



International
Trade
Centre

Enabel 



European Union

EUROPEAN MARKET FOR TANZANIAN BEE PRODUCTS



BUYER PERCEPTIONS, MARKET DEMAND AND
SEGMENTATION SURVEY

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Introduction

This consultancy was commissioned by ITC to Bert-Jan Ottens, who is the founder and Senior Adviser of ProFound – Advisers In Development. In the process of executing this assignment, I took on board most valuable insights from my ProFound colleague Kasper Kerver, as we have been carrying out various honey projects together.

The consultancy is carried out in parallel to, and to complement a larger Tanzania beekeeping value chain analysis and upgrading strategy recommendations report to be implemented by ITC's project partner, Enabel.

Our consultancy assignment is focused on 'Buyer perceptions, market demand and channel/segmentation'. The main objectives are described in the Terms of Reference, aiming to collect buyer perceptions, particularly on comparative positioning of the Tanzania businesses and products vs competitor origins. Targeted buyers were selected from the major honey and bee product markets internationally and regionally, and across the spectrum of segmentation, being bulk (including direct buyers and traders/agents); niche, fine food/organic (including packed); and food ingredients.

The approach and methodology was further discussed and defined with ITC's project technical team, resulting in:

1. Desk review of project documents, existing similar analyses, consultation with Tanzanian honey industry stakeholders and review of relevant sector strategies, developing questionnaires in coordination with the project technical team, the listing of target buyers, importers, etc. Liaison with selected implementers of the Tanzania value chain analysis, and upgrading strategies study under the Enabel component.
2. Implementation of the survey, data collection and analysis.
3. Synthesis and reporting. Final report to incorporate inputs from the project technical team particularly in relation to the section informing the refinement of various technical capacity building sub-outputs and activities: The report structure to allow sharing with Tanzanian industry stakeholders without the section on refining project activities.

The expected outputs of the consultancy were defined as:

1. A short description of the approach to be followed, a list of target buyers and a questionnaire to be used for deployment based on research, own industry insights and knowledge, input from the project technical team and Tanzania industry stakeholders.
2. A draft report based upon completed buyer interviews, for discussion with the project technical team.
3. A final report responding to the purposes and objectives described above.

This report is the 2nd output of the consultancy.

Background

SMEs form the backbone of the African economy, representing more than 90% of businesses and employing about 60% of workers, many of whom are women and youth. Helping more SMEs connect to international markets would ensure that the gains from trade are broadly distributed across the workforce. The last two decades the beekeeping sector in Tanzania has shown accelerated growth. The demand for honey and beeswax exceeds the supply against a background of high global demand which is expected to grow even further. There is a huge area of forest and woodlands in Tanzania that is ideal for developing the beekeeping industry. At the same time, beekeeping contributes to the sustainable environmental management, reduction of deforestation and to climate change adaptation by providing alternative income sources in climate vulnerable areas. Meanwhile, honey produced in Tanzania is generally considered to be of low quality and production varies throughout the year due to seasonality.

The supply of raw honey to aggregators and processors has many challenges. Most processing units are performing poorly and are highly under-utilized due to lack of business skills, aggregation capital and inadequate equipment and infrastructure. However, there are some examples of well-performing supply chains linked to privately owned processing units that have effective quality control and management systems which make them competitive for export markets such as EU and USA. The beekeeping value chain still has many constraints which are, among others, related to limited capacity of value chain actors and their poor coordination, weak performance of value chain service providers and the lack of an adequate enabling environment.

The project aims to provide various technical related capacity-building assistance measures, through enhanced quality production, value addition of bee products and strengthen trade and market access to local, regional, and international markets. The technical capacity building assistance measures will be market-demand oriented, ensuring that interventions on themes such as product development, quality improvement, packing (packaging) systems and labelling, market and branding are aligned with international and regional buyer expectations and contributing to ensuring Tanzanian businesses develop a competitive advantage in targeted market segments.

The project will support enabling working environment for private sector involved in the bee product processing and trade. ITC logic for intervention is to enhance the competitiveness of Small and Medium Enterprises (SMES), as these are the cornerstone of most economies. These will be ITC's target groups and final beneficiaries.

Objectives

- To enhance the competitiveness of Small and Medium Enterprises (SMES) as these are the cornerstone of most economies
- To promote sustainable agriculture by improving the beekeeping value chain through enhanced quality production, value addition of bee products and enhanced trade and access to local, regional, and international markets.
- To improve the links between production and marketing, while focusing on groups living in vulnerable situations, providing them with employment opportunities to participate in the value chain.

Target area

The project focusses on small and Medium Enterprises in the honey industry in the Tanzanian regions of Katavi, Kigoma, Tabora, Shinyanga and Singida as well as the island of Pemba.

Market overview

Market size

Between 2010 and 2020, total EU honey consumption increased by 2.1% annually. Mainly the increasing consumer interest in natural, pure, and healthy products drove the growth in honey consumption. This annual growth contributes to the total size of the EU honey market. Currently, the EU is one of the largest consumers of natural honey. In 2020, this consumption amounted to 426 thousand tonnes¹.

Table 1 Size of EU honey market (tons)

	2018	2019	2020
Production	240,000	231,000	280,000
Imports	167,463	167,097	177,650
Exports	26,756	27,433	31,287
Apparent consumption	380,707	370,664	426,363

As the EU produces 280,000 tons of honey, it can only satisfy 60% of demand with own production. For the remaining 40% of demand, the EU needs to import honey², which creates enormous opportunities for non-Eu producers of natural honey.

Export data from Tanzania³ show that Tanzanian exports represents only a very small percentage of total EU import of honey. In 2020, the latest available data, Tanzania exported a total of € 798,000 honey worldwide, of which € 322,000 to the European union⁴. These numbers are almost negligible when compared to the EU's import of honey (€ 582,009,000 / 177,650 tons) for 2020, as can be seen in the figures below. If Tanzanian honey producers are able to comply with market demands and can produce honey for a competitive price in respective segments, there might be an interesting market for them in the European Union.

¹ https://ec.europa.eu/info/sites/default/files/food-farming-fisheries/animals_and_animal_products/documents/market-presentation-honey-spring2021_en.pdf

² https://ec.europa.eu/info/sites/default/files/food-farming-fisheries/animals_and_animal_products/documents/market-presentation-honey-spring2021_en.pdf

³ Copy of UPDATED EXPORT DATA FOR HONEY AND BEESWAX from 2004 to 2021

⁴ <https://www.trademap.org>

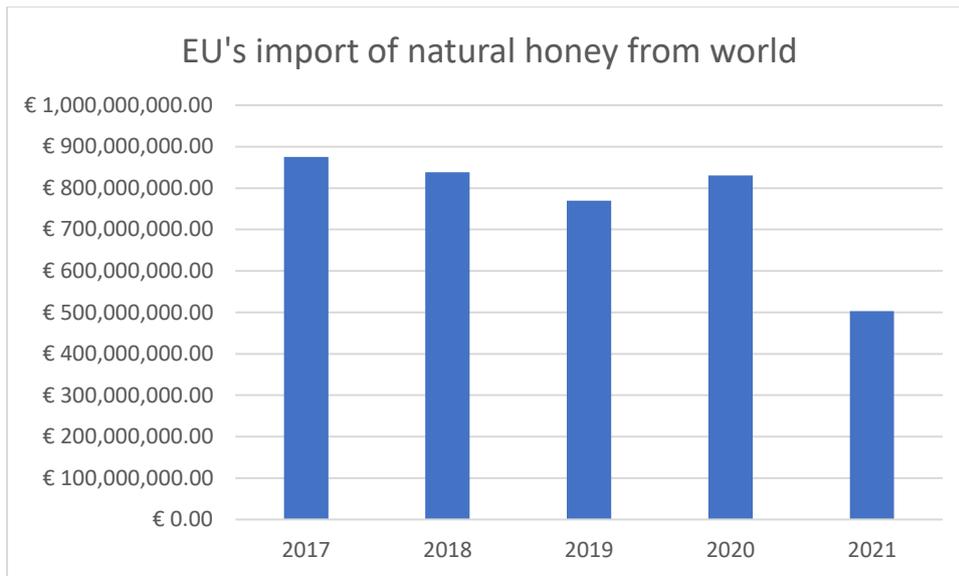


Figure 1 EU import of honey Source: [Link](#)

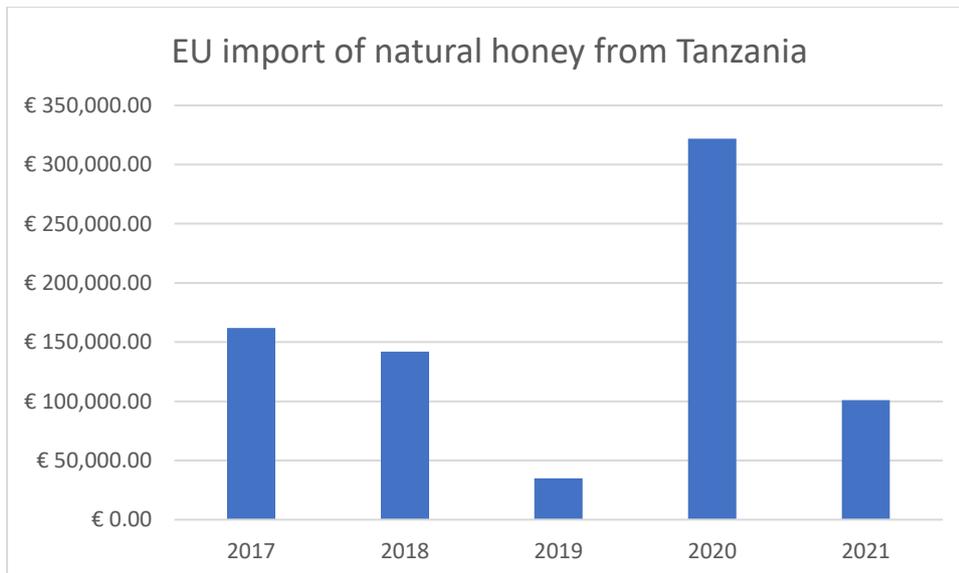


Figure 2 EU import of natural honey from Tanzania Source: [Link](#)

Tanzania has been allowed by the EU to export honey to the EU for more than 15 years already. For more information on EU legislation regarding these exports, refer to the section Pre-market approval. For many years, exports from Tanzania to the EU remained negligible. One of the reasons for this are the high quality requirements in the EU market and a lack of capacity by Tanzanian suppliers to comply with these high requirements. In recent years, export appears to be increasing, even though the absolute amount of exports is still very small compared to total EU imports.

