

The HONEY TRADE

Forestry Sub-Sector Studies - Briefing 9 - January 2005



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This series of briefing notes provides summary information on the various parts of the forestry sector. The studies, commissioned by DWAF, focus on the role that each sub-sector can play in promoting poverty eradication. DWAF recognises the importance forests and forestry play in people's livelihoods and aims to create an environment that will increase forestry's impact on local-level development.

Introduction

- The honey industry in South Africa is characterised by under-production. There are ready and easy markets for honey of reasonable quality.
- Eucalypt plantations of the country's forestry industry offer a real and significant opportunity for developing honey production projects for the poor.
- Government support is being provided to support rural communities to enter the sector.

Honey Production in South Africa

- Persons with 200 beehives or more are termed "commercial bee-farmers". There are only about 400 in South Africa who between them own about 60 000 hives in total.
- A "small-scale" beekeeper has 200 hives or fewer: there are over 2000 of these in South Africa.
- There are also an estimated 4000 informal (traditional) beekeepers.

Traditional Beekeeping by Previously Disadvantaged Communities

- Most rural communities in South Africa practice honey hunting (i.e. robbing of wild hives), and are therefore generally familiar with the habits of honey bees. They also know about beekeeping with hives, and some now keep bees in rudimentary containers.
- Large scale 'traditional' bee-keeping is not common in South Africa however. This is

Commercial hives hung in a eucalyptus plantation



because nectar production in our woodlands is not as productive as those in south-central Africa.

- Traditionally, hives are made by stripping the bark from the trunks of large trees to produce a hollow cylinder, which is then plugged at both ends and suspended by bark ropes in large trees.

Production Potential

Plantations

- The area of eucalypt ('gum') plantations in South Africa in 1999-2000 was estimated at 506 122 hectares (ha). Generally, only mature gums (three years and older) yield significant amounts of nectar. If the average age of gums at felling is eight years, then the total area of gums at nectar-producing age can be estimated at 316 326 ha.
- It is estimated that an average of three hives can be sustained per hectare of good nectar-producing trees. This means that the 316 326 ha could potentially support 105 442 hives of bees.
- Taking an average yield of 15kg of honey per hive per year, 105 442 hives could potentially produce 1 580 tons of honey per annum.
- Using the average retail price of R40/kg for honey, the potential value of honey production from gum plantations in South Africa is R63.2 million per annum.
- Why is this potential not being tapped? The primary reason is the threat of theft and vandalism of hives left in plantations. Plantations do not have the same levels of security as smaller, privately owned, intensively managed farms, and the incidence of honey theft is much higher than with hives left on farms with crops such as sunflower or citrus.



Woodlands

- Honey production from natural woodlands would be lower, but may fetch a higher premium due to taste and its novelty/specialist value.

Price of Honey in SA

- The bulk honey price (i.e. 50-litre containers or larger) is usually the same country-wide, currently R20-R22 per kg.
- A standard 500g jar currently retails at R25, twice the bulk price.
- Novelty honey e.g produced from citrus, fynbos or litchi nectar retails for approximately R30 for a 150g jar, or R200 per kg.



Current Levels of Production, Imports and Exports

- A well-managed hive in a mature plantation of *Eucalyptus grandis* can produce approximately 60 kg of honey, while less intensively managed hives tend to produce 20 to 25 kg of honey.
- The average production and consumption between 2000-2002 was reported at:
 - Produced: 1 533 tonnes
 - Imported: 493 tonnes
 - Expected shortage for 2004: 650 – 800 tonnes.
- South Africa exports a small amount of standard grade honey to neighbouring countries.
- Very small amounts of “connoisseur grade” honey from unusual or flavoured sources such as fynbos, citrus, litchi, etc, are exported to specialist European markets at high prices.

By-products and Value-adding Opportunities

- There are good, easily accessible, markets for by-products such as wax and propolis.



- There is also an unknown but potentially lucrative market for specialist or “fancy” beekeeping products such as honey of origin and honey in the comb.
- Craftwork incorporating beeswax (decorative candles, ornaments, etc.) also offers significant opportunities.

Business Opportunities in the Honey Trade

- The establishment of honey production enterprises operated by previously disadvantaged communities is already being undertaken by a number of government departments and NGOs in association with many of the commercial forestry companies in South Africa.
- These honey production initiatives address skills and capacity development among developing beekeepers on a range of issues including technical beekeeping issues, enterprise management, and marketing.
- However these initiatives are outsider driven and operated. There is little opportunity for developing beekeepers to independently establish and operate individual initiatives as do the current commercial beekeepers.
- The establishment of a national co-operative, or several regional co-operatives, for emerging honey producers would assist in the growth of the sector. It could develop a system of bulk purchasing equipment for redistribution to smaller development beekeeper enterprises (thereby benefiting from economies of scale). It could also negotiate competitive prices for its members and avoid the low prices achieved by bulk selling of honey to existing wholesalers.
- Over and above this, such an institution(s) could focus on:
 - Centralised extraction, processing and packaging
 - Marketing of honey
 - Branding honey
 - Distribution of produce
 - Offering extension services including specialist services such as the management of bee diseases and pests
 - Making information available to prospective honey producers
 - Bulk purchase of equipment and sale to members
 - Training.

