



CBI
Ministry of Foreign Affairs

CBI Product Factsheet:

Industrial honey in Germany

Introduction

The German market offers great opportunities to developing country (DC) exporters of industrial honey. In fact, the popularity of industrial honey has been increasing recently, due to the honey's perceived healthy features compared to sugar and other sweeteners. An interesting segment in this market is organic certified honey. Finally, the use of honey as a flavouring creates numerous possibilities in less traditional industries such as the alcoholic beverages industry.

Product description

Industrial honey refers to honey used as an ingredient, mostly in the food industry. Honey is used extensively as an ingredient, in baked products, confectionery, candy, breakfast cereals, beverages, milk products and many preserved products.

In the EU honey regulation, it is clearly stated that 'baker's honey', as it is referred to, is: "honey which is (a) suitable for industrial uses or as an ingredient in other foodstuffs which are then processed and (b) may have a foreign taste or odour; may have begun to ferment or have fermented; or may have been overheated."

Less widely, industrial honey is also used in cosmetics and pharmaceutical preparations as an ingredient. Finally, honey can be used in the tobacco industry to preserve tobacco's aroma and humidity.

Since honey for industrial use is not traded under a specific HS code, the analysis of trade flows will be given in a qualitative manner.

Quality

It is important to mention that the honey used by the food industry is often of lower quality than the honey used for table honey. Consequently, the quality specifications set by the Honey [Directive 110/2001](#) are less strict compared to those for table honey. Specifically, for 'baker's honey':

- Moisture content cannot be more than 25%
- Free acid should be less than 80 milli-equivalents of acid per 1,000 grams
- Diastase activity can be less than 8 (Schade scale)
- HMF content can be more than 40mg/kg

Labelling

Labels of industrial honey exported to the EU must include the following information:

- The name under which the honey is sold
- The use it is intended for (in the case of baker's honey, the words 'intended for cooking only' must appear in close proximity to the product name)
- The gross and net weight
- The date of minimum durability – 'best before'
- Any special conditions for keeping or use
- The name and address of the exporter
- Place of origin or provenance
- Batch number

Packaging

Honey which is imported to Germany and is intended for industrial use is transported in bulk. Common packaging consists of steel or plastic 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.

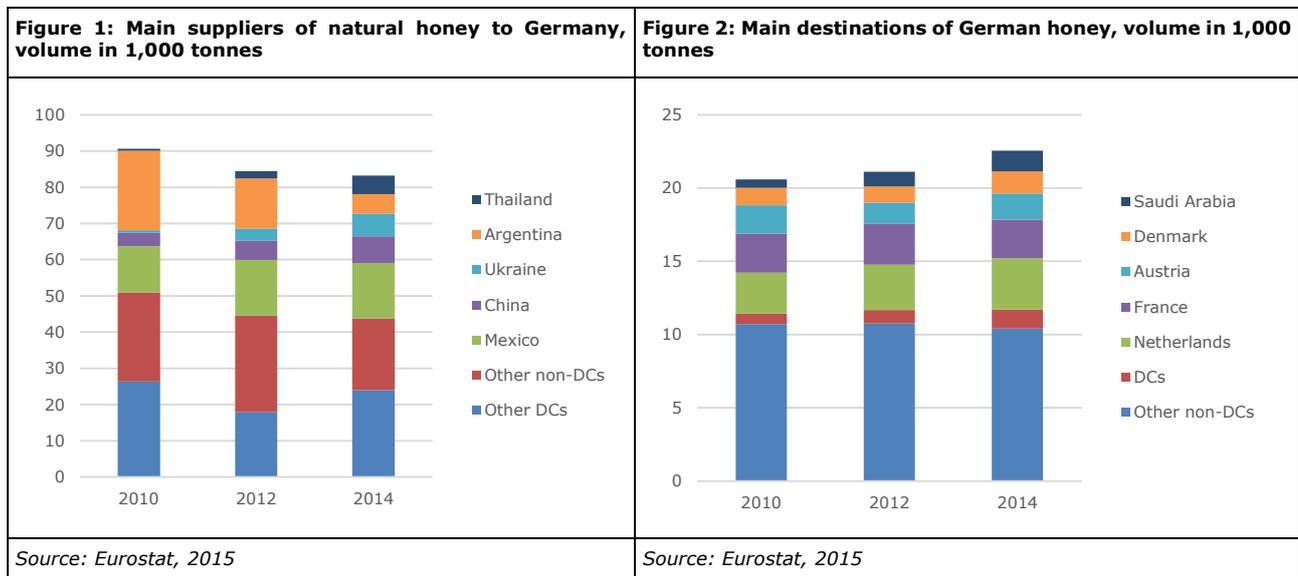
German buyers strongly prefer steel drums over plastic drums because of handling and quality. Due to the weight of honey, plastic drums may collapse when stacked. In practice, this also means that storage of plastic drums requires more space. Moreover, importers' equipment is not always suitable for plastic, which may break as it is less durable. Plastic is also more permeable, which means that honey is more easily contaminated by, for example, materials/liquids on the floor.

