



SUBMISSION 69

Submission to the Inquiry into the Future of the Australian Honey Bee Industry

Prepared by Jodie Goldsworthy

Founder & Director of Beechworth Honey Pty Ltd

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BACKGROUND

Jodie Goldsworthy is a fourth generation apiarist. Steven & Jodie Goldsworthy commenced as commercial apiarists in their own right in 1992.

Since 1992, Beechworth Honey has grown from a small primary production partnership producing bulk honey and selling it as a bulk commodity to a rapid growth value adding business and emerged as one of the “majors” on the domestic honey packaging and marketing front.

Jodie has been responsible for developing Beechworth Honey into a trusted, 100% Australian, national food brand and is responsible for the companies HACCP (Food Safety) Program. In April 2004 Beechworth Honey was named by Woolworth’s as one of their “Top 20” Suppliers in terms of compliance to their quality standard the WQA.

In September of 1999 Beechworth Honey Pty Ltd was awarded a major National Agribusiness Award in the Rabobank Agribusiness Awards for Excellence. It won the Supply Chain Management Award sponsored by Agriculture, Fisheries & Forestry Australia. In the same year Jodie won the Telstra Young Business Woman of the year for NSW. In 2003, 2004 and 2005 Jodie was a finalist in the Rabobank National Agribusiness awards “Agribusiness Leader of the Year”.

Jodie juggles her working roles with that of being a mother to three young children. She holds a post graduate degree in Strategic Marketing along with a Bachelor of Applied Science.

Jodie is currently a member of the Deputy Prime Minister’s “Regional Women’s Advisory Council”, appointed to give advice to the Australian Government about issues affecting rural and regional Australia, via the eyes of women. She was reappointed onto the current council after serving on the then Deputy Prime Minister John Andersons Second Regional Women’s Advisory Council.

INQUIRY TERMS OF REFERENCE

In particular the comments within this submission will focus on relevant key aspects of honey marketing and industry structure as Jodie Goldsworthy believes they impact on the future development of the Australian honey bee industry.

1. IT'S CURRENT & FUTURE PROSPECTS

- The Australian honey bee industry is currently facing a number of key honey marketing issues that are significantly and adversely affecting the future development of the industry and in doing so severely affect the future of Australian agriculture and the national interest. Fundamentally these factors are not unique to the Australian honey industry however due to the composition and small size of the Australian honey market their impact on bee keepers viability is significant.
- Please refer to Appendix 1: The Future of Australian honey for further comment on the Australian honey market as written and presented by the author of this submission in 2005. The information within this publication still remains relevant today and provides a useful insight into the aspects of the current and future prospects for producers of honey and future prospects for beekeepers more broadly.
- The strong demand for paid pollination services and live packaged bee exports are two key factors that have the potential to positively balance the negative impacts of global factors that impact on the marketing of Australian honey and can assist in ensuring Australian beekeepers remain viable into the future and transition to being less reliant on returns from honey production alone.

Market fundamentals for Australian honey in both domestic and international markets that impact on the current and future development of the industry are the following:

- A. The impact of high volume, low margin retail markets and their impact on returns able to be provided to beekeepers for the honey they produce.
- B. The inability of low volume, niche markets to generate a broad return and impact to the overall return to beekeepers, particularly in the short term.
- C. High costs and barriers to the establishment of meaningful higher margin niche markets resulting in risky and inconsistent results within these markets
- D. Difficulty of establishing new and unique products, that could provide greater returns to beekeepers, in high volume retail markets
- E. Competition within all market segments with honey “substitute” or “look alike” products that leverage off genuine honey’s key selling attributes to induce and deceive customers into purchasing them, thereby effectively reducing the market size for honey
- F. Lack of understanding by consumers of why Australian honey is a unique and beneficial food, how pure and natural it is and how it is produced and the relationship between honeybees and broader food production
- G. The absence of generic industry promotion of honey since the early 1980’s.
- H. Competition with lower priced honey produced in countries without the regulatory or food safety compliance required within Australia

Whilst the market for Australian honey is likely to be dominated by significant issues there are opportunities for increased sales of Australian honey and higher returns for producers if the positive aspects of the product are able to be clearly communicated and marketed by a broader range of marketers of Australian honey from major honey packers to beekeeper marketers.

