CBI MARKET SURVEY

The honey and other bee products market in Italy

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Report summary
This CBI market survey discusses the following highlights for the honey and other bee products market in Italy:

- Italy consumed 19 thousand tonnes of honey in 2007. Between 2003 and 2007, consumption fluctuated with a negligible net change. Honey production also fluctuated in this period, amounting to 12 thousand tonnes in 2007. Sharp decreases in the number of bee colonies caused a drop to around 7 thousand tonnes in 2008 and continues to threaten production levels in 2009.
- Italy is the fourth largest importer of honey in the EU, with imports amounting to € 18 million / 11 thousand tonnes in 2007. Between 2003 and 2007, these imports decreased by 17% annually in terms of value and by 7.2% annually in terms of volume.
- Developing countries accounted for 44% of Italian imports in 2007, although these decreased by 18% annually on average during the review period. The leading supplier of honey to Italy is Argentina, accounting for 42% of the imports by Italy.

This survey provides exporters of honey and other bee products with sector-specific market information related to gaining access to Italy. By focusing on a specific country, the survey provides additional information, complementary to the more general information and data provided in the CBI market survey 'The honey and other bee products market in the EU', which covers the EU market 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

This survey provides information on honey and other bee products. The product selection is explained in Appendix A of the survey 'The honey and other bee products market in the EU'. The following chapter only provides information on honey and beeswax, as no reliable information on the markets for other bee products was available for the Italian market.

Consumption and industrial demand
Italy is the fifth largest honey market in the EU. Consumption amounted to 19 thousand tonnes in 2007, accounting for 6.1% of total EU consumption (Eurostat/FAOSTAT, 2008), a comparable consumer being Greece. Considering the large population, total honey consumption in Italy is low. Italians consume relatively little honey per capita. In 2007, per capita honey consumption amounted to 0.32 kg per person, while the EU average was 0.63 kg that year. Between 2003 and 2005, consumption increased, while it decreased steadily between 2005 and 2007. The net change was negligible. The health trend is likely to stimulate the consumption of honey in the coming period.

The main purchasing criteria for the Italians are: floral origin (38%), properties of the honey such as colour (17%), packaging size (11%), expiration date (10%), brand (6%), price (5%), organic certification (5%), country of origin (4%), presentation of packaging (1%) and other (3%)[1]. Keep in mind that the figures given here only indicate the importance of the criteria. Actual buying behaviour includes an evaluation of many of these factors and the total value of a product for a consumer depends on the signature of the product, which comprises all of the above-mentioned factors. Nevertheless, floral origin is an important marketing instrument in

[1] Italian Association of Beekeepers (UNAAPI)

Italy. The preferred origins are: acacia (37%), polyfloral (29%), chestnut (10%), sunflower (7%), citrus fruit (3%), eucalyptus (3%), apple (3%), thyme (2%), lime-tree (1%), other (3%).

Most Italians prefer liquid honey (47%), while a minority (19%) prefers solid honey and 34% likes both. According to Italian consumer preferences, high-quality honey is: not further processed (no heating or other alterations), is organic and originates in Italy.

Italy is one of the larger markets for beeswax. The apparent consumption of beeswax in Italy amounted to 1.2 thousand tonnes in 2005. Compared to 2003, consumption of beeswax increased by 62% annually on average (FAOSTAT, 2008). However, imports of beeswax often fluctuate strongly and substantial increases in consumption are mostly temporary.

Market segmentation
Brands are not important in the Italian honey market, which is very fragmented. The only brands with significant reputations are Ambrosoli, Mediterrabio and Rigoni. Ambrosoli accounts for approximately 25% of the Italian market for honey. Mielizia, a brand of Mediterrabio, is a major brand in the organic market.

Industry vs. consumers
A relatively large share of 40% of honey is destined for industrial users compared to the EU average of 15% (Ricalde, 2003). The most common uses of honey by consumers in Italy according to the share of the population using honey for that purpose are: honey in milk or caffe latte (29%), honey as a bread spread (26%), pure (15%), in coffee (13%), in tea (8%), as an ingredient in desserts (5%) and other (4%). Industrial users need honey for the production of bakery products, as well as for the production of cosmetics.