Tip:

- Make sure you have detailed packaging instructions from your buyer, as their preferences may differ from your standard packaging.

What is the demand for industrial honey in Germany?

Since quantitative data for industrial honey are not available, data on the overall German honey market as presented below will be complemented by a qualitative analysis of the German industrial market.



German importers turn to new sources:

During the period between 2010 and 2014, German honey imports decreased by 2% annually to 83 thousand tonnes (€235 million). The main cause of this development is the substantial decrease in imports of Argentinian honey. Loss of bee forage together with heavy losses of colonies resulted in a sharp drop of Argentinian honey production. It is important to note that a decade ago Argentina was among the largest global honey producers, but during 2010 and 2014 its exports to Germany recorded an annual decrease of almost 30% (in terms of volume).

The decrease in Argentinian honey production led to an increase in prices of honey from this source. It made Argentinian honey an unattractive option for industrial users which need low-priced honey. Those users are partly turning to China, which offers very low prices. However, German importers are still reluctant to purchase from Chinese suppliers due to structural quality problems.

The Ukraine has proved to be a good alternative. Especially since the EU introduced duty-free quota for Ukrainian honey, German importers have embraced the Ukraine as a new supplier of low-priced honey. They have also increased low-priced imports from Thailand.

German honey exports destined for other mature markets:

Between 2010 and 2014, German honey exports increased slightly by 2.3% annually (in terms of volume), amounting to 23,000 tonnes (€105 million). Germany plays a key role in the European industrial honey market and supplies significant quantities of bulk honey to neighbouring countries.

High productivity of German beekeepers:

Germany plays an important role as a European honey producer. Approximately 110,000 beekeepers with a total of about 750,000 beehives produce honey in Germany. German beekeepers and their bees are among the most productive in the world. In fact, each hive produces an average of 20-30 kg of honey per year. Overall, German beekeepers harvest 15-25,000 tonnes of honey annually - equivalent to about 20% of consumption in Germany. Despite this high productivity, German honey is generally too expensive for industrial users. It is largely used for table honeys.

Germany industry needs more honey:

In 2014, industrial honey was estimated to represent a share of between 20 and 30% of total German honey consumption, or around 12-18,000 tonnes. The German food industry is one of the largest in Europe, with a turnover of €129 billion in 2013, representing a share of 12% of the total EU Food & Beverages sector.

According to industry sources, the increase in demand for industrial honey is estimated to equal the 3.5% growth in turnover of the food industry in 2013. The growth in demand for honey is driven primarily by consumer demand for natural sweeteners and sugar reduction.

Tip:

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

What trends offer opportunities on the German market for industrial honey?

Healthy lifestyle promotes industrial honey:

German consumers are increasingly conscious about their health. Thus, products containing ingredients which are perceived to be healthy are gaining popularity. Many consumers consider honey a healthier choice than sugar and artificial sweeteners. Manufacturers respond to this trend by replacing sugar with honey in their product formulations. This often enables them to label their product as sugar-free. The use of honey as a sweetener is particularly interesting for manufacturers of products for the middle and high-end segments of the market. In the low-end segment, where price is the decisive factor, manufacturers generally prefer cheaper options.

Tip:

- Offer competitive prices to gain access to the industrial honey market.

Organic industrial honey gains popularity, but remains a niche:

The trend of a healthy lifestyle and the consumption of healthy, natural products also stimulates sales of organic products. Moreover, adulteration and honey smuggling raise questions among traders about the purity of the honey they purchase. Therefore, they are increasingly interested in organic certifications for honey. Germany is the largest market for organic certified honey. Although the table honey market is the main market for organic honey, industry actors are increasingly using organic honey for food preparations.

Tip:

- Consider organic certification to gain access to the growing market for organic industrial honey.

Honey - the 2015 flavour:

According to leading flavourings manufacturer [Firmenich](#), honey will be flavour of the year in 2015. The increasing popularity of honey as a natural product has resulted in its wider use as a flavouring in the food and beverage industry. While honey is commonly used as an ingredient in salty-sweet snacks, ready-to-drink tea and cereals, in recent years it has become trendy as an addition of flavour to specialty drinks and flavoured spirits. An additional recent trend includes honey in distilled beverages.