It would be helpful if the industry were assisted to:

- A. Improve its skill in communicating the benefits of Australian honey against other spreads, and honey produced in other countries within all sectors of the industry including newer beekeeper marketers
- B. Find innovative and cost effective ways of improving the advertising and promotional opportunities for Australian honey both domestically and internationally
- C. Realise the risks associated with competition based on price discounting to establish and retain markets and built on opportunities for co-operative marketing efforts that grow new markets instead of cannibalize existing markets.
- D. Co-operatively develop strategic export marketing alliances that position Australian honey in new ways other than as a commodity.
- E. Establish an effective mechanism for the generic promotion of honey and most importantly the benefits of buying Australian honey as it relates to the industries relationship with broader food production.

2. IT'S ROLE IN AGRICULTURE & FORESTRY

- The ability of this enquiry to recognise the huge importance of the Australian honey bee industry to agricultural production via pollination of the mostly introduced food crops within this country will most certainly determine the long term viability of Australian agriculture more broadly.
- It is not the intent of the author to document or summarise the research in this regard but rather to promote thoughts into the beneficial reasons why increased awareness of the facts would assist in the future development of the Australian honey industry.
- It is recommended that the facts associated with the beneficial and significant relationship between the Australian honey bee industry and broader agricultural production be more widely publicised in order to influence the general public (all of whom are consumers), decision makers, policy makers and politicians to make decisions that have positive effects on the Australian honey bee industry and therefore positive effects on broader food production in general.
- Every Australian should know that two thirds of the food they eat has been pollinated by a honey bee and honey bees need viable Australian bee keepers to manage them into the future!
- Past research has been useful in communicating these facts and should now be built upon in order to provide more information to a broader audience.

3. BIOSECURITY ISSUES

- As a result of Australia's absence of verroa mite Australia is currently able to maintain a market edge over its overseas competitors because its production systems remain different in terms of not having to factor in chemical controls for this pest.
- Should this pest be introduced into Australia there would be significant management required to ensure new food safety risks associated with products used to control for this disease were properly managed and did not threaten the current perception of Australian honey as healthy food.
- It is therefore recommended that everything possible be done to scientifically and rigorously investigate the effectiveness and level of resources allocated to current quarantine procedures for all possible diseases threats to the industry.
- Australia's quarantine procedures should also be urgently investigated in terms of their effectiveness in preventing new and emerging biosecurity threats such as the new CCD in the USA, as it is likely that past and current quarantine measures and procedure will not be relevant for this disorder.

4. TRADE ISSUES

In addition the market fundamentals described the Section 1: Current and future prospects and Appendix One attached the following trade issues have an influence on the future viability of the Australian honey bee industry:

- A. Difficulty of Australian honey to be price competitive with honey produced in countries where regulatory and compliance costs are lower
- B. Difficulty in accessing overseas markets import regulations and specification or standards for honey. This information is not always readily available through trade support services such as AUSTRADE. It is time consuming and costly to access and where exporters do not fully understand the import requirement for honey specifically of the importing country they risk rejection of shipments by customs through non compliance of their product against the specification. This situation places future shipments of Australian honey at risk due if these events occur. Issues also arise in the effective translation of highly complex scientific specifications from one language to another. It would greatly assist in the establishment of new export markets for new exporters if overseas AUSTRADE posts were better able to provide this information.
- C. Eagerness of some marketers to blend Australian honey with overseas produced honey and introduce food safety and regulatory risks through doing so resulting in a bad name for Australian honey. Product recalls or withdrawals, resulting from blends with overseas honey, of product perceived to be Australian are detrimental to the Australian honey bee industry.

- D. The lack of an impartial, comprehensive and specialised honey testing laboratory within Australia also acts as a barrier to trade. Currently honey exporters have the choice of sending honey samples for testing to a small handful of Australian laboratories for a small range of tests, sending samples to comprehensive overseas laboratories or asking their competitor (Capilano who have developed testing capabilities that their competitors do not feel comfortable asking to use) to test their products in preparation for export.
- E. The introduction of the 2007 Honey Export Control Orders coming into effect will have significant negative impact on Australian beekeepers due to the inflexibility of the orders in the methods that honey packers and marketers can utilise to approve beekeeper suppliers.
- F. Additionally the Honey Export Control Orders have been developed to satisfy a few markets but will be applied where any form of Australian Government endorsed Export documentation is required by a particular customer (as is normally the case with most customers). It thereby by default means that is potentially covers a much broader scope of exports in a much more rigorous and onerous manner than is really necessary. It would be helpful if the current EX188 certification system could be maintained for markets not requiring the specifics of the EU, Canadian and PNG markets or other mechanisms investigated to address this unintended impact.

