



**MARKET ACCESS SECRETARIAT
Global Analysis Report**

Honey Product Trends in Canada

July 2016



EXECUTIVE SUMMARY

The Canadian production of honey is at an all-time high. The industry produced 43,227 tonnes of honey in 2015, an increase of 11.4% from 2014. The total value of honey rose 10.9% from 2014 to C\$232.0 million as a result of increased production (Statistics Canada, 2015). The rise in health consciousness is significantly influencing the growth of honey consumption, specifically natural and organic honey products.

Honey accounted for one quarter of the total value sales of spreads, and reached 11,000 tonnes and C\$144 million in retail sales in 2015. The retail sales of honey products have increased by a compound annual growth rate (CAGR) of 4.7% from 2011 to 2015 and are expected to grow by 3.7% from 2016 to 2020 (Euromonitor, 2015). This projected growth is partly due to consumer increasing preference for reduced-sugar and supplementations with natural sweeteners.

From January 2010 to December 2015, 34 new honey products were launched. Most of the new honey products were pure and organic. The new product launches mainly consist of honey but also used different types of honey such as Logan honey, Wildflower honey, Manuka honey, etc.

In addition, there were 1,504 honey-related products launched between 2010 to 2015. The new product launches mainly came from the food category, with 1,435 new product launches, followed by drinks (46) and pet food (23).

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SECTOR OVERVIEW

Canadian honey production is at its highest level in years. The industry produced 43,227 tonnes of honey in 2015, an increase of 11.4% from the previous year. The total value of honey rose 10.9% from 2014 to C\$232.0 million as a result of increased production. In addition, the number of bee colonies has increased by 3.6%. This increase is largely due to the milder temperatures, mainly in the Prairies (Statistics Canada, 2015).

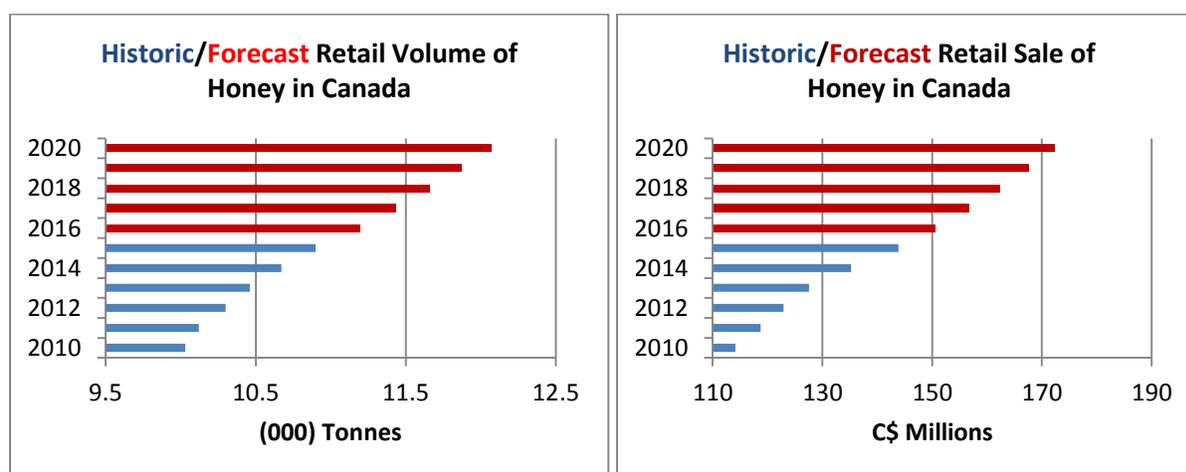
Alberta is the top honey producer in Canada and one of the largest in the world, producing about 19,414 tonnes of honey in 2015. However, there is an increase in beekeeping in more municipalities such as Toronto, Montreal, and Vancouver (Statistics Canada, 2015). As there is a growing demand for honey, there is a rise in beekeeping.

CONSUMER AND ECONOMIC TRENDS

The rise in health consciousness is having a significant impact on the growth of spreads, more specifically in honey. The growing preference for natural products and the growing demand for quality ingredients and clean label products are indications of heightened interest in organic honey (Euromonitor, 2015). Honey accounted for one quarter of the total value sales of spreads, and reached 11, 000 tonnes and C\$144 million in retail sales in 2015.

SECTOR ANALYSIS

Honey has seen steady growth, as it has been used as a natural sweetener in the midst of recognition that sugar intake needs to be further reduced. Honey is projected to maintain growth with a CAGR of 1.7% in volume and 4.7% at constant 2015 prices to reach 12,000 tonnes and C\$172 million by 2020. This is in part due to the heightened interest in health and wellness and the World Health Organization (WHO) publication on new guidelines on sugar intake (just 6–12 teaspoons per day); this will potentially trigger consumer's preference for reduced-sugar and supplementation with natural sweeteners such as honey.



