

## **Building a Scalable Business with Small-Holder Farmers in Kenya: Honey Care's Beekeeping Model**

It was late September, and Madison Ayer, chief executive officer of Honey Care Africa (HCA), was visiting a small-holder farm in Kakamega, Kenya. Together with an HCA technician, he was inspecting five beehives being harvested for the first time on the farmer's property. Just one year ago, HCA had launched its re-engineered business model under Ayer, who had become the company's CEO in 2010. This new model transitioned HCA from obligating farmers to maintain their own hives to providing hive management services. Ayer believed that by taking the maintenance component out of the equation for many of its BoP producers, HCA could secure a stronger aggregate supply of honey, reduce side-selling, and produce more income for each household. While the initial results were promising, the new strategy was not yet working quite as well as Ayer had hoped.

Over the past 12 years, Nairobi, Kenya-based HCA had built a solid business through farmer training, education, and awareness in partnership with community based organizations (CBOs), microfinance institutions, and other non-governmental organizations (NGOs). HCA developed trust-based relationships with beekeepers in Kenya, training them how to maintain and harvest their hives. In this way, the organization brought new supplemental income opportunities to families in the Base of the Pyramid (BoP).<sup>i</sup> HCA was especially proud of the role for women in its beekeeping model. Women historically had not participated in beekeeping in Kenya due to the use of traditional hives, which were often located some 25-30 feet above ground in trees. The introduction of HCA's Langstroth hives, which were placed on a stand, enabled women to easily manage the hives.

The Langstroth hives used by HCA were not only more accessible to farmers, but more technologically advanced than traditional hives. The combs of the hives were not destroyed during harvest, and produced more honey during secondary and subsequent harvests. This was an important component of HCA's broader strategy of cultivating long-term relationships with local subsistence farmers, who made on average less than 1 USD a day. The supplemental income opportunities provided by HCA generated approximately 3,570 to 5,100 Kenyan shillings (KES) or about 42 to 60 USD a year per hive over an average of three harvests.

<sup>i</sup> Per London and Hart (2011), the BoP—estimated globally at approximately 4 billion people—is the socio-economic segment that primarily lives and operates micro-enterprises in the informal economy, and generally has an annual per capita income of less than \$3,000 in purchasing power parity.

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