



Supplied Insights

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Dynamic Times!

Our industry has been through an interesting ride over recent times. From the “manuka boom”, to government intervention resulting in a dramatic change in honey prices, to Covid-19, we have experienced some challenging dynamics.

With Covid-19, Ecrotek entered the financial year in a state of uncertainty. How would this affect our ability to service our customers? How would supply chains operate to ensure we had the raw materials and supplies to be able to manufacture? Would the lock-downs affect our customers’ abilities to operate? What would the effect on prices be – for supplies, for services, for honey? A lot of questions went through our minds when we were planning for the coming year.

Obviously, time answers a lot of these questions – demand for honey spiked, supply chains remained open with a few hiccups, prices remained relatively stable, and everyone in our industry just got on with it. Thankfully, and well done to all!

OTHER OBSERVATIONS IN RECENT TIMES

For those beekeeping operations continuing to grow, we are seeing that growth being approached in a much more considered way.

Rather than adding hives annually, many are implementing a “stepped approach” – growth one year, stable the next, growth the next.

Obviously access to suitable sites, and to skilled labour, are limiting factors.

Many of those no longer planning for growth now have their eyes on a return on assets. Comvita’s recent results illustrate this as they have focused on high value, high yielding apiaries – value rather than volume.

We are also seeing diversification of income streams within single beekeeping operations – pollination, queen rearing, bee exports, as well as the core of honey production. Mergers and acquisitions continue, which is typical of a maturing industry – where larger operations seek to gain efficiencies of scale. We have also seen some liquidations of poor performing businesses.

A growing trend on the honey side of things is that of blending. With MPI’s Manuka Standards in place now for a couple of years, there is a greater understanding of the need to blend honeys to maximise value. We understand there is a growing demand for blending tanks, and some companies are offering blending services into the market. We also know that this is a very technical

issue and expertise needs to be developed to achieve optimal outcomes.


While at times government intervention is unwelcome in business, we have seen positive contribution from New Zealand Trade and Enterprise (NZTE) in a number of ways. They were very proactive during lock-down in organising international freight consolidation for many companies.

They were also instrumental in working with ApiNZ in the development of a fantastic set of marketing resources for our industry with The New Zealand Story Group, to help tell the story of our fantastic honeys. At Ecrotek we have benefited from their expertise and input to help us with our export initiatives, so well done and thanks NZTE!

From a supplier's perspective, as this industry continues to mature and evolve, we need to match this evolution. Ecrotek continues to invest in R&D, and to manufacture as many of our products locally as possible. "Buying local" is even more important these days as we look to support our Kiwi colleagues in business.

So keep an eye out for further innovations from the Ecrotek team over the coming months – for our customers, we hope they will delight you and add value to your business.

In the meantime, fingers crossed for another strong honey production season, and good luck to you all!

Dave Wrathall is the co-owner and CEO of Ecrotek Beekeeping Supplies, dave@ecrotek.co.nz 

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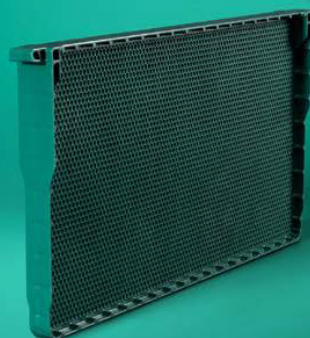


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