

CORE PRA PRINCIPLES

- cannot be an industry lobby group;
- any import levy has to be matched with an equivalent domestic levy on Canadian products; and
- the domestic levy can fund any promotion and research initiative but the import levy has to be directed to “generic” promotion and research – not just Canadian.

PRA BENEFITS

A national PRA that includes import levies could:

- promote natural honey to consumers;
- advance technology;
- link producers with supply chain stakeholders;
- expand markets;
- conduct research for the industry as a whole;
- support existing provincial and/or national programs as well as leverage funds from government programs;
- enhance industry data to see if actions are meeting objectives; and
- increase a national organization’s ability to produce outputs in both official languages.

CHC Exploring Options to Meet Unprecedented Challenges



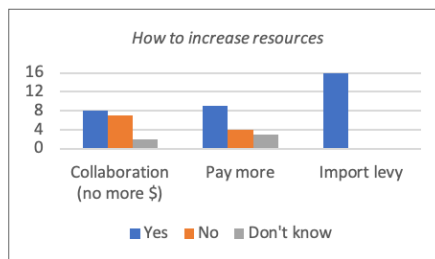
THE CANADIAN HONEY COUNCIL (CHC) PROJECT “FINDING A BETTER PATH FORWARD – CULTIVATING SOLUTIONS TO CHALLENGES FACING THE BEEKEEPING INDUSTRY” HAS ENTERED THE LAST SIX MONTHS OF ITS 18-MONTH TIME FRAME. ITS OBJECTIVE IS TO FIND OUT IF BEEKEEPERS THINK THERE IS ENOUGH FUNDING WITHIN THE INDUSTRY TO MEET CURRENT AND FORTHCOMING CHALLENGES.

INITIAL FEEDBACK FROM BEEKEEPERS SUGGESTS TWO BROAD PRIORITIES – BEE HEALTH AND INDUSTRY PROMOTION/MARKETING. A MAJORITY OF THOSE SURVEYED THOUGHT FUNDING IS ADEQUATE FOR BEE HEALTH.

At the same time, most beekeepers say more needs to be done to promote Canadian natural honey and identify adulterated honey imports – two “top of mind” issues in light of recent US tariffs on Canadian honey.

The CHC has set a comprehensive and ambitious five-year strategy focused on five key priorities. To proactively support these priority areas, and recognizing survey respondent interest in some form of levy on imported honey (inset),

the industry should consider a revenue stream incorporating import levies similar to the US National Honey Board.



In Canada, Promotion and Research Agencies (PRA) operate under the guidance of the Farm Products Council of Canada.

Currently, three PRA entities exist – one for each of the

beef, pork, and hemp industries. While a PRA can operate regionally, an import levy can only be assessed on a commodity by a *national* PRA.



APPLYING FOR A PRA

An application for a honey industry PRA must go to the Farm Products Council and include:

- rationale/purpose for establishing a PRA;
- industry profile and production data;
- identity of organizations/legislation with existing/potential levy collection mechanisms;
- description of existing and/or proposed promotion and research activities; and
- demonstration of support from industry stakeholders in favour of establishing industry PRA.

FUNDING FOR A PRA

Options include:

- new financial support from beekeepers (domestic levy) combined with an import levy;
- OR
- realignment of existing provincial association funds as “seed money” to facilitate an import levy;

OR

- a combination of the two.

Conceivably, funding could be bolstered by other beekeeper groups since a PRA presents a conduit for collaboration to efficiently support research/actions, leverage government support, and grow all aspects of the industry (e.g., products and services beyond honey production).

What's the buzz?



This project is not intended as a PRA application.

However, an industry background paper was prepared for FPC that outlines some elements required of an application to solicit their feedback on:

- the adequacy of the document to support an application;
- a proposed “domestic levy” mechanism based on a per hive assessment similar to provincial beekeeping association membership structures; and
- the scale(size) of beekeeping operations required to indicate support to establish a PRA.

The background paper also outlines potential high-level interactions between CHC and a PRA operating independently with separate Boards of Directors – CHC focused on policy and industry lobby efforts, and the PRA focused on promotion and research actions.

Possible domestic levy mechanisms and projections

Set a levy (e.g., one cent per pound) on all Canadian honey sold by a beekeeper above a certain threshold – perhaps 100,000 pounds. So, commercial operations would be assessed but not smaller operations. If done nationally, an identical levy could also be set for imported honey. This would require legislative authority in each province and a way to track honey sales by beekeepers through packers and the sales network, similar to the US system.

Set a levy on a per hive basis using existing provincial association membership fee mechanisms. A threshold would apply here as well. Only hives registered in a province that exceed the threshold would be used to calculate this levy. Provincial associations could use their existing legislative authority and assess an additional fee on registered hives above the threshold, or redirect existing revenue to the PRA as an “equivalent” to a one-cent per pound levy on honey imports.

Calculations using the per hive approach suggest a \$1 to \$1.50 per hive levy could be equivalent to a one-cent per pound import levy. An import levy might generate \$250,000 to \$300,000 annually depending on the amount of honey imported. A domestic levy total revenue estimate cannot be calculated without knowing the number of hives registered in a province that exceeds the production threshold.

Estimate of bee colonies required to produce 100,000 pounds of honey; highest hive production values from Statistics Canada reports

Province	Production (pounds)	Hives Required	Threshold (rounded)
PEI	66	1,515	1,500
Nova Scotia	38	2,632	2,600
New Brunswick	52	1,923	1,900
Quebec	91	1,099	1,050
Ontario	121	826	800
Manitoba	178	562	550
Saskatchewan	205	488	475
Alberta	133	752	750
British Columbia	79	1,266	1,250

Next steps

- Provincial beekeeper association Boards of Directors will be asked if they support the idea of proceeding with a PRA application, knowing that a decision to create a PRA is not binding until the application process is complete, which might take 3 to 4 years.
- Board members will rely on feedback from beekeepers in their provinces.

PROJECT FUNDING PARTNERS

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