Prices

In the past 5 years, prices for honey in the EU market decreased considerably due to fierce competition between supplier countries. The average import price for honey from countries outside the EU amounted to € 1.84 /kg in 2021⁵.

Table 2 Price developments

	2017	2018	2019	2020	2021
Ukraine	1.74	1.83	1.68	1.53	1.61
China	1.63	1.51	1.40	1.37	1.27
Argentina	2.23	2.35	2.28	2.20	2.27
Mexico	2.83	2.89	2.56	2.22	2.18
Cuba	2.34	2.40	2.11	1.83	2.01
Brazil	3.84	3.38	2.67	2.16	2.32

Source: European Commission, Honey Market Presentation Spring 2021

Honey exported by the EU is valued much higher than the honey imported by the EU. The average export price of EU honey was € 5.68 in 2021. Reasons for the high value of EU honey exports include:

- A large part of the honey exports is estimated to comprise retail packed honey
- Honey from the EU has a good reputation based on rigorous quality management
- A large part of the honey is estimated to be branded

Compared to the conventional honey supplying countries, Tanzanian honey is relatively expensive at € 3.5-4 /kg. The only reason to buy this honey is that some consumers in this segment are specifically interested in African honey, which is still quite unique on the European market.

Out of all major honey supplying countries, China is able to produce for the lowest price. Chinese honey is priced at € 1.5 /kg or lower, however many buyers do not want to buy Chinese due to food safety issues.

One of the major honey producing countries is Ukraine, however due to the current ongoing war with Russia, production of honey is expected to decrease. This decrease in honey supply might lead to overall higher prices on the honey market, as one of the major honey suppliers leaves a production vacuum.

The overall supply of honey to the global market, and therefore prices, is influenced strongly by weather conditions and large-scale bee diseases. Being the largest suppliers of honey in the world, production developments in Argentina, China and Mexico have a particularly strong influence on honey prices paid by EU importers. Exporters are advised to follow the developments in major production countries, in order to determine if it is worthwhile to hold on to their stocks and wait for higher prices.

Prices for honeys from the main production countries are mainly determined based on quality and colour. In general, lighter grade honeys are sold for a higher price on the market due high demand for light honeys and lower supply volumes compared to darker coloured honey.

⁵ https://ec.europa.eu/info/sites/default/files/food-farming-fisheries/animals_and_animal_products/documents/market-presentation-honey-spring2021_en.pdf

Segments

Table honey vs industrial honey

The honey market is principally segmented into honey for household consumption (table honey) and honey for industrial use. An estimated 70-85% of all honey is for household consumption. Table honey is used mainly as spread on bread or as a natural sweetener for yoghurt or drinks such as tea or milk. It can also be used in food preparations such as salads, vegetable and meat glazes and casserole dishes.

The other major market segment for honey is the food industry. The food industry mainly uses low-priced, conventional honey. This industrial honey is primarily used in the bakery, confectionery, and cereal industries. It is particularly useful in baked goods. The moisture-absorbing quality of honey helps breads, cakes, cookies, and candies stay fresh longer. European legislation (EC/2001/110) has even defined exceptions in the product standard for honey to enable the use of low-quality 'baker's honey' in the bakery industry. Finally, honey also has a use in honey wine (i.e., mead) and several after-dinner liqueurs, which are particularly popular in Eastern Europe. Honey was traditionally used in food preparations but is now often replaced by sugar and sugar syrups. The honey which is used by the food industry is often of a lower quality than table honey. Many industrial users do not care about the quality, as long as they can put the word honey on the label. Other industries using honey include the tobacco and pharmaceutical industry, although these account for only a small part of the total demand for honey.

Polyfloral honey vs monofloral honey

Most honey produced in the world is polyfloral honey. Bees collect nectars from a wide variety of flowers and producers mostly do not make a link between the nectar sources and the honey for marketing purposes. Still, a range of monofloral honeys are also increasingly being sold, especially by specialist shops and independent retailers including the 'health' and delicatessen shops. An increasing number of consumers in the most developed markets in the EU has developed a preference for monofloral honeys. Especially in the leading European markets, demand for these monofloral honeys is increasing, however, this market remains small (estimated at 10%). Moreover, most of these monofloral honeys meet the general preferences: light colour, liquid, mild taste. Monofloral honey is specified per type of flower, in Spain for example, orange honey is a fairly common monofloral honey as beehives are held in oranges orchards⁶.

Conventional honey vs certified honey

In this report, conventional honey is defined as honey which is not certified for compliance with social or environmental standards such as organic or fair trade. The two certification schemes of most relevance for the European honey market are EU organic and the standard of Fairtrade International.

Organic

The global organic food and beverages market has gained popularity across the globe over the past years and is moving more and more from niche to mainstream in Europe. Europe has the largest organic market worldwide accounting for almost half of the global sales of organic products. Sales of organic products, including honey, are no longer solely the domain of health food shops and other specialist retailers. Organic products can now also be found in supermarkets, hypermarkets,

⁶ Interview Carlos Sessa

convenience stores and discount stores in Europe. Moreover, the range of organic food products is increasing. Retailers do not only offer organic table honey anymore; they also increasingly offer products which contain organic honey as an ingredient. In other words, the food industry is slowly becoming a significant user of organic honey. Germany is the largest market for organic food products in general, followed by France and the UK and other, mainly West European countries. In 2013, the European market for organic honey was estimated to account for a few percent of the total honey market. In 2018, 163,000 tons of honey was imported to the EU-27⁷ (208,000 total, minus 45,000 imported by UK). Of the imported honey, 15,000 tons were produced organic⁸, accounting for 9% of total imports of honey. Interviews with buyers suggest that the organic honey market comprises 10-15% of the total honey market.

Fair trade

Consumers in the European Union are becoming increasingly aware of the consequences of their shopping behaviour on suppliers at the other end of the chain. In contrast to the consumers favouring local products, there are many consumers who realize that they have the power and responsibility to make the trade in honey fair for the poorest beekeepers in the world. One of such schemes is Fairtrade. Fairtrade honey refers to honey traded on the international market, under conditions which are favourable to honey exporters. Certification of Fairtrade schemes by FLO-cert lead to extra support for honey processors and beekeepers and helps them improve their livelihoods. Buyers pay a Fairtrade premium to the fund of the producer group which the latter can use to improve their members' livelihoods. Globally in 2020, Fairtrade producers sold 4,020 MT of honey on FT terms, according to Fairtrade International internal data.

Bulk honey vs retail honey

Most of the honey on the European market is supplied by honey packers in Europe which blend bulk honey from mixed sources to create honeys with a taste that matches with consumer expectations and with an acceptable price. The honey used in the blends is bulk polyfloral honey and is preferred by most European consumers. The European honey packers put the honey in retail packaging, mostly jars and bottles, and market it under their own brand or the brand of their buyer. Retail honey is almost exclusively supplied by European companies. Only a very small part of retail honey is supplied by companies from outside Europe.

Market channels

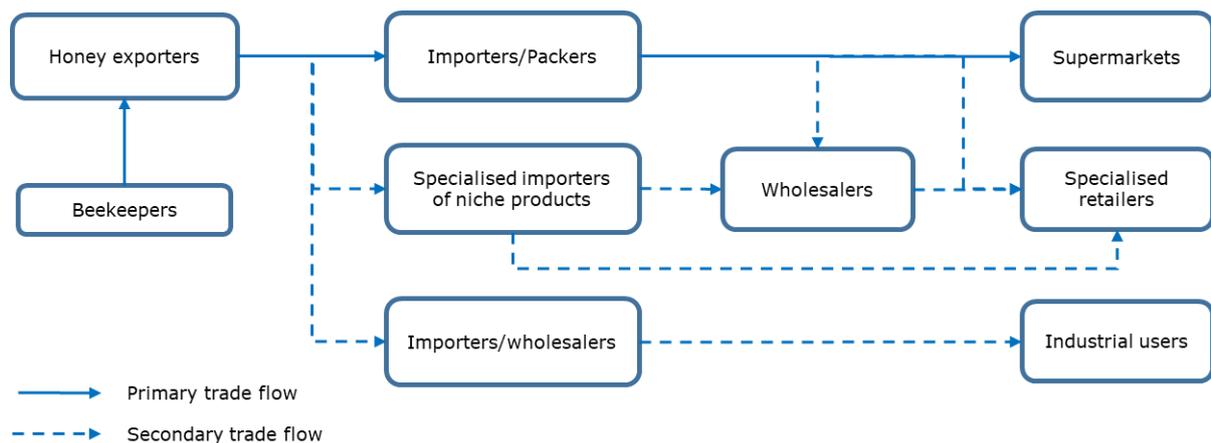
In general, three different market channels can be distinguished:

- Big importers pack the honey for large retailers. Most mainstream table honeys, including polyfloral organic honey, are distributed through this channel.
- Big importers supply the honey to industrial users. Most low-quality low-priced honey, especially from China, is distributed through this channel.
- Small, specialised importers pack the honey for speciality shops. Most niche products, such as organic monofloral honey, are primarily distributed through this channel.

