



CBI
Ministry of Foreign Affairs

CBI Product Factsheet:

Fairtrade Honey in the UK

Introduction

The United Kingdom (UK) is the largest market in the world for Fairtrade products, and consequently fairtrade honey from developing countries (DCs) will be well received here. Market your product with a story on how Fairtrade schemes impact the livelihoods of your community, as this will show a direct difference that buying your product will make.

Product description

Fairtrade honey refers to honey traded on the international market, under conditions which are favourable to honey exporters. Certification of Fairtrade schemes by FLO-cert leads to extra support for honey processors and beekeepers and helps them improve their livelihoods. Buyers pay a Fairtrade premium to the fund of the producer group which the latter can use to improve its members' livelihoods.

This factsheet focuses on the main Fairtrade scheme (Fairtrade International), providing only brief information on other fair trade certifications.

Quality

In addition to the quality specifications as established in EU [Directive 110/2001](#) and described in [CBI's Buyer requirements for honey](#), Fairtrade honey must comply with the standards of Fairtrade International and include production, trade and business development requirements.

Fairtrade certified honey is classified into two categories, according to its quality, which is defined by two criteria, namely the Hydroxymethylfurfural (HMF) content and the water content. For each category, points are given according to the following schemes as presented in tables 1 and 2. Minimum scores are given to products which only meet minimum legal requirements. More points are given to products which meet higher requirements.

Table 1: Assessing the water content in honey

Water content (%)	Points	Factor	Max. Points
16.9% or less	5	4	20
17.0-17.5%	4	4	16
17.6-18.5%	3	4	12
18.6-19%	2	4	8
19.1-19.5%	0.5	4	2
19.6% or more	0	4	0

Source: Fairtrade International, 2015

Table 2: Assessing the HMF content in honey

HMF content (ppm)	Points	Factor	Max. Points
5.0 or less	5	3	15
5.1-9.9	4	3	12
10.0-12.0	3	3	9
12.1-15.0	2	3	6
15.1-20.0	1	3	3
20 and over	0	3	0

Source: Fairtrade International, 2015

The quality of the honey is determined by calculating the points given for the quality criteria above. The resulting scores determine whether the honey is in the category **A quality** (18 point or more) or in the category **B quality** (17 points or less). Honey of quality A will receive a higher price than the quality B honey.

Labelling

Labels of Fairtrade honey exported to the United Kingdom (UK) must include the following information:

- Name of the exporter

- • Gross and net weight
- • Date of minimum durability – ‘best before’
- • Any special conditions for keeping or use
- • The name and address of the manufacturer, packager or importer established in the EU
- • Country of origin or provenance
- • Lot marking with the marking preceded by the letter “L”
- • Drum number (if exported in bulk)
- Fairtrade label

Packaging

Honey imported from developing countries into the UK is transported in bulk, rather than in retail packaging. Packing for retail usually takes place inside UK borders, before distribution to retail chains and elsewhere.

UK buyers strongly prefer steel drums over plastic drums because of handling and quality. Due to the weight of honey, plastic drums may collapse when stacked. In practice this also means that storage of plastic drums requires more space. Moreover, importers’ equipment is not always suitable for plastic, which may break as it is less durable.

Plastic is also more permeable, which means honey is more easily contaminated by, for example, materials/liquids on the floor.

Buyers commonly require metal drums of 200 litres. The drums must be painted on the outside and lined on the inside. Depending on buyer preferences, you can use beeswax or plastic bags (e.g. polyethylene) for lining.

What is the demand for Fairtrade honey in the UK?

Leading market for Fairtrade products:

The UK is the largest market for Fairtrade products in Europe and thus one of the most interesting markets for Fairtrade honey. In 2013, UK buyers purchased 262 tonnes of Fairtrade honey. This makes the UK the second largest European market for Fairtrade honey after Germany. Despite the interest from consumers in Fairtrade products, the amount of Fairtrade honey sold in the UK only makes up 0.6% of the total UK honey market. In terms of per capita consumption, the UK (4 gr) is the second largest market after Switzerland (45 gr).

