



# Commercialisation of Small Scale Beekeeping through Association and Collective Action

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# Background

- Beekeeping in the region/Kenya dominated by small scale producers (small number of colonies per farmer).
- Long history of traditional beekeeping—passed on from generation to generation especially among pastoral sedentary and nomadic communities



Traditional log hive



## Background cont.

- There is a large number of traditional hives (log, bark +others) owned by the beekeepers
- Vast savannah rangelands and forests/woodlands rich in unpolluted bee flora (some threats exists though)
- A good stock of ‘hard-working and healthy’ bee colonies
- Good traditional beekeeping skills

*The human and natural resources are in place*



## Background cont..

### Paradox

- Areas with worst poverty index in the regions
- These beekeeping resources are largely unexploited—many hives have not been looked at in years, stocks of honey age in homes.
- Can these resources be harnessed and turned into cash—incomes that go into improving the quality of life.



## Background cont.

### Why is this?

- Beekeeping has been a traditional or cultural practice—not seen as an economic activity (e.g. Masai—cows/goats were related to cash, but not honey—a cultural not monetary value)
- Isolated areas –far from developed infrastructure— isolated from information, markets and commercial activities in general (300-500km from capital city).
- Beekeepers do not approach honey production and marketing collectively—other resources/assets are—land, livestock etc.

Result—remains rudimentary, amateur activity, limited income and ignored by wealth creation strategies

# Intervention

*Can small beekeeping be commercialised and **make decent amount of money** for the beekeepers and others in the chain and if so how? We have examples.*







## Intervention cont.

### What does commercialisation take?

- Structures/functions that facilitate efficient production/processing, handling, storage, and delivery of products to the markets——(ingredients quality assured, financed, information/feedback).
- In normal non-integrated industries, the structures are often owned/run/managed by different people or groups of people.
- Relations and linkages in mutually interdependent ways become critical

*Results—competitiveness, growth, high returns, ‘specialisation’ interdependent and trust among the actors*



## Structure/functions cont..

1. Producer/production level organisation
2. Handling/storage functions
3. Market intermediary/Packaging
4. Retailing/consumer level structures

*Each level has requirements of resources, skills, linkages, financing.*





# The Structures/functions

## No I Structure/function.

- Organising production—a critical mass of commercially orientated/interested beekeepers working together for efficient production of honey, building on the resources they have (could be acquired).
- Building a common vision and singular purpose (increasing sustainable production of honey and selling high volumes for higher incomes). Critical balancing?
- Building a service organisation—controlled, managed and built by the beekeepers –Producer organisation (PO)



## Producer Organisations

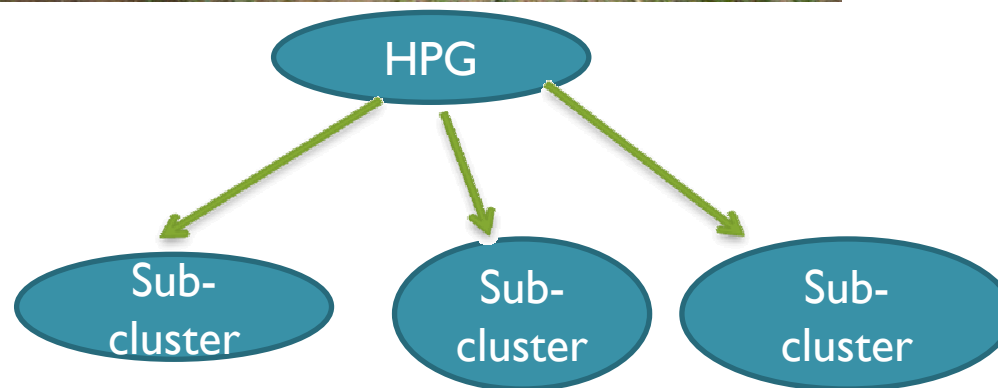
- Ownership—'investment and control'—clear rules (social structures/norms reinforcing governmental regulations are critical).
- Rights and responsibilities of the members—informed, involved, active and demanded to do so—democratic space provided—clear rules for membership and conduct.
- Simple and clear management systems and records
- Well trained leadership and management team/s



