

Factor Affecting Honey Export Market (In the case of Addis Ababa)

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Abstract

Now a days Ethiopia is focusing on exporting her product to the world rather than importing commodities to the country, in this scene there are several challenges that the country is encounter during the export process. This research conducted on the objective of describing factor that affects honey export market in the case of Addis Ababa city. The data is collected from both primary and secondary resources. Primary data was collected by structured questioner. respondents were selected based on the non-probability method mainly judgmental sampling technique and also ,the study mainly focuses in the assessing the challenges and the factor affects for the development of the sector and the export .in this study three major questions are issued that is adjutant to identify the problems. Finally these studies put its finding in explicative way based on the collected data from exporter companies and give the right recommendation to the problems.

Introduction

1.1 Background of the Study

Honey is one of the most appreciated and valued natural products introduced to humankind since ancient times. Honey is used not only as a nutritional product but also in health described in traditional medicine and as an alternative treatment for clinical conditions ranging from wound healing to cancer treatment. Honey could be considered as a natural therapeutic agent for various medicinal purposes. Sufficient evidence exists recommending the use of honey in the management of disease conditions. Based on these facts, the use of honey in clinical wards is highly recommended (Khan Et.al, 2018).

Not only for medicinal purpose it is also used as income generator in both domestic and international markets so countries are increasing their production effectively to generate income. When we see honey production in the world china takes the leading place in both producing and exporting honey. The country produces more than 650,000 metric tons of honey annually and nearly $\frac{3}{4}$ of this is locally consumed. Next to china, turkey is

the second country she produce around 115,000 metric tons of honey and America become the third country to produce honey in the world (Mackenzie, 2018). When we come to our continent Africa the third place takes by Angola she produced around 23,300 metric ton of honey. the second place goes to Tanzania 41,233 metric ton is produced, the country that take the first place in Africa continent is Ethiopia produce 45,300metric ton of honey (FAO, 2014) .According to reports from MoARD (2003) cited in Gemechis (2015), only about 10% of the honey produced in Ethiopia is consumed by the beekeeping households while the remaining 90% is sold for income generation and of this amount, it is estimated that 80% is used for tejbeewing. Domestic honey consumption is increasing due to highly increasing demand for tej, increased consumption of processed table honey in most urban areas and increased demand for honey in the local industries this led to the development in honey production and market domestically. It is not only the local honey market but also the export is increasing. The total volume of exported honey between 2000 and 2008 has been increasing recently; 1.5 tons in 2000, 275 tons in 2010 and more than 730 tons in 2012 (Assefa 2011; EEPA 2013, 2014). Moreover, the export trade of Ethiopian honey is showing changes and become on the way of developing it has reached as per the compiled report from Ethiopian Customs export data in 2015 Ethiopia exported 617.7 tons (77.4% of 2014 export of 798.4 tons) of honey worth 2.13 million USD (81 % of 2014 export of 2.63 million) and 415.9 tons (93.8 % of 2014 export of 443.2 tons) of beeswax worth 3.81 million USD (101 % of 2014 export 3.77 million). Ethiopians honey mainly exported mainly to Norway, Sudan, Germany, Yemen, UK, Japan, Italy, Somalia and Saudi Arabia (MOLF 2017).

In Addis Ababa there are many companies who are engaged in producing and exporting honey in dormant and active participation we can say all companies are exporting through Ethiopia Honey and Bee wax Producer and Exporters Association. It consists of 52 companies which are engaged in both production and exporting honey from those well operated companies some of them are:

- Horizon plantation - Horizon Plantations Plc was established in December 2009 as a specialized arm of the MIDROC conglomerate. At its initial stage, along with development of green projects, Horizon Plantations was involved

in acquisition of six formerly state-owned enterprises through privatization. Located across the width and breadth of Ethiopia among These are: Bebeke Coffee Estate, Limmu Coffee Farm, Gojeb Agricultural Development, honey, spices and pluses be honey, are among the wide range of product grown and supplied to the world market by the company.

