

## Interventions in Honey Value Chains: Making difference for indigenous communities

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**Abstract:** Honey as a natural product, through interaction of complex botanical and zoological species, generates a unique market with huge information asymmetry. It is ethnic communities, living closely with the nature, which depend on honey for their livelihood. Power dynamics in the trading scenario works unfavourably for the ethnic communities. In this paper we are documenting the intervention by Keystone Foundation that has changed the value chains in honey trade in Nilgiri Biosphere Reserve (NBR) which is spread in three south Indian states. We also compare impact of different types of traders on the income for honey hunters by presenting one value chain in a local community.

### Introduction

Non-Timber Forest Product (NTFP) collection is at the heart of the livelihood options of around 100 million people in India living close to forest. Out of this 70 million belongs to scheduled tribes. In the absence of lack of precise information, the estimation is that total production of NTFP in India is worth about Rs 4200 crores annually (MoEF, nd). Asymmetry of information on market value of NTFP is very high throughout the world (Wickens 1994; Pfund& Robinson 2005). This is a major determinant in price realization of NTFP products by the primary collectors of NTFP. There is good knowledge about the unfair treatment that primary collectors face in the NTFP trade. Substantial change to the lives of NTFP primary collectors is possible by making interventions in the value chains of NTFPs. In this paper we will show how the intervention by Keystone Foundation on honey products have made differences to the indigenous communities in Nilgiri Bio Reserve (NBR)<sup>3</sup>.

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<sup>3</sup>Nilgiri Biosphere Reserve (NBR) is the first internationally designated Biosphere Reserve of India. It was established in the year 1986 under the proposition of UNESCO. It comprises the three states of Kerala (districts of Palakkad, Malappuram and Wyanad), Karnataka (districts of Coorg and Mysore) and Tamil Nadu (districts of Nilgiris, Coimbatore and Erode). It covers 0.15%of India's land area i.e. anarea

## **Keystone Foundation**

Keystone Foundation has been working in NBR since 1995. Headquartered at Kotagiri, from the very beginning Keystone began its intervention with NTFP collectors with the aim of ‘conservation along with livelihood security’. Eventually, Keystone’s work spread into five areas of Livelihood, Conservation, Organic Market Development, Culture, and Environmental Governance. Interventions in the area of land development to address malnutrition, drinking and irrigation water through formation of groups were necessary to sustain the intervention around NTFP. In this short section, we will introduce Keystone’s interventions in the area of honey market, without detailing other arenas though there is strong organic connection between all activities that Keystone is undertaking.

Keystone’s work began with few Irula and Kurumba honey hunting communities near Kotagiri. Low price realized from traders was the primary reason for this work. Keystone started buying directly from honey hunting communities at the double price than traders offered. Initially, three types of challenges waited Keystone’s work. Traders threatened Keystone staff seeing them as competitors; indigenous communities were distrustful of the outsiders; and convincing forest officials about the project. Slowly and steadily, Keystone was able to extend intervention to all Irula and Kurumba settlements in and around Kotagiri area. Keystone slowly gained recognition in these areas and their employees began to be addressed by local people as the “Thenu office” (Honey office).

Keystone encouraged honey collection through traditional harvesting practices and strongly believed that was at the core of sustainability. Keystone set up value addition units at the villages

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of 5520 sq. km and is home to a wide variety of flora and fauna. The NBR has six protected areas and more than five different types of forests.

where the primary collectors were given necessary technical and marketing help. Different NTFP products needed different types of technologies. Most of the techniques in these value addition units were developed by the staff of the Keystone (trained personnel from the local areas itself) such as filters to filter honey or waxmelters. The products obtained through these units are given the brand name of 'Last Forest' (which has been recognized as a mark of quality now) and sold through Green Shops at Ooty, Kotagiri, Mysore and Coonoor. Keystone maintains traceability of its products. Any product that has been sold to a consumer can be traced back to the person who has sold it to Keystone.

Importance of this intervention and how it makes a difference to the livelihood of the people could be realized only when the context of honey market in NBR is understood.

### **Context of Honey Market in NBR**

Major part, of India's total honey production of approximately 60 thousand ton per annum, comes from wild bees (Phadke 2008).<sup>4</sup> Honey is classified as a minor forest produce (NTFP) of animal origin (Shiva & Mathur 1996). Honey as a natural product, through interaction of complex botanical and zoological species, generates a unique market.