5. IMPACT OF LAND MANAGEMENT & BUSHFIRES

- Current land management trends that result in reduced access to public lands for honey production are negatively impacting on the quantity of specialty Australian eucalypt honey's being produced.
- In order to develop markets for specialised Australian honey products reasonably reliable volumes of that particular honey needs to be able to be produced.
- This trend is hampering the development of specialised niche export markets for these products and uncertainty is flowing through to the market as media reports of diminishing access result in customers being nervous to establish specialty honey's in case they become unavailable.
- The increased incidence of bushfires as a result of climate variability or change whichever the case may be, combined with uncertainty over honey production volumes as a result of drought are also impacting on trade customers decisions to range and support honey products. Media coverage of bushfire events and drought result in an increased marketing effort being required by honey packers and marketers to maintain and increase shelf space for Australian honey. Trade buyers are less reluctant to support a product if they perceive that the product may be at risk of becoming out of stock and their efforts in establishing and growing the product can quickly become costly if the product becomes unavailable.
- Marketers could be better skilled to communicate the relationship between lower production, possible increases in price as a result of lower production and the impact of perception of these facts on ongoing support of Australian honey by trade customers when these events occur.

6. RESEARCH & DEVELOPMENT NEEDS OF THE INDUSTRY

- Despite some excellent past and present research and a handful of highly skilled specialised researchers the Australian honey bee industry is currently highly exposed due to a lack of scientifically based and comprehensive answers to a number of the key threats that it faces.
- A more strategic approach is needed when determining the research needs of the industry whereby each threat facing the industry, including such risks affecting biosecurity, genetic, climatic, food safety, market and trade risks need to be matched with a clear research objective and strategy.
- The authors observations of the current research approach is that it is not currently so systematic and is rather more reactive and ad hoc rather than proactive. The skill set of those required to manage and oversee the overall research programs and direction may also need to be assessed in order to ensure the team overseeing industry research have the diversity and necessary skills to determine the required research outcomes necessary to position the industry well for the future. It may be helpful to enlist research specialists from outside the industry to conduct a planning forum in this regard.

- Research funding is also a major issue affecting the ability of current research outcomes to meet the needs of current industry challenges. It is recommended that this inquiry seriously investigate a broader research funding base and take particular note of the views of honey bee industry scientific specialists such as Dr Max Whitten and Dr Gretchen Wein along with past and present Department of Agriculture officers in relation to this area of the inquiry.

- In relation to education and training the author notes that despite the efforts made in regard to the development of national competency standards for the Australian honey bee industry there has not yet been the required uptake of institutions delivering the resulting specialist honey bee industry modules. The development of a specialised research and educational facility for the Australian honey industry that were able to deliver flexible training to remote students combined with residential type blocks would greatly assist the industry in improving educational outcomes for its participants. A specific educational strategy also needs to be developed to attract more female participants to the industry.

7. EXISTING INDUSTRY & GOVERNMENT WORK THAT HAS BEEN UNDERTAKEN FOR THE HONEY INDUSTRY

- To date the Australian honey bee industry has managed itself to the best of its ability, utilising a structure based on an historic state and national farm / agri-political type model. As part of this model historically the marketers of Australian honey have played a significant leadership role in providing direction for the industry.
- This structure only remains fundamentally sound in looking after the interests of the Australian honey bee industry production sector whilst the interests of the marketing sector are aligned with the production sector. This time has long past and the Australian Honey Bee industry structure finds itself in difficulty in managing a number of complex issues that it faces. This is because for some stakeholders a good result is exactly opposite for another stakeholder.
- Further complicating the new confusion due to complexity of market and production issues is the fact that the major funding source of the Australian Honey Bee Industry Council, the resulting peak body, comes from one major company, Capilano.

