

'Bout a 100 – Sideline Beekeeping MANAGEMENT & MARKETING

You have to manage your marketing as well as your bees.

Larry Connor

To Manage, To Market

Let me get this out on the table. I have really strong feelings (biases) about the way most beekeepers think. First, when you mention the word 'management' almost all of them think about colony management, while just the few (those with MBAs) think about business management. Second, for most beekeepers the word 'marketing' is a foreign concept. What does beekeeping have to do with marketing?

Maybe I have it wrong, but there are many times I feel I am swimming upstream against a current of strong beekeeper reluctance to discuss their business and marketing plans and that they shut down when you mention it. For some, the only time they ever think about having a business plan is when they want to spend somebody else's money to expand their bee business. To do this they need to clearly explain to their spouse how taking the money from family savings will really generate enough income to pay back on the investment (I'll avoid the big issue of second mortgages to finance bee expansion). It does not seem to make much difference if they are expanding from five to ten colonies or from 100 to 10,000 colonies.

It is refreshing to find that rare couple who share the beekeeping experience and one of them is competent in developing a business plan and keeping the other person on target and focused on making money. Too often these couples have already discussed their discovery that there is "no money in honey," and have put a fair amount of thought and research on how they are going to move forward with the business side of the bee operation, and have a plan to develop, produce and market a product (or group of products) with the intention of making a big profit.

So, if you plan to expand into comb honey production, creamed honey, creamed honey with fruit flavorings, chunk honey, beeswax candles (dipped and molded), beeswax creams, honey soaps and beeswax boot water proofing, you need a production and sales plan.

Or if you plan to produce queens, queen cells, nucleus colonies, specialized beekeeping equipment or some other bee-related product, you should have some specifics on the time of year, the production schedule, the sales plan, and the product replacement policy when somebody complains (sorry no refunds on queens you let fly away).

Let's talk about local pollination rentals. It is pretty easy to say "yes" to a local grower with a pick-your-own setup and agree to bring in 15 colonies to pollinate a three to four acre blueberry field. But when do you decide which colonies will be taken to the plantation? What special colony needs will this pollination require – like feeding and medication (colonies in blueberries often come down with European foulbrood)? If the pollination weakens the

colonies, where will they be moved to so you can rebuild the colonies' strength and get them back into production? How will you move the colonies, from strapping, to hiring help to lift the colonies onto the pickup, from renting (borrowing) a large enough truck to move 15 colonies, to having a plan to get the truck unstuck when the rear wheels sink up to the axle in the muck at the farm? And when it is all done, will you have enough income to actually make a profit? Or are you just interested in donating this service to your local community or act like a outreach against a future favor from the grower?

In many cases the only good business plan for the rental of 15 colonies in any crop is a polite *No – I don't have the bees or the equipment to provide this service*. This is certainly the case if someone is looking for a bargain, a deal, or charity.

And if you do want to provide the bees for pollination because the grower is offering a huge amount of money, paid at delivery, then negotiate a deal where you drop the colonies at a nice central location with a firm roadbed, and



How are you going to move bees for pollination?

let the grower distribute the colonies around the property. Just put it into the pollination agreement/contract what happens if they destroy the hive.

Now let's take the opposite extreme. If you already own a one-ton truck with a lift gate for honey handling, it increases the likelihood that you can move colonies into an orchard without breaking apart the beehive or busting your back. So you decide you have 80 colonies out of your 100 that you can rent for pollination for apples, blueberries, cucumbers and pumpkins. It might be theoretically possible that individual colonies will earn four separate rental fees if the blooming dates cooperate. Now put your hands on your head and keep it from spinning around as it thinks of all the money you will make.

Don't spend the income yet kiddo. You will need to have some plan to market these colonies (a potential 80 x 4 or 360 colony placements and 720 potential colony moves (each one in and each one out) – plus keeping a holding yard between rentals for so many pickups and deliveries. Set some limits, either in geography, number of colonies moved per crop, or use some criteria to keep from wearing out the colonies *and* passing yourself at night in a blur of colony movement! Factor in your regular job, and what you can say to the boss when you fall asleep at the controls of that nuclear reactor.

Focus on the area (counties) where you want to provide bees. Talk to the county ag and hort agent(s) and tell them you have colonies available for pollination. Also tell the people who answer the phone at the extension office and the local grower's coop. Also talk to master gardeners, farm markets. Put posters up in local restaurants where growers get coffee and breakfast. Mention you have a "few" colonies for local rental. You are not a commercial beekeeper with semi loads of bees. You are local and able to serve just a few growers. Set a fee at the high end of the range for your area because you do not have the advantage of volume sales. Tell folks you pride yourself on providing strong, healthy, CCD-free colonies and giving the bees expansion room so they don't swarm (a key point in apples) or you have strong yet young colonies with lots of brood and young bees so the colonies do a good job with cucumber and pumpkin pollination.

You might print up something to help with promotion: a special pollination business card, or a flier to pass out at a grower's meeting (most are held in the winter months).



