

## AMERICAN EXPERIENCE IN IMPLEMENTING THE CONCEPT OF RELATIONSHIP MARKETING IN THE BEEKEEPING INDUSTRY

**Kozyaychev Yuriy Valeryevich**

Postgraduate

Belgorod National Research University

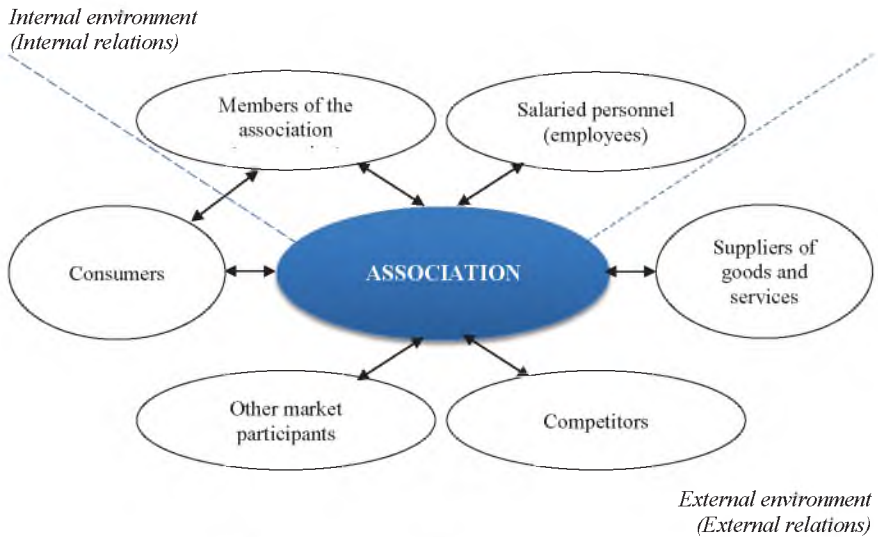
Belgorod, Russia

**Abstract.** The article assesses the experience of implementing the concept of relationship marketing in the beekeeping industry in the United States through the creation of professional associations of farms. Some characteristic features of sectoral interactions of small enterprises of the agro-industrial complex with other market participants are highlighted, an analysis of honey marketing channels through cooperative enterprises is carried out. Based on the results obtained, appropriate recommendations were given to improve the efficiency of beekeeping development in the regions of honey-producing countries.

**Keywords:** agro-industrial complex, association, cooperation, relationship marketing, honey, beekeeping, bee family

The concept of marketing management of relations of small businesses with other market participants as a factor in increasing the state and regional competitiveness of the agricultural sector is a characteristic feature of the modern innovative economy. The interdependence and interconnection between cooperative processes, increasing the competitiveness of agricultural products and stimulating innovation is a new economic factor that allows private farms to resist the pressure of global competition and properly comply with the requirements of national and regional development programs for the agro-industrial complex. Hence, the marketing of relations in the agricultural sector can be defined as a purposeful process of building relationships between economically related agricultural producers and industrial enterprises, as well as scientific institutions geographically located in one territorial unit and involved in a common production and logistics chain, creating competitive products and services, the implementation of which increases their individual profit, reduces transaction costs, etc. At the same time, for the branches of agriculture (including beekeep-

ing), the production structure of which is dominated by the private sector, the formation of the concept of marketing relations occurs through cooperation, the speed of development of which is directly proportional to the number of cooperatives (associations) of farmers functioning in the industry, around which complex processes of development of a chain of inter-firm relations and management of partnership interactions. Therefore, the relationship marketing model in the beekeeping industry has the configuration shown in figure 1.



**Figure 1. Relationship Marketing Model Configuration in the Beekeeping Industry (compiled by the author)**

Consider the sectoral characteristics of the functioning of beekeeping, as well as the dynamics of the sale of its products, the coordination and economic mechanisms of interaction between farms and industrial enterprises, the development of the social and production infrastructure of the industry in the USA, where a system of cooperative relations of various levels has been formed in beekeeping, and the industry's annual contribution to the national economy is estimated at 15 billion dollars.[3].

In 2020, due to restrictions associated with the coronavirus pandemic, a number of restrictions were formed in the national production of beekeeping products: 1) a disruption in the supply of breeding material from New Zealand, Chile and other countries; 2) a shortage of seasonal workers

from Latin America; 3) the closure of farmers' markets; 4) difficulties with the material and technical support of farms and the provision of bee colonies with feed. Ultimately, this led to the fact that, according to the statistics of the US Department of Agriculture [9], most of the economic indicators of the industry in 2020 were lower than in 2019, but the volume of honey imports increased to cover the internal deficit (tab. 1). The main importing countries of honey for the USA in 2020 were: Vietnam (50 thousand tons), Argentina (40 thousand tons), India (37 thousand tons), Brazil (34 thousand tons) and Ukraine (11 thousand tons) [2].