- Difficult situations have arisen in the past and will continue into the future where there is a risk of the AHBIC being at odds with the interests of the major companies funding the AHBIC. The structure itself is robust however the funding arrangements at times have the ability to influence decisions made that impact on the future viability of the Australian honey industry. To date there have been no alternatives to the funding dilemma's of the peak body, however the broader industry perception of the impacts of this issue and therefore the ability of AHBIC to be truly representative of the broader industry can perhaps be best measured in the involuntary scale of the “voluntary” funding arrangement.
- Additionally in relation to the issues above the author believes the Australian Honey Bee Industry Council and state based recruitment, corporate governance and decision making practices should be rigorously analyzed by government with the view to improving the effectiveness of these organizations.
- It should be noted that all industry positions, except the Executive Officer of AHBIC, are voluntary and current selection processes and skill sets may not be resulting in organizations and committees possessing the diversity required to achieve the best results possible.
- Many individuals have had negative leadership experiences as a result of lack of clearly recorded guidelines, terms of reference, reporting requirements and expectations that were not clearly communicated.

- This industry will argue strongly that its structure is appropriate and the author supports that. In addition many industry leaders will not support these comments however past results and the current state of the industry clearly support the looking into possible improvements in regard to promoting diversity and practices that improve results for the industry. The ability of the Australian honey bee industry to tackle these hard issues and grow and support an additional group of leaders to supplement the current and tiring industry faces will be the difference between a positive future and a future of more of the same.
- Without the governments investigation into the shortcomings of the existing industry decision making practices and lack of diversity all current and future funding is at risk of failing to deliver on the full potential or required outcomes. Supplementing this investigation a mechanism needs to be developed to assist the Australian honey bee industry to address these current shortcomings through the outside assistance and facilitation by appropriately skilled persons experienced in such tasks.
- It is the authors belief that once this task is accomplished, the industry will be better equipped to help itself and existing industry and Government work will deliver better results.
- The submission contained within this section are in no way meant to be a criticism of any individual as the work of the many individuals is both acknowledged and appreciated. Unfortunately it is our practices, our old habits and our lack of being able to see how simply we could help ourselves that are our real problems rather than any perceived differences we have. We must strive for a more open and rigorous decision making process that is more inclusive of our entire industry.



APPENDIX 1: The Future of Australian Honey – all I have to say in 15 Minutes!

An address by Jodie Goldsworthy (Ba. Applied Science, Grad Dipl. Strategic Marketing) – Founder & Director of Beechworth Honey Pty Ltd, 4th Generation Apiarist

To the Central Victorian Apiarists Association 40th Anniversary Conference, Carrisbrook, Victoria on 19th August 2005

(Reprinted in various industry journals at the time in the same year)

Ladies and Gentlemen, distinguished guests, the CVAA, thank you for the invitation to speak today about the future of Australian honey. This is a topic that has perplexed us for almost as long as my family history goes back in our wonderful industry. Recent events have reignited the question, fuelling it around the country. Last year I was asked to address a similar topic for the South Australian Apiarists Association Conference, this year I was asked by NSW, Tasmania and Victoria to provide an address on the topic (which I declined due to being out of the country for the duration of this years conferences). Then the Central Victorians thought the topic of interest and here we are...

Nobody really knows what the future will hold so I won't be making any wild predictions; rather I'd like to paint the picture as I see it currently, reading the signals and signs that we have and raise for you a number of questions that I hope will cause you to think now and reflect on into the future.

*“History is
a vast early
warning
system”*

(Norman Cousins)

Goldsworthy family



So, let me start off by saying that our concerns are not new; in the June 1962 edition of the ABK (before my life even began) you guys were debating the topic. Reading from page 6 and quoting the VAA President of the day, Mr MacKenna, “.....Time and time again plans have been put forward by the leaders of our industry – plans to get us out of this mess we are in. The packers tell us what they will give us for honey and they cut each others throats for orders overseas. While they are fighting for the orders they are taking us along the road to ruin. So let us hope that the Mitchell Plan, known as the Commonwealth Honey Marketing Authority, will put a stop to that....”

And one of the other issues of the day from page 13 commented on by Mr McLean “That Interstate Honey.....There is no doubt that some packers are really pushing the Victorian beekeepers to their knees by bringing in honey from other states and I can never see how we can stop this sort of thing until we have control of the industry.....”

*“Where there
is an inquisitive
mind there will
always be a
frontier”*

(unknown)

Bees in a Goldsworthy Hive



I hope that it's my kids and their kids smiling about the issues we face today forty years from now, but I believe that what the writers failed to understand was that there are only some things in the process of change that we can try to influence. We will never succeed in stopping change. It will be our outlook and our skills that will allow us to manage whatever the next frontier might be. Lets now look at the market for Australian honey and how some of the different market segments are changing.



