

## CBI MARKET SURVEY

**The honey and other bee products market in the Czech Republic****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 Czech Republic. 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**

The Czech Republic is a small-sized consumer of honey in the EU, accounting for 2.5% of the total EU market in 2006. In that year, honey consumption in the Czech republic amounted to 8.1 thousand tonnes (Eurostat/FAOSTAT, 2008). Between 2003 and 2004, honey consumption decreased and then increased again by 18% annually until 2006. The per capita consumption in the Czech Republic amounted to 0.8 kg of honey per person in 2006, which was significantly higher than the EU average of 0.7 kg that year.

In 2005, the Czech Republic consumed 239 tonnes of beeswax, which was not much compared to other EU countries. Between 2003 and 2005, beeswax consumption increased by 1.1% annually on average.

In order to increase the consumption of honey, a promotional campaign was launched in the Czech Republic in the beginning of 2007. This campaign was a joint project by the EU, the Czech government and the Czech Beekeepers Association CSV (Prague Daily Monitor). Therefore, consumption is expected to continue to increase in the coming period, although the current economic crisis may limit consumer expenditure on honey.

The Czech organic retail sales grew by 49% between 2005 and 2006, amounting to € 27 million in the latter year (Research Institute for Organic Agriculture (FiBL), 2008). The per capita consumption of organic food products amounted to € 3 in 2006. Although organics accounted for only 0.35% of the total market, their share is expected to increase to 1% by 2010 (Agra Europe Weekly 2007). Furthermore, the Fair Trade Labelling Organization (FLO) does not sell any Fair Trade honey in the Czech Republic, indicating a negligible market for Fair Trade honey.

**Production**

According to FAOSTAT data, the Czech production of honey is medium-to-large compared to other EU countries, accounting for 4.5% of the total EU production in 2006. In that year, the Czech Republic produced 9.1 thousand tonnes of honey. The production grew steadily between 2003 and 2006, on average by 13% per year. Furthermore, the production of beeswax amounted to 205 tonnes in 2005, being stable since 2003.

The amount of beekeepers in the Czech Republic is around 51 thousand (Czech Beekeepers Union, 2009). The total bee population in the Czech republic is estimated to be 10 million. The number of bee colonies in the Czech Republic in 2006 was 525 thousand (Turlough, 2008).

### Opportunities and threats

- The Czech Republic is a small market for honey and beeswax in the EU. Moreover, the country produced more honey than it consumed in 2006, indicating that it does not need to import a lot of honey.
- + However, honey consumption is increasing and promoted. This offers growth opportunities in the coming years. Furthermore, the per capita consumption of honey is relatively high.
- The production of honey is, however, also increasing, and at a stronger rate than consumption.
- + The organic market segment could provide good opportunities, as this segment is growing significantly, and is forecasted to keep on growing in the coming period.

Please refer to the 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 Czech 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.

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 the Czech Republic 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>
- Food world - [http://www.thefoodworld.com/food\\_exporters\\_importers](http://www.thefoodworld.com/food_exporters_importers)
- Europages - <http://www.europages.com>
- Alibaba - <http://www.alibaba.com>

## 3 Trade: imports and exports

### Imports

The Czech Republic is a small-sized EU importer of honey and beeswax, accounting for 0.9% of total EU imports. The Czech honey and beeswax imports amounted to € 3.4 million / 1.7 thousand tonnes in 2007, consisting for 99% of honey. Between 2003 and 2007, the imports increased by 5.3% annually in terms of value, but decreased by 0.8% annually in terms of volume. These developments are in contrast to overall EU developments, where imports decreased in terms of value, but increased in terms of volume. The increase in value of Czech imports and the small decrease in imported volume were the result of increased prices paid by Czech importers for honey. They have stopped sourcing honey in China, the cheapest source of honey, due to perceived quality control problems with Chinese honey.

Only 12% of imports is sourced in developing countries, while the EU average share is 42%. Moreover, the share of developing countries in the value of imports decreased significantly during the review period, as imports from developing countries diminished by 30% annually, while imports from other EU member states increased by the same rate. The decrease was caused by a decrease in imports from Moldova, Argentina and China, while imports from Turkey, Mexico and Brazil decreased to a negligible amount in the review period. However, imports from Ukraine, the second largest supplier of honey to the Czech Republic, increased by 44% annually on average between 2003 and 2007. Other emerging suppliers are West-

European countries (Germany, UK, France), as well as East-European countries (Poland, Hungary, Romania).

### Exports

Czech exports of honey and beeswax amounted to € 8.0 million / 4.3 thousand tonnes, or 3.1% of total EU exports in 2007. Exports consisted entirely of honey. Between 2003 and 2007, the exports of honey increased rapidly by an average of 11% annually in value terms, and by 21% annually in terms of volume. The main countries of destination were Germany and Poland. Considering the limited imports from developing countries, re-exports of honey from developing countries are of little importance.

### Opportunities and threats

- The Czech Republic is only a small EU importer of honey and beeswax. Moreover, the share of developing countries in Czech honey imports is small and decreased considerably during the review period. On the other hand, imports from West- and East-European countries increased strongly during the review period.

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 the Czech Republic 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 the Czech Republic. Contrary to this development, the global prices of honey currently are increasing, because of a worldwide supply shortage of honey. The weather conditions and bee losses have an unfavourable 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 the Czech Republic, you should be aware of the market access requirements of your trading partners and the Czech 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 the Czech Republic, visit the following websites:

### **Trade Associations**

- Czech Beekeepers Union - [http://www.apislavia.org/czech\\_beekeepers\\_union.html](http://www.apislavia.org/czech_beekeepers_union.html)

### **Trade press**

- Czech Business Weekly - <http://www.cbw.cz>
- The Prague Post - <http://www.praguepost.com>

### **Trade fairs**

- Salima, fair on the Central-European food market. The fair is held once every two years, and the next one will be held March 2 to 5, 2010 - <http://www.bvv.cz/>
- Harmonie, fair on healthy nutrition and natural products - <http://www.terinvest.com/harmonie> - the next one will be held in October 2009

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

Disclaimer CBI market information tools: <http://www.cbi.eu/disclaimer>