**Table 1.**  
**Dynamics of changes in the main indicators of the beekeeping industry in the USA in 2019—2020 (compiled by the author based on [1, 2, 4, 5, 9])**

№	Indicators	Year		Changes in 2020 compared to 2019 (%)
		2019	2020	
1	2	3	4	5
1	The number of beekeepers employed in the industry (thousand people)	103	97	-6
2	Number of bee families (million pcs)	2.9	2.8	-3
3	Commercial honey production (thousand tons)	74	68	-9
4	Honey export volume (thousand tons)	7	9	+29
5	Honey export value (million dollars)	20	26	+30
6	Import volume of honey (thousand tons)	189	197	+4
7	Honey import cost (million dollars)	430	442	+3
8	Productivity of marketable honey per 1 hive (kg)	25.5	25	-2
9	Average number of bee colonies per 1 bee-keeper (pcs.)	27	30	+11
10	Average per capita honey consumption (kg per year)	0.78	0.83	+7
11	Purchase price of honey (dollar/kg)	4.9	5	+2

Due to the decrease in the number of bee colonies, the cost of pollination services increased by about 4 times. So in 2020, the rent for one hive rose to 250 dollars [4, 5]. It is noteworthy that for pollination of 0.5 hectares

of land, 2 bee colonies are required, and the period of pollination of agricultural crops lasts only 3 weeks.

Due to the high labor productivity achieved through the unification, mechanization and automation of beekeeping processes, the production of commercial honey in the United States remains at the level of 70-75 thousand tons per year [1, 2, 9]. An important role in maintaining the stability of the production of beekeeping products is played by the group association of farmers in associations, mainly on a territorial basis. There are over 200 associations and other unions of beekeepers in the United States. A key role among them is played by two national organizations - the American Beekeeping Federation and the American Association of Honey Producers, as well as regional beekeeping associations: East, West, Central, as well as the association of honey processors The True Source Honey (tab. 2). Since the mid-1980s, there has been a need for a centralized promotion of honey at the national level and for the coordination of interaction between the actors of the beekeeping industry. Therefore, in 1987, the US Department of Agriculture, together with farmers, created the National Honey Council. The budget of this organization is about 3 million dollars per year and consists of deductions from entrepreneurs in the amount of 0.01 dollars for every 500 grams of domestic or imported honey with which they operate.

The aforementioned beekeeping associations are non-profit public organizations, whose budgets are formed exclusively from membership fees, and their main purpose is to bring the problems and interests of their members to the attention of the federal government; to protect and develop the national beekeeping industry and the market for beekeeping products; control of the quality of honey that gets "on the table" to American consumers.

**Table 2.**  
**A group of active associations in the US beekeeping industry**  
**(compiled by the author based on [4, 5, 6, 7, 8, 10, 11, 12])**

The name of the association (union) of beekeepers	Year of foundation	Organizational and legal form	Geography of presence	Purpose of activity	Association membership base, people
1	2	3	4	5	6
American Beekeeping Federation (ABF)	1943	NPO	The whole territory of the USA	Bringing the interests of members to the attention of the authorities, promoting the development of the American honey market, monitoring the quality of honey, promoting the beekeeping insurance program.	>1500
American Honey Producers Association (AHPA)	1973	NPO	The whole territory of the USA	Promotion of the common interests and the general welfare of honey producers.	>1000
Eastern Apicultural Society (EAS)	1955	NPO	New York, Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, Delaware, Maryland, Kentucky, Tennessee, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi and the District of Columbia, as well as Ontario, Quebec and the Canadian Coastal Province	Promotion of the beekeeping industry, beekeeping training, skills certification and cutting edge research in beekeeping.	> 1000

