



TANZANIA HONEY VALUE CHAIN FACT SHEET

Introduction & Strategic Overview

- ❖ **Honey** is a high-potential non-traditional agricultural value chain in Tanzania, supporting rural livelihoods, forest conservation, household income diversification, and export market development. The sector provides income opportunities for approximately two million rural Tanzanians, especially in forest-adjacent communities.
- ❖ **Production Potential:** Tanzania is among Africa’s leading honey producers, with an estimated annual production potential of 138,000 MT of honey and 9,200 MT of beeswax. However, actual production remains far below potential, with estimated honey production of 33,276 MT in 2024, equivalent to only about 22% of national capacity.
- ❖ **Investment Case:** The un-utilized 78% production potential represents a major agribusiness opportunity across hive modernization, aggregation, processing, storage, certification, branding, and export market development. With appropriate financing and market structuring, the honey value chain could unlock an estimated TZS 150–250 billion investment opportunity over the next five years.
- ❖ **Strategic Goal:** Tanzania can position itself as a leading supplier of premium, organic, forest-based honey by upgrading production systems, reducing quality losses, formalizing aggregation, and investing in certification and branding for domestic, regional, and international markets.

Value Chain Map & Key Players

The honey value chain is gradually transitioning from an informal, subsistence-based activity into a structured agribusiness model targeting premium domestic, regional, and export markets. However, the chain remains constrained by low adoption of modern hives, weak aggregation systems, limited processing infrastructure, inconsistent quality, and underdeveloped market branding.

Table 1 :Key Players in Honey Value Chain.

Category	Key Players / Institutions	Functions / Roles
Input Supply	Agri-dealers, local carpenters, equipment suppliers	Manufacturing and supplying modern hives, protective gear, smokers, extractors, food-grade containers, and harvesting tools.
Production	Smallholder beekeepers, forest-adjacent communities, commercial apiaries	Apiary establishment, colony management, harvesting, primary straining, and initial storage.
Aggregation & Storage	Cooperatives, beekeeping groups, farmer organizations, private aggregators	Primary aggregation, bulk storage, quality sorting, collective marketing, and linkage to processors or buyers.
Processing	Honey processors and packers such as Swahili Honey, Upendo Honey, QVC and other SMEs	Filtering, moisture reduction, bottling, packaging, branding, quality control, and export preparation.
Regulation & Standards	Ministry of Natural Resources and Tourism , Tanzania Forest Services, Tanzania Bureau of Standards, local government authorities	Sector oversight, forest reserve management, licensing, quality standards, and enforcement of food safety requirements.
Markets	Domestic retailers, supermarkets, hotels, pharmacies, cosmetics firms, regional and export buyers	Distribution of table honey, beeswax, cosmetics inputs, medicinal products, and export-grade honey.

Source: TADB report 2025.

Production and Productivity Overview

Production

- ❖ **Key Production Zones:** Tanzania’s honey production is concentrated in the Western Miombo Woodlands, particularly Tabora and Katavi, which produce dark, mineral-rich forest honey. Other important zones include the Central Zone, especially Singida, and parts of the Southern Highlands, including Njombe, which provide alternative floral profiles and seasonal harvesting windows.

- ❖ **Current Production Gap:** Despite strong natural resource potential, the sector operates at only about 22% of estimated capacity, mainly due to low technology adoption, weak extension services, limited finance, poor harvesting practices, and inadequate aggregation infrastructure.
- ❖ **Traditional Production Dominance:** Around 83% of beekeepers still rely on traditional log hives, which are low-cost but produce limited yields and often involve destructive harvesting methods.

Productivity

- ❖ **Low Hive Productivity:** Traditional log hives typically yield only 5–14 kg of honey per hive per year, compared to 18–30 kg for modern top-bar hives and 30–50+ kg for Langstroth hives.
- ❖ **Modernization Opportunity:** Transitioning from traditional hives to modern hives can increase productivity by an estimated 180–280%, while also improving honey quality, reducing contamination, protecting colonies, and increasing harvest frequency.
- ❖ **Financing Gap:** The major barrier is affordability. A traditional log hive may cost around TZS 15,000, while modern top-bar hives cost approximately TZS 80,000–150,000, and Langstroth hives cost TZS 150,000+. This creates a significant financing gap for smallholder beekeepers.