•Tutu and her family commercial plc. - is a family owned firm engaged in the honey and wax lines. The company currently produces and packs table honey in 250gm, 500gm and 1 kg. Of PET type plastic jars sealed with air foil. They are interested in establishing a business relation with interested table honey buyers who wish to import from Ethiopia.

1.2 Statement of the Problem

Ethiopia is gifted with natural resources especially for agro climatic conditions which create favorable conditions to undertake a good condition for producing honey. It is produced different type of honey which is so sweet and tasty that is needed internationally. Because of this Ethiopia is advantageous in production and exporting honey when we see Addis Ababa city is one of the major honey exporter company found. there are lot of exported goods like coffee, vegetable, oilseed, serials, live animals and others, they are top for the revenue for the country but when we see the honey market is not much competitive to the market because of several limitation which minimizes in both production and the market for exporting honey comparing to the other goods that exported internationally. One of the prominent factors for this low honey productivity and export the process of honey which is most of our producers use traditional hives and have no skills In general, the beekeepers who do have modern beehives do not have the skills or knowledge needed to properly manage them, and training is not readily available. This decrease the product .Insufficient infrastructure in many case the producers lack proper collection, storage and transportation facilities this decreases the quality of the honey. there is also lack of promotion and government supports for both the product and the company comparing to other exported product, there are also different insects like bee pestes who ate hive of bee not to be produced effectively, lack of information and knowledge for society to understand that honey is used for export purpose rather than home consumption and local market. Lack of effective market promotion in the market in honey products, there is lack of

competition in the world market and the other reason that affects the honey export and market is the honey price at the domestic market is mostly higher than the international honey price, which makes honey export less profitable in Ethiopia (Assefa 2014).

To investigate the above-mentioned problems, this study was intended to deal with assessing factor affecting honey export market in Addis Ababa city.

This study focuses on answering the following questions.

1. What are factor affecting honey export markets in case of Addis Ababa city?
2. What are the problems related with infrastructure for honey production and export?
3. What are the market challenges on honey market in Addis Ababa city?

1.3 Objective of the Study

1.3.1. General Objectives

The overall objective of the study is to assess factor affecting honey export market in case of Addis Ababa city.

1.3.2. Specific Objectives

- To assess, factor affecting honey export market in Addis Ababa city.
- To identify the problems related with infrastructure for honey production and export in Addis Ababa city.
- To see the market challenges of honey market in Addis Ababa city.

1.4 Significance of the Study

This study assesses the factor affecting honey export market in Addis Ababa city, this would be helpful for the county to minimize the problem that is facing during honey export and to increase the market of honey. After identifying and solving the problem it helps to attract investors. In addition, its practical contribution the research is contributed to other researcher to get detailed and better data for the study and also helps to bridging the research gap that is not so far studied study by previous research.

Finally, the research is forward some recommendation of appropriate ways how to export honey in appropriate way.

1.5. Scope of the Study

The study is conducted on identifying factor affecting honey export market in Addis Ababa city. The research delaminated to exporter companies in Addis Ababa city.

1.6 Limitation of the Study

While, under taking this study lack of sufficient written document, lack of time and finance to conduct large study, and also doing the research in Addis Ababa make the research to lack sufficient outcome because it is limited on the city only and also Unwillingness of respondents to fill and give back the distributed questionnaires and also less staff members found in export department.

1.7 Research Design and Methodology

1.7.1 Research Method

This research has been described factor affecting honey export market in Addis Ababa city.in this regard the descriptive type of research by using different data presentation tools such as tables and elementary statically method design was used to explain the factor affecting honey production and export in the case of Addis Ababa city. This method is suitable and easy to describe existing problems and to set appropriate solution.

1.7.2 Target Population

In order to get information the research target population were companies engaged in honey export in Addis Ababa city, to find out what are the major problems that they encountered in process of export.

1.7.3 Sampling Techniques

In order to select the sample for the study, the researcher use non-probability sampling technique. From non-probability in order to make inclusive and to make precise information the researcher took judgmental or purposive sampling.