Figure 3 Market channels

⁷ <https://ec.europa.eu/eurostat/en/web/products-eurostat-news/-/edn-20190520-1>

⁸ https://ec.europa.eu/info/sites/default/files/food-farming-fisheries/farming/documents/agri-market-brief-18_organic-imports-eu-2018-19-20-data-tables_en.xlsx



Beeswax

Usage

Beeswax is one of the oldest cosmetic ingredients in the world. It was first used in ancient China and Egypt. Egyptians used it in cosmetics and in hair preparations to hold curls and braids in place. Nowadays, beeswax is still used primarily in cosmetic products, as it is used as thickener, emulsifier or solidifier for f.e. lip balm, sun care, lotions and anti-ageing products. It is globally approved, biodegradable, non-toxic, non-irritant, and non-comedogenic. It can be certified natural and/or organic by NPA, COSMOS, USDA, Ecocert and other certifying bodies. It can be purchased with different certifications allowing for attractive packaging callouts, including organic, kosher, halal, non-GMO, sustainable, ethically sourced and many more. Because beeswax is an animal by-product, it cannot obtain the currently popular certification of vegan, nor can a cosmetic product that contains it.

The only natural wax produced commercially in Europe is beeswax. Demand for other natural waxes such as carnauba wax and candelilla wax is met by imports. Around 30-40 % of the world trade in beeswax is used for cosmetic industries. Beeswax is becoming increasingly popular as a local, well-known ingredient in cosmetic products like soap. However, as beeswax is a by-product of honey production, there is low availability. There is a worldwide scarcity of high-quality, pesticide-free and low-residue beeswax. Beekeepers put their emphasis on the production of honey rather than focussing on beeswax. Consequently, prices for this high-quality beeswax can be much higher than for lower quality wax. Value per KG of beeswax is however much higher than that of honey, the primary product.

In terms of wax processing, installations for melting the wax can require significant investments. These installations are necessary for the processing of a number of waxes, such as the separation of beeswax from crude honey.

Beeswax is a by-product of the honey production, whereas floral waxes are the by-products of the creation of floral absolutes, such as rose or Jasmine floral wax.

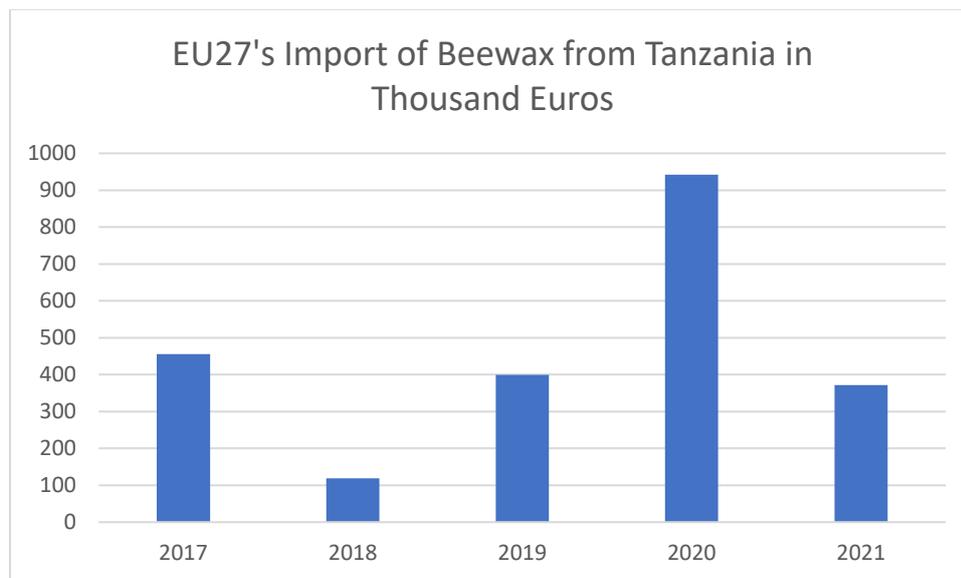
Distribution

Beeswax is usually packed in cardboard boxes. Due to high demand in beeswax, growing prices and low availability, buyers of beeswax are currently ready to accept lower quantities of beeswax per shipment. Whereas a full container of 20 000 tonnes is required when shipping honey, beeswax might be shipped in quantities as little as 1-3 tonnes. Currently, a large percentage of beeswax comes from producers in Spain, which sees lower transport costs due to their location in Europe.

Buyers importing beeswax from outside the European Union might opt for higher quantities, to spread the shipping costs.

Due to a combination of low production and high demand, current market prices for a KG of beeswax are around €13 /KG FOB Djibouti for beeswax from Ethiopia, which is a major supplier. It is said it costs between 8 and 10 KG of honey production to produce 1 KG of beeswax. Production of beeswax is thus much less efficient than producing honey. Besides, most large-scale honey producers use modern hives which require bees to produce only small amounts of wax whereas in traditional honey producing methods, such as seen in Tanzania, bees produce much more wax.

Figure 4 EU Import of Beeswax from Tanzania



Buyer expectations for honey

Minimum buyer requirements for all segments

When exporting honey to Europe, suppliers must comply with legally binding requirements. As most honey is used as food, EU legislation on food applies. All European food legislation is established according to the principles of traceability, risk analysis and precautionary measures. Additionally, should honey comply to a minimum standard of quality, however, there is no overall specific set minimum quality. Buyers search for a certain type of honey, depending on the desired application. One of the frequently heard critiques on honey sourced from Africa is its smoky flavour. This is something that is unacceptable for most buyers, as this is an undesired taste for most European consumers. There are however stories that smoky flavour can mainly be found in Ethiopian honey. It is said during interviewing with buyers that Ethiopian honey might have contributed to an overall poor image on African honey, as Tanzanian honey might be less smoky⁹.

Pre-market approval

EU legislation prohibits honey imported from countries outside the [‘third country list’](#). Countries on this list have established systems for testing honey quality and can effectively prevent honey exports which are not in compliance with EU requirements. In order to be included in the third country list, a Residue Monitoring Plan (RMP) is required. The RMP guarantees that the honey imported in the EU

⁹ Interview Carlos Sessa 18-03

does not contain any prohibited residues and veterinary drugs, such as chloramphenicol. Tanzania is on the third country list and companies from Tanzania are allowed by the EU to export to the EU.

Approved establishments

Products of animal origin for human consumption including honey can only be imported into the EU if they come from approved processing establishments. The competent authority of the country where the company is located is responsible for checking compliance with public health requirements specified in Annex III to [Regulation \(EC\) No 853/2004](#) and listing the company in TRACES. The [published lists of establishments](#) are derived from the data in TRACES-NT.

Hygiene

Honey suppliers are required to comply with the EU legislation on hygiene of foodstuffs ([Regulation \(EC\) 852/2004](#)). The General Hygiene legislation requires a clean production environment and personnel trained in hygienic handling of honey. Implementation of procedures based on Hazard Analysis Critical Control Point ([HACCP](#)) principles, are also required. However, obtaining the actual certification of HACCP is not obligatory. EU legislation also recommends sector support organisations to develop guides to good hygiene practices. These guides should be based on relevant codes of practice of [Codex Alimentarius](#). Additionally, each batch of honey must be accompanied by a health certificate signed and stamped by a veterinary officer authorised by the relevant authorities of the exporting country. A model health certificate can be found in Appendix VI to Annex VI of [Regulation \(EC\) 1664/2004](#).

Traceability

EU legislation requires that in case of food safety problems, products should be taken off the market and consumers should be informed. In order to enable this procedure, products must be identifiable and located quickly through a traceability system.

The General Food Law requires EU food business operators, such as honey importers, to be able to identify each supplier of every honey batch. To this end, importers require their suppliers to label every batch and keep samples for 2-3 years. In case of a safety problem, members of the Rapid Alert System for Food ([RASFF](#)) network must inform the European Commission, which notifies the public.

EU Honey Directive

[Directive \(EC\) 110/2001](#) sets European requirements concerning honey quality standards and labelling. Requirements regarding honey composition are specifically described in Table 3
Honey composition requirements.

Table 3 Honey composition requirements

Composition requirements	EU criteria
<p>1.1. Fructose and glucose content (sum of both)</p> <ul style="list-style-type: none"> — blossom honey — honeydew honey, blends of honeydew honey with blossom honey 	<p>not less than 60 g/100 g</p> <p>not less than 45 g/100 g</p>
<p>1.2. Sucrose content</p> <ul style="list-style-type: none"> — in general — false acacia (<i>Robinia pseudoacacia</i>), alfalfa (<i>Medicago sativa</i>), Menzies Banksia (<i>Banksia menziesii</i>), French honeysuckle (<i>Hedysarum</i>), red gum (<i>Eucalyptus camadulensis</i>), leatherwood (<i>Eucryphia lucida</i>, <i>Eucryphia milliganii</i>), Citrus spp. — lavender (<i>Lavandula</i> spp.), borage (<i>Borago officinalis</i>) 	<p>not more than 5 g/100 g</p> <p>not more than 10 g/100 g</p> <p>not more than 15 g/100 g</p>
<p>2. Moisture content</p> <ul style="list-style-type: none"> — in general — heather (<i>Calluna</i>) an baker's honey in general — baker's honey from heather (<i>Calluna</i>) 	<p>not more than 20 %</p> <p>not more than 23 %</p> <p>not more than 25 %</p>
<p>3. Water-insoluble content</p> <ul style="list-style-type: none"> — in general — pressed honey 	<p>not more than 0,1 g/100 g</p> <p>not more than 0,5 g/100 g</p>
<p>4. Electrical conductivity</p> <ul style="list-style-type: none"> — honey not listed below, and blends of these honeys — honeydew and chestnut honey and blends of these except with those listed below — exceptions: strawberry tree (<i>Arbutus unedo</i>), bell heather (<i>Erica</i>), eucalyptus, lime (<i>Tilia</i> spp.), ling heather (<i>Calluna vulgaris</i>), manuka or jelly bush (<i>leptospermum</i>), tea tree (<i>Melaleuca</i> spp.) 	<p>not more than 0,8 mS/cm</p> <p>not more than 0,8 mS/cm</p>
<p>5. Free acid</p> <ul style="list-style-type: none"> — in general — baker's honey 	<p>not more than 50 milli-equivalents acid per 1 000 grammes</p> <p>not more than 80 milli-equivalents acid per 1 000 grammes</p>
<p>6. Diastase activity and hydroxymethylfurfural content (HMF) determined after processing and blending</p> <p>(a) Diastase activity (Schade scale)</p> <ul style="list-style-type: none"> — in general, except baker's honey 	<p>not less than 8</p>

