

100%
PURE
NEW ZEALAND
HONEY



WHAT'S GOING ON WITH THE HONEY MARKET?



What we'll be covering

Global industry at an inflexion point

NZ industry suffering self-inflicted wounds

Future outlook is positive, but needs leadership

“The constant increase in production costs, the diminishing honey yields per hive, and decreasing prices leading to diminished profits, combine to make honey production economically unattractive in many cases.”

Prof. Noberto Garcia

Global industry at an
inflection point

Adulteration of honey impacting all markets

- . Honey highly adulterated product globally
- . Temptations increased with higher pricing
- . Various forms of adulteration common
- . Asian model having significant impact
- . New testing methods required



Mānuka honey company charged with allegedly adulterating product

Catherine Harris · 13:11, Feb 01 2019

[f](#) [t](#) [r](#) [e](#)

Adulteration 'revelation': 10 out of 10 honey brands tested in India found to violate FSSAI standards

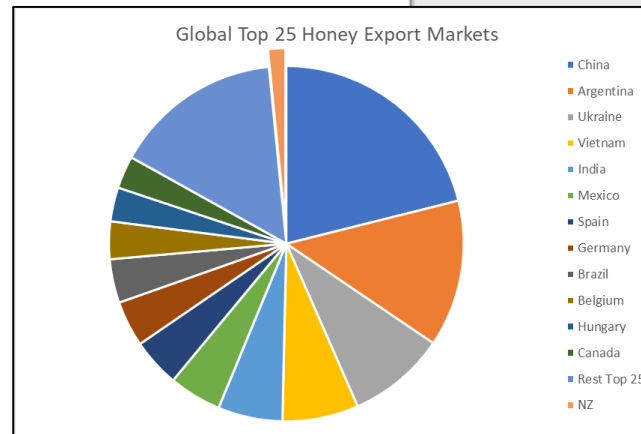
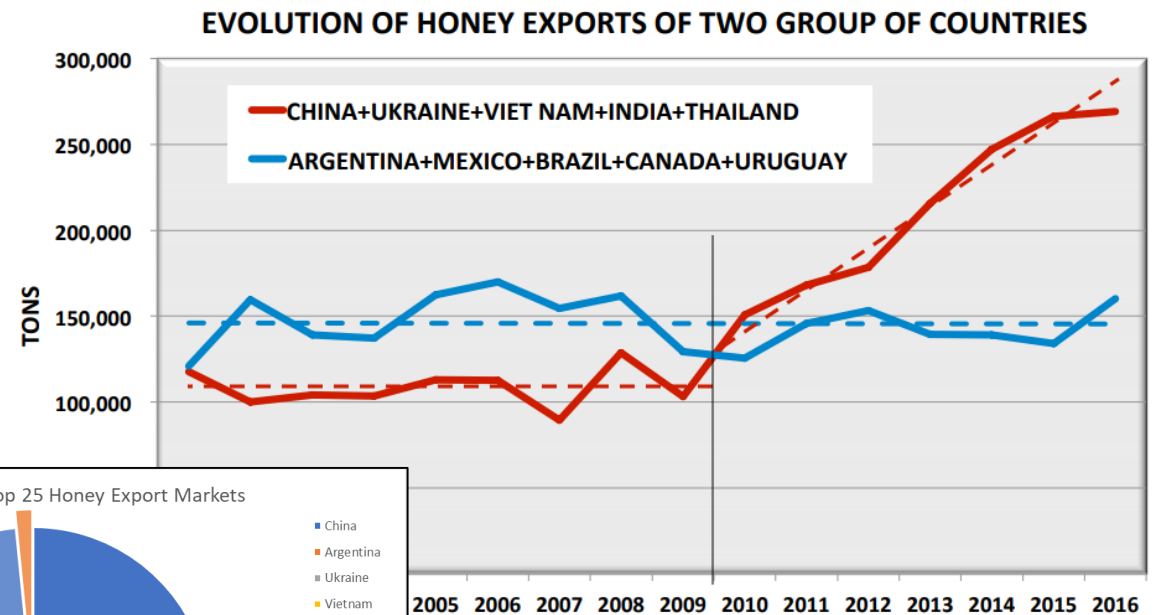
By Pearly Neo [↗](#)

18-Dec-2018 - Last updated on 18-Dec-2018 at 01:51 GMT

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Honey demand growing & changing export landscape

