FACTORS THAT INFLUENCE SUPPLY AND DEMAND FOR BEE PRODUCTS

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Abstract: The study is targeted for farmers who operate in the honey industry. It covers an important aspect of the honey industry, that of marketing. This aspect is considerably ignored by many who feel that the focus should be on production and on simply selling the outcome of production to customers. Certainly, production is a very important aspect, but an equal emphasis should be laid on marketing. In this specific context, what is covered in this study is the marketing of bee products. In markets there are usually many suppliers and many demanders. Both, demand and supply are influenced by factors that will affect the price.

INTRODUCTION

Beekeeping is one of the oldest forms of food production. There are several types of beekeepers: hobbyists – they have a different day job but find beekeeping fun as just a hobby, sideliners – basically, sideliners have other income but moonlight as “beekeepers” for extra money and commercial – beekeeping is their only source of income. Apiculture is an important tool that enables people to generate more food and more income from such an activity. Bees can live in the most arid conditions. In areas with lack of water or seasonal lack of water, beekeeping may be the only form of agriculture available. Furthermore, bees can endure the most unfavorable conditions, such as social unrest and war. Apiculture enables beekeepers and farmers to be less vulnerable to poverty. Starting a beekeeping activity and business involves initially little money, compared to other agricultural business activities.

THE MARKETING OF BEE PRODUCTS

Beekeepers, both new and experienced ones, focus on production. They concentrate on the production of bee products and on a relative high output of such bee products. High output means that they can sell more bee products and earn more money. A production focus is good, but without selling bee products there would be little or no production. Selling bee products involves transactions. The beekeeper will exchange, for example honey for money, with someone who needs honey. You have honey to sell. Perhaps you have been selling extracted honey to a packer but have decided to bottle some yourself. Perhaps you are giving honey away to friends and neighbors but believe there is a larger market for your honey. Whatever your specific case, you will wish to explore your chances for success before you make any financial commitments.
Developing a complete “marketing plan” involves identifying who your customers might be, what they want in the product, as well as what kind of service they expect from you. Market research should help you decide what part of the market you can effectively and efficiently serve based upon the characteristics of the market, your own resources, along with the strengths (and weaknesses) of the services and products you have planned. It will not help you to over-estimate your capacity and disappoint customers with a lower quality product or by an initial inability to provide enough of the product. You should obtain information about your customers such as age, sex, ethnic origin and family status (called “demographics”) in order to get acquainted with who your customers are. Find out information such as life-style preferences, personal behavior, and buying style (called “psychographics”) to learn why people prefer one product instead of another.

But what does marketing mean? Marketing can be seen in two perspectives. The first perspective is that of carrying out all those necessary functions to make available a commodity or food to consumers. It is a system. The second perspective is that of marketing as a philosophy, a way of thinking, that holds that the customers comes above, and what the customers desires, should be delivered to them, on their terms. Hence we have a marketing system and a marketing philosophy. In the case of food, such as honey, the marketing system is really the entire food system. It starts with the nectar of flowers and trees and ends with the consumer. Nectars only become products if consumers like, want and accept them.

The honey market is where transactions take place; it is where bee products are exchanged for money. It can be a location, for example a village market, a retailer shop, a roadside stall. In these markets it is where bee products are sold and consumers are able to choose and buy the bee products. It is where suppliers (beekeepers, retailers) meet demanders (consumers). Other markets are those, for example, that occur when a beekeeper sells his products to processors or to a retailer. The supplier is the beekeeper and the demander is the processor or retailer. These demanders are normally referred to as a business consumer.

THE SUPPLY SYSTEM FOR BEE PRODUCTS

The supply system is the system that takes bee products from production to consumption. At every stage of the supply system there are exchanges taking place; there are markets. Bee products are exchanged for money. The transaction occurs, only if both the beekeeper and the consumer reach an agreement and are both satisfied. The consumer will be satisfied with a fair price paid for the bee product and the beekeeper will be satisfied with a good price received for the bee product. So we can see that price of the bee product is determined by the transaction of the beekeeper and the consumer, where there is a common agreement between the two and both are satisfied. But, it is important to remember that price is not only determined in this manner. If, for example, there is a lot of demand and little supply, the price of the bee product in demand will rise. If there is a big demand for honey, but there are few suppliers of honey, few sellers, the price of honey will increase. It is important that beekeepers understand that total supply and demand create prices in a market. In other words all the beekeepers and consumers present together will reflect the agreement price for a bee product that will enable
satisfactory transactions to take place. Now both demand and supply are influenced by factors that will affect price.

