

Youth**Action**Net[®]

CASE STUDY SERIES

ARYODI Bee Farm:

*Cultivating Sustainability
Through Beekeeping*

A partnership between:



GEORGETOWN UNIVERSITY

School of Foreign Service
Global Human Development Program



Introduction

This is one of a series of case studies produced by students enrolled in the Global Human Development Program at Georgetown University through its partnership with the International Youth Foundation (IYF). Students enrolled in a course exploring the role of social enterprises and social entrepreneurs were paired with young leaders of social ventures identified through the IYF's YouthActionNet® program. The students were given the assignment of analyzing the venture's assets, successful methodologies, and opportunities for investment to increase impact. Through this experiential learning process, the student consultants gained hands-on experience and exposure to the needs of social enterprises. The ventures, too, benefited from student insights into their strengths, areas for growth, and recommendations for enhancing their impact and sustainability. The Georgetown practicum is part of YouthActionNet's larger efforts to partner with institutions of higher learning around the globe to integrate social change into the academic experience and career interests of students.

International Youth Foundation

The International Youth Foundation (IYF) invests in the extraordinary potential of young people. Founded in 1990, IYF builds and maintains a worldwide community of businesses, governments, and civil society organizations committed to empowering youth to be healthy, productive, and engaged citizens. IYF programs are catalysts of change that help young people obtain a quality education, gain employability skills, make healthy choices, and improve their communities.

www.iyfnet.org

YouthActionNet®

Since 2001, YouthActionNet, a program of the International Youth Foundation, has provided founders of social ventures, ages 18 to 29, with the training, networking, coaching, funding, and advocacy opportunities they need to strengthen and scale their impact. These young social entrepreneurs have pioneered innovative solutions to critical local and global challenges, resulting in increased civic engagement, improved health, education reform, economic opportunity, environmental protection, and more inclusive societies. Our work is carried out through a network of 23 national and regional youth leadership institutes that collectively support over 1,350 young social entrepreneurs globally.

www.youthactionnet.org

Global Human Development Program at Georgetown University

The Global Human Development Program of Georgetown University is home to one of the world's premier master's degree programs in international development. An innovative, academically rigorous skills-based graduate program, the Master of Global Human Development degree prepares the next generation of development professionals to work with public sector agencies, private businesses, and non-profit organizations that advance development. Through coursework, extracurricular activity, and practical fieldwork experiences, our graduates develop the insights, skills, and experiences necessary to become leaders in development and make a difference in our global community.

<https://ghd.georgetown.edu>

INTRODUCTION

Meet Robert Okodia: Founder and CEO

Robert Okodia is no stranger to adversity. Orphaned at the age of two, he was raised by his grandmother, along with his five siblings, in northern Uganda. For a period of time during his childhood, Robert lived in a refugee camp due to the Lord's Resistance Army (LRA) rebel insurgency in northern Uganda, where he witnessed firsthand the effects of violence, poverty, HIV/AIDS, and a general lack of education and skills on his community. A social entrepreneur at heart, Robert saw the need, and more importantly, the opportunity to bring key skills to the smallholder farmers of Uganda, particularly the women and youth in his community who are most severely impacted by poverty. With diplomas in agriculture and business administration, Robert saw how better technologies and improved access to markets, marketing, and sales opportunities could dramatically improve the prospects of smallholder farmers struggling to produce and sell their goods. With this potent mix of technical knowledge, personal conviction, and passion to empower communities to become self-reliant and productive, ARYODI Bee Farm was created.



ARYODI Bee Farm is transforming beekeeping into a profitable, community-serving, and environmentally sustainable industry in Uganda.



The Problem

In Uganda, 83% of 18-to 34-year-olds do not have formal employment.¹ A large part of this high unemployment rate is the role agriculture plays in the economy. In 2013, the agricultural sector contributed 27% to GDP, with 72% of the total population involved in agricultural work.² Apiculture, or bee farming, is an important part of Uganda's agricultural production, in particular with smallholder farmers. However, the traditional method of gathering honey, "honey hunting," harms both productivity and the environment. Requiring the farmer to smoke bees out of the hive with fire, and then to break the hive open to harvest the honey, this method also destroys future profit opportunities.

