and pollen.

2 CBI, 2006. The EU market in honey and beeswax, The Netherlands
While they have problems in marketing their honey, beekeepers in most of sub-Saharan Africa are in the highly enviable situation of having honey bee populations that are free from introduced diseases and predators. This is not the case in most of the world, where beekeepers keeping *Apis mellifera* have to contend with a range of introduced diseases and predators. This means that African honey has little risk of contamination by drug residues: a factor that could enhance greatly its quality and value on the world market.

1.2 Markets for African honey

African honey is in demand throughout Africa. However, market chain inefficiencies mean that honey packers based in Africa’s cities face erratic supplies and an inability to meet local and export demand, whilst beekeepers say they do not increase production because they have no market. This means that honey that does enter the formal market is relatively expensive. African honey, sold as a generic blended honey, is unlikely to compete on price with honey from major exporting countries like China and Argentina. Production systems, distribution and handling in Africa are not as efficient or streamlined as in major exporting countries. This is because African honey is harvested by thousands of small and scattered beekeepers. Costs of distribution and supply chain management mean that African honey can compete only as a speciality honey. This is not bad news: honey from Africa is special and should be valued and traded as such. For example, one company sells Zambian honey in the UK, explaining to consumers how the honey is produced in bark hives hung high in trees, and describing the skill involved in harvesting the honey from these precariously placed hives.

1.3 African beekeepers and honey production

Honey is produced at household level by beekeepers who are often the poorest and most marginalised in society, and these people are highly disadvantaged in the market place. Poor roads, remote locations, no knowledge of the final market, lack of containers and infrequent interaction with traders mean the potential of the honey trade to bring income benefits to producers remains unexploited.

2.0 CHALLENGES IN THE HONEY TRADE SECTOR

For beekeeping to be transformed from a subsistence activity to a business, the primary producer must have access to a market chain that is reliable and efficient. In order to provide outlets for honey once domestic markets are saturated, export opportunities need to be developed. Under prevailing market conditions this will only be achievable if African honey can be sold as a speciality product.

2.1 Profitability of the honey business

Honey production is rarely inefficient and honey can be produced for practically nothing. However, honey is harvested by beekeepers who are poor, remote and disconnected from the market. Getting honey out of the villages into the towns is difficult and expensive. Many of the problems they face are generic to small producers, and include the high cost of transport, low volumes per household and erratic interaction with traders. However apiculture does have the following additional positive and negative attributes:

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3 Johannes Agonafir, 2005 Strategic intervention plan on honey and beeswax value chains in Ethiopia. SNV/Boam publication
4 Uganda Export Promotion Board, 2004 Export strategy for apiculture.
The honey, as it is in the comb, is pure and clean and in some senses of the word the highest value product. If harvested carefully the honey needs no further processing. This is a positive attribute and can mean beekeepers earn more if they handle the honey carefully. They should be able to “capture” more of the end value of the product.

Beekeeping as a sector is overlooked and neglected and attracts very little serious investment and support. This means, for example, extension advisers know little about the product and micro-finance institutions do not give credit for this business. This undermines the potential of the sector.

Beekeepers are often more remote, less literate, have less experience with traders and business, and willing to take fewer financial risks than other farmers. This presents challenges particular to the sector.

2.2 Exploiting the potential of high value niche products (EU market as an example)

To sell any honey, generic or speciality, into the EU, it must meet EU honey quality criteria, and exporting countries must be listed on the EU’s list of ‘third countries’. Honey traders, packers and supermarkets increasingly set their own additional criteria, which may be more stringent than Codex Alimentarius or EU criteria. Consumers in the EU will pay more for speciality honeys: those of specific floral (e.g. Acacia, Citrus, sunflower) or geographical origin (e.g. Greek mountain honey), and those with special certification such as organic or fairly traded.

Fair trade certification

Pursuing FLO certification to achieve market access is difficult for honey producer groups. FLO standards do not apply in situations where a trader buys honey from individual beekeepers or small, informal groups. This business model cannot be FLO certified. FLO certification can be achieved only when beekeepers are organised into formal, democratic producer associations. This is achieved, uniquely in Africa, by North Western Bee Products in Zambia. To achieve this level of organisation requires considerable input, support and capacity building, and FLO certification can only become cost effective for a producer group if their profit margins will cover the cost of annual certification. Only a large association, like NWBP with 6,500 members, is able to enter into this process.

