



# DISCUSSION ABOUT SWOT & MARKET

Chalkis, 28/11/2019

# SWOT ANALYSIS

## STRENGTHS

- ▲ **Multi-awarded products -for taste & product quality-** (More than 20 awards from national & international institutions within 2016-2019)
- ▲ **Certified premium product quality**
- ▲ **Innovative products – unique recipes** (i.e. being the first to launch thyme honey with 24K edible gold, honey with cocoa, SpoonFuel, Blend!t)
- ▲ **Increasing brand awareness in social media**
- ▲ **Packaging design innovation**
- ▲ **State-of-the-art technology** (applying next generation filling, automation and robotics technology)
- ▲ **Unique equipment** (i.e. Spoon Machine, exclusively available at STAYIA manufacturing line)
- ▲ **Multi-product manufacturing lines**
- ▲ **In-house key activities** (Accounting, Graphic Design, Quality Department)
- ▲ **Strategic geolocation - near logistics & distribution channels** (i.e. commercial port of Aspropyrgos, National Highway, Railway etc.)
- ▲ **Inspiring leadership**
- ▲ **Continuous business development** (participate/visit national & international exhibitions)
- ▲ **Successful export strategies** (presence in 33 countries on all 5 continents)
- ▲ **Company's credibility in the market**
- ▲ **Established relations with customers and suppliers**
- ▲ **Overcame economic crisis**
- ▲ **Good debt ratio**
- ▲ **Increasing turnover** (2017 ≈ 115.000€, 2018 ≈ 520.000€)
- ▲ **Young qualified personnel**
- ▲ **Personnel with positive attitude & agile mindset**

# SWOT ANALYSIS

## WEAKNESSES

- ▼ **Internal miscommunication due to rapid growth**
- ▼ **Non-standardized job descriptions**
- ▼ **Mid-level management lacks extensive market experience**
- ▼ **Running out of building & manufacturing capacity due to rapid growth**
- ▼ **Exports vs Greek market**

# SWOT ANALYSIS

## OPPORTUNITIES

- ▲ **Domestic key competitors facing financial constraints**
- ▲ **Bad market reputation of domestic key competitors**
- ▲ **Company's strong presence in national & international exhibitions (i.e. Ho.Re.Ca)**
- ▲ **Improving consumers' buying power**
- ▲ **New manufacturing technologies that enable rapid increase in production capacity and minimize costs per production line**
- ▲ **Rising global trend of refusing to consume sugar (substitute honey for sugar)**
- ▲ **Sugar tax implementation in food & beverages**
- ▲ **Social media and the great recipe explosion (opportunity to engage with food bloggers & influencers)**
- ▲ **Increasing trends on healthier nutrition & cooking**

# SWOT ANALYSIS


## THREATS

- ▼ **Complicated GR tax legislation and regulations**
- ▼ **High GR corporate tax rate**
- ▼ **Unstable GR regulatory environment**
- ▼ **High domestic competition** (great number of small & medium companies operate in the apiculture sector)
- ▼ **Unfair competition practices mainly through defamation against the company**
- ▼ **Key competitor's high brand name awareness**
- ▼ **Bees' high degree of vulnerability to environmental stressors** (i.e. climate change, usage of pesticides in agriculture etc.)
- ▼ **Seasonal production of honey**
- ▼ **High logistic costs**
- ▼ **Brexit**


# HONEY PRODUCTION IN GREECE


Greece ranks number two in the EU after Hungary when it comes to apicultural density: about 11.1 bee hives per km.