2.99

2.99

NEW
5.09

SPECIAL
5.01

ROLLBACK

ROLLBACK

ROLLBACK

EVERYDAY
L-W PRICES
9.58

NEW
3.29

ROLLBACK

This is a familiar sight, the Australian retail market as we know it today, a typical supermarket shelf in any major supermarket around Australia. What this picture doesn't show is the effect of the changing world on this picture, the effect of CEO's and boards with short time frames to deliver increased profits to their shareholders, with even shorter timeframes to implement the strategies that will improve their companies performances and ensure their financial survival for the short term.

In supermarkets every millimetre of retail space needs to deliver maximum profit. The lines that have the best sales performances, the best profit margins, the best trading terms and promotional support programs are seen as the best bets and get to stay in the market, for the time being....

But in our game called change there are two current strategies unfolding, at least in the two dominant chains so far, which have been implemented overseas already with many major global retail chains.

The first is a move towards increasing the generic or house brand offering. Why you might ask? Probably because the principle that there is always someone who is willing to supply for a few cents less than the current contract packer is probably always going to be true!

I am sure that there are also many other varied justifications that I would be able to make if I were in charge of marketing at one of these chains, the obvious benefits in the branding of the chain is just one, but essentially generics are a tool that can be used to actively manage the cost of a particular product and category and profits are made by managing costs.

The second strategy is really as a result of the first rather than a strategy with it's own sinister motivation. Put simply, an increase in generics means that less space is available for branded products. The retail market is questioning how many different offers are really needed and rationalisation of brands is happening across the entire food and grocery market.

So if you visit any of the major chains in the USA or Canada, where they're a few more years down the track than we are here, the honey segment has shrunk, back to one shelf in some cases. You will see two major brands and the generic brand in this picture – and the generic lines are not on show, they've sold out!

Honey should not take it personally, and neither should Australian beekeepers.

The reality of the global world is that products can be quickly sourced from anywhere around the world.

Generic downward auctions of the future are certainly likely to involve contracts for global regions rather than countries, and bidders from around the globe placing lower and lower bids in a game likely to be named "Global Chicken".

In this new context the new facts need to be recognised.

As I see it, the harsh reality is that Australian honey packers can survive without Australian beekeepers. Packers can buy honey from wherever they like, as we've seen.

In addition to that, the high volume Australian retail market can survive without Australian based honey packers. Supermarket chains can buy honey from packers overseas, which we've also seen.

*“The value of honey
bee pollination
services to Australian
Agricultural,
largely provided free,
is estimated to be
around \$1.7 billion”*

(RIRDC, 2003)



I've seen my challenge over the last few years, (because of the position that our company has taken in the market) as educating the Australian retail players that despite these facts Australian agriculture cannot survive without Australian beekeepers.

Agriculture needs honeybee pollination.

A message that I believe we need to continue to sell...in much wider circles.

What is obvious to us is not obvious to so much of the population.

In addition to the across the board retail trends we have seen the retail pie begin to shrink for the honey category. So the scene we can expect is one of intense competition as the fight unfolds for a pie that at present is beginning to get smaller.

There are many theories as to why less honey is being sold, most of them you will guess. I have many of my own but a couple that I think are worth pondering as they may not have been so widely reported or discussed.

The first: price- it's very easy to link cause and effect, the price has increased so there will be less sales. My argument is that if price were the only issue (as some report it to be) we would have seen a total move by the market to only buy the lowest priced product on the market, the generics.

This has not occurred.

*“Character
is much
easier kept
than
recovered”*

(Unknown)

*River Red Gum flower from
Ovens River, Victoria*



The least understood of all of the effects is the influence of a “bad experience” with honey, that the Australian consumer had as a result of drought. The imported honey had a different taste profile and some of the Australian honey that remained on the market did not fall within the normal standard table grade that consumers were used to.

Research from the USA (NHB, Dec 2003) outlines that 91% of consumers who have had a complaint with a product will never buy it again. Does this startling statistic provide us with a more balanced picture of the challenge that honey faces post drought and any strategies to rectify the situation?