— honeys with low natural enzyme content (e.g. citrus honeys) and an HMF content of not more than 15 mg/kg	not less than 3
(b) HMF — in general, except baker's honey — honeys of declared origin from regions with tropical climate and blends of these honeys	not more than 40 mg/kg (subject to the provisions of (a), second indent) not more than 80 mg/kg

Residues

[Regulation \(EC\) 470/2009](#), in conjunction with the annexes of [Regulation \(EC\) 2377/90](#), establishes MRLs for the use of authorised veterinary drugs, such as anti-biotics, applied to honey bees. The use of veterinary drugs containing pharmacological substances not listed in the annexes is prohibited.

Residues	MRLs
Amitraz (Tactic, Apivarol)	0.2 mg/kg
Chloramphenicol	Zero tolerance
Chloroform	Zero tolerance
Chlorpromazine	Zero tolerance
Colchicine	Zero tolerance
Coumaphos (Perizin)	0.1 mg/kg
Dapsone	Zero tolerance
Dimetridazole	Zero tolerance
Flumethrin (Bayvarol)	Not restricted
Metronidazole	Zero tolerance
Nitrofurans (including furazolidone)	Zero tolerance
Oxalic acid	Not restricted
Ronidazole	Zero tolerance

Although pesticide use is limited in many areas of Tanzania, [Regulation \(EC\) 396/2005](#), which sets Maximum Residue Levels (MRLs) for pesticides, is very relevant. The MRLs set by this Regulation are frequently amended. Therefore, the European Commission publishes an up-to-date [Pesticides database](#) on its website, where you can check all the current MRLs for pesticides. Click on the button 'products' and type in 'honey' (or code 104000) in the search field.

Packaging

Honey imported from developing countries into the EU is transported in bulk, rather than in retail packaging. Packing for retail usually takes place inside EU borders, before distribution to retail chains and elsewhere. EU buyers strongly prefer steel drums over plastic drums because of handling and quality. Due to the weight of honey, plastic drums may collapse when stacked. In practice this also means that storage of plastic drums requires more space. Moreover, equipment of importers is not always suitable for plastic which may break as it is less durable. Plastic is also more permeable which means honey is more easily contaminated by for example materials/liquids on the floor.

Buyers commonly require metal drums of 200 litres. The drums must be painted on the outside and lined on the inside. Depending on buyer preferences, beeswax, or plastic bags (e.g., polyethylene) can be used for lining. Buyers might agree to packaging honey in plastic containers if these are certified food safe plastics.

Distribution

Majority of honey is distributed per container of 20.000tonnes. depending on the quality, uniqueness and price of the honey, buyers might agree to ship in lower quantities. In such cases, containers are not completely filled or there might be opted to fill the remaining part of the container with other bee produce as beeswax. Note that these are exemptions. Usually, especially with bulk honey, shipment is done per 20.000 tonnes.

Labelling

Labels must include the following information:

- The name under which it is sold
- The gross and net weight
- The date of minimum durability – ‘best before’
- Any special conditions for keeping or use
- The name and address of the manufacturer, packager or importer established in the EU
- Place of origin or provenance
- Lot marking on pre-packaged foodstuffs with the marking preceded by the letter “L”
- Drum number (if exported in bulk)

As labelling regulations for consumers might differ per country, buyers prefer to pack and label honey themselves. This allows them to create their own product label, which is created according to local labelling rules, and in the local language.

Social and environmental sustainability

Corporate social responsibility is one of the ways for companies to differentiate themselves in the market. A CSR policy usually consists of environmental and social aspects. For example, honey exporters can recycle waste and improve the safety for employees at the processing plant. Environmental management systems may be based on the international standard [ISO14000](#), but certification for this is commonly not required in the honey market. Similarly, [OHSAS18001](#) regarding occupational health and safety and [SA8000](#) regarding social conditions can provide a solid basis for improvement of social conditions, while certification is optional.

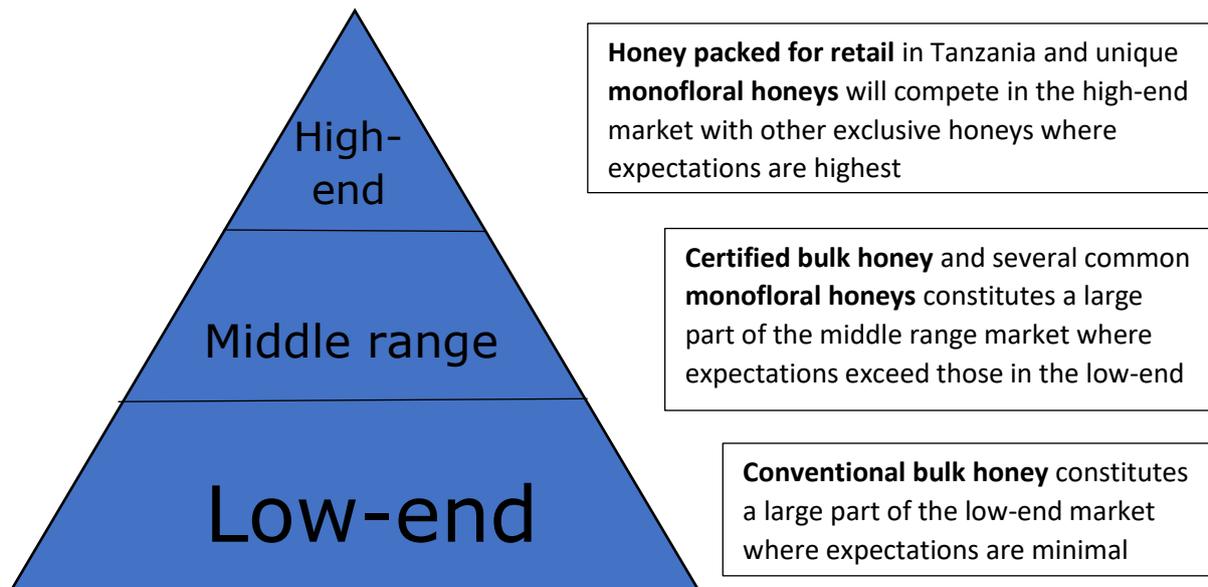
Buyer expectations per segment

In the following chapters, the expectations for 4 different honey market segments will be described:

- Conventional bulk honey
- Certified bulk honey
- Monofloral honey
- Retail packed honey.

Buyer expectations for quality in the conventional bulk segment are minimal. Any honey exported to the EU will have to comply at least with these minimal quality expectations. In segments for certified bulk honey, monofloral honey and retail packed honey, suppliers must comply with additional expectations. Instead of repeating these minimal expectations for each other segment, the information on these other three segments only covers the additional expectations. This means that the sections on certified bulk honey, monofloral honey and retail honey should always be read in conjunction with the section on conventional bulk honey.

Figure 5 Relation between 4 selected segments on scale from low-end to high-end



Buyer expectations for conventional bulk honey

Quality

The quality expectations of conventional bulk honey are at a minimal level, only meeting basic legal requirements as described in the section on Minimum buyer requirements for all segments. In this segment, quantity and pricing are more important indicators than quality. Most buyers will want to sell this honey as single origin African honey, which means that the honey will not be blended. When honey will not be blended the quality has to comply with the legal specifications and taste and appearance must be attractive, because non-compliances such as smoke flavour cannot be addressed through blending. Smoke flavour is a common quality issues for Tanzanian honey. Other issues mentioned by buyers are high HMF and low diastase.

In general, European consumers are more easily convinced to try new honeys with characteristics (taste and appearance) similar to those of honeys that have already been available to them for a long time. In many European countries, honeys are mostly light and have a mild taste. Consumer familiarity with darker and richer honeys is low, which is a disadvantage for many honeys from Tanzania which can be darker and have a stronger flavour. Only few consumers will want to try out dark, strong flavoured honeys from distant countries.

Specifications and variety

Most of the honey on the European market for conventional bulk honey is supplied by honey packers in Europe which blend bulk honey from mixed sources to create honeys with a taste and appearance that matches with general consumer expectations and with an acceptable price. The honey used in the blends is bulk polyfloral honey. Blending a variety of polyfloral honeys gives importers the possibility to use honeys of different qualities and switch more easily between suppliers when availability in a certain origin is low and prices in that origin increase.

Food safety management including traceability

Many buyers do not require suppliers to have a certified advanced food safety management system such as ISO 22000 or BRC. They primarily rely on testing of samples in laboratories such as QSI and

Intertek in Germany to determine the quality and safety of honey. Food safety management systems are, however, useful for exporters to prevent non-compliances through rigorous management of their processing.

Social and environmental sustainability

As the conventional bulk segment focuses on quantity over quality, little regard is given to social and environmental sustainability. Revenue generation and low-price procurement are primary objectives, social and environmental sustainability are secondary objectives. Therefore, export to the conventional bulk segment merely has to comply with set international rules and regulations. These are set by the international labour organisation and comprise amongst other, safe working conditions, no forced employment and no child labour¹⁰.