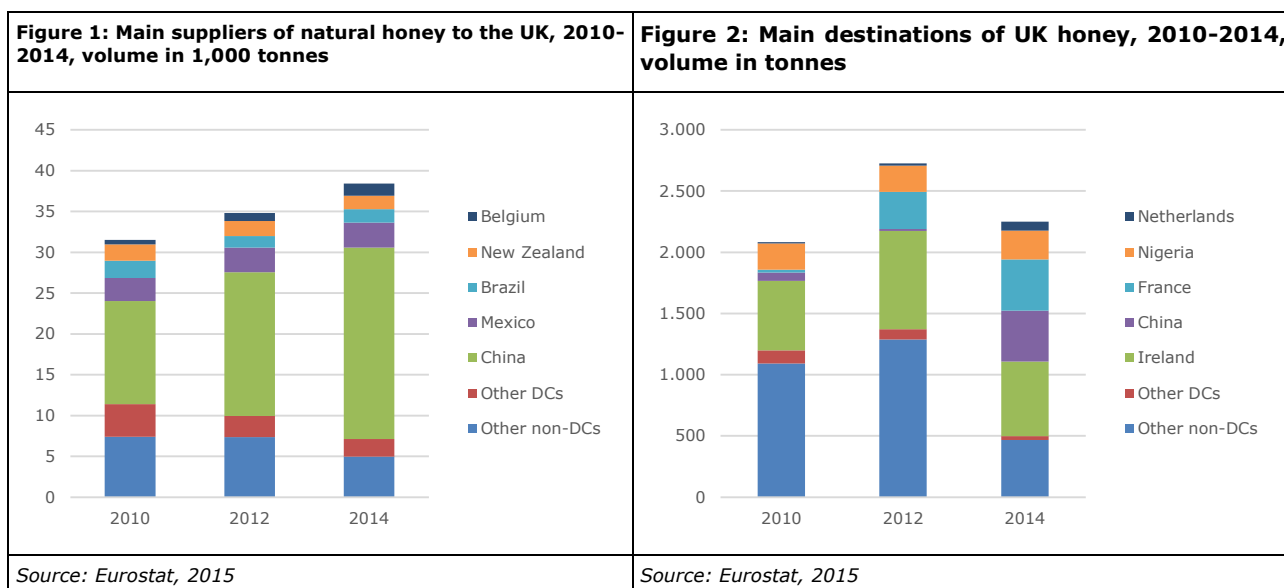
During the period between 2009 and 2013, Fairtrade honey purchases fluctuated considerably. After a continuous decrease between 2009 and 2012, Fairtrade purchases started to increase again, recording a significant increase of 157% between 2012 and 2013.

According to the product information of several major traders, Latin American countries (Chile, Brazil, Nicaragua, Guatemala and Mexico) supply most of the Fairtrade certified honey. Availability of Fairtrade certified honey from African and Asian sources is still very low.

Tip:

- Refer to [CBI Trade Statistics for honey in the EU](#) for more information.

Since there are no quantitative data for Fairtrade honey available, an overview of the UK market for honey is presented below. Trade data on the market for Fairtrade honey were provided by Fairtrade International.



Increasing importance of developing country suppliers:

Between 2010 and 2014, honey imports destined for the UK market increased by 5% annually, amounting to 38 thousand tonnes in 2014 (€ 96 million). Over the past years, the largest supplier of honey to the UK has been China, representing a share of 61% (in terms of volume) of total honey imports. China can supply steady quantities of honey at a low price.

The decreasing UK honey production has resulted in increased opportunities for developing country honey exporters. In fact, in terms of volume, imports from developing countries have been growing by 9% annually. Besides China, other important developing country suppliers include Mexico (8% share of total imports) and Brazil (4% of total imports).

