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A BUSINESS PROPOSAL ON BEEKEEPING AND HONEY PRODUCTION IN NIGERIA.

## INTRODUCTION

The honeybees have time immemorial been known for their honey production ability and efficient pollination activities. They contribute in no small amount to the economy and environment through their pollination of fruits, vegetables and pasturage. Honeybees are beyond the doubt the most important pollinating insects providing 80% of pollination services for different plants, shrubs and crop species.

### What Is The Honey Production Business About?

The honey production business involves beekeeping, extracting and then processing honey for its commercial value. It has a lot of economic and health value, making it a very lucrative agribusiness in many places around the world.

Honey is produced from bee species like the Western honey bee (*A. mellifera*), and the Eastern honey bee (*Apis cerana*). Ripened nectar gathered in the sac of a bee is deposited into unused honeycomb cells. Other worker bees in the hive add more enzymes and enrich the deposits they ingest. Mature honey is placed back in the

combs and capped with a light coating of beeswax.

On average, a bee colony produces about 60- 100 pounds of honey every year. Honey farmers take out full honeycombs it anyone can undertake as it requires minimal time and effort. Honey is a commodity that can be traded internationally as well as locally, it is a high value product with a stable and lucrative supply versus demand economy. Honey have many health benefits for the consumer and are lucrative trade commodities. It is a proven fact that it improves the economic condition of the beekeepers, restricts the migration of rural youths to urban centers and helps in holistic development of rural society. Beekeeping ensures high productivity and time flexibility. Though time flexible, it requires daily attention but mounts no gender barrier. Both male and female of productive age can practice it. Commercial honey production does not require electric power to run the business as there is manual honey extractor. Domestication of honey bees in a modern way, do not only create a means of livelihood for beekeepers but also help in the conservation of the bees and production of quality honey. Modern beekeeping and honey production has proved to be a kind of sustainable agriculture as it balances environmental soundness, high productivity, social equity and economic viability. The export of honey is still grossly underexplored and underexploited of recent, exporters of honey in Lagos are currently routing for beekeepers demanding for between 200 to 250 liters of honey weekly, which unfortunately many beekeepers cannot meet.

Therefore, AKD Foods Limited is an Agro- business firm specialized in making drinks from nutritious agricultural produce, and its registered but headquartered in Abeokuta, Ogun State, Nigeria. The farm intends to venture into beekeeping and honey production because of the high demand of pure unadulterated honey in whole of Nigeria and incidentally, there are very few commercial modern beekeepers in the country; and even the few are concentrating on export. Honey production, processing and packaging will be done at a permanent location in Abeokuta, Ogun State, Nigeria.

AKD Foods is a company registered as a limited liability company and its diversifying into commercial beekeeping and honey production in south western region of Nigeria. Its aim is to supply consumers with the most nutritious and healthy farm product that is produce, processed and packaged under the best hygienic condition.

Honey production follows a chain of order which start with site selection; followed by positioning and placement of hives in the apiary; then, baiting follows, hive inspection and pest control; next is harvesting; and the last is extraction / processing. In other to

achieve optimum yield each of these must be diligently and perfectly carried out. The most challenging aspect in north central Nigeria is the baiting and pest control because of late colonization of bee hives and ant infestation respectively. As soon as all the hives gets colonized, then AKD beekeeping unit's financial statement gets colonized with incremental figures as the Langstroth hive allows for monthly harvesting.

The production of honey is expected to reach two thousand, eight hundred and eighty liters (2,880L) in the first production year. With the assumption that the project will utilize 60% of its total capacity (i.e. only 60% of the proposed 300 hives got colonized in the first year); and it is assumed it increases at 20% per annum.

The total cost of the honeybee farm and the honey production, processing packaging and marketing activities is approximately at NGN10.29M and initial outlay of the said amount has been set aside.

After a critical review of the project costs, it was discovered that the profit was more than the capital as of the third year. The competition is not high and the demand is very high therefore allowing fast and easy sales. Beekeeping and honey production is very lucrative, it increases employment opportunities and increases economic income.

