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**APICULTURE DEVELOPMENT PROGRAMME (SADP): BEE'
PRODUCTS TRADE PROMOTION PROGRAMME IN THE
AMHARA REGION, ETHIOPIA**

**PRESENTED TO BEES FOR DEVELOPMENT WORKSHOP
DUBLIN**

August 20, 2005

1. PROJECT DESCRIPTION

2.1 Background Information

- Project title: **Smallholder Apiculture Development and *Bees' Products Trade Promotion Programme***
- Project location: **Bahir Dar Zuria, Gondar Zuria, Meket, Dangila, Wereillu, and Gozamin**
- Project goal: **Contribution to the economic and social development of smallholder farmers in the Amhara Region.**
- Purpose: **To create market for Bees products through organization of beekeepers into a commercial entity, production of value-added hive products and creating link between local producers and new market outlets.**
- Project outputs:
 - 1. Creation of farmers-beekeepers associations and/or cooperatives and enhancing their capacities**
 - 2. Creation of four collection and processing centres and provide them with credit**
 - 3. Creation of market opportunities for honey and related products.**
 - 4. Establishment of (a self-sustaining) apiculture resource centre for the region**
 - 5. Further provision of technical knowledge to more farmers (concerning sustainable honey and beeswax harvesting, processing and marketing)**
- Donor Agency: **The Royal Netherlands Government**
- Implementing Agency: **SOS Sahel Ethiopia**
- Project owner: **The six Bees' products development and marketing cooperatives**
- Actual start of implementation: **July 2003**
- Primary targets: **smallholder rural beekeeper farmers in the target Woredas**

2.2 APPROACHES

- Enhancement of farmers' capacities to efficiently manage the cycle (producing-processing-marketing)
- Promoting their products
- Creating local and overseas market links

- Creating a resource centre
- Establishing collection and processing centres
- Involving all the stakeholders

3 PROJECT PERFORMANCES

3.1 Formation and Registration of Beekeepers cooperatives

- Formation and strengthening of farmers' institutions is an integral part of this project to create institutionally viable commercial entities.
- SOS Sahel focused to help the cooperatives to cope their production, processing and marketing activities by their own joint effort; so that after a smooth exit of SOS Sahel; cooperatives will manage their institution effectively.
- The project Woredas are found to be very rich in Bee resources, though there are very poor marketing systems.
- Farmers' awareness creation for the benefit of cooperatives, which will empower the smallholders in many aspects and thereby lead to improvement of expected livelihood outcomes in all target Woredas.
- Four co-ops formed (Biruh Tesfa of Gondar, Agunta of Dandila, Marote of Meket, and Yetana Zuria Abeba of Bhir Dar Zuria Woredas have been registered and licensed).

3.2 Establishment of Collection and Processing Centres

- The collection and processing centres are among the best means to make ready farmers market for their products and enable traders to be confident of the volumes and quality available.
- Each centre is functioning as a means of collecting honey and beeswax from beekeepers, organising certification, and arranging its onward sale.
- The CPCs are equipped with necessary equipments, facilities and personnel and honey processing has been undergone in all coops successfully.
- The bookkeeping systems of the collection and processing centres are established and the CPCs are used to provide on job training on product processing, packaging, labelling and delivering.

3.3 Creation of Marketing Opportunities

The project since its inception in July 2003, has accomplished many marketing activities.

- Contacts have been established both in the local and overseas markets.
- Retail sales have been done to different supermarkets and consumers.
- The entrance of AMAR, the Amhara beekeepers coops' honey, into the local market is known to increase the ratio of locally produced honey to the imported one consumed nationally.
- In addition to the honey, the regional and national market for bee's wax has been improved because of our project.
- In the marketing part, emphases were given to the promotion of the product and linking the private sector with the coops.
- Many training/orientations were also given in salesmanship, packaging, labelling, delivering, pricing and promotion.
- The coops are now highly conscious to bring down production and marketing costs and continually expand their market size to achieve economies of scale.
- Different market assessments and promotional work done.
- Different contacts established and farmers are involved in the sales activities.
- 14 local exhibitions participated and different overseas companies contacted during the exhibitions
- 2 distributing agents are established for Addis Ababa and its surroundings
- Contract is signed between the cooperatives and three exporters (Alrejawi Business Group, ODCOM PLC & Asnake Exporter)
- Contact is going to be signed with BCS OKO to finalize the organic certification process and it is on the way to start the certification process.

3.4 Training

- Training in marketing strategies, cooperative management and beekeeping techniques was organised at all Woredas
- On-job trainings are being given to the coop on marketing techniques, labelling and packaging, cost-effectiveness, quality control and processing, and in basic principles and systems of cooperatives such as management, accounting etc.