Price

Prices of conventional bulk honey are low. At an international level, China plays an important role in setting the prices of honey in this segment. The average import prices for Chinese honey have been fluctuating between 2011 and 2021, amounting to € 1.27/kg in 2021¹¹. Prices of other suppliers to this segment such as Ukraine (€ 1.61 /kg), Argentina and Mexico (around € 2.20) are considerably higher.

As price levels in African countries including Tanzania are considerably higher at USD 3-4 FOB, European buyers find African honeys relatively expensive. Within the conventional bulk honey segment, it's mostly the buyers with a particular interest in African honey that are willing to pay such higher prices.

Volume

European buyers of conventional bulk honey prefer buying their produce in large quantities. The larger the better, as shipping large quantities decreases the relative cost of shipping per kg of honey. Export quantities start from 20 tonnes, as this equals one Full Container Load (FCL).

A solution for suppliers of conventional bulk honey that do not have 20 tonnes available is to combine honey for the conventional bulk segment with honeys for other segments and with other bee products such as beeswax.

Distribution

Most of the honey in the conventional bulk segment is sourced by large importers buying thousands of tonnes of honey annually. These importers often pack most of their honey for retail and supply this to large retail chains including the major supermarkets. They also supply conventional bulk honey to industrial users such as bakeries and cosmetics manufacturers, and to wholesalers.

Since African honey is quite unique in Europe, some smaller importers are interested to source African honey and distinguish themselves from the large importers. These smaller importers usually supply to smaller specialty retailers which, in their turn, need to distinguish themselves from the large retail chains.

¹⁰ <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>

¹¹European Commission, Honey Market Presentation Spring 2021

Branding and promotion

Given the fact that most conventional bulk honey is a mixture of various polyfloral honeys to match customer demands, the origin of honey does not matter much to buyers in this segment. They value quality consistency, volume consistency and smooth ordering and delivery processes resulting in low costs. As they need large volumes and easily switch between suppliers, buyers in this segment are continuously looking for new suppliers and can be contacted directly through e-mail or at trade fairs such as SIAL and ANUGA.

A few smaller importers in this segment with a particular interest in the unique origin of Tanzanian honey will not blend the honey. These buyers are interested to distinguish themselves from the large buyers in this segment by emphasizing the Tanzanian origin in their promotion. They expect information from Tanzanian suppliers on the origin of the honey, such as an attractive description of the area, beekeeping practices and stories on the beekeepers.

Some of these smaller buyers visit trade fairs such as SIAL and ANUGA. Many others find suppliers by browsing the internet and looking for their websites.

Another opportunity for branding is a Geographic Indication. GIs registered in the EU can be labelled as such and the recognition of these labels is increasing and can help considerably to position a product as something unique. Recently, the first African product was registered with a GI in the EU. Lessons learned from this experience and other experiences with GIs in Africa can be applied to Tanzanian honey¹². Those previous experiences have shown that GI recognition is a long-term process and dependent on establishing strictly controlled rules for quality management and participation at the origin.

Product development opportunities

Product development opportunities in the conventional bulk segment are scarce. Buyers are mostly looking to keep prices low.

Still, the smaller buyers with a particular interest in the African origin offer some product development opportunities. As most European consumers associate Tanzania with a lot of poverty, they will buy the honey to support poor beekeepers. They will want to get a good feeling from buying honey from poor people and will appreciate stories about how their purchase supports poor beekeepers. Development of these stories is a product development opportunity and getting these stories to the consumers requires collaboration between importers and suppliers. Additionally, pictures and quotes from beekeepers and their family will contribute to delivering that message.

Competitive advantage

Although China sells honey on the EU market for the lowest price, it frequently has problems with food safety issues such as residues of antibiotics and adulterants. Even today, many EU buyers refrain from buying Chinese honey, as they do not trust the suppliers.

Africa is regarded by many buyers as a potential origin of natural honey free from chemical contaminants and adulterants.

¹² <https://www.frontiersin.org/articles/10.3389/ffgc.2020.00102/full>

Emphasise the reliability of your supplies and your quality management.

Examples of successful honey suppliers

- Beza Mar from Ethiopia
- Phong Son from Vietnam: <http://phongsonhoney.com/>

Potential buyers

Most buyers in this segment are interested to develop new supply chains in Africa as an alternative to existing sources in Eastern Europe, Latin America and Asia. For these buyers, sourcing in Africa is a diversification strategy and they see potential for Africa with its vast natural bee foraging areas and limited use of chemicals to become a major additional source of honey. Most of the large importers and packers are member of their national association or the European Federation of Honey Packers and Distributors (FEEDM): <https://www.feedm.com/>.

Large importers and packers:

- Tichel: <https://tichel-sohn.com/>. German importer and packer of bulk honey for industrial users and large retail chains. Tichel is one of the largest players in the European honey market. They are interested in conventional and organic honey and beeswax. Their experience with importing from Ethiopia was not good. Still, they remain interested in sourcing in Africa. As a leader in the industry, they are pioneering large scale imports from Africa.
- Corpo: <http://corpo.biz.pl/>. Importer and packer of conventional and organic polyfloral and monofloral honeys in Poland. Corpo has shown interest in sourcing honey in Africa.
- Walter Lang: <https://www.biohonig.eu/>. German importer and packer of organic honey. Walter Lang is a large and strong player in the private label honey market. Besides polyfloral honeys, they offer a range of common monofloral honeys and beeswax. Walter Lang has shown interest in sourcing honey in Africa.

Smaller buyers with an interest in African honey:

- De Werkbij: <https://www.dewerkbij.nl/>. Beekeeper, importer and packer in the Netherlands of a wide variety of bee products including common and exclusive monofloral honeys. Their target customers are specialty shops. They have experience with sourcing from Africa and know that many African honeys are dark and smoky, while others are light. Since they are beekeepers themselves, they highly appreciate knowledge on professional beekeeping practices and care for bees.

Buyer expectations for certified bulk honey

Quality, specifications and variety

Quality expectations for organic certified bulk honey are the same as for conventional bulk honey with few exceptions related to chemical residues. Since organic beekeeping requires the area within the bees' flying radius (around 3 km) to be free from large sources of chemical contaminants such as pesticides, buyers apply a zero tolerance for pesticides residues and other chemical contaminants. This is stricter than in the conventional bulk segment.

In addition to the quality specifications as described for conventional bulk honey, Fairtrade certified honey must comply with standards of Fairtrade International. Fairtrade certified honey is classified into two categories, according to its quality, which is defined by two criteria; namely the

hydroxymethylfurfural (HMF) content and the water content. For each category, points are given according to the following schemes as presented in tables 1 and 2. Minimum scores are given to products which only meet minimum legal requirements. More points are given to products which meet higher requirements.

Table 4 Assessing the water content in honey

Water content (%)	Points	Factor	Max. Points
16.9% or less	5	4	20
17.0-17.5 %	4	4	16
17.6-18.5 %	3	4	12
18.6-19 %	2	4	8
19.1-19.5 %	0.5	4	2
19.6 % or more	0	4	0

Source: Fairtrade International, 2022

Table 5 Assessing the HMF content in honey

HMF content (ppm)	Points	Factor	Max. Points
5.0 or less	5	3	15
5.1-9.9	4	3	12
10.0-12.0	3	3	9
12.1-15.0	2	3	6
15.1-20.0	1	3	3
20 and over	0	3	0

Source: Fairtrade International, 2022

Food safety management including traceability

While many buyers in the certified bulk segment do not require suppliers to have a certified food safety management system in place, organic or Fairtrade certification is perceived as useful evidence that a supplier is capable of managing certification against an international standard. Moreover, organic certification implies a lower risk of chemical contamination, as the certification body inspects the management system for chemical contamination in the field and at the processing facility.

Social and environmental sustainability

In addition to merely complying to any form of legal requirements as described in the section on conventional bulk honey, certified bulk honey buyers demand more from their supplier in terms of social and/or environmental sustainability. The most relevant certification schemes for certified bulk honey are organic and Fairtrade.

The EU organic regulation specifies requirements for organic beekeeping. Some important aspects of organic beekeeping:

- Beehives must be placed in an area with at least 3 km radius that is free from major sources of chemical contamination such as intensive farming activities including the use of pesticides
- Beehives must be made from natural materials

- Wax used by bees in their hives, such as foundation sheets in modern beehives, must be from organic wax
- Diseases and pests must be managed using natural solutions instead of chemical antibiotics

Since most agriculture and beekeeping practices in Tanzania are organic by default, no major changes to these practices will be required. However, organic certification requires management of documentation that serves as evidence that organic practices are being applied.

Buyers with concerns relating to social sustainability have different expectations for certification. They mostly expect Fairtrade certification. Amongst others, Fairtrade standards require groups of beekeepers to have an Internal Control System (ICS) and establishment and management of a premium fund. More details on Fairtrade certification can be found via the website of [Fairtrade](#).

While implementation of other standards such as [OHSAS18001](#) regarding occupational health and safety and [SA8000](#) regarding social conditions can provide a solid basis for improvement of social conditions, certification against these standards is rarely expected.

Price

Organic honeys receive a price premium ranging between 10 to 15% on top of the conventional honey prices, as organic certified produce is perceived as healthier and better. This premium is under pressure since the supply of organic honey increased in the past 10 years, particularly from countries like Brazil and Mexico.

As average import prices for honey from Brazil and Mexico are around € 2.20 /kg, import prices of organic honey are estimated at around € 2.50 - 3 /kg. These prices are still lower than average export prices for Tanzanian honey of € 3.5-4 /kg. Still, certification can partly justify higher prices.

Though certified bulk honey fetches higher prices than conventional bulk honey, certification comes at a cost. Notably costs of the certification body for inspection and assessment. Such costs are lower per kg of honey when more honey is supplied from the certified apiaries. Therefore, certification is financially more attractive for larger operations. Another way to keep costs of certification low is by preventing non-compliances and the need for more inspections and re-assessments. This requires intensive cooperation with beekeepers on implementation of the standard and not switching to other beekeepers that then need to be trained again.