Making soap is pretty straight forward. It's selling it that gets tricky.

You will need to talk to other beekeepers in the region who may have provided some of these growers with bees and make sure you are not getting into trouble with the beekeeper (although most will get over it in a generation or two) or avoid a really uncooperative grower. List your terms of rental – payment in 10 days or 30 days or at delivery – that part is up to you to decide. And hold to those terms.

Mark a calendar to schedule phone calls to the grower about a month before you expect the bees will be needed to make sure everything is going according to schedule. A week before call and keep calling every few days and be ready for the call back at 11 pm that says the bees must be in tomorrow. Then be ready to deliver them on time. If you cannot, be up front with the growers and tell them when the bees will be delivered.

Finally, do some numbers on paper. I like to play with an Excel spreadsheet and do some what ifs. What if I can only rent 40 colonies instead of 80? What if the grower's neighbor sprays and weakens the hives so I don't get a Summer honey crop? What if gas or diesel reaches \$6 per gallon? *Is it still worth it??*

Then use this rule: Multiply expected expenses and costs by four. Divide the expected income by 10. That is a realistic assessment of the potential income from bee related activities.

Soap story

With my travel around the country I see what people are making and selling and I can report that many beekeepers are making soaps that contain beeswax and honey. Some report that soap made with beeswax has a nicer feel and sets up better. Let's look at the potential production and marketing plan for soap you make at home.

Soap products have several nice aspects for beekeepers. You can use dry capping wax with just a touch of honey in it and nobody will complain. In most places you do not need an "approved" kitchen since customers do not eat soap. Soap recipes are varied and you can "invent" your own. Find a market that wants a plain product or one that values the uniqueness of your peppermint-tangerine-oatmeal blend. Soap products appeal to a wide audience, male and female (men respond to different odors than women, so learn which ones). And soap is a product many people both use and give away as gifts, so it is possible you will have regular, repeat customers for a favorite soap recipe. Finally, lots of folks like using home-made soaps because they do not use industrial fats or petroleum products.

During the early stages of your product production and marketing development you will need to find and try a few recipes. Attend a workshop or offer to help someone who is doing this already. During the research phase, find out what it will cost to produce a dozen bars of soap and find out what the local market will pay for such a product. Some markets might have soap bars selling for \$3, while upscale markets might double or triple that. Fancy papers, ribbons, labels and a little product "finish" will go a long way. Not all of us want to be Martha Stewart but we can use her ideas on how to dress up a bar of soap with some low-cost additions. Then think of a three or four bar gift box, especially before Christmas, Valentines and Mother's Day.



Adding dipped or molded candles to your product line is extra work and extra income.

Once you have a handle on the production aspects of the soap, you need to research the way you will sell this product. You might decide the best thing is to participate in an annual art and crafts show in town and sell a lot of product in a short time period. Have cards printed for follow-up sales at the house or office.

I mention beeswax-honey soaps because I use the product myself, and I have thought about producing some and selling it locally. Now the reality is this – I basically have two months a year I can sell the product because of my travels – September and December. Well, those are good months for sales, and I could search around for fairs, holiday festivals, craft shows and the like and find one or two to experiment with for a season and see what happens.

Maybe you are in this situation, with other responsibilities with job and family keeping you from doing projects like this at different times of the year. So why haven't you run out and done soaps? Why haven't I?

My excuse is that I don't think I will sell enough soap in one day to make it worthwhile. Perhaps if I had a line of other products and an established sales venue I would jump into this, but I don't. And I have no interest in selling books and soaps at this time. Maybe when I get old and retire in 20-30 years I might do this, but not now.

There is an intermediate step in this process. Since I have never made beeswax soap I need to try a few batches and give some away to friends with really tough skin. Then fish for comments after a few weeks, and try to find out



Few of us have this many bees, or the means to haul this many bees.

if they used the soap, and if they did, what they thought of it. Many will have regifted the soap to someone else. That's ok, it just slows me down a little.

Over a period of time determined by you it is possible you or I could develop enough experience making and selling soap that we have a enough experience to project the sales of 10 varieties of soap at a local venue. Then you have to ask tough questions to yourself. Can you justify spending a week preparing soap and a Saturday in September selling soap if you sell 25 bars at a \$3 markup per bar? How about 100 bars? These are questions you need to examine, adding in all the costs, the babysitter to keep the kids out of the lye solution, the rental for the booth, and more.

Finally, this may be a wonderful item to sell on the internet, with your own website. Now you have to deal with a). getting a website, b). advertising on the site, c). collecting money from people you do not meet, and d). packaging and mailing the product to the customer.

Good luck. After you go through some of these things you may decide this is the future. Follow the Bert's Bees business model. Or decide there actually is money in honey and go back to basics. But use a business production and marketing plan to help you make these important decisions. **BC**

For a copy of Dr. Connor's new 152 page, full color book Bee Sex Essentials, contact abeebooks@aol.com or go online to www.wicwas.com.