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Honey Marketing Practices and Its Drawback in Central Ethiopia

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Abstract: Ethiopia leads Africa in honey production although the traditional production system predominates in the industry. Within this production system, marketing system is supply driven in which understanding the marketing system and its limitations was therefore the main goal of this essay. Using simple random sampling, the study obtained information from eight processors, eleven merchants, and 68 beekeepers chosen randomly. The study found that 91% of the honey production is conducted by traditional technologies which is characterized by lower productivity at small scale level. As a result, the producers are selling to anybody in the market at the existing market price in which only 64% of the respondents were strained honey in which 41% of respondents were sold crude in its raw state. Sales of pure honey and beeswax account for 35% of net profit, but beekeepers are losing this money due to lack of straining. Traditional beehives yield 0.15–15 kg per hive per year, in contrast to the national average of 9 kg per hive per year. Moreover, price decisions are not based on trustworthiness, and there is no regulatory framework in place to direct how buyers and sellers decide to proceed. Local knowledge is the only basis for honey quality testing. As a result, several actors are involved in the market which create ill competition among buyers. Hence, this study recommends organization of beekeepers to boot honey supply and create accountability in honey quality failure.

Keywords: Beekeeping, Honey, Marketing System, Honey Production, Hive

1. Introduction

Honey production in Ethiopia, which makes up around 1.3% of the agricultural Gross Domestic Product (GDP) [2], is the highest in Africa [10]. Nevertheless, the data from Central Statistical Authority (CSA) of Ethiopia shows that despite its low productivity [15] and quality, the old industrial system still controls more than 96% of the sector [16]. However, the old manufacturing system has been constrained by the availability and adoption of new technology, which has led to low productivity and quality [1, 4]. Additionally, the reviews by Ethiopian Economic Association (EEA) shows that the link between the agricultural and industrial sectors is very weak [5] which limits the participation of smallholders in international trade fairs [6]. Due to this facts, smallholder beekeepers make limited efforts to raise the caliber of their honey [3].

As a result, the beekeeping industry collapses in a traditional food value chain with no obvious intervention [9]. Even though the beekeeping industry is also an environmentally benign one, which contributes to its appeal [21], the sector hardily addressed. Additionally, traditional beehives made up 94% of all beehives in Ethiopia which demonstrating a moderate backwardness of the industry [11]. It is therefore not surprising that Ethiopia's export market is continuing to shrink.

Despite its tremendous potential for honey production [20], its export status was consequently limited to less than 2% of total production [8]. Although the average volume of honey exported increased slightly, Ethiopian honey exports remain very low in comparison to total honey production. Because of the lower supply, the local honey price has risen, forcing exporters to focus on the domestic market since 2014.

Therefore, it is crucial to comprehend the honey market to ascertain where corrective action should be taken in order to overcome challenges in honey market.

2. Methodology

This study was conducted in the Central Ethiopia which

was purposely selected due to the proximity of the area to the capital city as well as free from security prone. Similarly, Peasant Association (PA) were also purposively selected based number of beekeepers in the area. Finally, 68 beekeepers were randomly selected using snowball random sampling methods. Additionally, an interview with 8 processors and 11 merchants were conducted. Moreover, interviews with key informants from the Association of Bee Honey Beekeepers and Exporters in Ethiopia and private businesses were also done. To create relevant figures from the raw data, the collected data was summarized using SPSS software.

3. Result and Discussion

3.1. Honey Production

Traditional beekeeping methods predominated, 85%, persistent in the central Ethiopia. This was consistent with CSA data [19], although dependence on modern beehive is still less than 10% despite their wealth of knowledge. The process of enhancing their productivity was less enjoyable than having access to new technologies, despite the former being a beautiful experience.

Because of this, traditional beekeeping techniques are still used [14], and beekeepers still struggle to control colony swarming and absconding. However, small-scale beekeeping demonstrated a rising tendency in the ratio of modern beehives to traditional beehives (Figure 1). This study also supports the finding that indicates the decline of the traditional beekeeping and a rise in power towards the modern beekeeping [13].