Volume

Sales volumes for certified bulk honey are the same as for conventional bulk. Most certified bulk honey is traded in Full Container Loads of around 20 tonnes with a possibility for lower quantities when selling very unique produce.

As the same apiaries that produce organic honey also produce organic beeswax, the option to combine organic honey and beeswax in one container is particularly attractive for suppliers that do not have the honey volumes to fill a container completely.

Distribution

The distribution of certified bulk honey is largely the same as for conventional bulk honey. Compared to the conventional bulk segment, the certified bulk segment is more fragmented.

Certified products offer an opportunity for especially smaller wholesalers and retailers to distinguish themselves from the larger ones. Certification also gives access to a larger number of potential buyers, as some buyers only accept certified honey. At the same time, buyers of conventional bulk honey remain interested as long as they do not have to pay a premium.

In the market for Fairtrade products, companies specialized in Fairtrade play an important role. These companies buy exclusively Fairtrade certified products and usually build long-term relationships with their suppliers. They do not easily switch between suppliers. This is good news for their existing suppliers, but reduces opportunities for new suppliers.

Branding and promotion

Both the EU organic label and the Fairtrade label are recognised by many European consumers as they are being strongly promoted. Therefore, obtaining the corresponding certificates strengthens the market position of the product.

Since buyers of certified products have a particular interest in sustainability, they are interested to know the stories behind the products. They want to know where and how the products are produced. Many buyers of organic honey are particularly concerned about widespread and excessive use of (forbidden) antibiotics and other chemicals during beekeeping. While an organic certificate provides a certain guarantee that exporters are actively sourcing honey free from chemicals and that beekeeping activities are being inspected, buyers also appreciate stories by suppliers that explain what beekeeping practices are being applied.

Fairtrade buyers are interested to know how the Fairtrade certification improves the lives of beekeepers and their families. They will want to get a good feeling from buying honey from poor people and will appreciate stories about how their purchase supports poor beekeepers and especially how the Fairtrade premium fund is being used. Getting these stories to the consumers requires collaboration between importers and suppliers.

Buyers do not only appreciate the environment-friendly production method, but also often perceive organic products as more healthy products than conventional products. For this reason, organic certification helps to position the product as a healthy product and to benefit from the strong health trend in Europe. In addition, many buyers believe that organic products are more trustworthy than conventional products, because a third party has inspected the supplier.

The most important European trade fair for organic products is the Biofach trade fair in Nuremberg, Germany. Only companies with an organic certificate are allowed to exhibit at Biofach. Here buyers and suppliers from all sectors come together to network and exchange business opportunities. Participating or exhibiting on Biofach can be costly but gives tremendous business opportunities. Fairtrade products are not promoted at a specific Fairtrade trade fair. SIAL and ANUGA are the most suitable trade fairs to promote Fairtrade honey.

Product development opportunities

The product development opportunities for certified bulk honey are the same as for conventional bulk honey. The advantage of having a certificate for further product development is that implementation of the standard will strengthen the relations with beekeepers. This provides a solid basis for additional work with beekeepers on improvement of beekeeping practices and exchange of

information that is relevant for buyers, such as stories on the lives of beekeepers and their beekeeping practices.

Competitive advantage

In Tanzania, traditional beekeeping practices are 'organic by default'. This means that beekeeping practices are organic, but not certified. In these countries, the certification process only consists of the introduction or elaboration of an administration system (including a traceability system) and an inspection by the certifier. This is a very short, simple, and cost-effective process to gain access to the market for organic honey.

Examples of successful honey suppliers

- Forest fruits from Zambia: <https://www.zambezigold.com/>
- Bioflora from Mexico: <https://mielbioflora.mx/>

Potential buyers

Most buyers of organic certified bulk honey with an interest in Africa look at Africa as a potential additional source of organic honey next to existing suppliers which are mostly located in Latin America. As the use of chemicals in other parts of the world is widespread, they notice that chemical contamination of honey is becoming a threat. At the same time, they notice an increase in demand for organic products in Europe. This urges them to look for new sources in areas with less chemicals usage.

Large importers and packers:

- GEPA: <https://www.gepa.de/>. Importer of Fairtrade and Fair for Life certified products in Germany. GEPA has shown interest in sourcing Fairtrade certified honey in Africa to have a social impact on the beekeeping communities. They have imported from Ethiopia. Their concerns about African honey are mostly related to quality including low diastase.
- Tuchel: <https://tuchel-sohn.com/>. German importer and packer of bulk honey for industrial users and large retail chains. Tuchel is one of the largest players in the European honey market. They are interested in conventional and organic honey and beeswax. Their experience with importing from Ethiopia was not good. Still, they remain interested in sourcing in Africa. As a leader in the industry, they are pioneering large scale imports from Africa.
- Walter Lang: <https://www.biohonig.eu/>. German importer and packer of organic honey. Walter Lang is a large and strong player in the private label honey market. Besides polyfloral honeys, they offer a range of common monofloral honeys and beeswax. Walter Lang has shown interest in sourcing honey in Africa.

Smaller buyer:

- Tropical Forest Products: <https://www.tropicalforest.com/>. Importer and packer in the United Kingdom. Tropical Forest is specialized in unique origins and they are one of the pioneers with African honeys. They have a long-term relationship with Africa's leading exporter Forest Fruits from Zambia and source from Cameroon and Ethiopia. Their product range include polyfloral and common monofloral honeys.

Buyer expectations for monofloral honey

Quality, specifications and variety

Similar to bulk honeys, monofloral honey must comply with the quality specifications as established in EU [Directive 110/2001](#). Particularly compliance with moisture content limits is a challenge.

Beekeepers often must harvest their monofloral honey crop before the bees start collecting nectar from other sources. This frequently results in the harvesting of unripe honey with a moisture content that exceeds 20%.

In addition to compliance with abovementioned specifications, monofloral honeys need to comply with industry standards. However, industry standards are not available for all types of monofloral honeys. Moreover, they are not recognised as standards by all importers in the EU. Exporters must always verify with their buyers which specifications they require to ensure compliance.

In order to determine the flower origin of a certain honey, the method of pollen analysis is frequently used by the honey industry, where the amount of pollen identified, can determine whether a honey is of a certain origin. To help with this analysis, pollens are classified into 3 categories:

- Underrepresented pollen (with less than 20,000 pollen grains per 10 grams of honey)
- Normally represented pollen (with 20,000 - 100,000 pollen grains per 10 grams of honey)
- Overrepresented pollen (with more than 100,000 pollen grains per 10 grams).

Following this classification, different levels of pollen need to be identified in a honey sample in order for the honey to be called monofloral:

- Underrepresented pollen (e.g., coffee) must constitute more than 20% of the total pollen content
- Normally represented pollen (e.g., clover) must constitute more than 45% of the total pollen content
- Overrepresented pollen (e.g., rapeseed) must constitute more than 70% of the total pollen content.

Other methods to identify the origin of a honey include measurement of colour, conductivity, and sugar spectrums.

Compared to the market for bulk honey, consumer acceptance of monofloral honeys with a taste and appearance deviating from the most common honeys is relatively high. For example, monofloral manuka honey is a dark honey with a very rich flavour. Even though its characteristics do not match with the usual preferences of EU consumers, manuka has become a very popular honey in the EU.

Food safety management

Food safety management and traceability schemes are set as a standard throughout the sector. All type of buyers have to comply to this specific set of rules and regulations. These can be found in the Food safety management subchapter of the section on conventional bulk honey. No additional rules and regulations are required to sell monofloral honey.

Social and environmental sustainability

Monofloral honey buyers are primarily interested in the unique quality of the honey and the relation to the floral origin. Social and environmental sustainability are of less concern. Still, within the monofloral honey segment, there is a niche for socially and/or environmentally sustainable monofloral honeys. Refer to the section on certified bulk honey for more information.

Price

FOB prices of monofloral honeys range from around € 4 /kg to € 15 /kg with prices of most monofloral honeys not exceeding the € 10 mark. The price of a monofloral honey depends largely on availability which in turn depends primarily on the availability of the respective bee forage. For example, the large orange plantations in Mexico provide a lot of bee forage, resulting in a large and low-cost production of orange blossom honey. Acacia honey is another example of a relatively low-priced honey.

Manuka honey is the most famous example of a monofloral honey. Manuka honey is amongst the most expensive honeys in the world. It is produced by bees foraging on the manuka tree (*Leptospermum scoparium*) native to New Zealand and South Australia. The high prices for manuka honey are strongly related to the research done on the health benefits of this honey. The Unique Mānuka Factor Honey Association (UMFHA), the main trade association of New Zealand mānuka honey producers trademarked a honey rating system and successfully marketed this to generate demand and position it as a unique health product even though the EU has not approved any health claim relating to manuka honey.

Volume

In contrast to bulk honeys, many monofloral honeys are not traded in Full Container Loads of 20 tonnes. Very exclusive monofloral honeys are traded in much smaller volumes.

A common mistake made by many suppliers is that they send offers in which they mention the total amount of honey they can source and a list of honey types (polyfloral/monofloral, conventional/bulk) without specifying how much of each honey type they have available. Buyers expect offers specifying the amount of honey available for each type.

Distribution

The most common monofloral honeys such as acacia and orange blossom honey are traded through both large and small buyers. Large buyers will source these honeys in Full Container Loads to keep costs low and offer them to large and small retail chains.

The more exclusive monofloral honeys are the domain of smaller buyers that need to distinguish themselves from the large buyers. These smaller buyers mostly supply specialty stores throughout Europe, especially western Europe.