The major honey zones in NBR include Kotagiri and Coonoor areas of Nilgiris, Sigur, Mukkurthi, Mudumalai, Bandipur, Nagarhole, Wynad, Silent Valley, Nilambur, and New Amarambalam Reserve Forest, Attapadi Valley, Pillur Valley, Anaikatti, Boluvampatti and Sathyamangalam Hills. Though NBR is home to a large number of indigenous communities, not all the ethnic groups engage in honey hunting. The main honey hunters are Todas, Sholigas,

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<sup>4</sup> However, apiculture is in progress after European bees are introduced in India, particularly in Himalayas. In 2010 Centre for Science and Environment (CSE) reported the widespread anti-biotic found in this kind of Indian honey.

Kattunaickens, Kurumbas, Cholanaickens and Irulas. Todas generally collect honey for home consumption and minor sales. The *apis dorsata* honey, which is generally obtained from combs that are built on cliffs and tall trees. Most Kurumbas are experts in cliff hunting of honey whereas Irulas collect it from giant trees. The *apis cerana* honey is generally collected from tree cavities whereas *apis florea* and dammer honey is collected in small quantities from shrubs and cavities in walls. The dammer honey is highly priced and used for medicinal purposes (Keystone 2007). Each of this ethnic group specializes in different ways and methods to collect honey which has given rise to specific techniques and traditions. Honey hunting is a seasonal activity, which happens only for a period of three to four months in a year (March-June), based on the area and flowering patterns.

Honey collection is a risky job. Legendary stories as well as trust-based arrangements are chilling to hear. One of the famous arrangements is worth narrating. Often while collecting the honey from steep cliffs, the practice is to drop a rope from above and one person moves down through the rope (or rope ladder) to collect the honey and wax. Another person holds the rope tightly from top. The person who holds the rope is normally the brother-in-law of the climber. “The hunter’s trust is based on the knowledge that if any harm befalls the hunter, his sister will become a widow and the rope holder will be responsible for her” (Roy et al 1997: 44). This practice was common across different types of tribes in the region. Similar work arrangements proved that how income opportunities are utilized cannot be separated from social ties. However, in this paper we are not entering to the hunting patterns or work. Rather, our focus is primarily to understand what happens to the price of honey between hunter and next point of sale of honey. We are also not investigating what happens to honey and its prices once it leaves the region. However, we learned that most of the major players in honey market in India like Dabur (about

75% of market share) or Himalayas procure honey from the Nilgiris region. However, such procurement is primarily through local traders to whom honey hunters sell the honey.<sup>5</sup> Until the honey reaches certain traders in big towns, there is only informal business (without records such as invoice or receipts and quality checking for products).

### **Value chains in honey market**

In this section, we describe one honey value chain in NBR. This value chain from Athoor (Karnataka) is to demonstrate a typical case. See Keystone (2007), MoEF (nd) and Pellissery et al (2012) for many more value chains.

The village Athoor is seven kilometers from the Karnataka-Tamil Nadu state border on Sathyamangalam-Mysore road. The village consists of five small settlements lying on either side of the road. See Table 1 for more details on type of people and number of households there. The Karnataka state check post is located right at one corner of the village.

Keystone Foundation, which promotes honey-based livelihood in NBR, has a honey collection centre 16 kms away from Athoor. This place can be reached only by crossing the check post. Since honey collection and trade is banned in the NBR part of Karnataka, if a honey hunter attempts to transport honey cross border, there is high chances of being caught at the check post. There are two ways used by honey hunters to cross the border with honey. First, an early morning bus can be taken. Often, public buses are not checked by forest guards,

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<sup>5</sup> We also came across with few local traders who used to send honey via parcel to such companies. Most of them abandoned such ventures after parcel authorities refused to take honey since it is an NTFP.

particularly in early morning. Second, if a lorry driver is ready to risk, both lorry driver and honey hunter reach an agreement to share the honey (often, lorry driver claims 1 kg honey) in return for crossing the border.<sup>6</sup> Once the honey crosses the border, the honey hunter could earn Rs.60 per kg<sup>7</sup> at Keystone's Centre (see value chain). This is most attractive option for hunters,<sup>8</sup> second to selling in retail directly to tourists (see value chain).