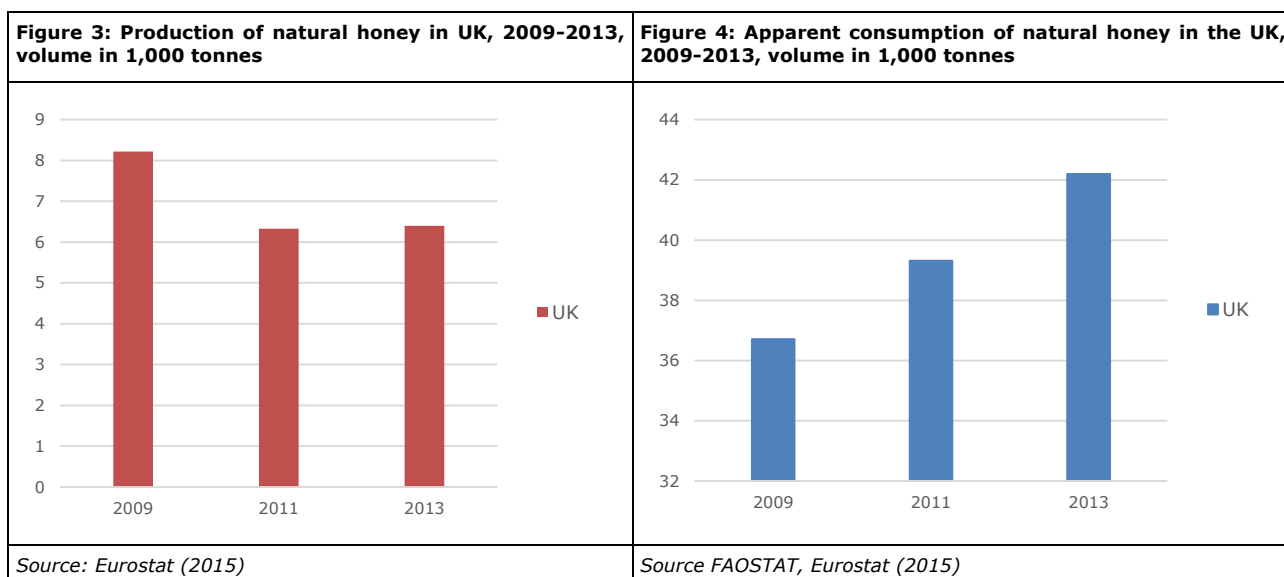
Tip:

- Avoid direct competition on price with Chinese suppliers by distinguishing your product in terms of quality or distinguishing your company. Currently, only the Jiyuan Huakang Beekeeper Professional Cooperatives in China supply Fairtrade certified honey.

Considerable fluctuation of exports:

During the same period, UK honey exports fluctuated significantly, amounting to more than 2,000 tonnes (€16 million) in 2014. After an increase in exports between 2010 and 2012, UK honey exports dropped during 2012 and 2014. However, it is interesting to note that in terms of value, exports did not demonstrate a decrease of similar level, indicating an increase in the export price of honey. Although the main destinations of UK exports are other EU markets, a considerable volume of honey is destined for developing countries such as China (19% of total exports) and Nigeria (11% of total exports).

Since production data are not available for 2014, both production and consumption were calculated for the years 2009, 2011 and 2013.



Stable honey production:

After a significant decrease in honey produced by UK beekeepers between 2009 and 2011, honey production in the UK remained stable at 6,000 tonnes in 2013. The substantial drop was mainly attributed to the decrease in bee colonies, which has been partly caused by the chronic exposure of bees to agrochemicals. The efforts of UK beekeepers to enhance the health and wellbeing of bee colonies have contributed to a stabilisation of honey production in the UK.

According to the British Beekeepers Association, in 2014, British Beekeepers achieved a 28% increase in the yield per bee colony compared to 2013 ([BBKA, 2014](#)), which suggests a considerable increase in honey production per hive.

Substantial increase in consumption:

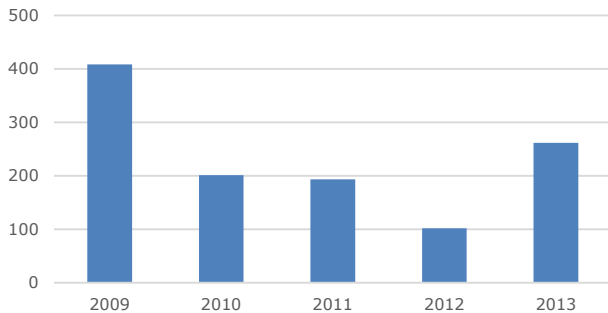
Honey consumed in the UK has been increasing continuously since 2009, amounting to more than 42 thousand tonnes in 2013. Since honey production does not keep up with this increase in consumption, consumption needs are increasingly covered by imports.

Tip:

- The UK honey market is one of the largest in the EU. An increase in honey consumption, which is followed by an increase in honey imports, provides new and interesting opportunities for developing country exporters.

What trends offer opportunities on the UK market for Fairtrade honey?