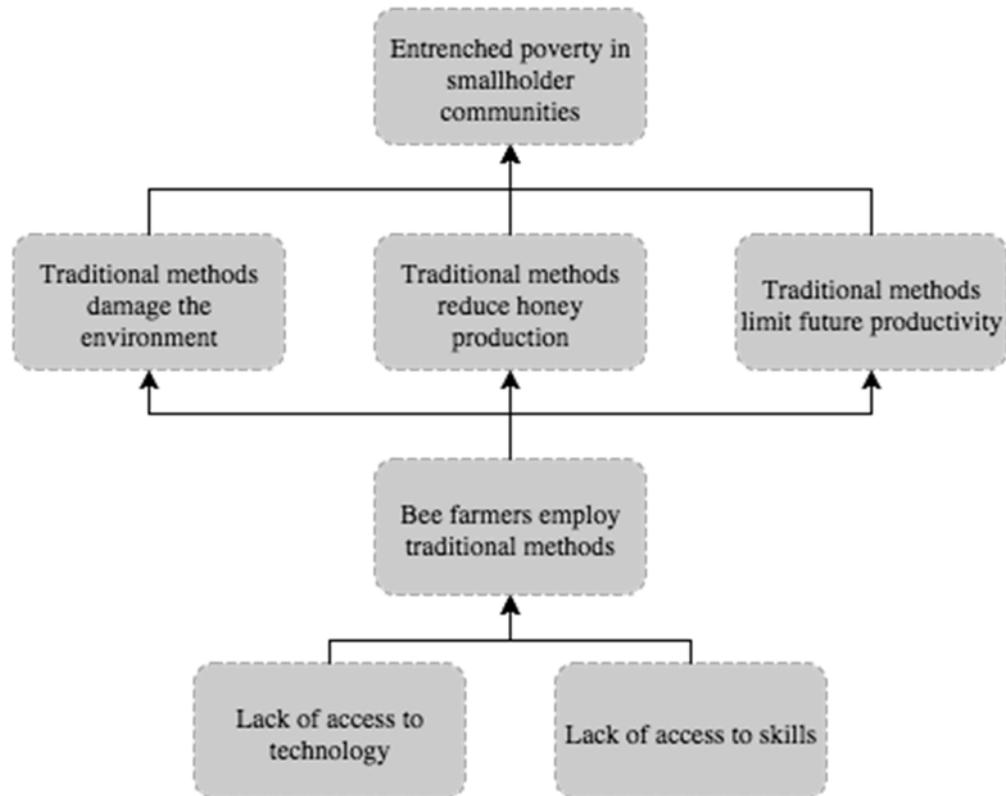
In these smallholder farmer communities, women and youth are the most economically disadvantaged, and tend to experience higher unemployment rates and lower productivity. Within these marginalized populations, as well as the overall communities, there is a widespread lack of skills and technology when it comes to apiculture, keeping overall honey production low. Even with

¹ Jones, Emma Jayne. "International Development Journalism: How Beekeeping Offers a Way out of Poverty in Uganda." *The Guardian*. Guardian News and Media, 22 Nov. 2010. Web. 29 Feb. 2016.
<<http://www.theguardian.com/journalismcompetition/uganda-beekeeping-offers-way-out-of-poverty>>.

² "World Development Indicators | World DataBank." World Development Indicators | World DataBank. Web. 29 Feb. 2016.

the honey that *is* produced, lack of access to markets and marketing impedes sales. Without a way out, these communities are stuck in a low equilibrium, relegated to poverty.

ARYODI Bee Farm Problem Tree



The Solution

ARYODI Bee Farm approaches this complex issue of poverty from three angles. First, they provide training and technology to bee farmers in modern beekeeping techniques. Secondly, they purchase the honey that the bee farmers produce using these improved techniques. Finally, they treat, brand, and market the honey and other honey-related products produced by the farmers. ARYODI Bee Farm targets women and youth, recognizing that any organization attempting to address poverty in these communities needs to work with those most affected by poverty. In the end, ARYODI seeks to provide an economically and environmentally sustainable path out of poverty for smallholder farmers and their communities.

Operational Model

ARYODI Bee Farm is a financially sustainable for-profit venture that generated over US\$30,000 in revenue as of May 2015. Its main source of revenue is the sale of honey products, which include honey wine, beeswax, and propolis tincture, an extract that is purported to possess various healing qualities. In addition to self-generated funding, ARYODI receives external revenue in the form of equity, as well as funding from Rotary International. Other major partners include a three-year

contract with USAID’s Community Connector project, the African Agribusiness Academy, and the Uganda National Apiculture Development Organization.

Led by Robert as Founder and CEO, ARYODI’s team consists of 20 full-time and 10 part-time employees. They work with 1,850 smallholder farmers, 45% of whom earn their sole living from honey production. As for its honey product line, ARYODI sells to 50 individuals and stores within Uganda. ARYODI is currently in growth stage, and plans to scale its operations to 3,000 smallholders by the end of 2016.

