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AFRICAN HONEY TRADE WORKSHOP 2006

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Over one hundred participants from fourteen countries attended the African Honey Trade Workshop that took place at Seeta, near Kampala, Uganda in October. For four days African honey producing and trading businesses considered challenges that face honey trade in Africa.

Beesfor Development organised the Workshop in partnership with Uganda's Ministry of Agriculture, Animal Industries and Fisheries (MAAIF) and Uganda's national beekeepers organisation TUNADO.

The need for development of honey trade towards poverty alleviation was emphasised by The Honourable First Lady of Uganda, Mrs Janet Museveni MP, who graciously opened the Workshop. It was encouraging for the Workshop to receive such high-level support, demonstrating that apiculture is recognised as a mainstream economic opportunity with significant potential. The Workshop was featured on Uganda news media.

The principal workshop sponsor was Rowse Honey Ltd and it was their support and foresight that made the Workshop possible. Additional sponsors were the DFID Business Link Challenge Fund, and the National Agricultural Advisory Service of Uganda.

The aims of the Workshop were:

- ♦ to engage with experts on topics relevant to increasing trade in African honey
- ♦ to formalise the emergent honey trade forum as a vehicle to promote African honey.



Ms Mary Chelimo, of Baraka, Kenya makes her point

- ♦ lower marketing and transaction costs
- ♦ less stringent quality criteria
- ♦ less stringent certification requirements
- ♦ easier to sell without any special marketing approach
- ♦ fewer consequences if supplies are erratic
- ♦ small volumes are acceptable

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.

In summary, it is important for any honey business to know the market and make a rational decision about the markets for which to aim. Statistics for honey trade in Africa - even the formal trade - are difficult to obtain, but anecdotal evidence suggests that domestic demand for local honey is increasing and sales are rising. For many producers there is no need to think of export.

Presentations therefore covered export quality criteria; the requirements of honey buyers; trends in regional and international honey markets; organic, fairtrade and EU certification, and supply chain management.

Sell locally or aim for export?

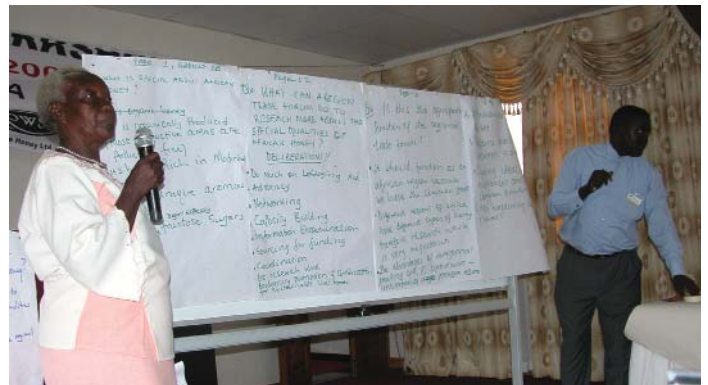
Many speakers reminded the Workshop that export is not always the best idea. The domestic and regional honey markets are currently under-saturated in countries such as Kenya and Uganda, where urban supermarkets, hotels and other retail outlets provide opportunities for honey sales. The advantages of selling locally include:

Honey export

For those who plan to export, Peter Marshall from the Workshop sponsors, Rowse Honey Ltd., presented the company's expectations from any honey business wanting to supply Rowse. He emphasised the skills required of traders, from being good communicators - to meeting EU legislation to enable traceability of every drum of honey. Peter explained that Rowse Honey markets two categories of honey: *blended* and *speciality*. Speciality honeys are 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.

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 produced at household level by thousands of small and scattered producers. 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, Tropical Forest Products Ltd, a UK 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.



Participants emphasise the constraints faced by African honey traders

Producer groups that are certified according to criteria set by the Fairtrade Labelling Organizations International Association (FLO) may sell honey labelled with the FLO logo. Rowse Honey Ltd is looking for FLO-certified African honey, because this is an important way to increase the marketability of a honey. Another EU-based honey buyer at the Workshop was Maya Fair Trade, a Belgian ethical-trading company, selling only FLO-certified honey, but yet to find a source in Africa.

Fairtrade certification

Day 2 was dedicated to exploring fairtrade certification. The presentations and discussions revealed that for beekeeper groups to achieve FLO certification is not straightforward. This is because 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.

An example of an enterprise with social conscience that does not fit the FLO certifiable business model is Bee Natural Products in Uganda. The company is buying honey from individual beekeepers and small informal groups, and investing in good producer-buyer relations, including capacity building, input provision and training, but the model is non-certifiable according to existing standards.

Organic certification

Organic certification is another way to add value to African honey and create a special product. Unlike FLO certification, there are several organic standards. For honey to be sold as organic 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. This area requires dialogue between European certifiers and African beekeepers - to understand what an appropriate application of organic standards can look like. For example, most organic standards of European origin call for a map of the apiary. In an African context, this is almost impossible, as hundreds of local-style hives are placed in trees and forests over many hectares of land. Another example is the eating of bee brood: this is common in some societies as it is recognised as a food source, while organic standards call for no destruction of brood. Interestingly on this point, Ulrich Bröker of APICON, Germany, explained that the eating of brood would probably be acceptable to organic certifiers as long as it is consumed for nutritional reasons and not commercial reasons, which provided an interesting insight into the organic philosophy. Another organic specialist, Haike Rieks, from EPOPA, Netherlands explained that organic standards in an African context can be misinterpreted. For example, she had known African certifiers disqualify a producer due to their proximity to heavy traffic. In fact, the road saw less than 20 cars each hour, which by local standards was heavy - but not relative to the meaning of the European standard.