Organic segment
Italy is the third largest EU market for organic food. The turnover of the organic food market in Italy amounted to around € 1.9 billion in 2006, implying a per capita consumption of € 32 per person that year (Research institute of Organic Agriculture (FiBL), 2008). Around 1.3 thousand new organic products were introduced in 2006, which was an increase of 30% compared to the previous year. Italians buy organic products to be sure of their purity. Specific data on honey is not available.

Fair Trade segment
Sales of Fair Trade honey of the Fair Trade Labelling Organisation (FLO) amounted to 74 tonnes in 2006, making Italy the fourth largest market in the EU. However, in 2004 the sales still amounted to 104 tonnes, but decreased since then.

Trends
The natural health trend is likely to have a positive impact on honey sales. In the eyes of consumers, honey has the image of being natural, pure and healthy. Please refer to the CBI market survey 'The honey and other bee products market in the EU' for more information on the natural health trend.

The health trend will also favour organic honey.

Production

Italy is a medium-sized honey producer in the EU, with production amounting to 12 thousand tonnes in 2007 (FAOSTAT, 2008). In years of good harvests, Italy produces around 13 thousand tonnes with an estimated value of € 20.6 million. Comparable producers in size are Poland and Hungary. The Italian honey market is for around 50% self-sufficient. The self-sufficiency rate decreases in some years, when harvests are small.
Between 2003 and 2007, honey production fluctuated, resulting in a net increase of 5 thousand tonnes.

Beeswax production amounted to 90 tonnes in 2005, implying a stable production since 2003.

There are around 1.2 million beehives in Italy. The hives are managed by 50 thousand beekeepers of which 7.5 thousand are professionals[2]. The beekeepers are organised in the Italian Association of Beekeepers (UNAAPI). Production by professional beekeepers is often marketed through cooperatives, such as Apistica Abruzzese (http://www.profesnet.it/vario/9901/produttori_coop_apistica.htm) or CONAPI (http://www.conapi.it), but is also linked to companies such as Fiorillo (http://www.fiorillo.it).

The varieties produced in Italy and their average yields include: Acacia (30 kg/hive), maple (20-25 kg/hive), citrus fruit, chestnut (20-25 kg/hive), Eucalyptus (10 kg/hive), sunflower (25 kg/hive), thyme (10 kg/hive). Italy also produces some unique monofloral varieties, such as honeysuckle, dandelion, and rhododendron. Production of monofloral honeys is of great importance for the competitiveness of the Italian beekeeping sector, as Italian honey producers cannot compete with the low-priced polyfloral honeys from the major honey producers in the world.

Organic
Organic honey producers include Erroi Luciano (http://www.allevamentoapisticodelsalento.it/home.htm) and Agriapi (http://www.agriapi.it). These products are often marketed as regional products (such as Honey from Tuscany), and have a strong position on the market.

Trends
In the winter of 2007, 30% of the honeybees in Italy died from diseases and parasites amongst other causes. Pesticides are thought to be causing recent bee deaths in Italy, specifically the artificial forms of nicotine. It is estimated that 200 thousand bee colonies in Italy disappeared in 2007. In 2008, the honey production was 50% lower than the average. Furthermore, because of the unfavourable weather conditions, the honey yield was low in 2008. Altogether these developments led to a decrease in Italian honey and beeswax production; honey production for 2008 is estimated to have been around 5-6 thousand tonnes (Agricultura Italiana Online, 2008). The first reports on the first quarter of 2009 indicate further decreases in the number of colonies.

Opportunities and threats
+ Although Italy produces significant amounts of honey, it is only self-sufficient for around 50%. Therefore, it needs to import large amounts of honey to satisfy domestic demand. Moreover, the production is estimated to have decreased significantly in 2008, indicating opportunities for the coming period.
+ Italy is a relatively large market for beeswax, while domestic production is small.
+ There are particularly good opportunities for Acacia honey and polyfloral honeys, which are liquid and organic or not further processed.
- Italian consumers have a preference for domestically produced honey.
- Italy is a large producer of organic food products, which could therefore pose a threat to developing country exporters who try to address this niche market in Italy. Furthermore, the Fair Trade sales of honey decreased during recent years.