1.7.4 Sample Size

From the target population the size of sample conducted for this study was 4 companies and 30 questioner was distributed to employees found in the export companies from the distributed questioner 25 of them are willing to respond the distributed questionnaire because of this response the researcher used 25 of them to analyze the result.

1.7.5 Source of Data

As data collections instrument the researcher use data that are collected from both primary and secondary source of data, the primary data is from both open ended and close ended questioner and the secondary data is collected from third party, other documents that has been collected by someone else and which have been passed through statistical process, different Webpages.

1.7.6 Method of Data Analysis and Interpretations

The study have been completed the process of data collected from both sources. The researcher used descriptive type of data analysis method, because of the type of the study is quantitative, so descriptive method is better to descript quantitative type of data. This data were presented by using table and analyzed with use of percentage to identify the proportion of respondent.

1.8. Definition of Terms

Honey-A sweet, sticky yellowish-brown fluid made by bees and other insects from nectar

Export-means sending of goods or service produced in one country to another country. The seller of such goods and services is referred to as an exporter the foreign buyer is referred to as an importer.

1.9. Structure of the Study

The research contains four main chapters. The first chapter contains the background of the study, statement of the problem, objective of the study, scope of the study, significance of the study, and research methodology. The second chapter contains data analysis and the third chapter includes conclusion and recommendation of the finding.

3. Data Presentation, Analysis and Interpretation

This chapter contains the analysis and interpretation of the collected data. The data was collected through the use of questionnaires. The questionnaires were distributed to exporter companies found in Addis Ababa city. A total of 30 Questionnaires were distributed to be filled and responded by the participants, for the first company from total given of 10 the respond was 9, for the second from total given 8 the respondent was 6, from the third company 6 was given all responded fourth company 6 was distributed 4 was responded. 25 of them were successfully filled and 5 returned. Therefore the following analysis has been done on these 25 responses.

3.1 Demographic Information

Table 3.1.1 Position of the Respondents in Their Organizations (Open Ended)

Item	Number of the respondents	Percentage
Sales manager	3	12%
Sales staffs	13	52%
Sales Representative	5	20%
No answer	2	8%
Total	25	100%

Source: Own Survey (2018)

According table 3.1.1, out of 25 respondents that participated in the study on behalf of their respective organizations, 3 (12%) of them were sales manager, 13 (52%) were sales staffs, 5 (20%) were sales representatives, and 2 (8%) were not filling their position in these organization

Table 3.1.2 Duration of Work in Their Organizations

Item	Number of the respondents	Percentage
Less than 5 years	15	60%
5-10 Years	10	40%
10+ Years	0	0
Total	25	100%

Source: Own Survey (2018)

According to table 3.1.2, out of 25 respondents, 15 (60%) of them had a working experience of less than 5 years in these organizations, 10 (40%) had

an experience of 5-10 years, and no respondent working experience of more than 10 years in the organizations.

Table 3.1.3 Education Level of the Respondent

The education level	Number of the firms	Percentage
Diploma	3	12%
BA/BSC	10	40%
MA/MSc	2	8%
Others	10	40%
Total	25	100%

Source: Own Survey (2018)

Table 3.1.3 depicts that, out of the 30 participating firms, 2(8%) have MA/MSc, 10 (40%) of them have BA/BSC, 3(12%) of them have diploma and 10 (40%) have others this shows that the honey sector need more human skill for the export and distribution sector.

3.2 Infrastructure and Production Related Problems

Table 3.2.1:- Question 1 Input and Technology

Item	Possible Answers	Number of respondents	Percentage
1.there is lack of input and technology	Strongly Agree	15	60%
	Agree	7	28%
	Neutral	3	12%
	Disagree	0	0%
	Strongly Disagree	0	0%
	Total	25	100%

Source: Own Survey (2018)

According to the Table 3.2.1 shows that, out of the 25 respondents, 15 (60%) of them strongly agreed, that there is lack of input and technology on the effect of export 7(28%) also agreed on this factor and 3(12%) them agree there is neutral effect on the export. this shows that from total survey on lack of input and technology 22(88%) strongly agree and agree that there is lack of input and technology on the honey sector this will affect the export of the production.