Figure 5: Fairtrade honey purchased by UK buyers, in tonnes



Source: Fairtrade International, 2015

Social impact drives Fairtrade certifications:

Consumers in the UK are increasingly concerned with the working and social conditions of the people at the beginning of the supply chain; namely the beekeepers and processors of honey. Media such as [Ethical Consumer](#) stimulate this trend. The concern about social conditions is particularly strong when honey comes from developing countries where labour laws are often less strict or are not being implemented. UK consumers are becoming increasingly aware that their consumption choice is a tool to change the livelihoods of people in the poorest parts of the world. This social concern and the conviction that Fairtrade can improve the working conditions of beekeepers and honey processors are the main reasons for the increasing popularity of Fairtrade honey in the UK market.

Tip:

- Promoting a story about your product and its production will help its positioning in the UK honey market. An inspiring story on how Fairtrade certification is contributing to the enhancement of your community's livelihood would certainly have a positive impact among UK buyers and consumers.

Refer to [CBI Trends for honey in the EU](#) for more information.

What legal and non-legal requirements must my product comply with?

Complying with the following requirements is mandatory. Failure to demonstrate compliance to your buyer may jeopardise your entry in the UK market.

EU food legislation:

Honey is predominantly used as food and thus the EU regulation for food applies here. The basis for all food legislation is set in the EU General Food Law ([Regulation \(EC\) 178/2002](#)), which is mandatory for all Member States. The legislation introduces general principles for food production, such as traceability, risk analysis and a precautionary approach. The legislation also sets out responsibilities and requirements for food business operators.

Tip:

- Familiarise yourself with the relevant regulation.

Food safety:

EU legislation on hygiene of foodstuffs ([Regulation \(EC\) 853/2004](#)) is legally binding for business operators, such as honey processors. They must comply with General Hygiene Requirements, such as a clean production environment and personnel trained in hygienic handling of honey. They must also implement procedures based on Hazard Analysis Critical Control Point (HACCP) principles. Nevertheless, certification of HACCP is not a legal requirement. Additional documentation, such as health certificates, may be needed for customs.

Tip:

- EU buyers will often require their suppliers to implement a food (safety) management system based on HACCP principles. Read more about HACCP and health control in the [EU Export Helpdesk](#). To help you answer key questions about health control, refer to the [guidance document](#) of the EU.

Traceability:

In the case of food safety problems, EU legislation requires that consumers are informed and products are taken off the market. In order to enable this, the affected products must be identifiable and located quickly through a traceability system. The General Food Law requires EU food business operators, such as honey importers, to be able to identify each supplier of every batch of products. To this end, importers require their suppliers to label every batch.

In case of a safety problem, members of the Rapid Alert System For Food ([RASFF](#)) network must inform the European Commission, which notifies the public.

Tip:

- Search in the EU's Rapid Alert System for Food and Feed (RASFF) [database](#) to see examples of withdrawals from the market and the reasons behind these withdrawals.

UK honey legislation:

Since 2003, the UK has introduced regulations for honey which is traded and consumed within the country's borders. The [Honey \(England\) Regulations 2003](#) set benchmarks on honey products' definitions, labelling requirements and quality standards. Similarly, fructose and glucose content are standardised, together with moisture content and other characteristics.

Tip:

- Make sure you comply with the specific UK regulations for honey, as UK honey importers will require your compliance.

Fairtrade certification:

Marketing your honey as Fairtrade automatically makes the Fairtrade certification a mandatory requirement. [Fairtrade International](#) is the leading Fairtrade organisation in the world and they have their own certifying body (FLO-cert). The Fairtrade label indicates that producers are paid a Fairtrade Minimum Price. Currently, [minimum prices for FLO-certified honey](#) recognise four different grades, which are further broken down into conventional and organic. The standards of the Fairtrade Labelling Organisation (FLO) include the following requirements:

- Contracts between buyers and suppliers must stipulate an arbitration mechanism
- Traceability through documentation
- Buyers must establish sourcing plans
- The Fairtrade payer must provide 60% of the contract value to the producer as pre-finance
- Minimum prices and premiums
- Differentiation between A and B quality honey (minimum quality is based on EU legislation and resembles standards in conventional trade)

Fairtrade International has set a [Fairtrade Standard](#) for honey, where extra requirements are specified. To be eligible for Fairtrade certification, beekeepers must be organised in groups (such as cooperatives).