Branding and promotion

Since buyers of monofloral honeys have particular interest in the origin of the honey, they appreciate all information on the area where bees collect their nectar including the types of vegetation and Latin names of dominant flora. This information must obviously include information on the flora providing the nectar for the monofloral honey production. Preferably, suppliers can provide photos of the flora and studies on health benefits attributed locally to honey from this floral

origin. Buyers want to build a story around the origin of the honey and the unique properties of the honey.

An award from the London Honey Awards (<https://www.londonhoneyawards.com/>), Great Taste Awards (<https://greattasteawards.co.uk/>) or another gourmet food award can help to get recognition for the quality and exclusivity of a honey.

Product development opportunities

When an industry standard for your monofloral honey is not available, it is useful to work with a local research institute or standards authority to provide a definition or even standard for your monofloral honey. Such third-party research can help to get recognition from buyers for the unique characteristics of your honey to be able to position it as an exclusive product.

Scientific research that underlines health benefits from your specific type of mono floral honey helps create demand. One of the most well-known examples of honeys with perceived health benefits is manuka honey. This honey is known worldwide as healthy honey which creates demand and drives up sales prices. Note that making health claims that are not approved by the European Food Safety Authority is forbidden in the European Union and that required scientific research for health claims is both time consuming and requires a lot of finance.

Competitive advantage

Tanzania has unique flora and can produce monofloral honeys from those floral origins that are not available in Europe. This offers opportunities to position these honeys as exclusive products.

Examples of successful honey suppliers

- Cammells: <http://www.cammellshoney.co.nz/>. One of the Manuka honey suppliers in New Zealand benefiting from the honey rating system to position their honeys as health products.
- Il Pungiglione: <http://www.miele-biologico.org/>. Italian cooperative that successfully established strict rules for production of their acacia and chestnut honeys and received recognition through a Geographic Indication.

Potential buyers

Most buyers of African monofloral honeys are interested in unique products with a strong relation between the natural environment in which the honey is produced, the beekeeper or community that produces the honey and the specific quality characteristics of the honey. These buyers often offer a range of monofloral honeys. Each with a unique story that explains the relationship between environment, producers and quality.

Examples:

- De Werkbij: <https://www.dewerkbij.nl/>. Beekeeper, importer and packer in the Netherlands of a wide variety of bee products including common and exclusive monofloral honeys. Their target customers are specialty shops. They have experience with sourcing from Africa and know that many African honeys are dark and smoky, while others are light. Since they are beekeepers themselves, they highly appreciate knowledge on professional beekeeping practices and care for bees.
- Carlo Sessa: <https://www.carlossessa.it/en/>. Importer in Italy of ingredients for pharmaceuticals, foods and cosmetics. They have shown interest in specialty Tanzanian bee

products including monofloral honey. One of their main concerns is the smokiness of African honeys. They are interested to know the relationship between flora from which nectar is collected and health properties of the honey.

Buyer expectations for retail honey

Quality, specifications and variety

Quality requirements for retail packed honey are generally higher than quality requirements for bulk honey. When honey is packed for retail, buyers in Europe can no longer influence quality through blending or filtering.

Although many consumers accept some variation in honey characteristics between seasons, because it is a natural product, quality consistency for retail packed products is even more important than it is for bulk honey. Large variations in product characteristics will affect brand value. Particularly large retail chains expect very strict specifications. For example, German retail chains are known to expect HMF values of less than 10, whereas legal requirements specify a limit of 40.

Food safety management including traceability

Retail packed honey is mostly sold to retailers or distributors which do not have the same quality control capacities as honey importers and packers. Retailers and distributors rely on their suppliers to manage the quality of products and therefore prefer to work with reputable suppliers with third-party certification, such as BRC. Such certification is particularly important to large retail chains, as they sell large volumes and the impact of call backs for products which are not compliant with their quality specifications would be big and costly. In addition, negative publicity related to bad quality products would have a negative impact on their brand value.

As product call backs can be costly and particularly large retailers and distributors often want to be certain that suppliers can afford such actions, they will require suppliers to have liability insurance.

Social and environmental sustainability

Retail packed products offer great opportunities to tell stories about the origin of the product including the social and environmental sustainability. Suppliers which are certified against a sustainability standard can use respective logos on their labels to benefit from consumer interest in these standards. While product labels offer little room for detailed information on social and environmental sustainability, QR codes linking to websites can enable easy access for consumers to such information. See Phy2App (<https://www.phy2app.com/>) for an example of a digital solution for story telling.

Price

Prices of retail packed honey vary enormously. While most common honeys on supermarket shelves fetch € 5 /kg to € 10 /kg, exclusive honeys at specialty shops can fetch up to € 200 /kg.

When sold in Full Container Loads, organic Tanzanian polyfloral honey is likely to be priced at a similar price point as honey from Forest Fruits from Zambia (<https://www.zambezigold.com/>), which is imported and packed by Tropical Forest Products. Organic Zambian honey in 380 gr jars currently

costs € 15 /kg at major supermarket chain Waitrose in the UK¹³. However, the same honey costs € 9 /kg in 3.18 kg buckets at Wattson and Pratt's¹⁴.

Another example of an African honey is *Zambian Mama Buci* (<https://mamabuci.com/>) honey in 340 gr jars currently priced at € 31 /kg¹⁵ at Amazon UK. The product is distributed by Parkem Chemistry (<https://www.parkem.co.uk>). When purchased directly on the Mama Buci website, the same honey in 340 gr jars costs € 21 /kg. Still, these price levels are significantly higher than for honey from Forest Fruits. This is expected to be mainly the result of the product's exclusivity. The product's story about ethical and sustainable production, and the Great Taste award are two main features that set this honey apart from mainstream products and allow for a higher price point.

Volume

Retailers need relatively small volumes of one or a few boxes at a time, as their shelf space is limited and their storage space is small. It is economically unattractive to send such small volumes from Tanzania to Europe, as transport costs per jar will be very high. For this and other reasons detailed below, retailers often make use of intermediaries that can break bulk imports into the small volumes that they need.

Distribution

Distribution of retail packed products require a legal representative in the EU. This legal representative, often the distributor, is responsible for handling consumer complaints and product take backs in case products are not compliant with legal requirements.

Since retailers require short delivery times and relatively small orders, distribution of retail packed products mostly requires a distributor with a warehouse in Europe. Large retail chains have their own warehouses.

Branding and promotion

European buyers of retail packed honey often expect their suppliers to support them with promotion to consumers except when they market the honey under their own private label. Suppliers of branded products are expected to have at least an attractive consumer-friendly website. All promotion materials including the website must be adapted to the European target group.

An award from the London Honey Awards (<https://www.londonhoneyawards.com/>), Great Taste Awards (<https://greattasteawards.co.uk/>) or another gourmet food award can help to get recognition for the quality and exclusivity of a honey.

Product development opportunities

Many European consumers appreciate the convenience of squeeze bottles. Squeeze bottles must contain liquid honey to enable squeezing. The amount of time a honey remains liquid is largely dependent on the ratio between fructose and glucose (F/G) in the honey. In general, honey with a

¹³ <https://www.waitrose.com/ecom/products/wainwrights-organic-zambian-forest-honey/056401-28321-28322>

¹⁴ <https://www.watsonandpratts.co.uk/search/?q=wainwright>

¹⁵ https://www.amazon.co.uk/Mama-Buci-Zambian-Ethically-Produced/dp/B01I3HCWIO/ref=sr_1_4?keywords=zambian+honey&qid=1648226854&srefix=zambian%2Caps%2C81&sr=8-4

F/G ratio of more than 1.15 is suitable for squeeze bottles. However, some buyers will only use honeys with an F/G ratio of more than 1.3. Apart from the F/G ratio, the amount of contaminants, such as yeasts are additional factors to consider for the appropriateness of a honey for squeeze bottles.

The market for private labels is strong and growing. Particularly large retail chains increasingly use their own private labels on products they sell. Private labelling reduces the role of the supplier in branding and promotion. While it reduces that value added by the supplier, the advantage is that it simultaneously reduces costs for the supplier. In addition, retailers are generally in a better position to brand and promote products, since they are closer to consumers and have more capacities in this area. Alternatively, suppliers of retail packed honey can look into opportunities for co-branding, in which case the brand is developed and promoted jointly by the supplier and buyer.

Competitive advantage

Tanzanian honey is relatively exclusive by default, because currently volumes available on the European market are very limited. This exclusivity enables higher prices, which in turn may be sufficient to enable relatively high transport costs of small volumes of retail packed honey.

Examples of successful honey suppliers

- Maryiza: <https://www.maryiza.com/>

Potential buyers

Most distributors are interested in brands which already have a strong position in the market. Few distributors are looking for new African brands. These distributors are often targeting ethnic food shops for African diaspora or niche markets which need to distinguish themselves with unique products. Many distributors offer a range of different products and have limited knowledge of specific quality issues such as HMF or diastase for honey. They rely on their suppliers for product quality and usually have more trust in suppliers from developed countries where quality management systems are often more advanced than in developing countries.

Examples:

- MP Foods: <https://mpfoods.co.uk/>. Specialised distributor in the United Kingdom of African foods. They sell African brands and pack several products under their own brand. They do not yet have honey in their product range.
- Asia Express Food: <https://www.asiaexpressfood.nl/>. Distributor in the Netherlands of ethnic foods from Asia and Africa targeting primarily ethnic food shops. Potentially interested in honey brands which are positioned as authentic African products. They do not yet have honey in their product range.

Conclusions

The focus of this study was on 'Buyer perceptions, market demand and channel/segmentation' in Europe. By clearly distinguishing between segments and respective buyer requirements, this study shows the importance of specific product-market matching and the need for coherent export strategies. Coherent export strategies consider the interdependencies between different elements of such strategies relating to product characteristics, prices, volumes, sustainability, branding and promotion to optimise the marketing mix.