Exporters should note that a development or trend can be an opportunity for one exporter, while posing a threat to other exporters. Exporters should therefore analyse if the developments and trends discussed in the previous sections provide opportunities or threats, depending on their specific situation. Please refer to Chapter 7 of the CBI EU market survey on honey and other bee products for an example of such an analysis.

Useful sources
- Italian Association of Beekeepers (UNAAPI): http://www.mieliditalia.it (Italian only)

[2] National Observatory for the honey production and market for honey, 2009

- National Observatory for the honey production and market for honey: http://www.osservatoriomiele.org (Italian only)
- Agricultura Italiana Online - http://en.agricolturaitalianaonline.gov.it

2 Trade channels for market entry

Trade channels
The Italian trade in honey is more fragmented than in other EU countries. Part of the honey producers in Italy are organised in groups (cooperations or associations) which collect the honey and establish trade relationships with wholesalers and agents. Exporters in developing countries supply importers or packers, which often fulfil both functions.

The importer-packers mostly supply retailers. Large packers, which trade conventional honeys, often supply large retailers such as supermarkets. Smaller packers often supply health shops, organic shops and other specialty food shops. The leading sales channel for honey is the supermarket; 38% of the Italian consumers purchases honey in the supermarket. 29% prefers to purchase honey directly from a beekeeper. Other sales channels are grocery shops (11%), markets (7%), discounters (6%), herbalists (health shop) (4%), hypermarkets (3%) and others (2%).

Industrial users are also mainly supplied by large packers. However, some catering businesses look for specialty honeys, such as Fair Trade honey, which are mostly supplied by small packers. Please refer to Chapter 3 of the survey covering the EU market for more information on trade channels.

Interesting honey importers in Italy include:
- Apicoltura Piana - http://www.pianamiele.com/ (website unavailable at time of writing)
- Andrea H. Roidi - http://www.roidi.com/ - importer
- Miele Vangelisti - http://www.mielevangelisti.it/ - packer
- KI Group - http://www.kigroup.com - wholesaler
- Cameo - http://www.cameo.it/ - industrial user
- Galbusera Dolciaria - http://www.galbusera.it/ - industrial user

Price structure
Honey needs to pass through various intermediaries (e.g. freight company, importer, packer, retailer, etc.) from the moment of export to the moment that the final consumers purchase the product. All of the intermediaries add value to the product and the prices paid for the product are therefore different at every stage. Generally speaking, retail prices are around 2.5-3 times higher than producer prices. Industry sources estimate the following costs and margins:
- Transport and Customs: 10%
- Commission for importer: 5%
- Packer (blending, filtering and packing): 10%
- Wholesaler: 5-10%
- Retailer: 25%-100% (depending on retail channel)
- VAT: 6-21% (depending on country)

The margins for each intermediary are variable and depend on the scale in which the honey is traded, the type of honey (e.g. conventional or organic), the number of intermediaries, etc. Organic honey normally has a premium of 15 to 20% above the global market prices. Please refer to the survey covering the EU market for more detailed information on the price structure of honey.

Finding a suitable trading partner
Finding a trade partner in Italy should not deviate from the general EU method. Buyers and suppliers often find each other through existing contacts in their network. If you cannot rely on your network, some research will be required. Contact details can be found at http://www.paginegialle.it/index.html, or through the Chamber of Commerce. Search for

importers directly or ask wholesalers or trade associations for contact details of importers or other companies or organisations which can help you in your search.

Another way to get in touch with the appropriate contacts is visiting trade fairs. Please refer to section 6 of this survey for a list of interesting trade fairs in Italy. Participating in or visiting trade fairs is also important for price benchmarking, establishing quality requirements and looking at what 'extras' your competitors offer. Brokers can also help you to find suitable partners.