Tip:

- Fairtrade International, together with the UK government, has set some additional requirements specifically for UK operators, such as processors and importers, mainly covering licensing and registration issues. Your buyer might ask you to comply with these requirements. For more information please refer to the [Fairtrade Standards for UK operators](#) and to the [Fairtrade Standard for small producers](#).

Fair for Life certification is another popular fair trade certification in the European market for honey. IMO's Fair for Life provides support for honey producers with guaranteed minimum prices, while promoting good agricultural practices. Companies which acquire the Fair for Life standard must demonstrate decent working conditions and commit to fair sourcing.

Tip:

- For more information, please refer to the website of [Fair for Life](#). There, you can find a list of honey companies which sell [certified products](#).

What additional requirements do buyers often have?

The requirements listed below are common in the UK. Most of your competitors already comply with these requirements.

Documentation:

UK honey buyers appreciate clear and elaborate documentation on the products they import. Information that UK buyers ask for usually includes:

- Product specifications (quality specifications, price indication, packaging)
- Production capacity (turnover, number of employees)
- Processing capabilities (certificates, quality management)
- Company structure (history, mission, vision and activities)

Tip:

- Buyers will appreciate a commercially oriented Product Data Sheet with photos, information on origin and bibliographic references, where available.

Samples:

Importers will usually send samples of the honey to a UK accredited independent laboratory for analysis before authorising the shipment. Most honey samples are handled by German laboratories such as [Intertek](#) and [QSI](#) or Minerva in the UK.

UK importers require analysis of samples from each batch of honey. This implies that exporters with a small homogenisation capacity of less than 20 tonnes will need to supply multiple samples per shipment.

Quality analysis by the honey suppliers is not adequate proof for the quality of honey. Therefore, honey buyers in the UK will demand a quality analysis conducted by an independent authority, such as the laboratories mentioned above.

Tip:

- Ensure delivery of honey supplies exactly according to the specifications of the sample submitted earlier to prevent disappointment for the buyer.

Quality and safety management:

Buyers in the UK frequently require certificates regarding the quality and safety of honey. This complements legal requirements for food safety and hygiene. HACCP is one of the most commonly used certificates in the UK, providing the company with a risk management tool which is used to manage food safety risks. ISO 22000 is a more demanding certification scheme to demonstrate to clients that a food safety management system is in place. BRC and IFS are quality management systems which are only required by few buyers.

Tip:

- Collect information on certification requirements to assess your readiness for implementation of the management system before you invite an auditor of the certifier.

ITC's Standards Map

Check the [International Trade Centre's Standards Map](#), an online tool which provides comprehensive information on over 130 voluntary sustainability standards and other similar initiatives covering issues such as food quality and safety. In Standards Map you can identify standards or codes of conduct relevant to your product, review the main features of the selected standards and codes and compare standards' requirements side-by-side. Furthermore you can assess your company's performance against standards requirements in a self-assessment module, and generate your own company's "sustainability diagnostic report" which you can then share with the business community. Check the Standards Map [videos](#) to see how Standards Map can help you to determine which initiatives may be useful for your company.

What are the requirements for niche markets?

Comply with the requirements below to gain access to specific market segments.

Corporate responsibility:

Corporate social responsibility is one of the ways for companies to differentiate themselves in the market. A CSR policy usually consists of environmental and social aspects. For example, honey exporters can recycle waste and improve safety for employees at the processing plant. Environmental management systems may be based on the international standard [ISO14000](#), but certification for this is commonly not required in the honey market. Similarly, [OHSAS18001](#) regarding occupational health and safety and [SA8000](#) regarding social conditions can provide a solid basis for improvement of social conditions, while certification is optional.

Tip:

- Implementing management systems as described above is a way to address sustainability issues and possibly gain a competitive advantage. Communicate with your buyers about your CSR policy through promotion materials and show them what you are doing during audits.

Organic certification:

An increasingly popular niche in the UK honey market is the Fairtrade honey which is also organically certified. This way, consumers' concerns on the environment and the purity of their honey can be addressed. Organic certification addresses issues such as the health of bees, the substances used during honey production as well as packaging conditions. FLOCERT increasingly certifies organic honey. In fact, in 2013, 69 out of 290 tonnes of Fairtrade honey purchased by UK buyers was organically certified.