Source for both: Euromonitor International, 2015



Historic Volume and Retail Sales of Honey in Canada, in (000) Tonnes and CAD Millions, From 2010 to 2015

| Category | Units | 2011 | 2012 | 2013 | 2014 | 2015 | 2010–2015CAGR* % |
|----------|-------------|--------|--------|--------|--------|--------|------------------|
| Honey | '000 tonnes | 10.12 | 10.30 | 10.46 | 10.67 | 10.90 | 1.7 |
| | CAD million | 118.72 | 122.93 | 127.57 | 135.22 | 143.88 | 4.7 |

Forecasted Volume and Retail Sales of Honey in Canada, in (000) Tonnes and CAD Millions, From 2016 to 2020

| Category | Units | 2016 | 2017 | 2018 | 2019 | 2020 | 2016–2020CAGR* % |
|----------|-------------|--------|--------|--------|--------|--------|------------------|
| Honey | '000 tonnes | 11.19 | 11.43 | 11.66 | 11.87 | 12.07 | 2.1 |
| | CAD million | 150.58 | 156.66 | 162.30 | 167.54 | 172.37 | 3.7 |

Source for both: Euromonitor International, 2015

COMPETITIVE LANDSCAPE

Euromonitor indicates McCormick Canada has the largest share in honey in comparison to the spreads companies in Canada. Smaller players in niche segments, such as Château-Richer, QC-based Les Ruchers Promiel Inc. saw sales of its regular and organic honey brand, Naturoney, rise in the review period years prior to 2015. Its products are marked according to a classification system similar to that of wine (i.e. varietal) and feature an anti-drip cap design. The brand has made its way into major retailers such as Costco Canada, and was also highlighted at the SIAL Canada 2015 show in Toronto.

For the honey sector, supermarkets, hypermarkets, and warehouse clubs are growing retail destination for spreads such as honey. However, other channels such as dollar and convenience stores are growing retail channels as they gain more traction. This is partly due to changing demographics as younger generations are going to more channels for their various needs (Euromonitor, 2015).

NEW PRODUCT LAUNCH ANALYSIS

This section analyzes honey and honey-related products based on new product launches in Canada over a five year period from January 2010 to December 2015. New honey-related products assess food, drink, and pet food introductions in Canada that used the term “honey”. This analysis provides an example of how honey is being used and marketed in a variety of food, drink, and pet food products.

Honey Product Launch Analysis

The majority of new product launches occurred in 2010 and in 2015, which accounted for 52% of the new product launches in the five-year period. Between 2010 and 2015, 34 new honey products were launched in Canada, 25 of which were pure honey and 6 were organic honey. Within the 25 honey launches Tu-Bee, BeeMaid, and Capilano were the top pure honey brands, while the remaining 9 were a combination of honey that included other ingredients such as cinnamon, natural flavouring substance, and lavender extract. The types of honey used in the new product launches mainly consisted of honey but also included Logan honey, Wild flower



honey, Manuka honey, Acacia Honey, and Orange Blossom honey which made up 20% of the new product launches.

Top 10 Honey Product Introductions in Canada by Brand January 2005 to December 2015

| Company | Brand | Ingredient | Top Claims | Package Type | Total Pack Size (g) | Price (\$US) |
|----------------------|-------------------------|------------------------------|-----------------|---------------|---------------------|--------------|
| Tu-Bees Foods | Tu-Bees | Natural Flavouring Substance | Not Specified | Tube | 140.0 | 3.17 |
| Bee Maid Honey | BeeMaid | Honey | Kosher | Bottle | 500.0 | 6.76 |
| Capilano Honey | Capilano | Honey | Children (5-12) | Bottle | 1000.0 | 5.60 |
| Overwaitea Food | Western Family | Honey | Kosher | Bottle | 1000.0 | 8.51 |
| Safeway | Safeway Kitchens | Honey | Kosher | Bottle | 1000.0 | 9.87 |
| Wal-Mart | Great Value | Honey | Kosher | Bottle | 1000.0 | 4.68 |
| Au Printemps Gourmet | AP Gourmet | Lavender Extract | Kosher | Jar | 300.0 | 8.90 |
| Capilano | Capilano Snap'n Squeeze | Honey | Not Specified | Not Specified | 84.0 | 4.94 |
| Chuang's Company | Chuang's | Longan Honey | On-the-Go | Bottle | 500.0 | 9.08 |
| Sobeys | Compliments Organic | Honey | Kosher | Jar | 500.0 | 8.41 |