Internet provides many sources on business practices and culture, such as http://www.communicaid.com/italian-business-culture.asp and http://www.kwintessential.co.uk/resources/global-etiquette/italy-country-profile.html. Please keep in mind that these pages only give general remarks. Therefore, when conducting business, use your intuition and an understanding attitude.

Finally, the Internet 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

Refer to chapters 3 and 4 of CBI's 'From survey to success. Guidelines for exporting honey and other bee products to the EU' for more information on selecting trade partners.

3 Trade: imports and exports

The information in the following chapter is limited to honey and beeswax. The other bee products do not have their own HS codes and only make up a small part of the product groups of the HS to which they belong. Consequently, the consolidated statistics on the product groups to which they belong are not useful.

Imports

Table 3.1 Imports by and leading suppliers to Italy 2003 - 2007, share in % of value

Product	2003 € mln	2005 € mln	2007 € mln	Leading suppliers in 2007 Share in %	Share (%)
Honey	20	11	10	Intra-EU: Hungary (32), Germany (13), Romania (3.9), Bulgaria (1.9), France (1.8)	56
	0.0	0.1	0.0	Extra-EU ex. DC*: -	-
	18	9.6	7.9	DC*: Argentina (42), Mexico (0.9), Croatia (0.8), Guatemala (0.2), Chile (0.2)	44
Beeswax	0.8	1.0	0.8	Intra-EU: France (37), Germany (19), Spain (7.3), The Netherlands (2.1), Greece (0.6)	67
	0.02	0.00	0.02	Extra-EU ex. DC*: Australia (1.0), USA (0.4)	1.4
	0.5	0.6	0.4	DC*: China (28), Brazil (2.9), Macedonia (0.6)	32

Source: Eurostat (2008)
*Developing Countries

Honey
Italy is the fourth largest importer of honey in the EU, behind France and ahead of The Netherlands. Italy accounted for 4.8% of the total imports by the EU in 2007, when the country imported € 18 million / 11 thousand tonnes of honey. Between 2003 and 2007, these imports decreased by 17% annually in terms of value, and by 7.2% in terms of volume, which were substantial decreases compared to other leading EU importers. The sharp decrease in

terms of value was mainly the result of price decreases. The decrease in volume took place between 2005 and 2007, in line with the decrease in consumption in that period.

Italy is for 50% self-sufficient in its honey supply. The other half is imported, mostly from countries which are able to produce honey at a lower cost-price than the Italian beekeepers, such as countries in Latin America, Eastern Europe and China. Most of the monofloral honeys are currently imported from Hungary, Romania and China (Agricultura Italiana Online, 2008).

Developing countries accounted for 44% of the imports of honey by Italy, which was comparable to the EU average (41%). However, between 2003 and 2007, imports from developing countries decreased by 18% annually on average in terms of value. The leading supplier of honey to Italy is Argentina, accounting for 42% of the imports by Italy. Imports from Argentina decreased by 13% annually on average during the review period, as did imports from Hungary, the second largest supplier. Imports from other East European countries, such as Romania and Bulgaria, decreased strongly in the period under review.

Beeswax

Italy is a medium-sized EU importer of beeswax, accounting for 4.8% of total EU imports in 2007. Between 2003 and 2007, Italian imports decreased by 4.7% annually in value terms, and by 12% annually in terms of volume, to an amount of € 1.1 million / 259 tonnes in the latter year; in contrast to the EU trend which shows an increase in imports. Italian beeswax production is not sufficient to fulfil domestic demand, so imports are needed to complement production.

Developing countries accounted for 32% of the imports, which was low compared to the EU average share of 56%. Moreover, imports from developing countries decreased by 9.1% annually during the review period, indicating a decreased share in imports. The leading supplier is France, showing an annual decrease in its supplies of 6.4% during the review period. Imports from China, the second largest supplier, decreased by 7.0% annually in the period under review. In contrast, imports from Brazil and Macedonia increased significantly during the review period, by 32% and 53% annually respectively. Imports from Mexico and Ethiopia decreased to a negligible amount.