Organic certification

For honey to be sold as organic, for example within the EU, it must comply with EU organic standards that have been created for European beekeeping, and may be difficult to apply in Africa. However, the main obstacles for achieving organic certification are the same as for other crops produced at household level: scale. There are no difficulties for beekeepers to practice their craft in compliance with organic standards: most African beekeepers do not need to use medicines to maintain bee health. However, for the honey to be certified as organic the bees must forage on organic-certified land. In which case it is only practical for organic apiculture to occur in natural environments such as National Parks, or as a complement to another existing organic agricultural system. In addition, the cost and bureaucracy of certification remains almost impossible at the small group level.

3.0 THE WAY FORWARD

3.1 Trading and supply efficiency

The solutions to trading and supply inefficiency include:

- Grading, bulking and some transportation to be handled at the group level

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6 Fairtrade Labelling Organizations International Association (FLO), 2005 Generic fair-trade standards for small farmers’ organisations
• Ensuring better access to market information
• Building reliable and secure trading relations between producers and buyers
• Improving transport and communication infrastructure
• Establishing producer organisations for savings and credit, input supply management and cooperative marketing

3.2 Marketing strategies
Honey has different market outlets. The domestic and regional honey markets are currently under-saturated in countries such as Kenya and Uganda, where urban supermarkets, hotels and other retail outlets provide opportunities for honey sales. The advantages of selling locally include lower marketing and transaction costs, less stringent quality criteria and small volumes are acceptable. The advantages of export include a larger market, potentially high prices (for some honeys) and foreign exchange earnings.

It is important for any honey business to know the market and make a rational decision about the market for which to aim. Statistics for honey trade in Africa – even the formal trade – are difficult to obtain, but anecdotal evidence suggests that the domestic demand for local honey is increasing and sales are rising. The main issue is for the producer group to be governed by a business model based on calculating the profit margins of different marketing strategies.

3.3 ApiTrade Africa
In response to the honey marketing challenges described in this paper, key honey trade stakeholders have decided recently to establish an African honey trade association. African honey producer groups and traders are confident that through co-operation and collaboration, some of the challenges facing their honey businesses will be overcome. The main aim of the emergent association, named ApiTrade Africa, is to promote African honey widely, break down barriers hindering access to global markets, and ultimately unlock the potential of the apiculture industry to generate wealth.

3.4 Bees for Development
Bees for Development believes that African honey is a highly ethical product with very important pro-poor benefits. These may be summarised:
• Honey is harvested by some of the poorest and most vulnerable households, and sales bring income into their homes, and is spent on necessities such as school fees and medicine
• Beekeeping is accessible to the poor as there are no high start up costs. This means that beekeeping can be without the risk of debt.
• Beekeeping is undertaken by the young and old, men and women: it is a gender inclusive activity
• Beekeepers produce products (honey and beeswax) that require little further processing. Therefore, they should capture relatively more of the end value of the final product.
• Honey has multiple market opportunities. If an export market collapses, people still have some chance to sell or use the product within towns and villages at home, or create secondary products. This is unlike other commodities such as coffee or vanilla.

More ecological than ‘just’ organic
An organic certificate, if achieved, tells only a fragment of the story about the environmental benefits of African beekeeping. This is why:

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1 Bees for Development Journal 2006 The second African Honey Trade Workshop 81, 1-5
• Bees are indigenous and a natural component of the local ecosystem, and they contribute to biodiversity through pollination.
• Bees in most of Africa are disease free, which means that no medicines are used to maintain bee health - quite apart from the fact that poor people could not anyway afford them.
• Beekeeping causes no disturbance to the natural environment. Compare this to a tea estate, which even if certified organic, has involved replacement of natural vegetation with an imported monoculture.
• Beekeeping creates an economic incentive for rural African people to conserve natural vegetation. This is good news. Imploring people to conserve forests for non-tangible benefits is usually a non-starter. Compare this with earning an income, through beekeeping, from natural forest ecosystems.

This is not to undermine the organic agricultural principles - only to point out that it is unfortunate that African beekeepers should find themselves obliged to seek organic certification in order to win a premium price in other markets, when if consumers appreciated the real value of beekeeping, they would be willing to pay top prices for this special product.

Honey and beeswax are commodities with international market value that can be ecologically beneficial, and with pro-poor credentials. Improved trade in these commodities would have implications for thousands of the most vulnerable households in Africa.