ARYODI Bee Farm Activities



KEY ASSETS AND SUCCESSFUL METHODOLOGIES

While there are other organizations and companies that work with farmers to produce, market, and sell their honey, ARYODI is unique in its focus on the most vulnerable and its founder’s combination of business and technical skills. These assets and methodologies contribute to ARYODI’s success and set it apart in the crowded field of agriculture and poverty alleviation NGOs and social enterprises.

Focus on the Vulnerable

Many organizations that work with smallholder farmers target established mostly successful farmers or members of the community at the growth stage. This allows them to gain visibility within the community and increases their chances of high yields and results. However, this also means that a program initially aimed at alleviating poverty for the poorest of the poor ends up limiting its work with this target population in implementation.

ARYODI, by comparison, works primarily, though not solely, with women and youth in the communities. This focus on youth and women was built into the organization from the beginning—ARYODI, in fact, stands for “Adyaka Rural Youth Development Initiative.” While a large portion of ARYODI’s time is spent training growers, its training and resource center provides women and with skills training in apiculture, business, entrepreneurship, and life skills.

Robert views the central role of women and youth in ARYODI as not only a function of his experiences growing up, but also as a benefit to the organization. Having grown up in a refugee camp and around extreme poverty, Robert recognizes that any poverty alleviation program must include those most affected by poverty. When reflecting on the question “why youth?”, Robert says that he is “happy now to see many youth that I mentored engaged in apiary and making money from selling

honey [...] Creating employment opportunities for myself and other youth is my dream come true.” Additionally, Robert views women and youth as not only the most vulnerable populations to work with, but in some ways the most productive. In his words, they are “not only future leaders but reliable and very committed and willing to work together.”

Partnership of Business and Apiculture

One key asset that ARYODI possesses that should not be overlooked is its founder, Robert Okodia. Robert brings to the table a combination of technical agricultural knowledge and skills, and a business mindset that not only drives ARYODI’s commitment to financial sustainability, but also how the organization interacts with the bee farmers themselves.

Robert possesses a diploma in Apiculture and a deep technical knowledge of bee keeping, which is key to the value add that ARYODI brings to the communities it works with. Central to ARYODI’s work is the provision of the most modern, productive apiculture technologies, which takes not only a knowledge of the field but also a commitment to continually researching and pursuing more effective technologies and methods. In fact, ARYODI’s training and resource center doubles as a research center as well, where they rear queen bees and have plans to begin a research program on bees and bee keeping. The importance of productivity-enhancing technologies is well documented as a necessary condition for poverty alleviation of smallholder farmers. For example, an analysis of 15 successful organizations working with smallholder farmers, revealed that every program that resulted in a doubling of a farmer’s income included a technology transfer of some kind.³

However, Robert and ARYODI recognize that while technology is essential, so is skill building and a business mindset. ARYODI views its bee farmers not only as producers of honey but as entrepreneurs, and treats them as such. The first step ARYODI takes in its relationship with farmers is to provide training in managing a beekeeping business, even before working with the farmers in hands-on beekeeping trainings. This focus on building up participants’ business know-how reflects another core philosophy behind ARYODI—helping the poor help themselves.

OPPORTUNITIES FOR INVESTMENT

ARYODI is still in its growth stage, and has many exciting opportunities to grow and further its impact in the community and in Uganda as a whole. In Robert’s scale plans, he projects reaching 3,000 smallholder farmers and producing 30 tons of honey for export by the end of 2016. To reach these ambitious goals, ARYODI will need to invest in its relationships with both farmers and with its customers.

Target Established Farmers

While ARYODI provides continuous training and relationship-building to its farmers, it still encounters a problem of low quality production, in particular with its new farmers. This is due to the complexity of modern apiary management. ARYODI has found it difficult to ensure that the farmers are fully trained for harvesting and post harvesting handling of the product, which can in some cases lead to low production quality. This in turn limits the return for the farmers and for ARYODI when it

³ Graf, Jessica, Olivier Kayser, Lucie Klarsfield, Robin Bonsey, and Simon Brossard. *Smallholder Farmers and Businesses: 15 Pioneering Collaborations for Improved Productivity and Sustainability*. Rep. Hystra Hybrid Strategies Consulting, July 2015. Web. 29 Feb. 2016.

goes to sell this honey and its honey products on the market. Honey quality and production is key to ARYODI's success. Farmers invest in training, with cost sharing of 50% for the farmers to receive the training and technologies from ARYODI. They receive profits after six months when they begin ripping the honey from the apiary; however, if production quality or quantity is low, their profits are limited. As for ARYODI, selling high quality honey and honey products is central to its brand, thus low quality production can limit its sales, in turn potentially damaging its financial gains and sustainability.