Table 3.2.2:- Question 2 Traditionalism on the Honey Sector

Item	Possible Answers	Number of respondents	Percentage
There is traditionalism on the honey sector	Strongly Agree	20	80%
	Agree	5	20%
	Neutral	0	0%
	Disagree	0	0%
	Strongly Disagree	0	0%
	Total	25	100%

Source: Own Survey (2018)

According to table 3.2.2, out of the 25 respondents on the sector traditionalism 20(80%) of them strongly agree that traditionalism on the sector strongly affect the export of honey, while 5 (20%) also agreed. This indicates 25(100%) of the respondent agree that there is high traditionalism on the sector so they agree it can be major factor affecting on honey production and export.

Table 3.2.3:- Question 3 Amount of production

Item	Possible Answers	Number of Respondents	Percentage
There is small amount of production of honey in Addis Ababa city	Strongly Agree	2	8%
	Agree	1	4%
	Neutral	0	0%
	Disagree	10	40%
	Strongly Disagree	8	32%
	Total	25	100%

Source: Own Survey (2018)

Table 3.2.6 summarizes that, out of the 25 respondents, 2 (8of them strongly agreed that, There is small amount of production of honey while 1 (4%) of them also agreed and 8(40%) disagree on the lack of production and also 8(32%). From this data it is fair to assume that 18 (90%) of them agree there is sufficient product of honey so it's free to conclude that there is high amount of honey production.

Table 3.2.4:- Question 4 Transportation Problems

Item	Possible Answers	Number of Respondents	Percentage
There is transportation problem to export actual product to foreign markets	Strongly Agree	7	50%
	Agree	7	50%
	Neutral	0	0%
	Disagree	0	0%
	Strongly Disagree	0	0%
	Total	14	100%

Source: Own Survey (2018)

The above table explains that, out of 14 respondents of exporter companies, 7 (almost 50%) of them had agree on high transportation problem for the sector 7 (50%) of them also agree on this problem, this indicates that it is mentioned to be one of major problem almost 14(100%) problem for affecting the export.

Table 3.2.5:- Question 5 different bee pests

Item	Possible Answers	Number of Respondents	Percentage
There is different honey bee pests decreasing the productions	Strongly Agree	5	21.7%
	Agree	17	73.9%
	Neutral	1	4.35%
	Disagree	0	0%
	Strongly Disagree	0	0%
	Total	23	100%

Source: Own Survey (2018)

Table 3.2.8 demonstrates that, among the 23respondents, 5 (almost 22%) of them strongly agree that they had experienced different honey bee pests that decrease the production, while 17 (close to 74%) of them also agreed and only 1 (4.35%) of them chose to stand neutral. In combination, 22 (close to 96%) of them believed that its major problem for decreasing of products .so bee pests can be one of reasons for the decreasing of honey production.

3.3 Problem Related With Market Sales and Promotion Strategy Problems

Table 3.3.1 Question 1:-Market Information

Item	Possible Answers	Number of respondent	Percentage
There is lack of market information	Strongly agree	2	14.29%
	Agree	1	7.15%
	Neutral	0	0%
	Disagree	7	50%
	Strongly disagree	4	28.58%
	Total	14	100%

Source: Own Survey (2018)

According to table 3.3.1, among 14 respondents 2(14.29%) of them strongly agreed that there is lack of information for the market and 1(7.15%) also agree on the idea but 7(50%) disagree on the lack of market information on the sector, 4(28.58%) of them also strongly disagree on the gap. Therefore 11(almost 79%) shows disagree on the idea so this have less effect on the export market.

Table 3.3.2 Question 2:-Opportunities for Promotion

Item	Possible Answers	Number of respondent	Percentage
There is lack of promotional opportunities	Strongly agree	5	25%
	Agree	10	50%
	Neutral	0	0%
	Disagree	5	25%
	Strongly disagree	0	0%
	Total	20	100%

Source: Own Survey (2018)

Table 3.3.2 indicates that out of 20 respondents 5(25%) strongly agree that there is lack of promotional opportunity 10(50%) also agree on the lack of opportunity but 5 (25%) of them disagree on the lack of promotional opportunities. According to this 15(75%) of the correspondent this show there is lack of promotional opportunities.