## Greek honey production in numbers\*

2.5 million bee colonies 


 25,000 beekeepers in total

30,000 tons of honey production 

 3.7 thousand tons of honey exported in 2018

€15.5 million value of exports in 2018 

 55-60% of production is pine honey

10% of production is thyme honey 

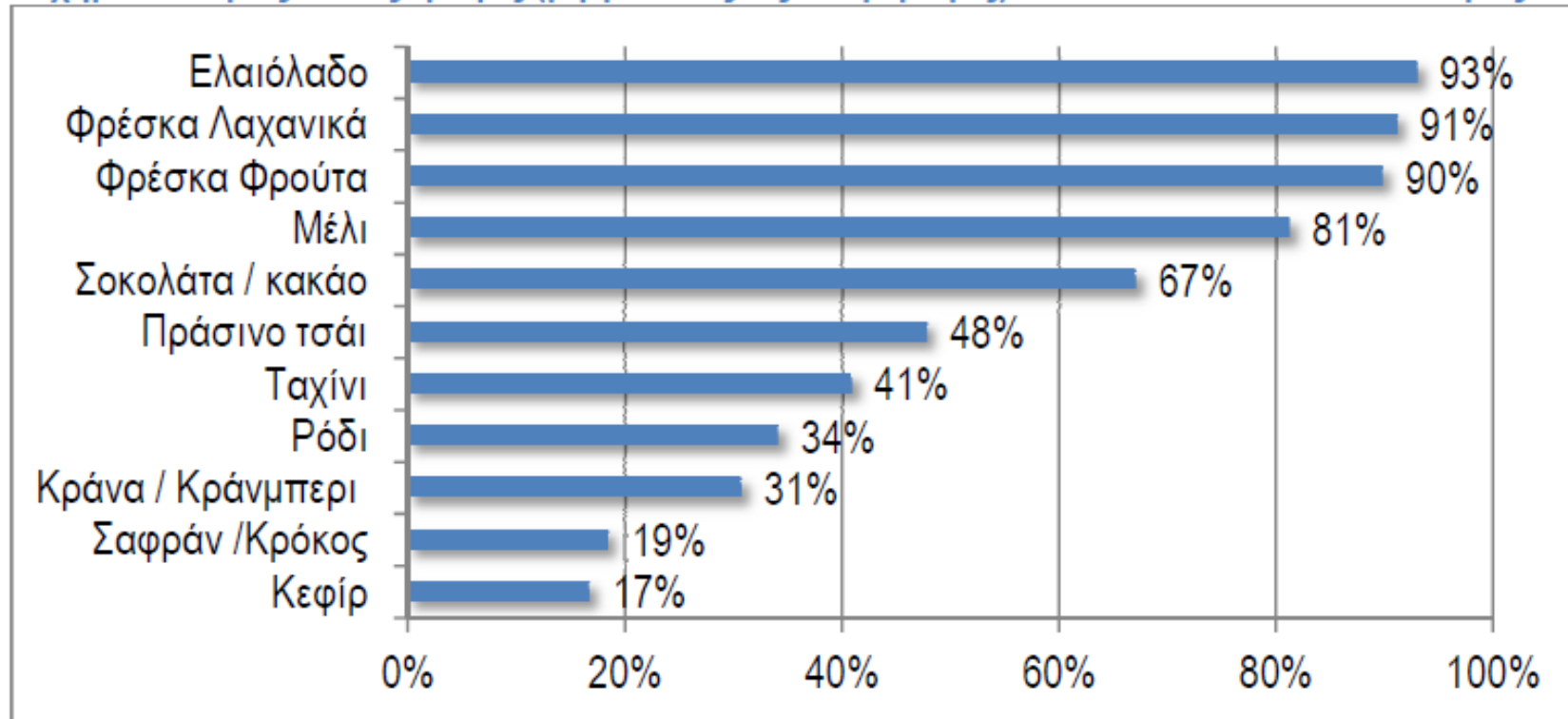
 10% of production is blossom honey

\* Source: Eurostat, SEVE (Greek Exporters Association) & the Federation of Greek Beekeepers' Associations