Tip:

- Although end-users, such as beverage manufacturers, may seem interesting buyers, supply them through intermediaries. Food and beverage manufacturers generally need only small quantities at short intervals. Moreover, they prefer to rely on importers who can blend honey from different origins to provide stability in terms of quantities and quality.

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 into the German market.

EU food legislation:

Industrial honey is subject to EU regulation for food. The basis for all food legislation is set in the EU General Food Law ([Regulation \(EC\) 178/2002](#)). 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:

- **Tips:** Familiarise yourself with the relevant regulation. Refer to the [EU Export Helpdesk](#) for more information.

Food safety:

EU legislation on hygiene of foodstuffs ([Regulation \(EC\) 852/2004](#)) 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.

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.

What additional requirements do buyers often have?

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

Documentation:

European buyers appreciate clear and elaborate documentation on the products they import. Information that European 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)

Additional documentation, such as health certificates, is needed for customs.

Tip:

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

Samples:

German importers will usually send samples of the honey to an EU accredited independent laboratory for analysis before authorising the shipment. Most honey samples are handled by a few laboratories, such as [Intertek](#) (Germany) and [QSI](#) (Germany). German 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 of the quality of honey. Therefore, European honey buyers 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 or even refusal by the buyer.

Certified quality and safety management:

German buyers 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 Germany, 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.

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:

- German buyers appreciate initiatives in the area of corporate responsibility. However, this does not automatically translate to certification requirements. German buyers appreciate the systems and procedures in place more than an actual certificate.

Organic certificates

Organically produced honey is gaining popularity and is becoming a mainstream product that is also used increasingly in the industrial sector. The EU has set specific requirements for organic production and processing in the EU regulation on [Organic Farming](#), which is also binding for Germany. These include requirements mostly for beekeeping, such as beehive construction and bee health treatment. Additional requirements regarding GMO pollen content, packaging and processing conditions are set.

Tip:

- For more information on organically certified honey, please refer to the [Product Factsheet Organic honey in Germany](#).

What competition do I face on the German market for industrial honey?

Competition from a giant:

China can supply industrial honey at very low prices of €1,400/tonne. Basically, no other country can compete directly with China on price. China has an enormous honey production of an estimated 466,000 tonnes in 2013 (FAOstat, 2015) and a considerable part of that is available for export. However, China frequently has problems with food safety issues and was

even banned from the EU market between 2002 and 2004. Even today, many German buyers refrain from buying Chinese honey, as they do not trust the suppliers.

Tip:

- Avoid direct competition on price with China. Instead, emphasise the reliability of your supplies and your quality management.

Industrial users have many alternatives:

Industrial users can often substitute honey by other cheaper sweeteners, such as sugar, maple syrup or agave syrup. These offer the same bulk and a similar sweetness. Buyers that prefer honey often use it for the labelling opportunities, as honey is often appreciated by consumers as an authentic, very natural ingredient.

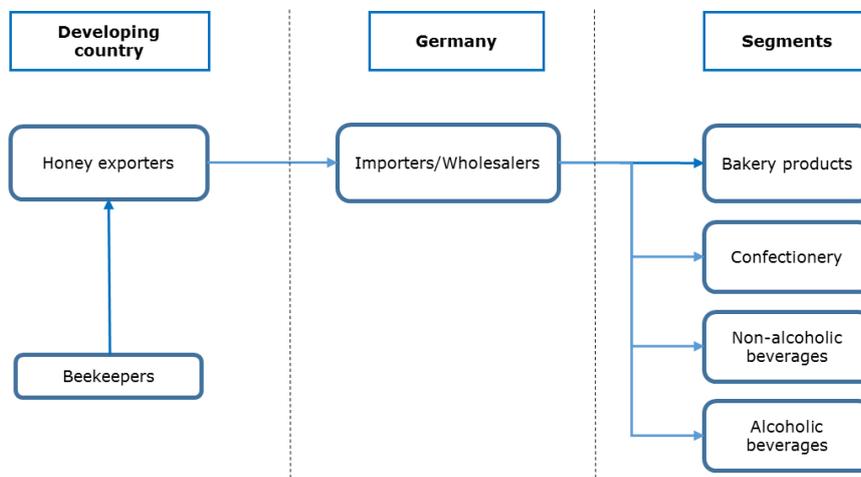
Tip:

- Offer very competitive prices to convince importers and the users of industrial honey to purchase honey instead of substitutes.