It is assumed that from the first harvest during the 10<sup>th</sup> month of the first production year, 10 liters will be gotten from the 180(out of 300) hives because 60% of colonization rate is assumed for 1<sup>st</sup> production year. More so, it is assumed that 3 liters will be gotten from each of the 180 hives in the 11<sup>th</sup> month and 12<sup>th</sup> month of the production year; making a total of 2,880 liters in the first production year.

In the second year, 20% of increased hive colonization will give 240 hives. And given the assumed 3 liters per hive in a month; 8,640 liters is therefore realizable in the second year of production. The 300 hives are expected to get colonized at the assumed 20% increase by the 3<sup>rd</sup> production year.

The demand for honey is high as it serves for different purposes, the antioxidants in honey can help to lower blood pressure, it also helps to improve cholesterol, it is less bad than sugar for diabetics, honey can lower triglycerides, the antioxidants in it are linked to other beneficial effects on heart health, it promotes burn and wound healing, it can help to suppress cough in children.

Neatly packed pure honey however goes for premium prices in stores, pharmacies and offices. School, hostels, hospitals (both private and government) will also be targeted.

In addition, AKD sale representatives could also be advised to cover food producing businesses like bakeries, eateries etc. Honey is also used in the manufacturing of soap and cosmetics.

## Business Opportunities In Honey Production Business Around The World

There are millions of people who use honey as a healthy alternative to sugar in Nigeria and around the world. The daily and different uses of this natural product by so many people generate very high demand.

Consequently, the market for honey has expanded every year, and it keeps growing. This fast- paced growth has created several business opportunities for honey producers.

Some of them are:

### 1). Beauty Product Market:

Every day, health and beauty lovers invent varying and effective ways to use honey in combatting hair and skin issues. Refined honey is combined with other substances to improve the skin, hair, and nail conditions. It hydrates dry cuticles, deep conditions all hair types, treats acne, and moisturizes & cleanses the skin.

Honey contains a lot of nutrients that slow down or prevent ageing and wrinkles. Products infused with honey include conditioners, moisturizers, full body scrubs, facial cleansers, face masks, lotions, and more.

Numerous beauty companies add honey to their skin and health care products. Honey producers can make significant profits from selling honey to these companies.

### 2). Medicinal Natural Remedy:

Honey is a centuries- old, natural treatment for many ailments. It is combined with some current medicines to combat bacterial and inflammatory infections. It's also excellent for dressing wounds, treating burns, and easing a cough. Honey cures and prevents digestive troubles and viral diseases like measles.

The market for honey in the medical industry is a growing one as people are going back to the natural/organic lifestyle. One could earn a steady profit from supplying honey to herb doctors and natural healers on a regular basis.

### 3). Food Processing And Drink Businesses:

The food and pastry business is perhaps the largest market for honey. The non- sugary, sweetening syrup is an ingredient in the domestic and commercial preparation of meals and drinks. It doubles as a flavor and substitute sweetener.

Food processing companies and homemakers preserve certain drinks and foods with this natural product.

#### 4). Wholesale And Retail Sales:

Honey can be produced and distributed to wholesale and retail outlets within and outside a city or state. Producers can also sell honey on different online stores.

#### 5). Honey Product Exports:

Exporting raw, refined, or organic honey is highly profitable. The global market for this commodity is rapidly growing with China and New Zealand in the lead. One can tap into this business opportunity and earn thousands of dollars on a monthly basis.

#### 6). Industrial Opportunities:

Manufacturers of items like royal jelly, candles, antibiotics, cleaning wax, and salves are a large market for honey producers. A contract to supply raw honey and beeswax to these companies is a great way to earn a constant income from the trade.

#### 7). Beekeeping:

Honey producers can breed and keep bees for personal or commercial use. With bees going extinct in most parts of the world, the honey production business will sustain and increase the bee population.

Beekeeping has considerable value in domestic and foreign markets. It is one business that will boost Africa's economy.

