

BUSINESS

When your hive takes a dive: Removing the sting of uncertainty in beekeeping

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The beekeeping industry, more than most, is fraught with uncertainties. From fluctuating market demands to unpredictable weather conditions, and the never-ending battle against varroa, beekeepers face numerous challenges that can derail even the best-laid plans.

In my previous article published in the October 2022 edition of *The New Zealand BeeKeeper*, I introduced the concept of 'Steve's B's'—a framework to help beekeepers

navigate tough times by leveraging key relationships and strategic planning. But what happens when Plan A doesn't work out? In this follow-up article, we'll explore options and strategies to ensure resilience and adaptability in the face of our current challenges.

THE IMPORTANCE OF HAVING A PLAN BEE

While optimism is a valuable trait, relying solely on it can be risky. A robust business strategy should always include contingency plans. Here's how to develop and implement effective backup plans:

1. Develop Multiple Scenarios:

- Plan A: This is your ideal scenario where everything goes as expected. Your budgets, production levels, hive health, and sales targets align perfectly.
- Plan B: This is your fallback plan. It accounts for moderate disruptions—perhaps a lower-than-expected yield or delayed payments from buyers.
- Plan C: This is your worst-case-scenario plan. It prepares you for significant setbacks such as a market crash, natural disasters, or severe illness.

Given the current environment, not many in our industry will still be actioning their Plan A scenario. Most will be exercising Plan B and an increasing number will be scurrying to develop their Plan C. For a number of our Tairāwhiti and Hawke's Bay operations, the worst-case scenario outlined above has already occurred in the aftermath of last year's and recent weather events.

2. Regular Review and Adjustment:

- Continuously monitor your progress and adjust your plans as necessary. This includes revisiting your budgets, production targets, and sales strategies regularly.

LEVERAGING KEY RELATIONSHIPS

In challenging times, your network can be your greatest asset. Here's how to effectively engage with Steve's B's—your Buyers, Business Advisors, Bankers, Band of Workers, and Beekeeping Buddies:

1. Engage with Your Buyers:

- Proactive Communication: Don't wait until your honey is in the drum to talk to your buyers. Engage them early to understand their needs and expectations. If you can understand the profile of honey, quantities they are looking for and quality expectations, you have a better chance of preparing your crop for their needs.
- Flexible Contracts: Consider negotiating flexible contracts that allow for adjustments in volume or delivery times based on production realities. Be prepared to make win/win concessions with your buyers. Your honey earns you nothing sitting in the drum inside your shed or someone else's RMA facility.
- Collaborate with others: Consider the opportunity to work with other beekeepers in your same position. Is there an opportunity to blend your honeys with your fellow beekeepers and provide your buyer with a larger, consistent batch of honey for them to market with your blended profile?

2. Utilize Your Business Advisor or Bean counter:

- Expert Guidance: Seek advice from professionals who can provide strategic insights and financial planning. They can help you navigate through tough times with sound advice and planning.



- Scenario Planning: Work with your advisor to develop and evaluate different scenarios. They can help you understand the financial implications of each and recommend the best course of action.

3. Communicate with Your Banker:

- Early Warning System: No one likes nasty surprises—least of all your banker. Inform your bank about potential cash flow issues before they become critical. Early communication can lead to better support and flexibility from your bank.
- Present Your Plans: Share your contingency plans with your bank to demonstrate that you are proactive and prepared. This builds confidence and can lead to more favourable terms.

4. Collaborate with Your Band of Workers:

- Transparent Communication: Keep your team informed about the challenges and the steps you are taking to address them. Their buy-in is crucial for the successful implementation of any plan.
- Leverage Their Ideas: Your team may have valuable insights and ideas for overcoming challenges. Encourage open dialogue and brainstorming sessions.

5. Support from Your Buddies in Beekeeping:

- Peer Networks: Reach out to fellow beekeepers. They understand your challenges and can offer support, advice, and potential collaboration opportunities. Our local Tairāwhiti ApiNZ Hub actively encourages these types of get-togethers. Wheel out the BBQ, fire up a pizza oven, pull out some drinks, and talk together!
- Shared Resources: Consider pooling resources with other beekeepers. This can include sharing equipment, labour, or even market opportunities.

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