Table 2 : Comparative Analysis of Beehive Types

Metric	Traditional Log Hive	Modern Top-Bar Hive	Modern Langstroth Hive
Initial Capital Cost	TZS 15,000	TZS 80,000–150,000	TZS 150,000+
Annual Yield	5–14 kg	18–30 kg	30–50+ kg
Estimated Lifespan	5–10 years	10–15 years	15–20+ years
Harvesting Method	Often destructive	Non-destructive	Non-destructive
Quality Outcome	Higher contamination risk	Improved quality	Premium quality potential
Commercial Suitability	Low	Medium	High

Source: TADB report 2025 .

Processing Capacity & Utilization

- ❖ **Quality Challenge:** A significant share of Tanzanian honey fails to meet formal quality standards due to high moisture content, contamination, poor harvesting methods, use of non-food-grade containers, and inadequate post-harvest handling.
- ❖ **Moisture Control Constraint:** Export and premium domestic markets require properly filtered and moisture-controlled honey. Honey exceeding the required moisture threshold is more likely to ferment, lose value, or be rejected by formal buyers.
- ❖ **Informal Market Dependence:** Approximately 70% of national honey production is sold through informal and low-value local markets, reducing farmer incomes and limiting traceability, branding, certification, and export readiness.
- ❖ **Processing Investment Need:** District-level processing and collection centres are needed to support filtering, moisture reduction, bulk storage, quality testing, packaging, and formal market linkage.

Table 3: Cost Estimation For Honey Processing and Manufacturing CAPEX

Investment Area	Estimated Required Investment	Capacity / Expected Impact
Hive Manufacturing Facility	TZS 50–100 million	Produces approximately 1,000–2,000 modern hives annually; can reduce hive retail prices and improve local availability.
District Honey Processing Centre	TZS 50–150 million	Supports filtering, bottling, moisture reduction, quality testing, and bulk handling of approximately 100–500 tonnes annually.
Food-Grade Storage Facility	TZS 20–80 million	Enables safe aggregation using stainless steel tanks and food-grade containers, reducing fermentation and contamination losses.
Testing & Certification Equipment	TZS 10–50 million	Supports moisture testing, residue checks, traceability, and compliance with formal market standards.

Source: TADB Report 2025 .

Market Dynamics & Trade Outlook

- ❖ **Domestic Market Opportunity:** Tanzania has a growing domestic market for table honey, health products, herbal medicine, cosmetics, hospitality, and specialty retail. However, weak branding and inconsistent quality limit premium pricing.
- ❖ **Price Segmentation:** Informal local markets typically offer lower prices, while formal retail, branded, and export channels offer significantly higher margins. Informal honey may sell at approximately TZS 4,000–10,000 per litre, while premium formal and bulk channels can offer stronger returns depending on quality, packaging, certification, and buyer requirements.
- ❖ **Organic Market Potential:** Tanzania’s remote forest ecosystems provide a strong natural advantage for organic and forest-based honey. However, the country captures limited premium value because many producers and aggregators lack formal organic certification, traceability systems, and internationally recognized quality assurance.
- ❖ **Certification Premium:** Formal organic certification can help unlock an estimated 30–50% price premium in high-value markets, particularly the EU, United States, Middle East, and regional premium retail channels.
- ❖ **Branding Opportunity:** Tanzanian honey needs stronger national and regional branding. A coordinated “Asali ya Tanzania” identity could position the product around forest purity, organic potential, unique floral sources, and community-based production.

Value Chain Risks and Constraints Overview

To commercialize the honey value chain, financing must address both the production-side capital gap, the buyer-side aggregation and quality-control.

- ❖ **Collateral Risk Factor:** Smallholder beekeepers often lack conventional collateral such as titled land, formal employment income, or bankable assets. This limits their ability to access loans for modern hives, harvesting tools, protective gear, and apiary expansion.
- ❖ **Loan Size Mismatch:** Establishing a commercially viable apiary may require approximately TZS 2–5 million, which is often too large for informal savings groups but too small or poorly collateralized for conventional commercial bank lending.
- ❖ **Storage Infrastructure Deficit:** Many smallholders and local aggregators still use plastic buckets, jerrycans, and other non-food-grade containers. These increase contamination, moisture absorption, fermentation, and rejection risk. Investment in food-grade containers, stainless steel tanks, and district collection centers is essential.