Special African honey



Ms Tecla David from Mozambique discusses her honey business

It is easy to become focussed on certification and meeting standards, and perhaps lose sight of the real situation.

While FLO and organic certification are difficult to achieve, the reasons are not necessarily that the honey trade is unethical, or that honey is contaminated with chemicals. On the contrary, both these labels, even if achieved, undersell the special qualities of African honey. The Workshop

learnt that Tropical Forest Products Ltd sells Zambia honey to a highly prestigious retailer on the merits of high quality alone: it is the story of the Zambian honey that features on the attractive packaging, rather than the FLO or organic labels (even though the honey is fully certified). What does this tell us?



Group discussions concerning the need for a trade association

Trade in African honey brings economic benefits to the rural poor

The FLO fairtrade standard refers to a number of issues. The producers receive a minimum price that is above the world market price (currently US\$1.8-1.95 per kg), and with the premium to be spent on social development projects. The FLO emphasis is to support a process of producer empowerment and this is manifested through the establishment of democratic farmer organisations.

In fact, African honey is rarely produced by farmers who are organised and empowered in this way: nevertheless **BeesforDevelopment** believes that African honey is a highly ethical product with very important pro-poor benefits. These are:

- ◆ 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 can still sell or use the product within towns and villages at home, or eat it. This is unlike other commodities such as coffee or vanilla.



The Rt Honourable Serapio Rukundo Minister of Tourism, Trade & Industry, assisted by Ms Haike Rieks, presents a certificate to Mr Bob Malichi of North Western Bee Products, Zambia

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:

- ◆ 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.



Ridar Hotel, near Kampala was the Workshop venue

Honey is wonderful

Here at **Bees for Development** we do not know of any other commodity with international market value that can be more ecologically beneficial than honey, more natural and with more pro-poor credentials, with implications for thousands of the most vulnerable households in Africa.

Fairtrade honey

During the 1970s, the local government of Oaxaca State in south-eastern Mexico trained farmers, mostly indigenous people, in beekeeping to help them to generate some income and so to make their way out of poverty. However, the only buyers they had for their honey were *coyotes* - unscrupulous intermediaries who paid very little, or nothing at all.

At the end of the 1980s, some of the producers formed an unofficial union, which eventually became the Miel Flor de Campanilla Cooperative. In the nineties, they became FLO-certified and were able to find markets for their products by selling without intermediaries. Since then, Flor de Campanilla has built an enterprise which sells 60 tonnes of honey a year to international buyers. Flor de Campanilla is one of the 13 honey co-operatives in Mexico that are currently Fairtrade-certified. For these and others in Argentina, Chile, Guatemala, Nicaragua and Zambia, Fairtrade has opened up opportunities in a difficult market environment.

Honey is not traded on the stock exchange. The price depends on various production costs, different climate and vegetation zones, and the yield per bee colony. There have been fierce price battles on the market for honey that resulted in beekeepers being hardly able to live from their income on the conventional market.

In this economic environment, Fairtrade guarantees stability for honey producers through a Minimum Price. It allows producers to cover their costs and contributes to more security for the beekeepers and their families.

Number of certified fairtrade honey producer groups per country

Argentina	1
Chile	4
Guatemala	5
Mexico	13
Nicaragua	2
Zambia	1

Producer groups

Bees for Development is committed to helping beekeepers in developing countries find markets for their products. We are endeavouring to forge contacts between producer groups and potential buyers. If you represent a producer group with significant volumes of honey or beeswax for sale, then do contact us.

Acknowledgements

Bees for Development would like to thank Rowse Honey Ltd, UK, the DFID/Business Link Challenge Fund, UK and NAADS Uganda for their sponsorship of the African Honey Trade Workshop.

We acknowledge also the kind permission given by FLO International eV to use information provided in this article. See more at www.fairtrade.net



ApiTrade Africa

The idea to create an association for African honey traders first arose at **Bees for Development's** *First African Honey Trade Workshop*, held in Dublin in 2005, and was progressed further at this Workshop. 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 for the good of poor people in Africa. A Task Force of 12 people/organisations (including **BfD**) was elected and an internet-based discussion group is underway. The plan is for **ApiTrade Africa** to make its first public appearance at the Apimondia Congress in Melbourne 2007.

Sales volumes of fairtrade-certified honey per country in 2004/2005 in MT

	2004	2005
Austria	4	4
Australia/New Zealand	-	-
Belgium	73	63
Canada	-	-
Denmark	4	12
Finland	10	11
France	52	66
Germany	335	362
Ireland	-	0
Italy	102	70
Japan	-	-
Luxembourg	4	4
Mexico	-	-
Netherlands	51	49
Norway	-	-
Sweden	1	0
Switzerland	396	385
UK	208	296
USA	-	-
Total	1240	1330

More information

The *Proceedings* of the First Workshop in this series, held in Dublin in August 2005 are available - see page 14.

The *Proceedings* of this second Workshop and details about ApiTrade Africa will be posted at the **Bees for Development** website shortly www.beesfordevelopment.org