And that’s not to mention the growth in other spreads that didn’t exist 40 years ago that now compete against honey.

I’ve brought for you to look at today, “Imitation honey” packed by Honey Trees – made to look like honey, it even has a bee moulded into the plastic bottle that’s designed like a beehive, but it’s ingredients? Maltitol syrup and flavours, not a drop of honey! The retail pack doesn’t exist here yet, but it’s probably a product that honey packers could make just as much money out of as they do from honey from Australian beekeepers! And if there’s more margin in it for retailers it’ll be a winner!

*“Every problem
has a gift for
you in both
hands”*

(Richard Bach)

*My Mum – Jan Robinson
Early 1980’s*



So what about the industrial market? Traditionally a large volume user of some of the lesser grades of honey. Industrial markets produce products for high volume retail markets so the effects described earlier are impacting on the industrial market. The squeeze to compete globally sees companies relocate offshore to locations where wages, inputs, compliance and regulatory costs are lower. The invisible ingredient is substituted for lower cost alternatives as manufacturing research and development departments focus on the reformulation of products to use things like grape and apple concentrates, glucose and corn syrup in place of higher priced products like honey, usually still retaining the natural “honey” image as part of the products name or description (just look at some of the products that you’d think would have honey in them and don’t any more – a hint is to look at the list of ingredients that list the largest % ingredients first down to the smallest amounts at the end of the ingredients lists).

During the drought some manufacturers managed their future production risks by signing contracts to continue to use imported honey for up to five years, with honey packers retaining the option to improve their profits with the ability to supply honey sourced from other countries. Again not a rosy picture – a reduced volume, highly competitive market for Australian honey where prices supplied will have to be competitive with honey from other countries and substitute products if the honey packer is unable to demonstrate the benefits of Australian honey to this segment.

*“Our Grand
business in life
is not to see
what lies dimly
in the distance,
but to do what
clearly lies
ahead”*

(Thomas Carlyle, 1795 - 1881)



With such fierce competition in what has been to date two key market segments it is little wonder that as prices fall to beekeepers, whilst marketers brace themselves to face the inevitable challenges, that we observe an increasing number of beekeepers deciding to package their own honey.

Farm gate sales, farmers markets and niche markets are at present the obvious starting point for beekeepers who in the short term are left with little choice but to take their cash flow into their own hands and generate an income over which they have some control. This may be a segment that grows in the future but there are a few questions that I think should be raised, at the same time as I make it very clear that I wholeheartedly support the freedom we all have to make our own choices and market our honey entirely as we please.

As beekeepers prepare themselves for the real world of marketing and I observe some great new labels appearing along with some honey being sold in used coffee jars with no labels at all, (just a price and a sign in a country bakery), if you're packing or considering packing your own honey it may be worth answering the following questions;

BEECHWORTH
HONEY LTD



100% Australian... always



1. Will the volume of honey that the market you are supplying be enough to sustain the longer term cash needs of your beekeeping operation?
2. Will the orders be economically sustainable into the longer term when you realise the true costs of freight, fuel and time, to serve markets with small volumes in markets that are likely to be geographically segmented?
3. Will your markets use up all of the honey your beekeeping operation produces and does your market presence directly and obviously compete with the markets of your honey packer/s (who you may need to sell your honey to in the future)?
4. What will be your strategy when you have your markets attacked by another producer packer or mainstream packer who undercuts your prices?
5. What are you doing or what could you do to increase the total size of the honey pie?

The answers to these questions and probably a few more will invariably have an impact on the long term future and sustainability of the individual beekeeping operations who are currently choosing to take up the option of entering the market at the next level.

It would also be worth keeping in mind the trends described earlier in relation to the higher volume retail markets.

The steps that existed ten years ago to enable Beechworth Honey to grow as it has no longer exist. To do what we've done in steps over the last ten years now would be like taking one giant leap off the edge of the cliff into the never, never.

The hurdles have been made just so much bigger that sadly Beechworth Honey may go down in history as the last brand that started small and made it this far in honey in Australia!

“The ultimate measure of a person is not where they stand in times of comfort but where they stand at times of challenge and controversy”

(Martin Luther King)



Steven Goldsworthy – Kiwi fruit pollination – 2003 Victoria

With all this doom and gloom for small players and producers in Australia there's little wonder that the "lucrative" export market is dreamed of. I am by no means an authority on export but what I can report is that since we developed the Beechworth Honey brand I have handled many hundreds of export enquiries and actively chased some as well, to have landed very few! I have worked out that despite popular belief there are no easy export markets and the effects of globalisation are magnified in markets outside Australia.