Table 4: Risks and Constraints Matrix

Risk Category	Key Constraints	Implications	Strategic Mitigation
Financial Risks	Smallholders lack collateral and require TZS 2–5 million to commercialize apiaries.	Low adoption of modern hives; limited apiary expansion; continued subsistence production.	Use group-guaranteed loans, anchor-buyer models, cooperative lending, and repayment through sales proceeds.
Production Risks	Heavy reliance on traditional hives, limited extension services, poor colony management, and climate vulnerability.	Low yields, colony absconding, inconsistent supply, and seasonal production volatility.	Finance modern hives, extension support, apiary water access, and climate-smart beekeeping practices.
Quality Risks	High moisture content, contamination, rudimentary harvesting, and poor storage containers.	Rejection by formal buyers; fermentation; reduced shelf life; low prices.	Invest in moisture meters, food-grade containers, processing centers, and quality-based pricing systems.
Infrastructure Risks	Limited district-level collection, storage, processing, and testing facilities.	High post-harvest losses; weak aggregation; poor traceability; informal market dependence.	Finance cooperative and private aggregation centers with stainless steel tanks, testing equipment, and dehumidification
Market Risks	Weak branding, low certification, fragmented marketing, and dominance of informal trade.	Limited access to premium domestic and export markets.	Support organic certification, traceability, packaging, national branding, and export market linkages.

Source: TADB report 2025.

Investment Opportunities and proposed financing models

Investment Opportunities and Proposed Financing Models To unlock the commercial potential of Tanzania’s honey value chain, capital should be deployed across high-impact areas that improve productivity, quality, aggregation, processing, and market access.

1. Smallholder Hive Modernization Finance

❖ **The Opportunity:** Upgrading the majority of beekeepers from traditional log hives to modern top-bar and Langstroth hives can significantly improve productivity, quality, and farmer income.

❖ **The Financing Model:** Providing TZS 500,000–3,000,000 group-guaranteed loans to individual beekeepers, youth groups, women groups, cooperatives, and AMCOS-linked producers for modern hives, protective gear, smokers, harvesting kits, and food-grade containers. Repayments should be aligned with major honey harvest cycles.

2. Contract Farming and Anchor Buyer Finance

❖ **The Opportunity:** Smallholders lack collateral, while processors and branded honey companies require consistent volumes of quality honey.

❖ **The Financing Model:** Providing working capital to anchor buyers, aggregators, and processors who supply modern hives and inputs to beekeepers on credit. Farmers repay through honey deliveries, with loan recovery deducted automatically from sales proceeds.

3. District Processing and Aggregation Centres

❖ **The Opportunity:** Large volumes of honey are trapped in informal markets due to weak aggregation, poor storage, and lack of quality control.

❖ **The Financing Model:** Providing medium-term CAPEX facilities of approximately TZS 50–150 million to cooperatives, private aggregators, SMEs, and local government-linked enterprises to establish processing centers with filtering, bottling, dehumidification, testing, and bulk storage capacity.

4. Demand-Driven Hive Manufacturing Finance

❖ **The Opportunity:** Processors and aggregators require reliable volumes of quality honey, while smallholder beekeepers need affordable modern hives to increase production.

❖ **The Financing Model:** Finance local hive manufacturers, carpenters, and SME workshops against confirmed demand from processors, cooperatives, and anchor aggregators. Under this model, manufacturers supply modern hives to contracted beekeepers through processors or cooperatives, while repayment is recovered from honey deliveries to the anchor buyer.

5. Certification, Traceability and Branding Finance

❖ **The Opportunity:** Tanzania has strong organic and forest-honey potential but lacks certification, traceability, and strong product branding.

❖ **The Financing Model:** Using blended finance, grants, and concessional loans to support organic certification, traceability systems, packaging design, barcode systems, and the development of the “Asali ya Tanzania” national brand.

6. Circular Economy and By-Product Development

❖ **The Opportunity:** Honey by-products such as beeswax, propolis, royal jelly, pollen, and bee venom can significantly improve enterprise margins and create linkages with cosmetics, pharmaceuticals, and health-product industries.

❖ **The Financing Model:** Providing specialized credit lines for equipment to process beeswax, royal jelly, propolis, candles, balms, cosmetics inputs, and medicinal bee products. This can diversify revenue beyond liquid honey and improve profitability for processors and cooperatives.