Table 3.3.3 Question 3:-Government Support on Promotion

Item	Possible Answers	Number of Respondent	Percentage
There is lack of government support on promotion	Strongly agree	10	40%
	Agree	10	40%
	Neutral	0	0%
	Disagree	5	20%
	Strongly disagree	0	0%
	Total	25	100%

Source: Own Survey (2018)

According to the Table 3.3.3 out of the 25 respondents, 10 (40%) of them strongly agree there is lack of government support on promotion, 10 (40%) of them also agree and 5(20%) are disagreed. this indicates that 20(80%) strongly agree and agree that there is lack of government support on the promotional sector.

Table 3.3.4 Question 4:-Customer Communication

Item	Possible Answers	Number of respondent	Percentage
There is no frequent communication with customers	Strongly agree	15	75%
	Agree	5	25%
	Neutral	0	0%
	Disagree	0	0%
	Strongly disagree	0	0%
	Total	20	100%

Source: Own Survey (2018)

According to table 3.3.4 out of 20 respondents, 15 (75%) of them strongly agree that there is no frequent communication with customers and the other, 5 (25%) of them also agree .this indicates that 20(100%) of them totally strongly agree and agrees on there is no frequent customers on the market it fluctuate from time to time.

Table 3.3.5 Question 5:-Imbalance of Market

Item	Possible Answers	Number of respondent	Percentage
There is Market imbalance between domestic and foreign market	Strongly agree	0	0
	Agree	0	0
	Neutral	0	0
	Disagree	7	50%
	Strongly disagree	7	50%
	Total	14	100%

Source: Own Survey (2018)

According to table 3.3.5 out of 14 respondents based on the question 7(50%) of the respondent disagree that there is market imbalance between domestic and foreign market and the other 7(50%) of them also strongly disagree .so totally 14(100%) this led to the conclusion of there is no any market gap between domestic and foreign market.

Table 3.3.6 Question 6:-participation in trade fairs

Item	Possible Answer	Number of Respondents	Percentage
There is lack of participants on trade fairs	Strongly Agree	9	36%
	Agree	8	32%
	Neutral	5	20%
	Disagree	3	12%
	Strongly Disagree	0	0%
	Total	25	100%

Source: Own Survey (2018)

According to table 3.3.6 out of 20 respondents, 9 (36%) of them strongly agree that there is lack of participation on trade fairs with their companies , 8 (32%) of them also agree and also 5 (20%) of them choose to be neutral on the idea and also 3 (12%) disagree on the lack of participation .this indicates that 16(80%) of them strongly agree and agrees on there is lack of in participating different type of trade fairs to promote their companies and also product .

3.4 General problems on the market

Table 3.4.1 Question 1:-Based on Government Attention on the Honey Sector

Item	Possible Answers	Number of Respondents	Percentage
There is Lack of government attention to the honey sector according to other exported products	Strongly Agree	15	60%
	Agree	4	16%
	Neutral	6	24%
	Disagree	0	0%
	Strongly Disagree	0	0%
	Total	25	100%

Source: Own Survey (2018)

Table 3.4.1 shows that out of all the 25 respondents involved in the study, 15 (60%) of them strongly agreed that there is lack of government attention to the sector, 4(16%) are agreed and the other 6(24%) choose to be neutral on this case. Therefore it can reasonably be assumed that the majority of the respondents were 19(76%) of them strongly agree and agree that there is lack of government attention to the honey sector when we compare to other exported goods and activates from the top ranked exported goods in Addis Ababa coffee, oil seed, livestock and other exported goods and sector companies in Addis Ababa.