4 THE IMPACTS OF THE PROJECT

4.1 Improved Income and Livelihood Security:

- Cooperative members are able to raise bargaining position and gain a significant income from price increment.

- The intervention has brought the local merchants towards fetching farmers with fair pricing. Particularly, members have attained more than 40% increase in income from price regulation.
- They have realized additional income from processing of wax and birz, which are not traditionally well practiced.

4.2 Impact on Human Assets:

- The project has generated a positive impact on human development through extension and training services.
- Some members have acquired skill and are even able to produce Kenyan Top Bar.
- The meager resources and knowledge that are pooled on voluntarily basis have also enhanced the financial capacity of the members and created an opportunity to compete in the market.
- The democratic election process, social bond created among members and participation in decision making and involvement in controlling the same have contributed much towards attaining self-reliance.

4.3 Level of Integration and Influence:

- The interest of the regional government to build on the success of SOS Sahel and to replicate the project interventions in other 20 Woredas has proved that the intervention, to certain degrees exerted an influence on key institutions.
- In a similar fashion, some neighbouring Woredas to the project areas have started to organize themselves into marketing cooperatives. Even to the extent, they have started to make frequent contact with project areas and gain experiences.

5 SUCCESSES, CHALLENGES, LESSONS LEARNT

5.1 Project successes

- Four cooperatives established and well functioning
- Capacity of the Beekeepers Coops Enhanced
- The quality of honey improved

Characteristics tested	Standard requirements	Test results			
		Meket	Bahir Dar	Gondar	Dangila
Moisture content,% by mass	21.0 max	16.9	17.4	16.7	15.6
Total ash, % by mass	0.60 max	.04	.08	0.05	.2
Total reducing sugar, % by mass	65.0 min	70.9	68.9	73.6	71.2
Sucrose content, % by	5.0 max	.97	.92	.21	4.4

mass					
Acidity, milli. Equ acid/kg	40.0 max	20.4	28.9	25.8	20.3
HMF, mg/100 gm	80.0 max	8.4	10.9	10.2	13.0

- Access to Credit Enhanced
- Local market opportunities created
- AMAR promoted well

5.2 Project Challenges

The major project challenges are summarized as follows.

- As the activity is new, it required high attention to act at each step for which the project staff have to work very hard.
- It was difficult for the project to export honey to the EU because our country is not in the list of honey exporters to the same.
- Crystallisation of crude honey was the main drawback, to process the honey in an easy and simple way and even it was difficult to sell it easily.
- Higher purchasing prices of the honey have negatively affected the sales performance of the coops.
- Lack of experience in Honey processing by the coops has demanded the SOS Staff to work very hard in keeping the quality requirement of the market.
- Difficulty in changing subsistent farmers to entrepreneurs
- The sales performance of coops' honey was so slow, due to lack of sufficient market niches at grass-root levels, higher prices and the demand behaviour of the consumers. In line with which the coops were forced to sell in bulk as they produce in big volumes.

5.3 Lessons Learnt

- Honey processing is improved from the practice on the field
- In terms of price the local market is better than the overseas as a result of which the local market should be given due attention in the short run
- The production gets feed-back from the market and quality gets improved
- As promotion enhances sales it should be done aggressively
- The involvement of the private sector in a value chain facilitates the transformation of subsistence farmers to commercial ones.

6. THE HONEY AND BEESWAX MARKET SITUATION IN ETHIOPIA

The market assessments in the country show that the consumption and competition of honey in the local markets is increasing from time to time. The competition has become stiff.

To withstand this fierce competition, therefore, one should design a good and implement able marketing strategy, which can demonstrate its competitive advantages (unique selling points). On the other hand, there is a high local demand for bees wax and the competition in the beeswax market is insignificant, next to none.

The competitive situation in the local honey market is summarized as follows.

- Price

The existing price competition in the local competitive market is summarized as follows.

Competitor	Jar capacity/gm	Retail Selling price /Birr
Tutu honey	500	17.60
Maskel flower	600	16.90
Kindest honey	500	14.95
Senho honey	500	14.95
Yeshi honey	500	14.60
AMAR	500	17.35

-Average:

Retail selling price per kg is Birr 31

Farm-gate price per kg is Birr 12 (crude honey)

1 USD= 8.8 Birr

- promotion

Till to date no effort is observed to promote honey by any one of the existing competitors but AMAR.

- Distribution

During our market assessment, we have realized that all the competitors use supermarkets as their reliable and official channels.

7. THE WAY FORWARD

- Private sector...
- You are kindly requested to fill it!

Thanks!