# HONEY CONSUMPTION IN GREECE

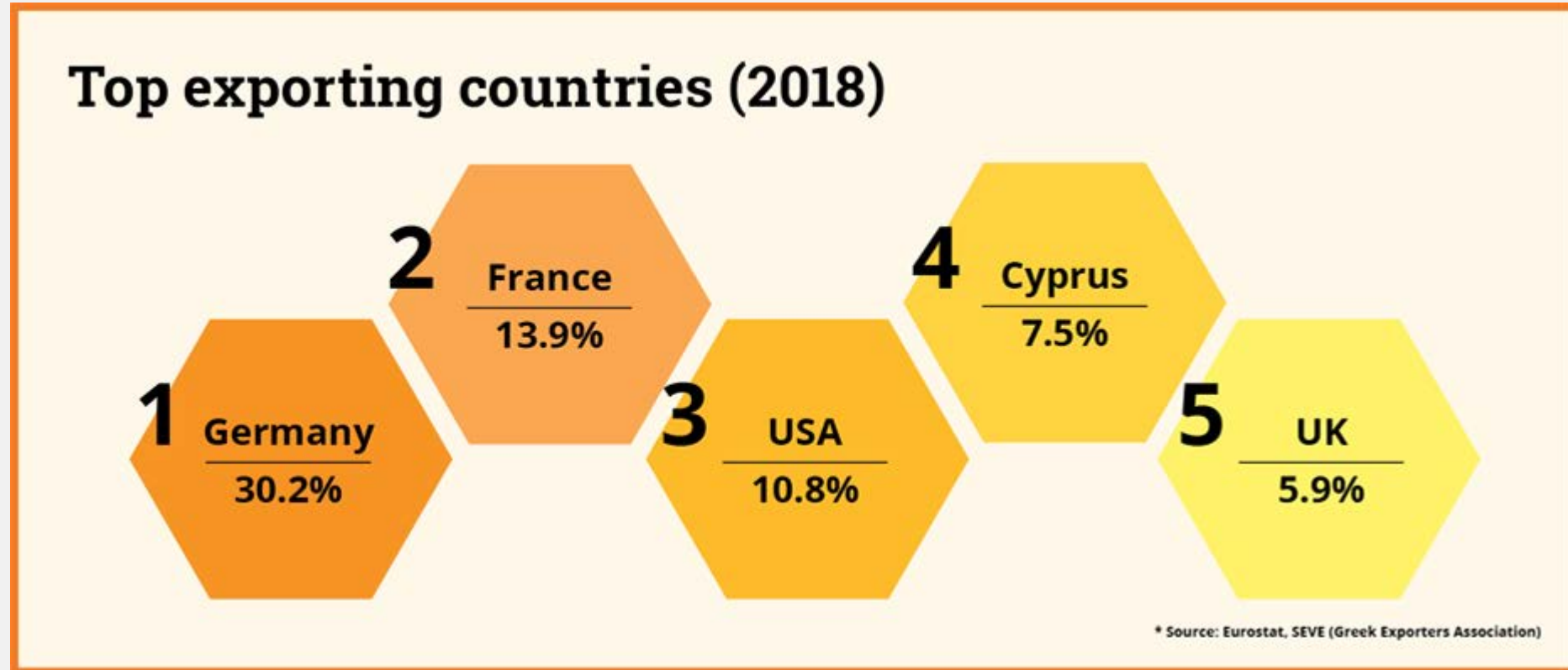
Honey ranks high in food consumption preferences in the Greek market (81%)\*.

Σχήμα 1: Κύριες-απλές τροφές (μη γνωστές ως υπερτροφές) που καταναλώνουν οι Έλληνες



# GREECE'S EXPORTS GROWTH POTENTIALS

Exports are still limited, accounting for approximately 10 percent of Greek honey production, but are constantly rising –in fact, in 2018 exports were up by 15.9 percent compared to the previous year.





# GREECE'S EXPORTS GROWTH POTENTIALS

## Why Greek honey exports have great growth potentials

- Greek honey is one of the products with high international recognition due to its high quality, wonderful flavor and excellent aroma.
- A research conducted by the Aristotle University of Thessaloniki, indicates that Greek honey is the best in the world. After analyzing 48 different varieties of honey from different areas of Greece and the world.

Greek beekeepers have a high level of expertise and know-how, and are constantly upgrading their equipment, while at the same time safeguarding traditional methods that ensure a natural, top tier product.

Greece is one of the richest, in terms of biodiversity, countries, with a significant amount of unique indigenous plants found nowhere else in the world (it is estimated that 18% of the total number of plants are endemic to Greece).

Greek climate is typically Mediterranean, with mild winters and long, dry, hot summer periods; in other words, climate conditions are ideal for the development of apiculture, allowing the production of honey almost everywhere in the country.

Whereas other countries are struggling with high bee mortality, that's one global crisis that has yet to touch Greece. The reasons are: only a fraction of honeybees is foraging in crops; most are foraging in natural ecosystems, and therefore have small exposure to pesticides; Greek beekeepers replace lost colonies as soon as they die.

Greek honeys have less humidity than other honeys, which means they are denser and richer, packed with nutrients and extremely healthy.

All Greek honey is by default GMO free, given that GM crops are prohibited from being grown in the country, whereas about 90% of Greek honey comes from natural ecosystems in non-cultivated land and from beekeepers who move their bees from place to place.

# TOP HONEY PRODUCTION PLAYERS

## TOP 3 HONEY PRODUCERS WORLDWIDE\*

 = 20,000 tonnes



\*Data not available for Malta, Netherlands and Belgium

# EU HONEY PRODUCTION



EU is the second world producer after China, with respectively 12 % and 28 % of world production.

The EU is not self-sufficient and China is the main source of EU honey imports.