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 German market for industrial honey?

Figure 3: Market channels for industrial honey in Germany



Source: ProFound, 2015

Industrial honey is imported by importers/wholesalers. These play an indispensable role in the value chain. They do not merely purchase honey to sell it to the food and beverage manufacturers. Importers are responsible for ensuring that the latter receive stable supplies of honey according to their specifications and delivery terms. This requires that importers source honey from different origins to secure supplies when there is a crop failure in one of their sources. They also need to blend the honeys from the different origins to be able to substitute honey from a certain source when that source cannot supply sufficient honey.

This function of importers makes them indispensable. Manufacturers rarely import honey directly from the source, as they risk becoming dependent on one source. Additionally, manufacturers generally prefer to outsource the import of ingredients to specialised importers with extensive knowledge of sourcing.

Segments

The food industry mostly uses honey as a sweetener. However, honey also has other functions in the end-products.

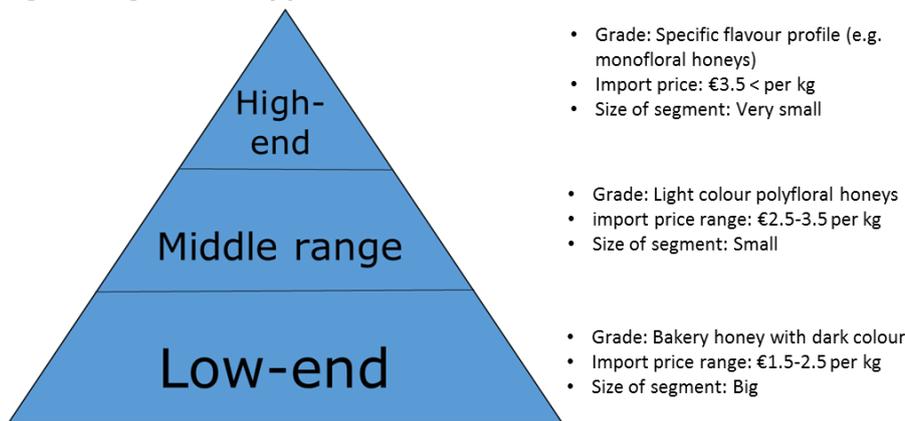
Table 1: Applications of honey in different segments

Bakery products	Honey in baked products such as bread keeps them from drying out, keeps them fresher and with an improved aroma. Liquid and powdered honey also has a use in breakfast cereals as a sweetener and to increase consumer appeal.
Confectionery	Manufacturers of candy bars use honey as a binding and sweetening agent
Non-alcoholic beverages	Honey is used as an ingredient mostly because of the increasing popularity of health-oriented, strengthening drinks.
Alcoholic beverages	Flavouring of spirits

Source: ProFound, 2015

Industrial honey comprises the low-end of the total German honey market. Much of the honey that is not suitable for the table honey market ends up in this industrial honey market.

Figure 4: Segmentation by price



Source: ProFound, 2015

Only a few manufacturers are willing to pay higher prices for honey of a better quality. In general, a dark colour or off-tastes do not heavily affect the appearance of the end-product.

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

What are the end market prices for industrial honey?

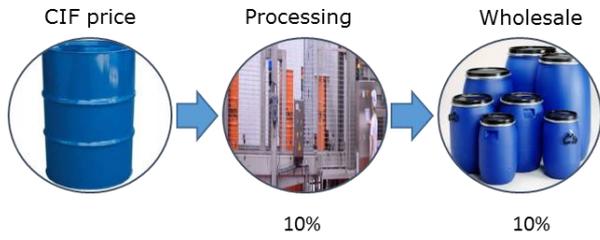
China as a global price-setter:

The prices of industrial honey are lower than prices for table honey. At an international level, China is setting the prices of industrial honey, since it is the largest producer and exporter of industrial honey globally. The average import prices for Chinese honey have been fluctuating between 2010 and 2014, amounting to €1.53/kg in 2014 (Eurostat, 2015). More specifically, after an increase in prices between 2010 and 2012 (from €1.28/kg to €1.59/kg), prices for Chinese honey decreased slightly between 2012 and 2014 (from €1.59/kg to €1.53/kg).

Tip:

- Be sure to follow price developments in China, since they can change regularly. For more information, please refer to the market development reports of [USDA](#), the statistics of the [National Honey Board](#) of the US, as well as market updates from [Skamberg](#).

Price breakdown



Source: ProFound, 2015



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