## Producer Organisations

- Mobilization of beekeepers and organising them in small service-efficient clusters/groups (decisions, participation, representation)
- Choice of appropriate legal structure (cooperative, associations/with branches? Loose groups, companies etc)
- Developing a clear business strategy—what can they do best as a PO for the interest of the members/shareholders (depends on needs, numbers/volumes, location, and situation of other actors in the commercial chain; skills and capacity of the members).
- Clarity of services provided to members—this is the backbone of any successful PO (training, information, buying of produce and prompt payments, ‘extension’)

## Structure/functions cont..





## Pos cont.

- Training and information sharing—building skills—production, democracy, business, social etc.
- Coordination of harvesting, quality control by the PO appointees.
- Distribution/supply of equipment by the PO to its members
- Honey bulking and payment of beekeepers



## POs Cont.....

- Establishment of storage stores and equipment (storage, testing, etc)—managing the centres
- Contracting with buyers/market intermediaries for bulk sales (could include localised direct sales to consumers—often not branded)
- Coordination of transport to buyers (buyers, leased, own or other transport)
- Facilitating financial services especially in remote areas (innovations?)







## Market intermediary/Packer

- The market intermediary/packaging of honey in urban domestic or export markets—a specialised functions
- Business and ethical orientated entity (optional ownership structure)
- POs can competitively bargain (as long as they own assets and have a critical mass), in a mutually beneficial manner.
- Play a critical role—support the success of the POs
  - -Pre financing?
  - -training of management (quality, records, financial management etc)
  - -Exposure of PO and members to market issues/realities
  - -Brand identity can add great value to long-term business relations



## 4. Retailing/consumer level structures

- The customer is in charge—a different ball game for POs especially in sophisticated markets—participation opportunities are limited.

# Indicative Changes

## Based on work in 6 districts

- Strong PO emerging—strong business orientation with a clear focus on promoting commercial beekeeping among pastoralists—benefits a lot from strong cultural norms
- Growing confidence in ability to run their own affairs—manage the assets and maintain ‘rule of law’ as agreed.
- Rapid increase in number of people ‘reviving/digging out’ old hives and improved production (emerging ‘professional beekeepers—choice as a priority household livelihood strategy)

E.g. ARABAL Honey Producer Group-- Baringo Kenya

2007	4,859 Kgs
2008	17,026 Kgs
2009 (projection	50,000 Kgs

Three other POs have similar results and growing fast.



## Indicative Changes

- Stable prices and reliable markets—the average increase in producer price is about 30%, but much higher volumes
- Unit cost of getting the honey to the main buyers in Nairobi has reduced by about 50%
- Emerging traceability system—high and consistent quality of honey—well differentiated by nectar source
- Increased social cohesion and gender inclusion
- The POs have a strong/loud voice on matters of conservation—water, tree cover etc.



## Indicative Changes

- Capacity to facilitate investment in extraction equipment, more storage equipment, improvement/upgrading of honey stores.
- Innovation in financial services (savings, check-off system, banking—use of front offices in SACCOs) etc—'monetisation of very rural communities).
- Building a capital base from revenue generating for sale of honey—for investment in much needed infrastructure.



## Some thoughts

- Some failed POs in the past in Africa should not lead to a blanket write-off of POs—(*might as well forget commercialisation of beekeeping with small scale producers in many areas.*)
- Organised producers should not be viewed as enemies of private sector buyers, nor are they simply tools for fair-trade or organic certification—they are essential structures required for an efficient commercial honey sector involving small producers.
- Building effective producer organisations is a long-term development and commercial process –requiring specialised skills and commitment





## Some insights..

- Good governance (clear roles—leadership and management, and responsibilities, participation, succession etc).
- Skilled and visionary leadership—training, clarity of what is at stake to them individually and for members  
(active successful beekeepers who have a lot to loose)
- Strong management system—based on business transactions; records, timely and coordinated information,
- Focus on services to members –production and market access. Higher sustainable and regular incomes are critical



## Some Insights..

- Organised producers leverage a wide range of resources
- Producer organisations facilitate testing and introduction of new services, technologies and growth
- Well structured/governed POs are essential for long-term sector sustainability—mutually beneficial relations with different actors—private companies/packers, government, other users of the natural resource base.



## Some Insights..

- Ownership and control of production level assets (important for balancing/negotiating power)—good for all sides. Creates reinforcement in the structure.
- Business and commercial skills—including negotiation and contracting
- Good and reliable linkages with private sector honey buyers (independent, shareholding or subsidiaries)—consider skills and capacity—financial, management?