

## CBI MARKET SURVEY

**The honey and other bee products market in Austria****Publication date: June, 2009****Introduction**

This CBI market survey gives exporters in developing countries information on some main developments in the honey and other bee products market in Austria. The information is complementary to the information provided in the CBI market survey 'The honey and other bee products market in the EU', which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.eu/marketinfo>.

**1 Market description: consumption and production****Consumption**

Austria is the 8<sup>th</sup> biggest market for honey in the EU, with consumption amounting to 9.9 thousand tonnes in 2007 (Eurostat/FAOSTAT, 2008). The market is mature and shows signs of saturation. The consumption of honey shows a decreasing trend between 2003 and 2007, indicated by an annual average decrease of 2.1% in volume terms. However, this decrease took place mainly between 2003 and 2004, after which consumption remained rather stable. For the coming years, consumption is also expected to remain stable.

The per capita consumption of honey amounted to 1.2 kg in 2007, which was relatively high compared to other EU countries; the EU average consumption was 0.63 kg that year. There is no information available regarding beeswax.

According to Honigmayer Handels GmbH, honey on the Austrian market has a stronger taste than in other EU countries. Some special honeys, such as cream honey and monofloral honeys are particularly popular in Austria. In 2004, Fair Trade certified honey also became available in Austria. Between 2004 and 2006, Fair Trade honey sales increased from 4 tonnes to 13 tonnes.

Consumer expenditure on organic food products is relatively high, with a per capita consumption of € 64 in 2006. In that year, organic retail sales amounted to € 530 million, indicating an increase of 10% compared to the previous year. The share of organic food products in the total Austrian food market is 5.4%, which is high compared to other EU countries (Research Institute for Organic Agriculture (FiBL), 2008).

There are no data available on the consumption of beeswax in Austria. However, based on import and export figures and the size of the beekeeping sector in Austria, consumption is estimated to be small compared to other EU countries.

**Production**

Austria's production of honey is medium-to-small, compared to other EU countries. According to FAOSTAT, in 2007 honey production amounted to 6.1 thousand tonnes, which represents around 3% of the total EU production. The honey production in Austria decreased by 3.7% annually between 2003 and 2007, although it has remained rather stable since 2005. In the next 5 years, honey production is expected to remain relatively stable.

Production of commercial beeswax is negligible. Beekeepers use the beeswax for their hives.

The beekeeping sector in Austria is small. The sector is organised in the Austrian Beekeepers Association (ÖIB), which has around 22 thousand members, managing 276 thousand bee

colonies (ÖIB, 2006). Some of the honey varieties produced in Austria are forest honey, acacia honey, chestnut honey and lime-tree honey.

### Opportunities and threats

- +/-When comparing consumption to production, Austria produces 62% of the honey it consumes. The remaining share needs to be imported to satisfy domestic demand. However, the absolute size of the market remains small compared to other EU countries.
- +/-The per capita consumption of honey is high in Austria. However, the market seems to be saturated, indicating little room for increasing exports to Austria. Both production and consumption have been stable since 2005.
- + The most interesting niche market for developing country exporters is the organic market, as Austrian consumers are interested and willing to pay a higher premium price for organic products. Moreover, this segment shows a strong growth rate.
- + Other interesting products to export to Austria would be specialty honeys (such as creamy and monofloral honey), as well as Fair Trade honey.

Please refer to Chapters 1 and 2 of the CBI market survey covering the EU market for general opportunities and threats in the EU.

## 2 Trade channels for market entry

The trade channels, for honey and other bee products from developing countries to Austrian consumers, do not differ from other EU countries. Honey exporters supply their products to importers or packers. Interesting players for developing country exporters in the Austrian honey market are the importers Adolf Darbo (<http://www.darbo.at>), Honigmayr (<http://www.honigmayr.at>) and EZA Fairer Handel (<http://www.eza.cc/>).

Honey and other bee products need to pass through various intermediaries (e.g. freight company, importer, packer, retailer, etc.) from the moment of export to the moment that the final consumer purchases the product. All of the intermediaries add value to the product and the prices paid for the product are thus different at every stage. Generally speaking, retail prices are around 2.5-3 times higher than producer prices. Please refer to the survey covering the EU market for more specific information on margins.

Finding a trade partner in Austria should not deviate from the general EU method. The following sources can also be used for finding a trading partner through a business-to-business database such as:

- Agronetwork.com - <http://www.agronetwork.com/global>
- Europages - <http://www.europages.com>
- Alibaba - <http://www.alibaba.com>
- Austria TradePost - <http://www.austriatradepost.com/>

## 3 Trade: imports and exports

### Imports

Austria is the 8<sup>th</sup> largest importer of honey and beeswax in the EU, accounting for 2.7% of total EU imports. In 2007, the imports of honey and beeswax amounted to € 11 million / 5.0 thousand tonnes, and consisted for 98% of honey. The value of honey and beeswax imports fluctuated between 2003 and 2007. Between 2003 and 2005, imports decreased by 13% annually, while imports increased again by 6.6% annually until 2007. The decrease in imports between 2003 and 2005 can be explained by the decrease in consumption in that period. In the period 2005-2007, imports increased in line with exports, while consumption and production remained rather stable.