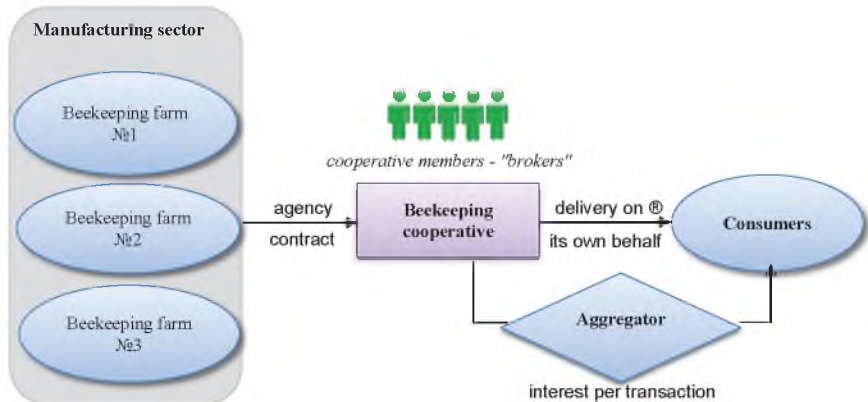
Continuation of table 1

1	2	3	4	5	6
Western Apicultural Society (WAS)	1978	NPO	Alaska, Arizona, California, Hawaii, Colorado, Idaho, Utah, Montana, Nevada, New Mexico, Oregon, Washington, Wyoming, and Alberta, British Columbia, Yukon, and Saskatchewan	Expand resources for training beekeepers and develop industry partnerships with scientists, professionals and industry leaders in the western United States.	>900
Central Apicultural Society (HAS)	2001	NPO	Central region. (states of Wisconsin, Indiana and Kentucky and other states)	Providing the industry with the latest beekeeping knowledge and courses for beginner and advanced beekeepers in the Central States.	> 400
Sioux Honey Association Cooperative (SHAC)	1921	APC	The whole territory of the USA	Providing beekeepers with equipment and resources so that they can increase production and supply of quality honey to national and regional markets.	>200
True Source Honey (TSH)	2010	NPO	Regions of the USA and Canada, Argentina, India, Vietnam, etc.	Created by American honey producers, processors and packers to draw attention to the problem of illegal obtaining honey from other countries (especially from China)	>750
National Honey Board (NHB)	1987	NPO	The whole territory of the USA	Development of beekeeping, informing the population about the benefits of using beekeeping products for food, monitoring their quality in the domestic market.	>300

Analysis of the distribution channels showed a fairly short honey route; a significant part of it is sold by American beekeepers through intermediaries, which are most often companies engaged in the packaging and packaging of honey. Let us consider an example of such interaction "farm - intermediary enterprise - consumer" on the example of the functioning beekeeping cooperative "Sioux Honey Association Co-op" for many years, the main activity of which is the procurement, processing, packaging of honey and its subsequent sale under its own label (fig. 2). This cooperative system is multifunctional and covers the entire territory of the United States, unites more than 200 beekeepers, and it accounts for more than 25% of the country's honey operations [8]. At the same time, the peculiarity of this business model is to preserve the independence of family farms, and decisions are made in a democratic way at a general meeting of cooperators. The company strives to produce only the highest quality cooperative honey, and then sell it under its own brands Sue Bee (classic honey) and Aunt Sue (raw and unfiltered honey) for any application [8]. Therefore, honey is purchased from farms in strict accordance with the quality protocol, and sometimes with the involvement of services from the non-profit organization The True Source Honey to independently control the quality of honey from the supplier. In the future, the company processes, packs and packs honey in designer small containers with a volume of no more than 500 grams [8]. At the same time, American consumers, unlike Russian ones, prefer liquid honey, and its natural crystallization is considered an indicator of poor quality. In the future, the sale of finished products occurs mainly through the Amazon electronic trading platform or directly through its own network of retail outlets.

In the United States, there is a close relationship between the beekeeping community and other sectors of the national economy, as well as the federal government through associations, which effectively develop a multi-level system of cooperation between small businesses and other market participants, which allows for a balanced combination of government regulation, market laws and modern forms of cooperation relations between business entities. Hence the development of beekeeping in the regions of honey-producing countries, it is necessary to start with improving the market relations of the subjects of the beekeeping industry with other sectors of the national economy; eliminate the shortage of qualified specialists; to increase the number of large specialized beekeeping farms with the production of products on an industrial basis; to raise the level of automation and mechanization of farms; focus on the development of the industrial and social infrastructure of the industry through the creation of

regional cooperative cluster platforms that allow managing relationships and coordinating the actions of stakeholders. The current economic situation on the national market in the United States, where there is an increase in demand and a shortage of honey, can serve as a motive for the export-oriented direction of the industry's development in honey-producing countries.



**Figure 2 — The path of honey from an independent producer (farmer) to a consumer through cooperative relations in the USA (compiled by the author)**

## References

1. Gavrilenko, A. Russia is obliged to regain its world leadership in the honey market [Electronic resource] / A. Gavrilenko // National Agrarian Agency— October 06, 2020 — Access: <https://rosng.ru/post/rossiya-obyazana-vernut-sebe-mirovoye-liderstvo-na-rynke-meda>
2. Ponomarev, A. S. Beekeeping in the USA in 2020 [Electronic resource] / A. S. Ponomarev // World of beekeeping — April 27, 2021 — Access: <https://www.apeworld.ru/1619507585.html>
3. Rubenko, M. Doesn't Buzz. The world is calculating the losses from the mass death of bees [Electronic resource] / M. Rubenko // RIA News — August 24, 2019 — Access: <https://ria.ru/20190824/1557834835.html>
4. American Honey Producers Association [Electronic resource]. — Access: <https://www.ahpanet.com/>



5. American Beekeeping Federation [Electronic resource]. — Access: <https://www.abfnet.org/>
6. Eastern Apicultural Society [Electronic resource]. — Access: <https://easternapiculture.org/>
7. Western Apicultural Society [Electronic resource]. — Access: <https://www.westernapiculturalsociety.org/>
8. Cooperative of Sioux Honey Association [Electronic resource]. — Access: <https://siouxhoney.com/>
9. United States Department of Agriculture [Electronic resource] — Access: <https://www.usda.gov/>
10. National Honey Board [Electronic resource] — Access: <https://honey.com/>
11. Non-profit organization True Source Honey [Electronic resource] — Access: <https://truesourcehoney.com/>
12. Central Apicultural Society [Electronic resource] — Access: <https://www.heartlandbees.org/>