

# Bees, trade – and success

Honey production is frequently promoted as a pro-poor income generation activity as it is accessible to many members of a rural community, has low start-up costs and requires little land or labour. But while apiculture (bee-keeping) presents an opportunity for many African farmers, the potential to create a significant livelihood from selling honey often remains out of reach. Without access to a market and with limited transformation, the expected benefits do not materialise. These were the major issues considered by a small organisation in Cameroon, leading to results that were recognised by the SEED Awards.

Verina Ingram

As in many other countries, the honey sector in Cameroon has long been a traditional and small-scale activity. However, the last decade has seen a dynamic change in this sector. This is largely thanks to a series of projects aimed at conserving this country's natural resources and developing income generation activities. Thanks to the trainings provided to local organisations and communities, there are now hundreds of bee-keepers, in particular in the Western Cameroon Highlands, producing more than 3000 tonnes of honey and 50 000 kg of wax (with a value of at least 3 million euros). Recent years have seen increasing volumes of wax exports to Europe, the organic certification of honey, the establishment of a certificate of origin system, and the approval of national legislation for securing honey quality standards. A growing number of apiculture groups have been recorded and sale prices are increasing. Notwithstanding, all those involved feel that apiculture could play a far larger role, both in terms of income and poverty alleviation, and in terms of the country's natural resources.

## Box 1. The SEED Awards

The SEED Award is not a monetary prize, but a 12-month package of support services tailored to recipients' needs, to strengthen and scale up activities. The SEED Initiative is a global network for action on sustainable development partnerships, founded by IUCN, UNEP and UNDP, to deliver concrete progress towards the internationally-agreed goals in the United Nation's Millennium Declaration and the World Summit on Sustainable Development 2002. SEED focuses on locally-driven, entrepreneurial partnerships in developing countries. Its goal is to inspire, promote and build capacity to support the innovative ways in which groups work together to improve incomes and strengthen livelihoods; tackle poverty and marginalisation; and manage and conserve natural resources and ecosystems. For more information, see Networking, p.42.

## Tackling the major bottlenecks

A few years ago, the Western Highlands Conservation Network, a group of 22 NGOs concerned with conservation, farming, agroforestry and sustainable livelihoods, decided to work together with private and public bodies in order to tackle what was seen as the major difficulty: honey marketing. A thorough market study was carried out with the help of the Netherlands



Photo: Verina Ingram

Higher quality gives producers a reason to argue for a higher prices. Here different products are displayed in a market stall in Yaounde.

Development Organisation, SNV, showing both the productive potential of the Cameroonian apicultural sector, and also the poverty within which the producer communities live. Since then, one of the major catalysts in the development of market links has been the organisation called "Guide d'Espoir", or "Guiding Hope", which groups together most of those involved in this study. Although only legally established in May 2007, its members have more than 15 years of experience with the promotion of apiculture, the production of organic honey and bee products, and their commercialisation in West African and European markets.

Guiding Hope was created to strengthen the link between the disadvantaged producers of high value apiculture products and the market; guiding them with information and opportunities; facilitating processes and providing support; and sharing the risks and burdens of selling to a non-local market. Their business strategy is to use socially responsible, sustainable and profitable production, and transformation and trading in apicultural products, as a catalyst for improving the quality of life of the producer communities. It aims to become the missing link in the commercial chain, bringing hope to producers by engaging transparently with them. It also aims to provide the rigour and quality control required to get access to the international markets and return profits to the community. A small organisation, Guiding Hope has 6 members who manage the business (and form the Directive Council), and 22 employees. There are also occasional consultants and service providers. In 2008 it had 10 bondholders, three of whom are also members, who have invested money into the business. All working capital has come from these bondholders and reinvested profits.

In September 2008, Guiding Hope won one of five global SEED Awards for Entrepreneurship in Sustainable Development for its work to scale up social, environmental and economic impacts (see Box 1). SEED is supporting Guiding Hope to grow, providing capacity building and technical advice. Whilst it is too early to provide an evaluation, this award has helped Guiding Hope to rewrite the business plan, provided an incentive to formalise and audit accounts, and consolidate agreements with partners and suppliers. It has also helped establish links with potential buyers, produce public relations materials, gain media attention, and prepare three proposals for financing. Such support is necessary to provide credibility to a small, young, unknown organisation. It also allows us to increase our contacts in the international market and obtain access to affordable capital.