Developing countries accounted for 20% of the imports, which was low compared to the EU average share of 42%. Moreover, imports from developing countries decreased by 2.1% annually in value during the review period. However, imports from intra-EU countries also

decreased, by 4.1% annually. The leading suppliers are Germany, Spain, Hungary, Turkey and Argentina, of which Spain is the only country showing an increase in its honey and beeswax supplies to Austria (7.9% annually). Imports from Turkey and Argentina decreased by 11% and 2.0% annually respectively. Countries that show a strong annual increase in their honey supplies to Austria are Uruguay (31%), Romania (137%), Chile, Poland and China, but these countries are still only small suppliers.

### Exports

Austrian exports of honey and beeswax are small, amounting to € 5.2 million / 1.3 thousand tonnes, or 2.0% of total EU exports in 2007. Exports increased considerably by 13% annually between 2003 and 2007. Exports consisted almost entirely of honey.

The main countries of destination were Germany, Switzerland, Russia and Slovenia. Re-export may play a role here as both imports and exports increased, while production and consumption remained stable since 2005.

### Opportunities and threats

- + Imports of honey and beeswax increased in terms of volume during the review period. Moreover, between 2005 and 2007, imports also increased in terms of value.
- However, developing countries account for a relatively small share in Austrian imports of honey and beeswax, and imports from developing countries decreased during the review period.
- + Several developing countries are emerging suppliers of honey and beeswax, such as Uruguay, Chile and China, indicating opportunities for new suppliers.
- However, several East-European countries are also emerging, which could pose a threat to developing country suppliers by being strong competitors. China could also pose a threat to other developing country exporters, as it supplies low-priced competitive honey.

Please refer to Chapter 7 of the CBI market survey covering the EU for more information on opportunities and threats.

### Useful sources

- EU Expanding Exports Helpdesk - <http://exporthelp.europa.eu/>
- Eurostat – official statistical office of the EU - <http://epp.eurostat.ec.europa.eu>

## 4 Price developments

In the long term, honey prices in Austria are mainly influenced by global market prices. Increased imports of low-priced honey from the world's leading producers have pushed down honey prices in Austria. Contrary to this development, the global prices of honey are currently increasing, because of a worldwide supply shortage of honey. The weather conditions and bee losses have a negative influence on the production of honey, which makes the product scarcer, resulting in increasing prices.

For more information on price developments, please refer to Chapter 5 of the CBI market survey 'The honey and other bee products market in the EU'.

## 5 Market access requirements

As a manufacturer in a developing country preparing to access Austria, you should be aware of the market access requirements of your trading partners and the Austrian government. For information on legislative and non-legislative requirements, go to 'Search CBI database' at <http://www.cbi.eu/marketinfo>, select your market sector and target country in the category search, click on the search button and click on market access requirements.

Detailed information on packaging can be found at the website of ITC on export packaging: <http://www.intracen.org/ep/packaging/packit.htm>

Information on tariffs and quota can be found at <http://exporthelp.europa.eu/>

## 6 Doing business

Information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) and cultural differences can be found in CBI's export manuals 'Export Planner', 'Your image builder' and 'Exporting to the EU'. These can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications.

For more information on doing business in Austria, visit the following websites:

### Trade associations

- Austrian Beekeepers Association (ÖIB) - <http://www.imkerbund.at>
- Austrian Federal Chamber of Commerce - <http://portal.wko.at/wk/startseite.wk>
- The Austrian Foreign Trade Promotion Organisation - <http://www.austriantrade.org> - Information on exporting to Austria.
- Association of the food industry (FIAA) - <http://www.dielebensmittel.at>

### Trade press

- Beekeepers Magazine (Bienen Aktuell) - <http://www.bienenaktuell.com>
- Forum Ernährung Heute - <http://www.forum-ernaehrung.at>
- Trade magazine (Handelszeitung) - <http://www.handelszeitung.at/ireds-20146.html>

### Trade fairs

- Alles für den Gast Wien – Hotel and restaurant food trade - <http://www.reedexpo.at> – the fair is held twice a year, and the next one will be in November 2009.
- L-Tec – food technology and manufacture - <http://www.ltec.at> - the fair is held once every two years, and the next one will be in March 2010.

This survey was compiled for CBI by ProFound – Advisers In Development

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