Though there are many tourists and travellers, who are interested to purchase honey directly from the hunter (for relatives and friends), the honey hunters do not consider this as a serious option. This is because, direct selling is suitable only for the people living on the main road.<sup>8</sup> If they are involved in retail honey selling, they need to have honey stock round the year which means that they do not have immediate cash to meet their expenses. They also run the risk of being unable to sell the stocked up honey. Some of the honey hunters reported, that to succeed in retail selling, one needs to have contacts with the travelers and good negotiation skills.<sup>9</sup>

Third option for the honey hunters in Athoor is to sell the honey to traders in Athoor itself. There are four traders in Athoor. One of them is a hunter-cum-trader. The attraction is to gain interest free loans from these bulk buyers. One of the honey hunters who sells almost all of his honey to the bulk buyer (at reduced cost of Rs. 5 per kg than he may get from Keystone) said: "This option is less risky. If forest guard happens to see, you may lose the entire stock. In addition, bulk buyers in village are not particular about quality, unlike Keystone". Another honey

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<sup>6</sup> Honey hunters normally transport honey in small oil cans of capacity five to ten liters (each liter of honey weighs about 1.37 kilograms). Wax is mostly transported in small quantities, by putting it in a cloth bag.

<sup>7</sup> This figure comes from 2008 when the field study was conducted. In 2012 this price is 175/- per kg

<sup>8</sup> There are only a couple of honey hunters living on the main road.

<sup>9</sup> The price of honey depends on the type of honey, the buyer's knowledge of honey, the season during which he is buying it and his relation with the honey seller (first timer or a regular buyer and so on). The price varies from 80 per liter to 120(Rs. 58 to Rs. 88 per kg) per liter of honey.

hunter-cum-trader narrated a story of how forest guards took away a container of 100 kg while trying to transport through bus. He pretended the container as not belonging to him. Though he attempted to pay bribe to forest guards through a mediator, when the guards communicated the plans to arrest the owner of container, he gave up the idea to recover the honey by paying bribe.<sup>10</sup>

**[Figure 1: Value chain of honey Athoor (2008)]**

**Benefits from Keystone Intervention**

The most important benefit to the indigenous population through Keystone intervention is the highest price that is offered to primary honey collectors. In some of the villages Keystone intervention has virtually eliminated the traders who used to make unusual profit due to information asymmetry.

Along with the economic benefit, equally important is the ecological value addition that Keystone intervention is doing by promoting sustainable traditional beekeeping. Without disturbing the flora and fauna of sensitive NBR, Keystone has trained the primary honey collectors to make livelihood without ‘finishing off’ the resources at one go.

A third benefit, closely connected with the economic benefit, is the process of value addition that is formalized by using the indigenous knowledge base. This has two impacts: First, economic benefit is gained through value addition. These value addition units make profits. After discussions with the community and if decided during that meeting, an amount is shared with all the

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<sup>10</sup> Another trader who poured out the honey on ground, when caught by guards, said: “you will never be able to form a nexus with guards since they demand a lot. If you meet their demands, you can run your business profitably”.

honey hunters. Second, indigenous communities feel empowered when their knowledge is valued. The indigenous communities are also provided with training where they lack know-how.

A fourth benefit relates to an aspect which we have not described in this case. Keystone has undertaken important land development projects in the region. This has provided livelihood opportunities in the off-seasons for honey. Thus, complementarily livelihood options are utilized.

Keystone also provides group insurance for honeyhunters to offset the risks that may be emerging from health hazards while hunting honey or even for the illness of family members.

## **- Conclusion**

This paper has highlighted the constraining factors to access competitive prices in the honey market by the hunters. These constraining factors have their roots in variety of legal, social and political dimensions. This is highlighted in the MoEF report (nd: 1): “The price of NTFPs is most often determined by the traders – depending on the margin they need. It is not based on demand/supply. If the latter was true – NTFP prices would be very high, in most cases. Generally the prices are only slightly higher than daily wages – not attaching any value to the forest or its availability”. It is in this context, interventions like Keystone becomes significant for price realization for primary collectors.

From the point of view of the lessons to be learnt and replicability of the Keystone model, what require immediate attention is the support systems for value addition. The paper has shown how volume of honey collected determines trading partner. Taking cues from this lead, two options are possible. One is the specialized storage capacity at community level, which with

milk cooperatives in India provides a guiding example. Second, is the absence of value addition done on most of the non-timber forest products. Exception in our case has been that of the intervention by Keystone. There is a great role for entrepreneurs in this regard to create value addition firms, which in turn could provide better returns for hunters. Value addition is the key channel through which local players could gain better control on market.

Another important lesson from this case is the way sustainability is married with livelihood in this intervention. This requires each of the intervening agent to understand the culture and local realities in microcosmic manner. In the absence of sustainability focus, outside market players extract resources by using the indigenous people. This provides short-term benefits to everyone, and the whole approach leads to 'tragedy of the commons'. Keystone has shown a pathway to avoid such tragedy.

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Figure 1: Value chain of honey Athoor (2008)