Tip:

- If you are interested in acquiring an organic certification for your Fairtrade honey, please refer to [Ecocert](#) certification, which provides guaranteed minimum prices and product support. Ecocert publishes a list of [certified operators](#), which includes companies which have acquired or are in the process of obtaining the Ecocert certification.

What competition do I face on the UK market for Fairtrade honey?

New entrants are welcome:

The market in the UK for Fairtrade honey offers plenty of room for new entrants. Increasing recognition of the Fairtrade label by consumers stimulates sales of Fairtrade products such as honey. In fact, the supply of Fairtrade honey does not meet demand, as exporters in developing countries have little incentive to join the Fairtrade scheme with the current high global market prices. Fairtrade minimum prices, which must protect producers from sales below cost price, are far below the global market price. Moreover, exporters are reluctant to make investments of human resources for organising beekeepers, setting up and managing the Fairtrade premium fund.

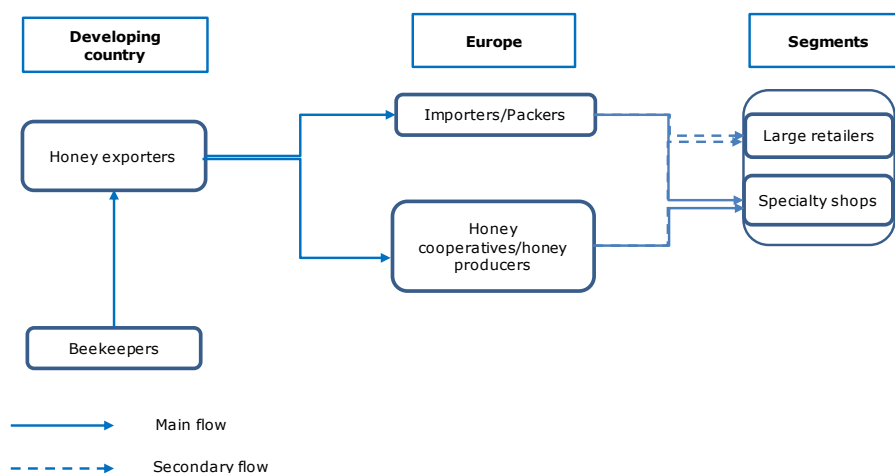
Tip:

- Contact Fairtrade International to support the implementation of their standard, such as the set-up of premium funds.

Refer to [CBI Top 10 Tips for Doing Business with European Buyers and CBI Competition](#) for more information.

What do the trade channels and interesting segments look like in the UK for Fairtrade honey?

Figure 6: Market channels for Fairtrade honey in the EU



Source: ProFound (2015)

The majority of Fairtrade honey reaches the European market through the channels of importers/packers and honey cooperatives, which also produce honey. Importers of Fairtrade honey must also be certified by the certifier FLOCERT. Currently, seven importers in the UK are Fairtrade certified and listed on the FLOCERT website.

A considerable part of Fairtrade honey is sold in specialty shops. Despite the fact that specialty shops hold a relatively small share of the total retail honey market, they have a particularly large share in the market for Fairtrade honeys.

Nonetheless, large retail chains such as Tesco, Co-op, ASDA and Waitrose are estimated to account for most sales of Fairtrade honeys. They offer Fairtrade honeys from brands such as [Rowse](#) or under a private label, such as [The co-operative](#).

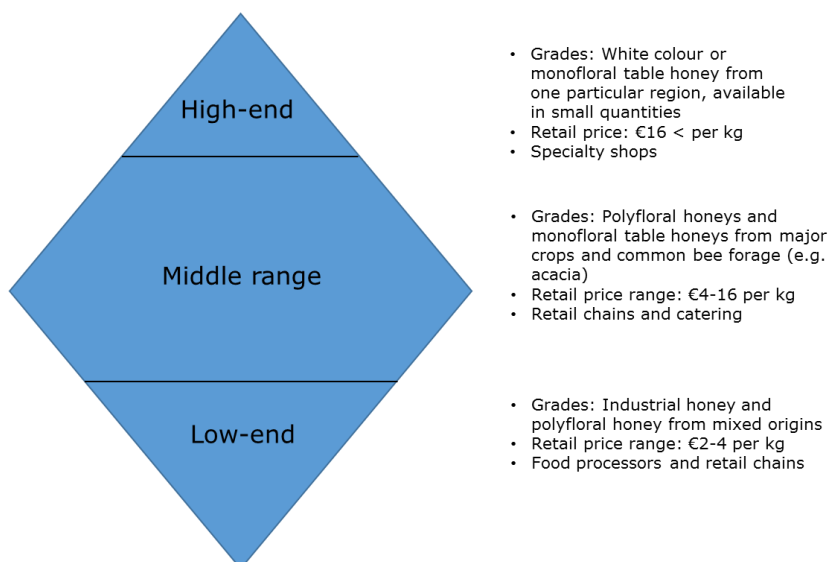
Tip:

- Find out if the profiles of the following buyers match your offer:
 - [Azelis](#) (distributor of food ingredients for manufacturers)
 - [Blue Sky Botanics](#) (manufacturer of botanical extracts; honey is not a major raw material for this company)
 - [Fuerst Day Lawson](#) (major importer of food ingredients for manufacturers, including honey)
 - [Fullwell Mill](#) (manufacturer of snack bars)
 - [Kerry Ingredients](#) (multinational importer of ingredients for food and beverage manufacturers)
 - [Sarant](#) (specialised honey importer with a focus on industrial users)
 - [Traidcraft](#) (specialised Fairtrade importer)

Please note that several other companies in the UK also trade Fairtrade honey, but are only allowed to distribute the products and not to import them.

Segments

Figure 7: Market segments of Fairtrade honey in the UK



Source: ProFound (2015)

Within the UK market for Fairtrade honey, there are different segments, depending on the honey's quality, origin and use. In the low-end segment, Fairtrade honey is usually destined for industrial use, as an ingredient for the Fairtrade confectionery and baking sector. Here, honey is often polyfloral and not of high quality. Fairtrade honey for industrial use represents an estimated small, but growing share of the total Fairtrade honey market.

In the middle range segment, Fairtrade honey is destined for the consumer market, through large retail chains. Its price per kilo can range from €4 to €16 depending on the quality. The middle-range segment is the largest segment for Fairtrade honey in the UK market. Particularly within the middle range segment there is a market for organic Fairtrade certified honey, which is gaining importance in the UK market. In 2013, 36% of the UK's Fairtrade honey imports (69 tonnes) were organically certified.

Finally, the high end segment of the market includes Fairtrade honeys with exclusive qualities, such as unique monofloral honeys destined for specialty shops and shops with only Fairtrade products.

Refer to [CBI Channels and segments for honey in the EU](#) for more information.

What are the end market prices for Fairtrade honey?

The minimum price which Fairtrade certified producers receive for their honey is based on its quality and nature as shown in the table below.

Table 3: Fairtrade minimum prices and premiums

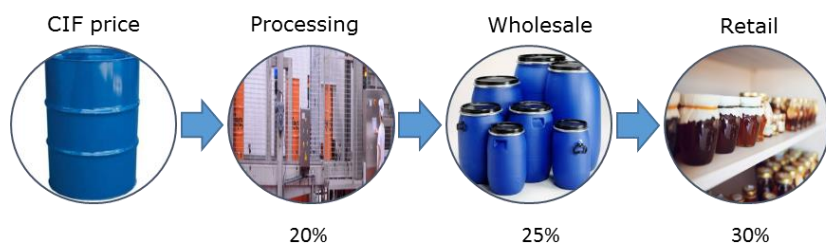
Product variety	Currency/Quantity	Fairtrade minimum price	Fairtrade Premium
Conventional A quality	EUR/kg	2.28	0.18
Organic A quality	EUR/kg	2.63	0.18
Conventional B quality	EUR/kg	2.05	0.18
Organic B quality	EUR/kg	2.37	0.18

Source: (Fairtrade, 2015)

Fairtrade minimum prices guarantee a minimum income for the honey producers. Currently, the minimum price that Fairtrade importers have to offer is below the global market price, which is estimated at €2.5-3 /kg. This means that Fairtrade importers receive global market prices plus the Fairtrade premium.

The Fair Trade premium (currently at €0.18/kg) is paid out to a fund which must be managed by the producer group that a beekeeper belongs to. The fund is designated for social and economic development in the producing community, or for organic production.

Figure 7: Price breakdown



Source: ProFound, 2015



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