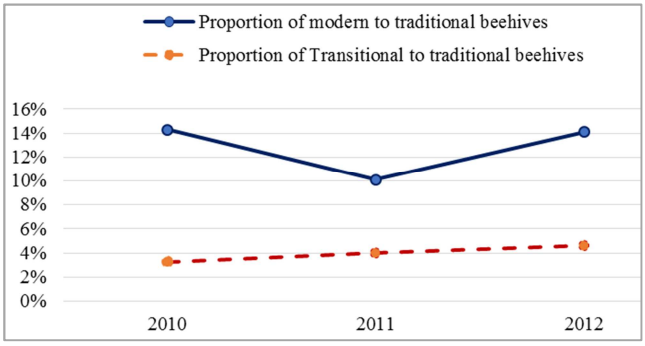

Figure 1. *Beehives types trade-off.*

Even though the drop in traditional beehives suggests a rise in the use of new technology, less than 25% of modern beehives, regardless of size, were adopted. Moreover, only 59% of respondents strained honey, mainly by hand squeezing, while 41% sold crude in its raw state (Table 1). Additionally, a higher percentage of households decided to sell owing to a lack of resources, a lack of knowledge, and a fear of losing weight in case of crystallization. However, sales of pure honey and beeswax account for about 35% of net profit [7], meaning beekeepers are losing money due to lack of straining.

Table 1. *Types of honey sold and its purity.*

Description		N	%
Types of honey sold	Crude	23	33.8
	Pure	16	23.5
	Both type	5	7.4
	Total	44	64.7
Straining honey	Yes	40	58.8
	No	28	41.2
	Total	68	100.0

The beekeeping industry remains a sidelined source of income for beekeepers where still 91% of households are using traditional beehives in central Ethiopia. Furthermore, due to their limited purchasing power, small beekeepers were unable to access improved technologies. Due to these facts, beekeepers primarily sold honey and occasionally wax as bee products. Aside from these products, beekeepers were oblivious to the other bee products as a source of income. As a result, efforts to increase honey productivity in Ethiopia continue to fall short of their potential. According to field data, traditional beehives yield 0.15–15 kg per hive per year, with an average yield of 3 kg., in contrary to the national average of 9 kg. per hive per year [16].

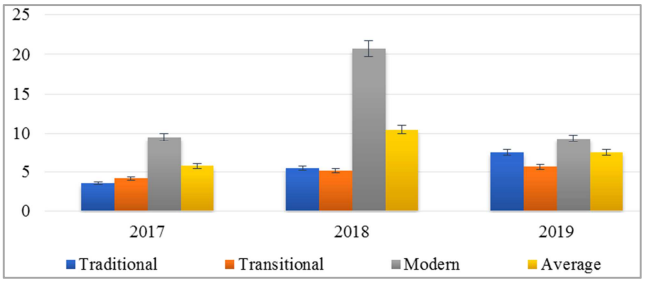

Figure 2. *Number of Colony owned (Source: Own survey).*

3.2. Honey Supply

In fact, it is not worth to expect larger supply of honey from the lower productive traditional technologies. As a result, although Ethiopian honey is in fair demand on the global market [12], most of the honey consumption still takes place in a local market due to the dominance of the traditional production system [7]. Even though the relative worldwide price is clearly on the rise in line with global demand [17], the relative price of honey was lower (Figure 3) because of a glut of low-cost goods exported under the honey label [18].

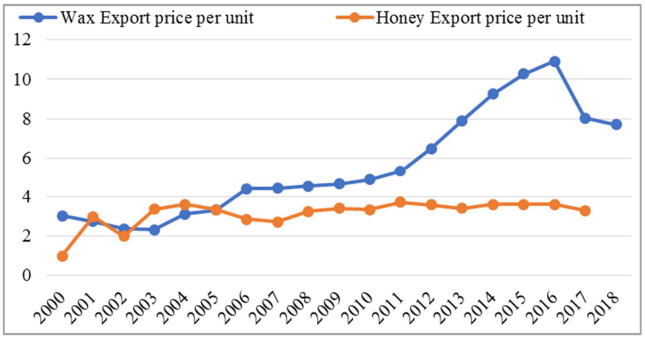

Figure 3. *Price trends of Beeswax and Honey (USD).*

3.3. Market Actors

The assembly of small-scale-based honey products is a relatively expensive function in the honey value chain due to the spatial distribution and infrastructural challenges in Ethiopia. Even though it was hardily possible to contact licensed honey collectors; beekeepers, wholesalers, retailers, and meld have been involved in honey collection. However, the relationship between these actors and beekeepers follows an on-spot relationship. The lack of traceability and the dominance of unlicensed traders' floods in the honey market system which opens the door to adulteration and fraud on honey market.