Source:

[https://www.europarl.europa.eu/resources/library/images/20180227PHT98754/20180227PHT98754\\_original.jpg](https://www.europarl.europa.eu/resources/library/images/20180227PHT98754/20180227PHT98754_original.jpg)



# EU EXPORTS VS IMPORTS



\* Data 2016

Source: [https://www.europarl.europa.eu/resources/library/images/20180227PHT98754/20180227PHT98754\\_original.jpg](https://www.europarl.europa.eu/resources/library/images/20180227PHT98754/20180227PHT98754_original.jpg)

# GLOBAL IMPORTS

## 15 countries that spent the most on imported natural honey during 2018.

- United States: US\$504.2 million (22.5% of total natural honey imports)
- Germany: \$305.7 million (13.6%)
- Japan: \$145.4 million (6.5%)
- France: \$129.5 million (5.8%)
- United Kingdom: \$128.3 million (5.7%)
- Italy: \$100.4 million (4.5%)
- Belgium: \$72.9 million (3.3%)
- China: \$70.1 million (3.1%)
- Spain: \$68 million (3%)
- Netherlands: \$66.9 million (3%)
- Poland: \$62 million (2.8%)
- Saudi Arabia: \$57.8 million (2.6%)
- Australia: \$52.6 million (2.4%)
- Switzerland: \$39.8 million (1.8%)
- Hong Kong: \$32 million (1.4%)

By value, the listed 15 countries purchased 81.9% of all natural honey imports in 2018.

Among these countries, the fastest-growing markets for natural honey since 2014 were:

- ✓ Australia (up 32.9%)
- ✓ Netherlands (up 32.6%)
- ✓ Japan (up 21%) &
- ✓ China (up 19.6%)

Those countries that posted declines in their imported natural honey purchases were led by: Saudi Arabia (down -32.9%), Hong Kong (down -17.1%), France (down -15.7%) and United States (down -13.4%).

# U.S.A MARKET

## **Per Capita honey consumption and the average price of all honey in the U.S. for the years 2015-2018:**

- 2015 – 1.51 pounds/person, \$2.09/lb.
- 2016 – 1.60 pounds/person, \$2.12/lb.
- 2017 – 1.83 pounds/person, \$2.16/lb.
- 2018 – 1.7 pounds/person, \$2.16/lb.

Per capita consumption has increased from about 1.2 pounds in 2010 to 1.7 pounds per person in 2018 – a 29% increase per person.

Each person in the US is eating more honey each year; the real gain is because there are more people, about 7% more now than in 2010.

## **Honey imports in 2018**

Imports represent approximately 75% of the overall honey consumption.

Of the honey consumed in the US in 2018, 152.3 million pounds was produced in the US, and 442.6 million pounds was imported.

# U.S.A MARKET

## Main honey-supplying countries

Value of Honey Imports into the U.S., by country, 2018, Million U.S.\$

- Argentina – \$88.8
- India – \$83.2
- Brazil – \$81.6
- Vietnam – \$61.1
- Canada – \$ 47.9
- New Zealand – \$37.2
- China – \$20.0
- Ukraine – \$17.2
- Mexico – \$13.3
- Thailand – \$10.1
- Turkey, Spain, Germany, Australia, and France total – \$24.2

These countries total 96.1% of U.S. imports, 2018, with a value of \$485 million.

# OVERVIEW OF NEW GLOBAL MARKET TRENDS

## **Global practices & in the US that will shape honey market in the next few years.**

Shift from honey production income to pollination income/ sales of bees income in the US

China which is the major export player suffers negative media coverage in the US

➤ Because of the many fake honey products in China, quite a few Chinese prefer to buy imported honey.

In India, climate change is beginning to impact beekeeping as honey bees in India are being hit by diseases and the recent harsh winter has affected nectar secretion in many parts of the country.

Argentina is the second largest producer of honey in the world, but its bees are dying at a rate of 30% every year, according to the Centre of Investigation on Social Bees (CIAS).

## **About EU**

The EU plays an important role in the international honey game. They are major importers of honey, and, with the status change in Chinese imports into the US, the EU has absorbed much of what used to be sold here.

European countries bought the highest dollar worth of imported natural honey during 2018 with purchases costing \$1.2 billion or 52.3% of the global total.



# MARKET ANALYSIS COMPETITION

Our key competitors:

GR market:

- domestic competition
- GR export companies

Neighbor countries (non-EU):

- Turkey as main export and in which markets?

U.S. market:

- Identify which U.S. States
- What are the main countries that sale honey in the U.S. market
- Prices / quantities & quality per country
- Domestic U.S honey consumption trends

# STAYIA'S POSITIONING & EVOLUTION

Company's market position vs competitors (i.e. both production & sales volume)

Market share (per product)

The shift in market shares & sales per product (3-year plan) in Greece & abroad