### Chains and partners

The importance of marketing convinced Guiding Hope to follow a value chain approach, as one that can ensure sustainable trade (providing sustainable profits to shareholders, attractive rates for employees and fair prices for suppliers). This approach is also expected to avoid any environmental impact, and to have a “social multiplier effect” by allowing the involvement of men, women and youths from all socio-economic, ethnic and religious backgrounds. The group’s business model is based on the establishment of collaboration relationships with three main groups. One of these is a development organisation known as PAELLA (or *Programme d’Appui aux Initiatives Locales à L’Auto-Emploi*). They provide the technical assistance needed to meet standards and legislation set in Europe, and train and support all producer communities. Another important partner is a small honey and wax importer and trader in the U.K., Tropical Forest Products, with whom a long term trading partnership is being negotiated.

The third, and by far the largest, group is formed by the 755 bee-keeping households who supply raw honey, comb and propolis, with whom Guiding Hope has signed agreements. These are poor, rural farmers and beekeepers, with an average annual income of approximately 400,000 CFA francs (or US\$ 800). Bee-keeping represents almost half of their total income. Guiding Hope assists them to group together, and provides training in both the technical aspects of production and the organisational aspects (such as quality control, administration and accounting).

This support is based on their specific needs – from creating clean water sources to building community halls that double as collection centres. This type of empowerment means they can develop their own apiculture based activities, work together in community development projects, and have the negotiating power to sell their products at fair prices. Trainings and demonstrations on product processing also allow communities to add value by increasing the quality of honey, and especially increasing the value of honey by-products. Guiding Hope has introduced new (for the region) wax production techniques, European buyers, and is stimulating production of goods such as soap, creams, and candles. The organisations can sell these locally. If they are of sufficient quality, Guiding Hope proposes to incorporate them into its honey trading network in major cities in Cameroon and potentially, for export.

While Guiding Hope is equally interested in working with farmers in the North West region, a zone of mountainous forests with a tradition of producing high quality honey, most of its work is now carried out in six villages around Ngaoundal, Djerem Division in the province of Adamaoua. This is a transition zone between the tropical south and the Sahel, and is the largest honey production area in Cameroon. Adamaoua is home to at least 14 different ethnic groups. Bee-keeping was traditionally an activity carried out by the Gbaya, one of the most numerous groups, but is being taken up more and more by other groups as they see its many advantages. Most families practice a mix of activities, combining beekeeping with farming, cattle trading, fishing and hunting. Bee-keeping also involves young and old, men and women, with honey sales providing seasonal cash income. Bees are also vital for agriculture, being one of the major pollinators of the local staple crops and also of important fruits such as mangoes and avocados. Bees are also critical in pollinating forest trees.

### Enabling entrepreneurship

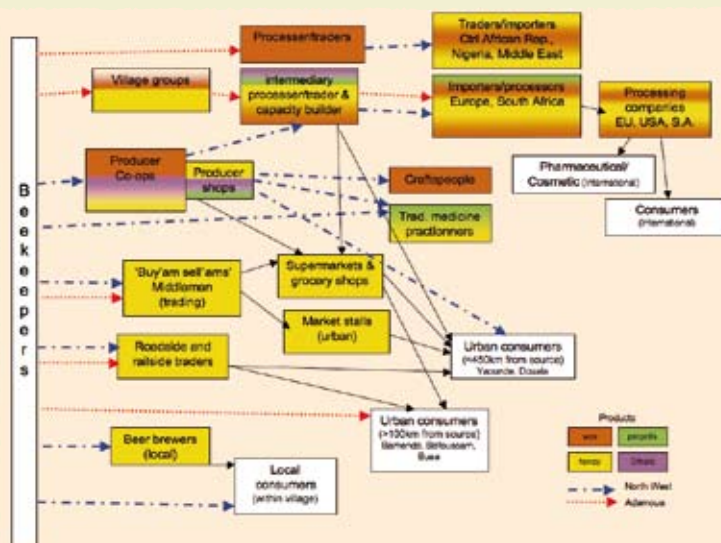
To date, Guiding Hope has developed a range of products for the national market (marketing soap, candles and two types of honey: “Savannah Miel Royal” and “White Mountain”), and has exported more than 100 tonnes of beeswax to Europe. They are now preparing to export honey to Europe. In 2009, they plan to send at least 50 tonnes, once the Honey Monitoring Residue Scheme, submitted in February 2009 to