As a result, the beekeeping system does little to assist beekeepers in upgrading their production system due to a lack of formal laissez-faire between buyer and seller to fix standards, schedule supply, and set and maintain quality. In addition, despite local inflation, beekeepers continue to sell all the honey product at the going rate of price.

The important thing is that beekeepers do not prefer the buyers but sell to whom able to pay better price in the market. As a result, he/she can sell at a time to more than two buyers even in the same year on to the fact that the farmers can supply small quantity in a market. The following graphs shows that 13% of the respondents are selling to two types of traders in the study years indicating that there is no common customer.

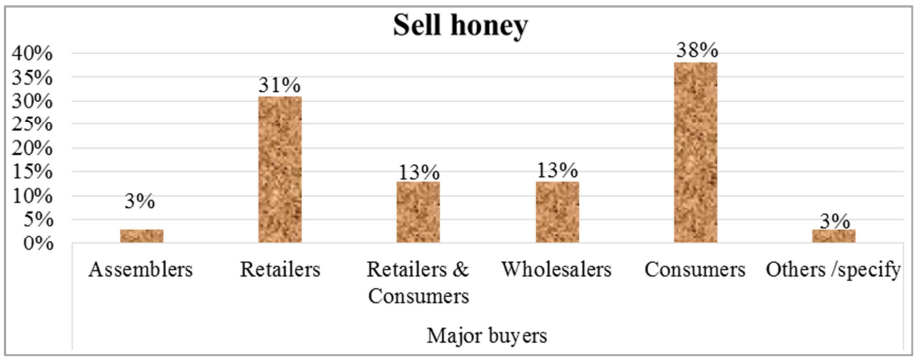

Figure 4. *Major honey buyers.*

3.4. Price Decision

It is also crucial to identify who has more influence over price determination and who loses out because of market decisions. In actuality, the market is not in the Ethiopian beekeepers' backyard, and they must travel a distance to sell their bee products elsewhere besides the colony. Loyally, the money owners have more negotiation leverage even when the beekeepers are using the base price from the prior week or year as a starting point. Although price negotiations are not based on the trustworthiness of both parties, buyers and sellers, beekeepers still set a relatively larger price to use negotiable price gap.

Buyers, on the other hand, are haggling to increase their marginal profit. Furthermore, there is no regulatory framework in place to direct how buyers and sellers decide to proceed with a negotiation. Additionally, because there were few quality complaints in the market, beekeepers were mostly unaware of the standard quality requirement. Finally, local knowledge is the only basis for honey quality testing.

4. Conclusion and Recommendation

4.1. Conclusion

Beekeepers are not aware of the honey quality standard, which restricts the movement of products on the local market when export demand is at its highest. There is no firm commitment mandating beekeepers to achieve a criterion in market supply, except for the economic loss brought on by the provision of crude honey. Finally, though numerous market actors are in the market, there is no any guarantee that control the price competition in market particularly the effort of adulteration. Generally, the current honey marketing system is full of sabotage which demands affirmative action to current honey marketing system in Ethiopia.

4.2. Recommendation

In order to enhance the performance of Ethiopia's honey marketing system;

1) Honey supply: The coordination of honey supply into a one pulling system for better supply and price negation is very important to reduces fragmented honey supply for better market influences. This demands the organization of beekeeping association.
2) Market linkage: To prevent honey adulteration and illegitimate competition, it is crucial to impose formal producer-trader links for better demand driven honey production and enhance accountability for quality failure.
3) Policy action: Most of the actors in the market have no legal support but margin-oriented traders. To create a responsibility in honey adulteration, legal standard for honey market should be imposed.
4) Further research: The new illusion adulterants in the market become common in honey market which invites types of adulterants, its reaction with honey and accurate ways to detect in market.

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