Exports

Italy is the 6th largest EU exporter of honey, and accounted for a share of 4.7% in the EU exports of honey in 2007, when Italy exported € 11 million / 3.9 thousand tonnes of honey. Between 2003 and 2007, these exports increased by 8.2% annually in terms of value, and by 11% annually in terms of volume. Italy mainly exported the honey to Germany (48%), but also to other European countries. Re-export could play a role here, as Italy does not produce enough to fulfil its own market, although the imports are also needed to supply the Italian market.

Italy is a small EU exporter of beeswax, accounting for 1.2% of total EU exports in 2007. In that year, Italy exported € 160 thousand / 33 tonnes of beeswax. Between 2003 and 2007, exports increased by 0.4% annually in terms of value, but decreased by 9.2% annually in terms of volume. The main countries of destination were France (25%) and Spain (18%).

Opportunities and threats

+ Italy is a large importer of honey, and developing countries account for a significant part of these imports.
- However, imports of honey decreased considerably during the review period, also from developing countries.
- When exporting monofloral honey to Italy, an exporter can expect fierce competition from Chinese and East-European exporters.
- Imports of beeswax also decreased during the review period. However, developing countries account for a relatively small share of these imports. Moreover, their share

decreased during the review period, furthermore, beeswax supplies from developing countries are dominated by China.

Exporters should note that a development or trend can be an opportunity for one exporter, while posing a threat to other exporters. Exporters should therefore analyse if the developments and trends discussed in the previous sections provide opportunities or threats, depending on their specific situation. Please refer to Chapter 7 of the CBI EU market survey on honey and other bee products for an example of such an analysis.

Useful sources
- EU Expanding Exports Helpdesk - http://exporthelp.europa.eu/
- ➔ go to: trade statistics
- Eurostat – http://epp.eurostat.ec.europa.eu - official statistical office of the EU

➔ go to 'themes' on the left side of the home page
➔ go to 'external trade'
➔ go to 'data – full view'
➔ go to 'external trade - detailed data'

4 Price developments

Short-term price developments mainly result from weather conditions and major events, such as the ban on Chinese honey (imposed in 2002, due to contamination by chloramphenicol).

In the long term, honey prices in Italy 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 Italy. Italian beekeepers have difficulty in competing with cheap imports. The result is a wide difference between the low-priced imported honey and honey from Italian beekeepers. The latter needed to upgrade their quality and image to justify their high prices.

Currently, worldwide prices of honey are increasing dramatically 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.

Average prices of Italian honey increased significantly in 2003, when the honey harvest was bad. Since that year, honey prices have been decreasing to lower levels again, as presented in Table 4.1. However, after 2007 the prices increased again considerably, due to a sharp decline in the number of bee colonies, as discussed in the section on production.

Table 4.1 Producer prices of honey varieties in Italy, 2003-2008, price in €/kg

	2003	2005	2007	2008
Acacia	4.72	3.35	2.91	4.05
Citrus fruit	3.29	2.80	2.61	3.48
Chestnut	3.16	2.33	n.a.	n.a.
Eucalyptus	3.22	2.58	2.54	3.31
Sunflower	3.28	2.31	2.14	3.45
Melata Metcalfa	3.17	1.76	2.23	3.16
Polyfloral	3.09	2.17	2.06	2.92
Sulla	3.40	2.53	n.a.	n.a.

Source: National Observatory for the honey production and market for honey (2009)

Furthermore, information on the producer prices in Italy is available at FAOSTAT. In 2002, the Italian producer price of honey amounted to € 2,150 per tonne, but decreased to an amount of € 1,836 per tonne in 2006. The producer price is low, compared to other West European countries.

For more information on price developments, please refer to Chapter 5 of the survey covering the EU.