### Box 2. Value chains

The term “value chain” has been used for more than twenty years. It refers to the full range of activities needed to bring a product or service from conception, through production and delivery to final consumers (and ultimately disposal after use). A value chain can be the way in which a firm develops a competitive advantage and creates shareholder value. It can also demonstrate the interrelation and dynamics between individual businesses. A narrow economic-based definition of value chains involves identifying the series of value-generating activities performed by an organisation. A broader, systems approach looks at the complex range of activities implemented by various actors, from primary producers, harvesters, processors, traders, service providers and upstream suppliers to downstream customers. This is also known as a value system.

Value chain analysis encompasses issues such as organisation, co-ordination, power relationships between actors, linkages and governance aspects. These issues can be analysed by individual organisations, as well as between actors within a chain. Drivers of value chain activities include economies of scale, learning, capacity utilisation, linkages among activities, the degree of vertical integration, timing of market entry, geographic location and institutional factors such as regulations, union activity, or taxes.

The value chain approach has been a very useful analytical tool for taking a more objective look at an organisation’s position in a market. It allows for examining the consequences of empowering one group (the producers) and identifying how to link them to importers and consumers. It enables analysis



Cameroon apiculture value chains.

of the implications of who does what, at which stage in the chain, and what this means for risks, capital needed and margins. It can also help to identify with whom to form partnerships in the chain.





Photo: Verina Ingram

**Aminatou Hamoua, Guiding Hope's internal control officer, uses a refractometer to measure moisture content in honey, ensuring its quality.**

the European Union, is approved. Guiding Hope, as instigator of the Cameroonian Union of Apiculture Exporters, has been the leading organisation working with the government in setting up this scheme. The group also invested in setting up an organic production system which could be certified as such. In November 2008 they received the organic certification for honey, wax and propolis from the U.K.'s Soil Association. The organic label increases the selling price by almost 50 percent, resulting in higher incomes. Through "preferred supplier contracts", Guiding Hope is also aiming at the fair trade market, establishing long term agreements.

Similar attention is being given to the need to upscale this approach, and benefit more villages. Guiding Hope plans to continue working with the villages in Adamaoua, broadening out to other villages once the full production capacity of the first villages is reached. This assures quality control and traceability, and makes better use of the limited resources available for an integrated sustainable development and business approach. This model will then be expanded to the co-operatives in the North West, three of which have already shown interest. While they have different needs for organisational and business support, and they face various environmental threats, their production potential is high. The approval of the Honey Monitoring Residue Scheme provides even more possibilities, as it sets a basic framework and opens up the market for other organisations to export to Europe. This will be expanded upon with the development of national honey and apiculture standards, helping promote a high quality product among consumers in Cameroon and abroad. This is a joint initiative started with the National Beekeepers Federation, with which the national government is getting even more involved. Only a few years ago, it was unclear which government agency was to be contacted, or which one should be involved. Thanks to a series of meetings and discussions, the roles and responsibilities within the Ministry of Livestock and Fisheries are now clear.

And while the benefits in terms of income are obvious, Guiding Hope also believes that bee-keeping can lead to positive environmental and agricultural services (such as pollination, forest regeneration and conservation), all of which contribute to sustainable trade. Consultations with villagers showed that they are equally interested in working with these interactions. In joint

efforts with PAELLA and various government agencies (such as the Ministries of Livestock and Commerce and Small Enterprises), environmental education has been made a priority. This includes setting up community nurseries and reforestation activities, and agreeing on community regeneration and beekeeping zones. The support of the SEED Award will help Guiding Hope create more conditions which are favourable for beekeepers and for the environmental situation in general in the area. This will have positive knock-on effects for agriculture such as increased pollination and the possibility of making compost from honey and wax wastes. Farmers are looking to diversify and secure cash incomes through bee-product processing. This has led to changes in apicultural practices, with innovations such as new hive designs that facilitate harvesting and resist animal attacks, and energy efficient stoves. Communities are also designating unproductive and degraded land for agroforestry, growing species which can provide hive materials, fuelwood and protect water catchments.

Time will tell the true tale, but it appears that small-scale rural entrepreneurship in the apiculture sector is already resulting in far-reaching institutional and sectoral changes. We believe that it has the potential to result in incomes and community development on a sustainable basis.

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