

As your supplier of quality Canadian honey, we aim to provide you with regular updates on the honey market.

As honeybees are not native to Canada, without beekeeper intervention, these bees probably would not survive Canada's harsh winters. In order to protect the hive from the cold, beekeepers will either store the beehive indoors or wrap the hive with insulation for the winter months. Both methods are effective in wintering bees, but neither can fully guarantee that the bees will make it through the winter months, so losing 10 to 15 hives out of 100 (10-15%) is considered normal loss.

From year to year, higher than normal losses do occur, but are usually contained to certain regions of the country. One of the causes of winter loss are mites that infiltrate the hive and attach themselves to the honeybee. Mites can be very destructive. They can kill enough bees that the rest of the colony becomes weak and unable to survive the winter months. What is very unusual this year is how widespread the losses have been right across Canada. The Western Producer recently reported - *"Rod Scarlett, executive director of the Canadian Honey Council, estimated average bee losses range from 40 to 45 percent in Alberta, Manitoba and Ontario, rising to about 60 percent in Quebec. Losses are likely about 30 percent in Saskatchewan, declining to about 20 percent or less in British Columbia and the East Coast, he added."*

The article also speaks to the suspected cause of this high winter loss - *"The higher losses this spring across much of Canada were largely due to hot weather last year that favoured the spread of the mites, he said. It started with an early spring in 2021 and summer heat waves that continued into the fall, resulting in what Scarlett called a perfect season for growing mites as well as bees."*

Usually, when a Canadian beekeeper experiences high loss, they will purchase additional bees from a fellow beekeeper or from a bee importer. Since so many Canadian beekeepers are experiencing high losses this year, few beekeepers have any surplus bees to sell to others in need. To add to the problem, importing honeybees to Canada is very difficult, due to limited airline flight options.



Statistics Canada reported that in 2021 there was over 800,000 hives in Canada, a record high. Although there will be some bee population recovery, in all likelihood, honeybee hive count will be down this summer. Lower hive count could negatively affect honey production.

How substantially this shortage of bees will affect the 2022 honey crop is still too early to know. On the other hand, the late spring in most of the prairies this year delayed seeding in certain areas, which could benefit beekeepers. It may provide more time to naturally rebuild the bee population in the hives prior to the honey-producing season.

In anticipation of tighter supply this summer, some buyers have already been actively contacting Canadian beekeepers looking to pre-book their honey crop for this year. Early offers were reported in the range of \$2.85 to \$2.88 per pound and are now at \$3.00 per pound. As it is still very early in the season and demand is strong, most beekeepers are not willing to sell under \$3.00 per pound and counter offers are between \$3.05 and \$3.10 per pound.

At the same time, there are other factors also affecting honey prices around the world.

1. United States

The final determination of duties for honey shipped from Argentina, Brazil, India, and Vietnam have now been finalized. Due to the situation in Ukraine, this country was removed from the investigation and no duties were assessed. How these duties will affect world honey prices is difficult to know but it is creating apprehension in the market.

2. Ukraine

Ukraine produces about 70,000 tons of honey annually and most of this honey is sold in Europe. In comparison, Canada produces about 40,000 tons. Although at this point, reports are that the honey crop outlook is looking favourable, the concern is the reliability for freight transporting honey out of Ukraine. If transportation becomes too difficult, European buyers may have to look for alternatives.



3. Argentina

Argentina had an average crop this year but due to high inflation, beekeepers would rather sell honey in smaller quantities, as the honey is worth more in a barrel than cash in the bank. The slow release of honey in the market has been keeping prices very strong in Argentina.

Like most Canadian food manufacturers, we are also facing significant inflation pressures since the start of the year. Packaging is up 22%, production costs up 6%, fuel up 32%, and additional freight costs are being applied from all of our primary suppliers. As part of our regular cost controlling measures, we actively request quotes from competing suppliers, but at this point, it seems that all suppliers are facing the same inflationary pressures.

In order to ensure continuous supply of quality Canadian honey and to provide a competitive return to our beekeepers, Bee Maid Honey Limited is announcing a price adjustment with new shipments effective October 17, 2022.

All orders received prior to the close of business on October 14, 2022 will enjoy current costing.

We thank you for continuing to support Bee Maid Honey and the Canadian beekeepers that supply us with pure, quality Canadian honey.