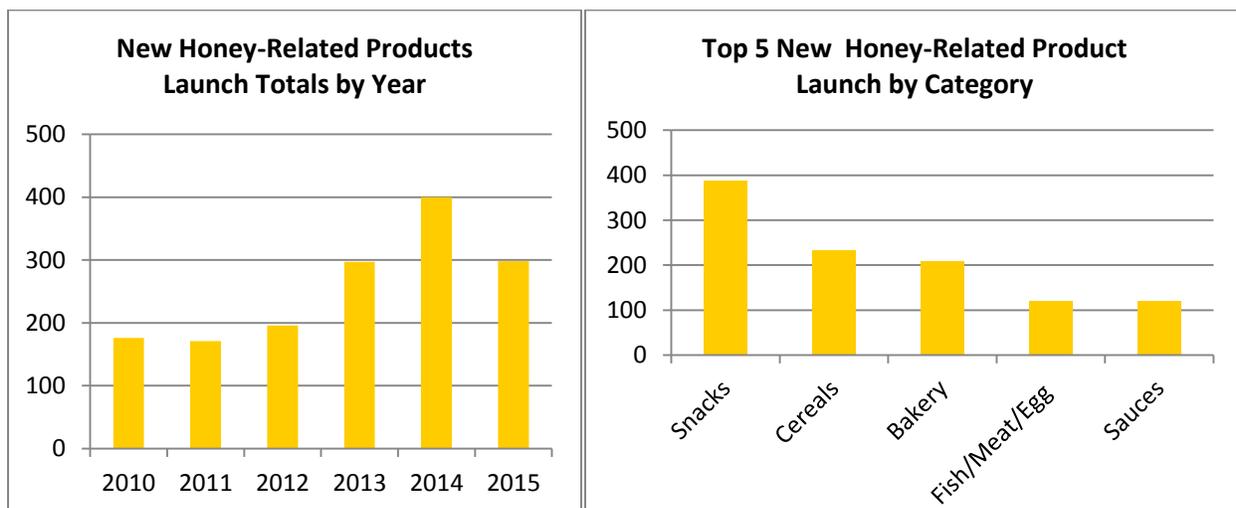
Top New Honey Product Launch Packaging Features

| Top Package Type | Launch # | Top Closure Material | Launch # |
|--|----------|----------------------|----------|
| Bottle | 14 | Plastic | 22 |
| Jar | 8 | Metal | 6 |
| Tube | 4 | Paper | 2 |
| Tub | 4 | Plastic | 1 |
| Flexible sachet | 2 | Multi laminate | 1 |
| Top Package Material | | Top Label Type | |
| Glass plain | 8 | Self-adhesive | 20 |
| Plastic PET | 8 | Shrink sleeve | 2 |
| Plastic PP | 4 | In-mould | 1 |
| Multi laminate | 4 | Wraparound | |
| Plastic LDPE | 4 | Not Specified | 10 |
| Packaging Manufacturer | | Label Material | |
| Polytainers (USA) | 2 | Paper | 12 |
| Beatson Clark plc (UK) | 1 | Plastic | 12 |
| Tettauer Glasshuttenwerke AG (Germany) | 1 | Board | 1 |
| Plastipak (Canada) | 1 | Not specified | 9 |
| Not Specified | 29 | | |
| Cap | | Neck Finish | |
| Flip-top | 26 | Screw-thread | 169 |
| Twist and turn | 7 | Press on | 2 |
| Not Specified | 1 | Press on bead | 1 |

Source for both: Mintel Global New Product Launch, 2016



Honey-Related Products Launch Analysis



Source for both: Mintel Global New Product Launch, 2016

In Canada, from January 2010 to December 2015, there were 1,504 products launched across three categories (food, drinks, and pet food). Of the launches, 65% of new product launches occurred between 2013 to 2015. This indicates a growing trend and increasing popularity of honey-related products in Canada.

Food Category

The food category dominated new product launch activities, with 1,435 new product launches. Snacks, breakfast cereals, and bakery accounted for 50% of the new product launches during the analysis period.

Drinks Category

The drink category is the second largest with 46 new product launches. Within the drinks category, the top sub-categories are hot beverages (e.g. tea), other beverages (beverage concentrates), and ready to drinks (RTD), which accounted for 49% of the total drink category launches.

Pet Food

The pet food category is small in comparison to other categories with 23 new product launches. However, it saw a huge increase in the use of honey ingredients in its new product launches in 2015. Pet food new product launches accounted for 52.2% of total launches within the analysis period. The dog snacks and treats subcategory accounted for 91% of the total pet food category.



FOR MORE INFORMATION

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- ats-sea.agr.gc.ca

RESOURCES

Euromonitor International, *Spreads in Canada, 2015*.

Statistics Canada. *Production and value of honey, 2015*.

Mintel Global New Products Database, 2016.

Mintel Market Sizes. *Spreads in Canada, 2015*.



HONEY IN CANADA

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