Table 3.4.2 Question 2:-Illegal Market on Honey

Item	Possible Answers	Number of Respondents	Percentage
There is Illegal market of honey products	Strongly Agree	5	25%
	Agree	15	75%
	Neutral	0	0%
	Disagree	0	0%
	Strongly Disagree	0	0%
	Total	20	100%

Source: Own Survey (2018)

According to table 3.4.2 out of 20 respondents, 5 (25%) of them strongly agree that there is illegal market of honey, 15 (75%) of them also agree .this indicates that all respondent strongly agree and agree that there is 100% of illegal export of honey to different countries.

Table 3.4.3:- Question 3:- Government Assistance and Support to the Sector

Item	Possible Answers	Number of Respondents	Percentage
Is there government assistance and support	Strongly Agree	3	12%
	Agree	21	84%
	Neutral	1	4%
	Disagree	0	0%
	Strongly Disagree	0	0%
	Total	25	100%

Source: Own Survey (2018)

According to the Table 3.4.4 out of the 25 respondents, 3 (12%) of them strongly agree there is lack of government assistance support, 21 (84%) of them also agree and 1 (4%) choose to be neutral. this indicates that (96%) strongly agree and agree that there is lack of government assistance support on sector.

Table 3.4.5 Question 4:-Training Given to the Sector

Item	Possible Answers	Number of Respondents	Percentage
There is lack of training on the honey sector	Strongly Agree	20	80%
	Agree	5	20%
	Neutral	0	0%
	Disagree	0	0%
	Strongly Disagree	0	0%
	Total	25	100%

Source: Own Survey (2018)

Table 3.4.5 indicates that from 25 respondents 20(80%) strongly agrees that there is lack of training on the honey sector and the other 5(20%) also agree on it .this shows that the total respondent strongly agree and agree that lack of training on the sector is one of affecting factor for honey export .

Conclusion and Recommendation

Conclusion

This study has attempted to investigate factor affecting honey export in the case of Addis Ababa city depending on the results of the analysis made the following major conclusions were identified. When we see honey production there is high infrastructure and production problem on the sector which is

high level of traditionalism the producer uses traditional hive for the production this affects the amount of honey to be exported and also transportation problems this can be general problem for every exported good in case of Ethiopia this problem affects companies who engaged in exporting honey , different bee pests that minimize the product both factors indicates that there is high infrastructure and production problem in the honey sector .Based on the second question raised in study question the market challenge honey export is, lack of training, lack of information about the international market, illegal trade to the neighboring countries, also there is low level of government support to the sector ,there is also lack of participating in different trade fairs to promote their product , and also there is lack of government support to promotion opportunity this factor lid to limit the expansion of honey export and it shows there is high marketing challenge in the export of honey. Generally the research takes you through the factors that are affecting honey export and market.

Recommendations

Based on the results and analysis of this study the following recommendations are forwarded to honey exporters to eliminate the challenges.

- In order to get an improvement on the sector of honey export first we have to make changes from the initial point of the problem which is which Traditionalism on the sector should be improved by using more modernize hives and accessories and also controlling different beepestes by using different pesticides which is laboratories by experts.
- Giving different effective training for all sector of honey which involved in both production and export .For beekeepers giving expertise training to utilize the product, to rely on effective extractive harvesting methods and appropriate tools by using modernize way of beekeeping to balance modern way of beekeeping with skill and also export companies by giving expert training the way how they attract customers, and other different trainings to whole producers and exporter companies.
- Government should give more focus on honey production and export sector market by giving different promotional opportunities, different incentives than other exported products, encouraging when new exporters who is on the

way to export and who are emerged, giving special focus on media to attract diasporas to invest on the sector.

- In order to promote their product companies should involve in participating in both international and domestic trade fairs this helps also to get more customer frequently to their products this maximize both profitability and helps to reach to customers.

- To control illegal honey export, policy formulators must establish regulatory systems that not only discourage illegal honey export but also turns it to legal system and new source of revenue. There must also be sustainable agreements with neighboring countries and strong implementation of the agreements because the illegal trade will continue if there is no legal effect on neighboring countries which stated the right to trade in Ethiopia in the agreement of reciprocity.

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