It seems to me that the easy bit is probably gaining the markets.

The hard bits come when you make the loss on the deal or have to inform beekeepers of the terrible prices that have to be paid in order to have secured the business by putting in a price lower than those already in the market.

These latter things I have not been able to bring myself to do to date, so we've missed out on the business.

In the elite international marketing arena as more honey is produced in some of the newer emerging honey producing countries, and as many established world markets are also decreasing in size, there are more players who are predominantly more experienced and established, more complications and more costs that can get out of control.

So if marketing in the Australian market is not for the feint hearted, then exporting must surely only be tackled by those who have prepared and skilled themselves sufficiently, and are well enough resourced and motivated to make their shot at the "Olympics" of marketing as pain free as possible.



*“The only way
to discover the
possible is to
go beyond it
into the
impossible*

(unknown)

Success into the future for Australian honey lies in our ability to recognise that the new global market game cannot be stopped by our industry, or any other.

What the beekeepers trying to blame their problems on packers buying honey from NSW in 1962 didn't realise was that their energies were going to be wasted on that fight, just like many of our energies could very well be wasted into the future, if we don't carefully direct our energies where they can make a difference.

Our success will depend on factors such as-

1. Our ability to increase the total size of the honey pie, to find new uses for honey and new reasons for using it.
2. Successful differentiation of our product and our offer so as to be able to justify to the customer why Australian honey should not be the cheapest on the market.
3. Our ability to promote honey effectively against other well resourced and marketed products (eg. Meat and Livestock Australia have just increased their beef promotions levy from \$3.50 per head to \$5.00 per head giving them \$71million for promotions this year, an increase of \$21.3million – that is almost getting close to the entire turnover of Capilano- just to put it into some perspective!)

**PRODUCT OF AUSTRALIA/
PRODUIT DE L'AUSTRALIE**

**A BLEND OF AUSTRALIAN AND ARGENTINE HONEY/
MÉLANGE DE MIEL AUSTRALIEN ET ARGENTIN**

LOBLAWS INC.

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CALGARY T2E 7S9, CANADA © 2003**

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0 60383 72376 7

4. Accurately labelling Australian honey so as to minimise it's risks in all markets – labels are designed to make profits. Large words and then small qualifying words are designed to sell more products through causing the consumer to make their purchasing decision based on the words or images that are most obvious to them. Beekeepers may have to keep packers honest and ethical!
5. Continuing to exploit the clean image of Australian honey and recover the image that has been challenged overseas as a result of recall problems associated with imported honey blended with Australian honey – nothing makes me crosser than having to explain that Australian beekeepers do not use nitrofurans, it was not from here that the problems arouse and yet the image of Australian honey has been damaged and is still at risk into the future whilst ever labels contribute to perceptions.

*“To be different is often
a wonderful thing”*

(unknown)



Having been labelled myself in the past by at least one of my competitors as idealistic I still see the picture for our industry as being optimistic for those who have the vigour to take up the challenge. The fundamentals of the current market state and industry for me provide the realism to my naturally idealistic nature.

The future of the Australian beekeeper lies in diversification.

As producers we already have the tools (our hives, sites, team and equipment) to enter into other aspects of the industry where there will be significant and positive growth.

The future sees the market conditions in the honey arena as providing a timely reminder of the old strategy of having eggs in different baskets. In the honey arena it is a good time to consider building different marketing options, dealing with only one honey packer may have worked in the past but may cause you problems into the future. A marketing balancing act is likely to be required into the future.

Learning to use your tools (hives, sites, team and equipment) to operate more in the pollination and packaged bee arenas will undoubtedly reduce the risks associated with honey market fluctuations. The Australian honey industry will become more sustainable if it is able to embrace the opportunities that currently exist whilst managing its honey market risks on an operation by operation basis.

***“It’s impossible to get out of a problem by using the same kind of thinking that it took to get into the problem”
(Albert Einstein)***



Ms Anne Dunn
Chair, South Australia

A skilled facilitator and consultant in community development in regional Australia. Successful track record of working in government agencies and extensive experience in a range of regional community development and social issues.