Useful sources
- The Public Ledger - http://www.agra-net.com ➔ go to the left side of the web page and look for The Public Ledger
- Skamberg market updates - http://skamberg.com/honey.htm - Market analysis by a major importer in the US
- National Observatory for the honey production and market for honey - http://www.osservatoriomiele.org/proemerca.htm
- FAOSTAT - http://faostat.fao.org

5 Market access requirements

As a manufacturer in a developing country preparing to access Italy, you should be aware of the market access requirements of your trading partners and the Italian government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns. You need to comply with EU legislation and have to be aware of the additional non-legislative requirements that your trading partners in the EU might request.

For information on legislative and non-legislative requirements, go to 'Search CBI database' at http://www.cbi.eu/marketinfo, select 'food ingredients' and Italy in the category search, click on the search button and click on market access requirements.

Pre-packed honey is hardly imported by EU countries, due to freight costs and limitations to heat crystallised honey when converting it back to liquid honey.

Honey from outside the European Union is usually imported in bulk, in standard lacquered, epoxy-lined steel drums which can contain 200 litres / 300 kg of honey. Beeswax can also be used for the lining. Paraffin wax should not be used. Phenol, which was previously used for the lining of the drums is now prohibited, as it is dangerous to human health. Exporters must always use clean drums which are completely free from residual taste or smell; they must never use drums previously used for chemicals. The drums must have a rubber seal around the closure. A full container carries approximately 62 drums of 300 kg.

Industrial users in the EU require different packaging methods to those for honey destined for consumers. These methods vary from full truckloads of 25,000 kg (for food industry and honey packers), "cubitainers" of 10,000 kg, and drums of 300 kg, to plastic buckets of 25 kg or 12.5 kg.

Beeswax is exported in small blocks of less than 25 kg and wrapped in special paper or plastic foil. Importers in the EU prefer to receive blocks of beeswax bare, without any cover of jute or polyethylene bags. They stick to the beeswax when it melts during transport. Instead, the blocks are put in stainless steel containers. Other metals negatively affect the quality of the beeswax.

Additional 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

General 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) can be found in CBI's export manuals 'Export Planner' and 'Your image builder'. Furthermore, cultural awareness is a critical skill in securing success as an exporter.

Information on cultural differences in the EU can be found in chapter 3 of CBI's export manual 'Exporting to the EU'. These manuals can be downloaded from http://www.cbi.eu/marketinfo - go to search publications.

Sales promotion

Common practices of trade promotion in Italy should not differ considerably from other European countries. In general, good care should be taken of existing contacts through prompt, constant and reliable communication. Letters of inquiry should always be replied to. Essential tools are a detailed and up-to-date customer database and website(s) proposing well-defined products, competitive advantages (e.g. USP, quality, cost reduction and delivery reliability) and client references to facilitate building trust.

Trade press can function as a means for gaining insight into market developments and competition, but can also have a promotional function. This concerns finding potentially interesting companies, as well as promotion of your own activities and products.

Trade fairs offer companies in developing countries the opportunity to establish contacts and a trustworthy image through several participations, to promote their products, and to conduct EU market orientation.

Useful sources

Trade associations

- Italian Association of Beekeepers (UNAAPI): http://www.mieliditalia.it (Italian only)
- Associazone Industrie Dolciare Italiane / Italian Confectionery Industry Association (AIDI): http://www.dolceitalia.net (Italian only)
- Italian Federation of Alimentation Industries – (FEDERALIMENTARE): http://www.federalimentare.it (Italian only)
- The Italian Association of Food Product Industries- Associazione Italiana Industrie Prodotti (AIIPA): http://www.aiipa.it

Trade fairs

- SANA (http://www.sana.it): International exhibition of products associated with a natural and healthy lifestyle. Please note that it does not feature many food products. The fair will be held from 10 to 13 September, 2009.
- Food & beverage logistics forum (http://www.fierarimini.it/): is held once a year and the next one will be in 2010.
- CIBUS (http://www.fiereparma.it): international food exhibition, which is held once every two years, and the next one will be in May 2010.

Check Eventseye (http://www.eventseye.com/) for more trade fairs in Italy.

Trade press

- Food Industria: http://www.pubblindustria.info

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