Eventually the consumers demand on the market is influenced by:

- **Tastes:** all consumers have different tastes. One consumer for example may like honeycomb, while another may like processed honey in jars. Tastes also change, for example one-year consumer may want more honey and less sugar. These changes in taste will alter demand and also price.

- **Season:** consumers also change what they want to buy according the season. For example in a festivity season, consumers may demand more processed honey to make cakes. In the very hot season, for example, consumers may demand less honey. This will increase or decrease quantities in demand for a product and affect its price.

- **Location:** Consumers who live in different places will have different demands for products. For example, consumers living in urban cities may prefer processed honey to honey comb, while consumers in rural areas may prefer comb honey. One village market in one location may have different demands for different types of honey than another village market in another location. Consumers in far away markets, such as markets in other countries, also have different demands for products. This will affect quantities demanded and the price of bee products.

- **Income:** Consumers’ demand for bee products depends very much on what consumers earn, in other words on the income they have. This will determine how much they are able and willing to spend on bee products. If, for example, consumers have a good financial situation they will buy more products, but they will also want to buy more luxury products which are expensive. They will buy local honey, but they may also buy expensive honey that comes from other countries. The financial possibilities consumers have will affect quantities demanded and price.

- **Population:** The increase or decrease in population will affect demand. If areas are more populated than others then demand will be higher. In a densely populated region, the demand will be higher and as a consequence of that the price will change.

- **Age:** Age is one of the factors that determine a change in demand. For instance, in areas where there are many children, the demand for honey may be very high. In areas where there are many old people, the demand for propolis may be high; propolis is a good “medicine” but at the same time it is very digestible.

- **Price:** Price of a product will ultimately affect the demand for that product. For example, if the price of processed honey is high, consumers will buy less processed honey. If prices of comb honey, for example are low, then consumers may possibly buy more comb honey. Prices will affect quantities demanded.

- **Future prices:** Consumer demand will change according to what prices are expected to be in the future, consumers will buy more quantities of bee products now. For example at honey harvest times during the year prices may be low if the
honey harvest is good. As time passes and honey is being consumed, prices will start to rise.

- **Quality:** Consumer demand will change in regard to the quality of bee products. For example, if consumers think that quality of honey is not good, they will not buy it. This will affect the price of the honey and the quantities bought.

- **Similar use of products:** Consumers’ demand for products that are similar in usage will change when the price of one increases compared to another. For example, processed honey and sugar. Suppose that the price of honey rises, consumers may prefer to purchase sugar as an alternative.

Now, thinking of supply, when prices are high, suppliers will provide more and this, in time, will reduce the price of the product. The markets supply is influenced by:

- **Price:** Beekeepers will normally supply more of a product if the price of that product is high. For example, if the price for processed honey rises, the beekeeper and his family will probably consume less honey comb in order to make sure that more processed honey can be sent to the market. This will mean that more quantities of processed honey will be sent to the market. Other beekeepers will do the same and in a short time, the price of processed honey will fall.

- **Season:** In some parts of the world, according to season climatic conditions, supply of products will increase or decrease.

- **Weather:** Supplies will depend on weather. If, for example, it has rained a lot, the quantities of honey supplied will be smaller.

- **Costs of production:** To produce bee products, beekeepers have to pay for labour, equipment, raw materials, etc. If the price of labour increases, the beekeeper may reduce moving hives to floral rich areas to save on labour costs and hence reduce the quantities supplied.

- **Disease:** If disease and/or mites infest bee colonies, this will considerably reduce quantities of bee products supplied.

- **Change in production techniques:** A change in production techniques may increase the quantities supplied. For example, if many beekeepers use a new pollen gate on their hives that permits to produce more pollen, this will increase the supply of pollen.

- **Number of suppliers:** The number of suppliers will affect the supply of products. For example, if processed honey has a high price, other beekeepers will notice the high price and will start producing processed honey. This will mean that supplies will increase and that over time prices will fall.

- **Imports:** Products coming from other countries will also affect supply. If prices for processed honey are lower abroad, traders will buy the processed honey and import it into a local market. This will cause more quantities to be supplied, hence the price reduction.

In business markets demand is influenced by factors operating on the final consumer’s market. This is because demand from processors, retailers and wholesalers is all based on what final consumers ultimately buy. This means that the demand of wholesalers, retailers, and processors is derived from the final consumer’s markets.

**CONCLUSIONS**
The supply and demand of bee products depends on the economic, cultural and social conditions of each community or country. Also, a product which is not so asked for in a certain region may still enjoy special appreciation and market value in another area.

BIBLIOGRAPHIE


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