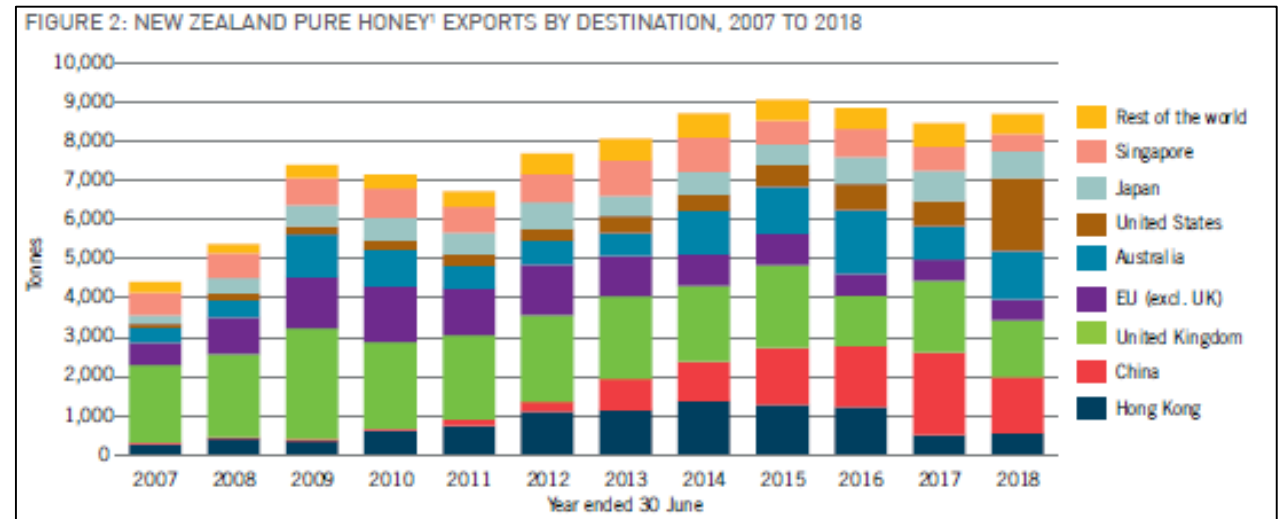
- . Global consumption steadily increased
- . Many countries unable to meet local demand
- . Changing profile of exporting countries
- . Macro-economic factors playing role
- . NZ highly ranked in value sales



NZ industry suffering self-
inflicted wounds

Manuka demand not matched with buying

- . Consumer demand remains strong globally
- . Some shift in market destinations annually
- . Buying on forecast altered sales pattern
- . Higher quality standards taking effect
- . Australian entry having some impact



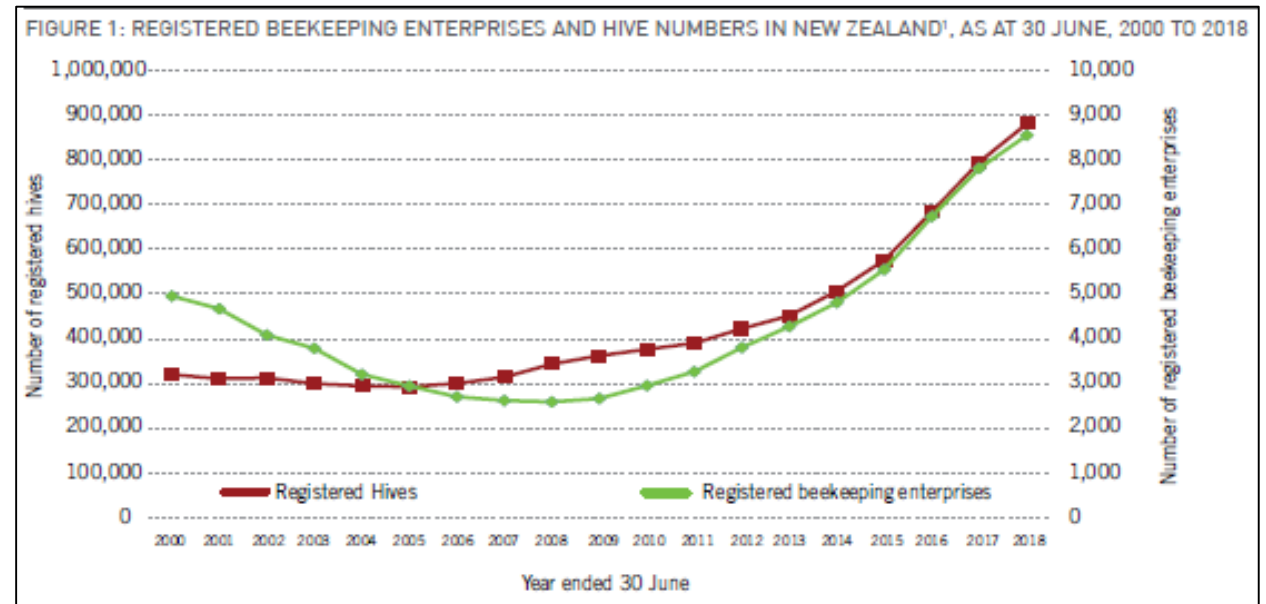
Distortion of non-Manuka market being corrected