Professor Maryann Bin-Sallik
Deputy Chair, Northern Territory

The Dean of the Faculty of Indigenous Research and Education at the University of the Northern Territory. Interested in advancing, supporting, and recording Aboriginal and Torres Strait Islander knowledge.



Sylvia Admans
Victoria

The Chief Executive Officer of the Foundation for Regional and Rural Renewal. A former adviser to Philanthropy Australia.



Bobbie Brazil
Queensland

A farmer, with a Masters Degree in Law Chairs of Land and Water Australia, and Land Use Research Centre at USQ. Queensland representative of the Australian Landcare Council and member of the Great Artesian Advisory Council for Queensland.



Sue Clarke
Queensland

A board member of Focus on the Family Australia, Life Coach, Trainer and Mentor. A Christian counsellor with extensive experience in family counselling.



Mayor Janie Dickenson
Tasmania

Mayor of Launceston. President of the Tasmanian branch of Australian Local Government Women's Association. A small businesswoman, and has worked extensively with young people in Launceston.



Jodie Goldsworthy
New South Wales

Founder of "Beechworth Honey". A teacher and adult educator with experience and formal qualifications in teaching and marketing.



Marie Lally
South Australia

Farmer and former National President of the Country Women's Association. Extensive experience in working with community groups and government agencies for the welfare of country women.



Megan McNicholl
Queensland

Megan McNicholl is Chair of the Rural Education Forum Australia and immediate past President of the Isolated Children's Parents' Association. A pastoralist and experienced teacher.



Professor Ingrid Moses
New South Wales

The Vice-Chancellor of the University of New England. A Fellow of a number of professional organisations, and interested in providing better access to tertiary education for rural and regional Australia.



Dr Janette O'Keefe
Western Australia

A veterinarian since 1991, Dr O'Keefe is the founding member of Kulkerrin Enterprise Group. A member of Australian Women in Agriculture and the Rural and Remote Women's Network. An advocate of environmental medicine, preventative and early intervention.



Sabina Knight
Northern Territory

Remote area nurse and senior lecturer in Remote Health Practice. Past president of the Council of Remote Area Nurses of Australia (CRANA) and the National Rural Health Alliance (NRHA). Sabina has a farming, pastoral and Australian Stockhorse background with a passionate interest in remote and rural issues.

As an industry it would also be helpful to develop some leaders who are different. As a honey packer with four generations of beekeepers blood in my body I have often looked at things differently.

I have said to many people for some time (which doesn't always make me popular with my fellow packers);

1. Stop looking to the honey packers as leaders to look after the interests of beekeepers – fundamentally their interests may no longer be aligned to the interests of the beekeeping sector!
2. The outgoing Deputy Prime Minister appointed a council of women to provide him with advice that was different – I'm not suggesting something so radical for our industry (although I also believe that you could do a lot worse than leaving beekeeper's futures in the hands of the women! – probably by leaving it in the hands of the honey packers!).

Debate and decide as beekeepers what your position and policies are on the key issues facing our industry, give your associations and subcommittees goals to be achieved, guidelines and frameworks to be worked within, and then support them to be accountable.

1. 4. Consider who else your allies really are. Where your interests as producers are aligned with other commodity producers facing similar issues build bridges with them, engage with them to gain leverage on key issues that cross commodities for producers. Look at what other alternatives there are for the FCAAA and your state associations to achieve your goals. Retain our current structures but strengthen their effectiveness by thinking outside the square of the current politics and petty issues to really realise the full potential of your associations such as the FCAAA and all the producer organizations that feed into it. The producers still have the power on AHBIC through their number of votes to lead the industry into the future but it will take a lot more skill and a different approach to produce results that are needed in a global world!
2. Think creatively - Imagine if we could get David Crombie from the MLA to use Australian honey even just a few times with his red meat when they're working out all the fabulous ways to spend their \$71million dollars on promotions this year – I wonder if he even realises the link between the introduced pastures and the grain fed beef and the honeybee? Could be a good lever that I suspect has never been activated to its full potential!

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Ladies and Gentlemen I could go on forever because I love this industry, thank you and I hope that you take a few things away from today. A lot is sure to change in the next 40 years,

I'm planning to be a grumpy old packer by then reminiscing with your children about that incredible old what's his name, after having done my bit to make Australian honey as good as it possibly can be!

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