Room for expansion of Tanzania's exports to Europe

Europe is a very large honey market that is highly dependent on imports to satisfy demand. A growing demand for natural products and an expected decrease in supplies from major supplier Ukraine offers opportunities for Tanzania, which is still an insignificant player on this large market.

Tanzania is not the only country looking to expand exports to Europe. Competition on this developed market is fierce and in recent years, prices for honey decreased to historically low levels. The average import price for honey from countries outside the EU amounted to € 1.84 /kg in 2021. Compared to this, Tanzanian honey, which commands prices of USD 3-4 /kg in 2022 is relatively expensive.

Four main market segments

Price levels and product characteristics differ considerably between market segments. The 4 most notable factors to segment the European honey market:

- Table honey vs industrial honey
- Polyfloral honey vs monofloral honey
- Conventional vs certified honey
- Bulk honey vs retail packed honey

The largest segment consists of bulk polyfloral conventional table honey. This honey is imported by large packers which supply the honey to the major retail chains. Other market channels lead to the other segments.

Each of the market segments has its own characteristics and buyer expectations. However, the different market segments also share a number of characteristics including the legal requirements on pre-market approval, approved establishments, hygiene, traceability and the minimum quality standard.

Differences in buyer expectations between segments

This study analyses buyer expectations for 4 different market segments in more detail. Analyses of these 4 segments provides insights into the main differences between buyers in the European honey market:

- Conventional bulk honey
- Certified bulk honey
- Monofloral honey
- Retail honey

The conventional bulk honey segment is the most price competitive segment with least differentiation between products. Large exporters, packers and retail chains dominate this market

with blended honeys from various origins. Nonetheless, within this market segment, niches exist for products which are differentiated through their origin, such as Tanzania.

In the certified bulk honey segment, buyers are interested in differentiation through certification. The most relevant certification schemes for honey are organic and Fairtrade. Organic honey is estimated to account for around 10% of the total European honey market. Fairtrade honey accounts for less than 1% of the market. Since a lot of Tanzanian honey is 'organic by default', implementation of organic beekeeping and certification is relatively easy. The price premium is around 10-15% compared to conventional honey.

Monofloral honeys account for an estimated 10% of the European honey market. Prices vary considerably between different types of monofloral honeys with extremely high prices for monofloral Manuka honey and other honeys which are perceived to have health benefits related to the floral origin.

The segment for retail packed honey from countries outside Europe is the smallest of the 4 analysed segments. Buyers in this segment are particularly interested in the exclusivity and unique stories of the honey. They rely completely on the quality management by suppliers and have particular expectations regarding logistics. Since retailers need small volumes at short delivery times, distributors often play a crucial role in this segment.

Recommendations

Focus on smaller segments and niches

For the largest segment of the European market, i.e. conventional bulk honey for blending by the main packers, Tanzanian honey will not be price competitive. Even if productivity is increased and supply chains are organised more efficiently, it is not realistic in the short-term to bring prices down from USD 3-4 /kg to around USD 2 /kg, which would be required to become competitive in this segment.

A more feasible strategy for Tanzanian exporters will be to focus on smaller segments and niches in the market where higher prices are acceptable for buyers. Of course, these higher prices can only be justified when value has been added or when it is possible to make and substantiate claims of exclusivity. This study has presented the main options for value addition, and positioning of Tanzanian honeys as exclusive products.

Prioritise compliance with minimum buyer requirements

However, before making any recommendations on these options, it is crucial to first focus on complying with the minimum buyer requirements in Europe. Globally, Europe is the most demanding honey market, with most stringent requirements. Typical African production systems do not easily comply with these requirements. Starting with the fundamentals of the European legislation for food safety, traceability systems need to be put in place to rapidly identify sources of non-compliances. As honey in Tanzania is usually coming from a large number of small beekeepers, many samples need to be kept for the traceability system to be effective in case of non-compliances. Hygiene must be controlled from the moment of harvesting to the loading of processed honey onto trucks. For example, as has been observed in other African markets, aggregators such as intermediary traders and processors will have to provide clean containers to beekeepers for storing the honey and beeswax.

Challenging aspects of the EU Honey Directive, which provides minimum specifications for honey, include Hydroxymethylfurfural (HMF). The major factors influencing HMF values are heat and time. When honey is exposed to high temperatures, HMF increases. In addition, HMF increases over time, which is one of the main reasons for buyers to expect fresh honey from the latest harvest and not 'old' honey from the previous harvest. The control of HMF values requires proper storage and transportation conditions in the field and limited application of heat during processing. This temperature control during processing is therefore one of the main Critical Control Points in food safety management systems for honey processing.

Europe has very strict maximum residue levels for chemicals in foods and although the use of chemicals in agriculture is much less widespread in Tanzania compared to many other regions in the world, control of chemical residues in honey and beeswax can still be challenging.

Bees can collect nectar up to around 3 km from their hive, and aggregators such as processors source honey from a large number of dispersed beekeepers. This complicates the monitoring of potential sources of chemical contamination, and can easily result in cross contamination from uncontrolled sources. For example, honey from different origins is frequently contaminated by pesticides from farms which are not located directly next to the apiary. Beekeepers should be trained on the identification of suitable locations for their apiaries, but cannot be expected to know when a nearby farmer starts using chemicals. Therefore, quality control before shipment through

testing in laboratories is important to identify chemical contamination and prevent rejections by buyers.

It is important to realise that the quality of honey can only go down after harvesting. A quality management system must therefore cover all steps in the production system, from the moment of harvesting by the beekeeper to the processing in the factory and even the loading of containers onto a ship. This requires a high degree of control by exporters over their supply chain. This can conflict with the use of intermediary traders for aggregation of honey when these intermediaries are not aware of quality issues, committed to quality management or capable of quality management. In case such intermediaries are absolutely required for aggregation, exporters must ensure that they can and will perform the necessary quality management tasks, such as use of suitable containers for storage, prevention of adulteration and storage in dry, ventilated storage space outside the sun.

Add value and differentiate for market access

When exporters are capable of managing the above minimum buyer requirements, they can focus on value addition and product positioning. Depending on their natural, human and financial resources, they will need to select a target market segment. In this study, four major segments have been analysed. Each of these segments has different buyer expectations and will require a different strategy to access.

Segment 1: Conventional bulk honey

Exporters with limited resources to add value to their products can focus on the conventional bulk segment and aim to position their honey as an exclusive product based on its Tanzanian origin. For some buyers, the unique origin sets Tanzanian apart from the competition and justifies its relatively high price. These buyers expect suppliers to be able to provide a complete and attractive story on the origin. Branding and promotion plays a large role in positioning the product as an exclusive product. Obtaining an internationally recognised award for the quality of the honey or even a Geographic Indication can considerably help to substantiate claims of exclusivity. However, costs of setting up the system required for a GI will be high and are only justified when large amounts of honey can be exported with this GI.

Segment 2: Certified bulk honey

Exporters with access to sources of honey in areas where agriculture and beekeeping are 'organic by default' or where apiaries are located in nature reserves can benefit from the large and increasing interest in organic certified honey and beeswax, the wide recognition in the European market of the EU organic label and the associated price premium. Implementation of organic beekeeping practices may require only few and little changes to existing practices. Most investments are then necessary for setting up the administration system and the actual certification procedures. While Fairtrade certification can provide access to several interesting Fairtrade buyers and support stories about the social impact of exporting Tanzanian honey, opportunities in this niche are currently limited. It is recommended to make investments in Fairtrade certification only when a Fairtrade buyer makes a strong commitment to purchasing such certified honey.

Segment 3: Monofloral honey

Exporters with access to sources of monofloral honey with an attractive taste and appearance can use this product feature to differentiate the honey from other honeys on the market. Although internationally recognised standards for monofloral honeys from Tanzania do not exist, buyers do

have certain expectations with regards to the properties of monofloral honeys. Exporters must be able to substantiate that their honey is a monofloral honey. This requires research on the floral origin including availability of nectar from specific flora, flowering calendars and pollen analysis. Depending on characteristics of the foraging area including flowering calendars, beekeepers must be trained on specific beekeeping practices to produce a consistent quality monofloral honey. In addition, exporters need to provide evidence to buyers on the relation between the unique characteristics of the honey and the floral origin. Only when there is sufficient research available on potential health benefits, will it be possible to position the honey in a similar manner as manuka honey exceeding the € 15 /kg export price mark.

Segment 4: Retail packed honey

Exporters with access to rich amounts of natural resources, human resources and financial resources may get access to niche markets: i.e. honey packed for retail at origin. It is important to realise that buyer expectations in this niche are high and that risks for suppliers are high. In general, larger retailers such as supermarket chains have the highest expectations, as they have most to lose from damaging their brand, even when the product is not sold under their private label but under the manufacturer's brand. Moreover, large retailers sell large volumes and non-compliances will consequently affect many products, which becomes very costly. Smaller retailers provide better opportunities. Exporters targeting small retailers will often need to partner with a distributor in Europe to enable short delivery times and small orders. Benefits of exporting retail packed honey are obvious. Much more value can be added through packaging and branding including detailed story telling. Whether additional revenues from retail packed honey compared to bulk honey can cover additional costs for quality management, packaging, branding, transportation and distribution costs depends strongly on the capabilities of the exporter.

Expand into beeswax

This consultancy has focused on buyer expectations in the European honey market. Besides the opportunities for honey, Europe offers significant opportunities for beeswax. Particularly exporters with access to sources of crude honey, a combination of honey and beeswax, can benefit from relatively high prices for beeswax. Many European buyers are interested in purchasing both products, which sometimes even offers opportunities to reduce administrative and transportation costs per unit. Although other bee products such as pollen, royal jelly and bee venom may fetch even higher prices than beeswax, competition in these market niches is still fierce, and their production requires specific beekeeping expertise going far beyond the expertise needed to supply honey and beeswax.