

# The decrease in honey production and its impact on local producers and consumers

Honey production is a small market both internationally and in South Africa. A combination of factors, highlighted by the recent droughts, have led to a decrease in the availability of honey resulting in increased prices and a local producer market facing international competition. Senior Agriculture Economist at FNB, Paul Makube, addresses six questions around the production of honey and the hive of concern around its impact on local producers and consumer markets.



fancycrave1 via [pixabay](#)

## 1. How extensive is the lack of honey in SA and global market?

SA production is normally around 2,000 tonnes per year and current estimates indicate that a decrease in production is expected. At least 1,000 tonnes is normally imported. At 3,000 tonnes local consumption far outstrips supply and the deficit is met by imports, mainly from Argentina, China and Australia. However, there are concerns over the quality of some of the imported product.

Domestically, adverse weather conditions, particularly in the Western Cape, have contributed to reduced production and raised the need for imports. Other production areas of South Africa such as KwaZulu-Natal (KZN) were not as badly affected.

## 2. How has it impacted on pricing?

The shortage has resulted in upward pricing as the market is generally small both locally and internationally. Wholesale prices ranged R40 to R45 per kg in previous years and have recently reach R65 per kg due to the drought.

## 3. How has it impacted competitiveness of SA businesses?

The reduced domestic production situation attracted imports which mean a loss of market share for the local product and producers.

It should, however, be noted that the critical importance of honey bees is not only for the production of honey but for agriculture and conservation as well in terms of their role in pollination of deciduous fruits and conservation of floral reserves and in terms of maintaining biodiversity. The recovery of this sector is, therefore, more important for the

agricultural market as a whole.

#### **4. Are there measures in place to assist this market and businesses in this sector?**

Support is in terms of legislation and agriculture and conservation services by the various departments. Honey Standards are currently promulgated in terms of Regulation 835 dated 25 August 2000 in terms of the Agricultural Products Standards Act, 1990 (Act no. 119 of 1990): Regulations relating to the Grading, Packing and Marking of Honey and Mixtures of Bee Products intended for sale in the Republic of South Africa.

These are however not financial in nature and the market has to fend for itself from a marketing and infrastructure perspective.

Commercial producers face serious challenges such as vandalism and theft, pests and diseases, competition from cheap imports, the [Capensis problem](#), loss of forage, and still a lack of research capacity. For example, a hive can easily cost R1,000 with spinners prices ranging from R30,000 to R40,000. This, combined with a lack of swarms to purchase which can easily be priced at about R1,500 per swarm, is a huge barrier to entry into this market. New entrants to the market will also need to learn by at least working on any other running operation or farm.

#### **5. What are the short and long term impacts on the agriculture sector?**

While production is expected to rebound as conditions normalise, the effect on the agri-sector could be huge if there is no sufficient recovery. For example, the value-added by the managed honey bees on the South African deciduous fruit industry alone could easily exceed R200m per year. The broader impact on biodiversity could even be bigger in the longer term.

#### **6. Has the drought been responsible for the lack of honey?**

Drought was a principal factor in the current shortage. However, it should be noted the limited domestic supply situation has always been due to the combination of rising demand and the lower production.

“We look forward to a recovery in honey output, for the foreseeable future, the current decrease in production of honey seems to be a problem that will correct as the conditions in the season ahead improve,” concludes Makube.