



## Business and Investment Snapshot

### Honey: Processing

<b>Sector(s):</b>	Agro-processing: Honey commercialization and diversification
<b>Location(s):</b>	Mekele, Ethiopia
<b>Product Line(s):</b>	Honey and beeswax both for local and export market.
<b>Management:</b>	The manager has ten years of experience in the sector and a Master's in commerce.
<b>Opportunity:</b>	<p>Established in 2003, this Company is seeking to expand its current honey processing capacity. Its factory is situated in Mekele, located in northern Ethiopia. Currently, the Company has 15 employees that operate three production lines for pure natural honey, pure natural beeswax and pure honey Tej (an alcohol sold in the domestic market derived from honey).</p> <p>The Company owns honey processing equipment and packaging machinery. Their current honey processing capacity is 500 kg per day. The Company collects raw honey from local beekeepers, collectors, cooperatives and unions.</p> <p>The Company is seeking investment to expand its current operation by setting up a new farm, improve current processing plant machinery, and provide training to local farmers. The company plans to increase its production capacity to 3,000 kilograms per day. The major problems the Company faces are shortage of raw material supply and raw material prices. The Company believes, other than collecting honey from farmers, producing it will have significant cost advantage resulting in improved margins. The investment amount needed is \$850,000 of which, \$750,000 goes to CAPEX, and \$100,00 will be used as working capital.</p>
<b>Market Trends:</b>	Ethiopian honey production accounts for approximately 2.48% of world production and 21.73% of African honey production. From the total annual production of honey worldwide, about 67% is marketed in its country of origin and about 23% is traded in the export market. From 2008 through 2012, export of natural honey has grown by 61% on average.
<b>Investment Amount:</b>	\$850,000
<b>Current Net Profit Margin:</b>	20%
<b>Impact on Value Chain:</b>	Market access to farmers, technology transfer and enhanced quality in honey production. Expected to impact 500 farmers.

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