

CBI MARKET SURVEY

The honey and other bee products market in Slovakia

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 Slovakia. 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

Slovakia is a small to medium-sized consumer of honey in the EU. Between 2003 and 2007, honey consumption in Slovakia increased by 17% annually to 3.7 thousand tonnes (Eurostat/FAOSTAT, 2009). Per capita consumption amounted to 0.69 kg in 2007. Consumption is expected to continue to grow, as the Slovak honey market is still underdeveloped.

Most honeys on the Slovak market are mixed. However, there is also demand for dark forest honeys, wild raspberry honey and acacia honey (Slovak Association of Beekeepers, 2009). Some of the honeys from Slovak production, particularly forest honey, have a dark colour, but are nevertheless popular.

The organic market is very underdeveloped in Slovakia, at least in terms of market penetration. Organic food sales have been estimated at € 4.3 million in 2006. A significant obstacle is the relatively low per-capita income in the country.

Beeswax consumption in Slovakia is small, accounting for 1.9% of the registered beeswax consumption in the EU in 2005. Between 2003 and 2005, consumption increased from 97 tonnes to 180 tonnes (Eurostat/FAOSTAT, 2009).

Production

Slovakia is a small producer of honey compared to other EU countries, accounting for 2.2% of total EU production in 2006. Between 2003 and 2007, production showed an average annual increase of 8.9%. This growth in honey production resulted in a production of 4.5 thousand tonnes in 2007.

The types of honeys produced in Slovakia include forest honey, raspberry, acacia, clover, sunflower, rape, fir and meadow (Slovak Association of Beekeepers, 2009).

Beeswax production in Slovakia is small, accounting for 1.9% of the registered beeswax production in the EU in 2005. Between 2003 and 2005, production remained stable at 81 tonnes (FAOSTAT, 2009).

Production of pollen, propolis and royal jelly is minimal. These products are only supplied to companies, which specifically ask for it.

In the long term, the beekeeping sector in Slovakia is declining. The number of colonies decreased from 430 thousand in 1989 to 250 thousand in 2007 (Slovak Association of Beekeepers; European Commission, 2007). Causes for the decline include economic factors, environmental degradation and bee health problems. Currently, the number of beekeepers is

around 18 thousand. The beekeeping sector is supported by the European Commission through the National Programme of Stabilisation and Development of Slovak Apiculture, which includes subsidies. For the next 5 years, the beekeeping sector in Slovakia is expected to decline slightly. Beekeeping in Slovakia is not as profitable as in the major beekeeping countries, furthermore interest in the sector is decreasing.

Opportunities and threats

- Slovakia is a very small market for honey. Moreover, Slovakia produces more honey than it consumes and will therefore import very little honey.
- + Increasing consumption coupled with declining production (long-term) is, nevertheless leading to an increasing need for imports.
- + The popularity of dark forest honeys from Slovak beekeepers indicates that dark and stronger tasting honeys are accepted by Slovak consumers.

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 Slovakian consumers, do not differ from other EU countries. Honey exporters supply their products to importers or packers. Please refer to Chapter 3 of the CBI market survey covering the EU for more information. One Slovakian trader of honey and bee products is Medas (<http://www.medas.sk/indexieen.htm>).

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 Slovakia 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>

3 Trade: imports and exports

Imports

Slovakia is a small importer of honey and beeswax, accounting for 0.7% of total EU imports. Between 2003 and 2005, imports decreased by 2.1% annually and then increased by 36% annually to approximately € 2.8 million / 1.7 thousand tonnes in 2007. The increases in domestic production were not sufficient to satisfy demand by both the domestic market and exporters in Slovakia and, consequently, more honey and beeswax was imported.

Developing countries account for 13% of imports. Although the value of imports from developing countries remained relatively stable in the period 2003-2007, imports from other EU countries increased considerably, resulting in a decreasing market share for developing countries. Hungary and the Czech Republic dominated supplies, together accounting for 82% of Slovak imports. Developing countries with significant shares were Moldova (4.6%), Argentina (4.1%) and the Ukraine (3.9%).

Total Slovak imports of honey and beeswax consisted for 97% of honey and for 3% of beeswax.

Exports

Slovakia is a small to medium-sized exporter of honey and beeswax, accounting for 2.2% of total EU exports. Between 2003 and 2007, exports increased by 4.3% annually to € 5.6 million.

Re-exports of honey from developing countries are small. The exports consist largely of Slovak honey production, which cannot be absorbed by the domestic market, and of re-exports of honey from other EU countries.

Opportunities and threats

- +/- Imports of honey are increasing, as consumption in Slovakia and exports to other countries increase. However, developing countries did not profit from the increases in the period under review.
- Slovakia is a net exporter of honey. Consumption of honey is small and part of the domestic honey production is exported to other markets.

Please refer to Chapter 4 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 Slovakia 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 Slovakia. 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 Slovakia you should be aware of the market access requirements of your trading partners and the Slovak government. For information on legislative and non-legislative requirements, go to 'Search CBI database' at <http://www.cbi.eu/marketinfo>, select 'Food ingredients' and Slovakia in the category search, click on the search button and click on market access requirements.

Detailed information on packaging can be found in the CBI market survey 'The honey and other bee products market in the EU' and 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 Slovakia, visit the following websites:

Trade associations

- SCCI - <http://web.scci.sk/> - Slovak Chamber of Commerce and Industry
- The research institute of agricultural and food economics - http://www.vuepp.sk/eng/index_eng.html
- Slovensky zväz včelárov (Slovak Association of Beekeepers) - <http://www.vcelari.sk/>
- Slovak Association of Bee Products Traders - <http://www.vcelieprodukty.sk/> - Organisation for the promotion of honey, quality monitoring and cooperation between members.

Trade press

- The Slovak spectator - <http://www.spectator.sk>
 - Vcelar (The beekeeper) - <http://www.vcelari.sk/> - magazine for beekeepers
- go to 'vcelar' on the left-hand menu

Trade fairs

- Bio agrokompex - <http://www.agrokomplex.sk/?pl=27> - The next event will take place from August 20 to 23, 2009.

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

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