- . Pricing increased sharply over 5 years
- . Production doubled since 2012
- . Export volumes declined
- . Surplus build up over time
- . NZ floral honey good but not unique

YEAR ENDED 30 JUNE		2013	2014	2015	2016	2017	2018
Beekeeper and hive numbers							
Number of registered beekeeping enterprises ¹		4,279	4,814	5,551	6,735	7,814	8,552
Number of registered bee hives ¹		452,018	507,247	575,872	684,044	795,578	881,185
Honey production							
New Zealand annual honey production	Tonnes	17,825	17,610	19,710	19,885	14,855	20,000
Honey yield per hive	kg/hive	39.4	34.7	34.2	29.1	18.7	22.7
Honey prices²							
Bulk honey price range for light clover honey	NZ\$/kg	5.00-7.30	5.50-8.30	7.00-10.75	9.50-13.00	10.00-14.00	8.50-12.00
Bulk honey price range for mānuka honey ²	NZ\$/kg	10.45-60.00	8.00-85.00	9.50-116.50	12.00-148.00	10.80-127.00	12.00-135.00
Honey exports (pure honey)³							
Honey export volume	Tonnes	8,054	8,702	9,046	8,831	8,450	8,692
Honey export value (at fob ³)	Million NZ\$	145	187	233	315	329	348
Honey export price (at fob ³)	NZ\$/kg	17.99	21.45	25.77	35.62	38.92	40.04
Notes		Source: ASUREQuality Limited and Statistics New Zealand.					

Current industry model unsustainable

- . Overcrowding reducing yields and quality
- . Too many brands/labels not growing market
- . High cost structures impacting investment
- . Divisive culture restricting progress
- . Risk of two-tier industry



Future outlook is positive,
but needs leadership

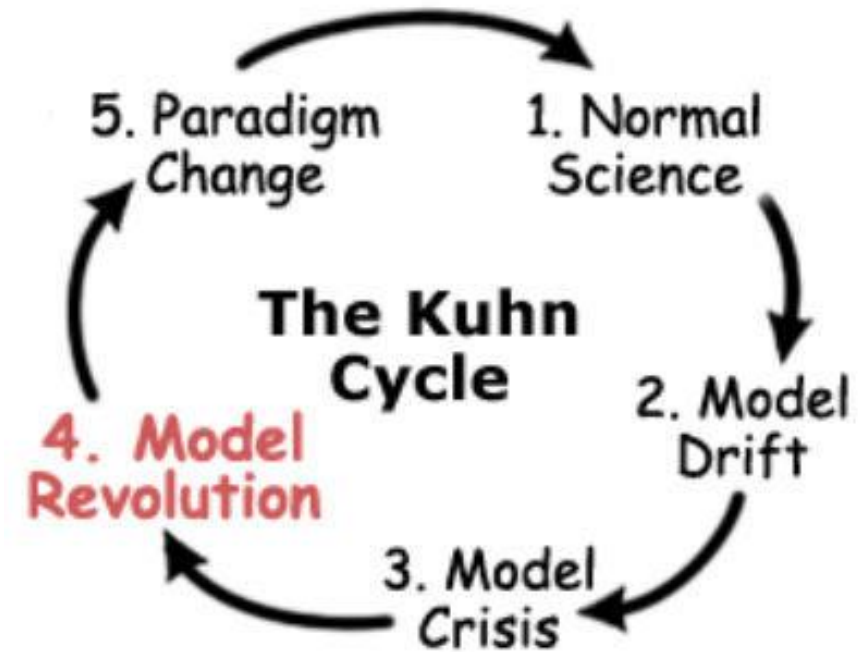
Market dynamics (mostly) play to NZ strengths

- . Honey consumption not reached potential
- . Increased focus on authenticity & traceability
- . Benefits of NZ-Inc. plus beekeeping practices
- . Awareness of Manuka honey a positive
- . Need realistic cost/pricing model



Opportunity to define new paradigm for honey

- . Need to see quality as a competitive advantage
- . Embrace technology that supports our industry
- . Harmonisation of standards, internal/external
- . Marketing and promotion of key NZ attributes
- . Research to resolve specific, local issues



Recap & way forward

“The constant increase in production costs, the diminishing honey yields per hive, and decreasing prices leading to diminished profits, combine to make honey production economically unattractive in many cases.”

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Sustainable beekeeping for long-term success

Identify commercial opportunities

Together we are stronger