Currently, ARYODI works for the most part with bee farmers new to modern apiculture, providing them with the tools and skills to learn improved methods. While, as discussed above, this is an effective strategy to reach the most marginalized and the poorest of the poor, it affects ARYODI's honey output and quality. A potential solution to this quandary is to expand its reach to include more established farmers in the area. This strategy has been labeled targeting the "enlightened middle," where organizations work with "smallholder farmers [who] are not the richest nor the poorest, but those in the 'middle:' the farmers who are resilient enough to invest in new practices, crops and technologies, but not prosperous enough to be satisfied with the status quo."⁴

This approach would involve developing a two-pronged strategy: one for training new bee farmers and providing them with entrepreneurial skills, and one for engaging existing farmers to provide them with a value add of purchasing their honey to produce high-quality products to be sold on a larger market. For this approach to succeed, ARYODI would need to conduct a mapping of existing bee farmers in the area or other smallholders who have the ability and interest in taking on another "crop," and then devise a strategy to reach out to these farmers and market their own services to bring them into the ARYODI business. While this would take substantial time and effort, the potential for higher quality and increased yields would allow ARYODI to continue its vital services to the most underserved in these communities, and ensure its financial sustainability. This strategy represents a significant pivot for ARYODI, but if successfully implemented could bring them to the next level both in financial and impact terms.

Get Smart About Consumers

ARYODI currently sells its honey and honey products to 50 individuals and stores. Its main products are Daisy's pure natural Lango honey, Lango classic honey, Daisy's propolis tincture, bees wax, and Daisy's honey wine. Honey wine and beeswax sell at 4-6 times the price of honey, and are an excellent way to increase the value of the raw product ARYODI receives from its bee farmers. However, ARYODI is currently limited in its scope of sales and customers by three factors: the difficulties of export certification, lack of market information, and weak branding.

To export products outside of Uganda, an organization must obtain a certification from the Uganda National Bureau of Standards (UNBS). This process is costly in time and money, involving a lengthy application process and auditing from UNBS.⁵ Besides the time and money, Robert notes that this certification is very challenging to obtain. Additionally, ARYODI finds it difficult to stand out among the other honey products on the shelves in grocery markets and with individual consumers.

To flip this problem of limited sales reach on its head, ARYODI has the exciting opportunity for growth if it is able to invest both in certification and in a well-researched and thought out marketing

⁴ Ibid.

⁵ "UNBS in Brief." *Uganda National Bureau of Standards*. UNBS, 2016. Web. 01 Mar. 2016.

and branding plan. While both of these investments could be fairly costly, the first step, and arguably the most important investment, would be a market analysis of competitors, consumer behaviors and preferences, and delivery channels for the honey market in Uganda. Does high quality or ARYODI's work with women and children matter more to consumers? Do consumers look for a UNBS certification, and does that factor into which honey they purchase? Is there a honey product (e.g., wine, beeswax, propolis tincture) where there is not yet a strong brand presence? Who are the main competitors? How and where do consumers purchase their honey? All of these questions and more would be essential to guiding ARYODI's branding and sales strategy in the future. For example, if certification matters to consumers, it might be worth investing in securing the UNBS certification early on to grow ARYODI's customer base within Uganda. If it does not matter to consumers, certification might not be a worthwhile investment until ARYODI has grown domestically and increased its production capacity to meet an international demand.

Understanding your consumer is central to a solid marketing and branding plan. One of ARYODI's competitors (though not currently operating in Uganda), Honey Care Africa, has centered its products, branding, and messaging around the nutritional benefits of honey in an effort to target mothers, as they make most of the nutritional decisions in the household with regards to their children. This laser focus on a key demographic market could benefit ARYODI as well, as long as it is based upon empirical information and strategic thinking.

CONCLUSION

A marriage of mission driven passion, technical knowledge, and business skills, ARYODI Bee Farm is poised to extend its reach and increase its sustainability in the coming years. This potential for growth is thanks to ARYODI's Founder and CEO and his unique combination of skills and background, as well as its focus on reaching the most vulnerable. However, to achieve its full potential and reach the ambitious goals ARYODI has set, investments must be made in both the production and the marketing of its honey products. As with all social enterprises, financial sustainability is central to ARYODI's success in the coming years. These areas of investment would increase ARYODI's sustainability, and could be a worthwhile investment for prospective investors, partners, and donors. Robert says it best: "As a social and economic entrepreneur, I care about the suffering of others, but it's only the first step in building a successful social enterprise... I am passionate about finding the best ways to really help the poor help themselves."

FURTHER INFORMATION ABOUT ARYODI BEE FARM

- ARYODI Bee Farm's Website: www.aryodi.com
- ARYODI on Facebook: <https://www.facebook.com/aryodibeeefarm/?fref=ts>
- Robert Okodia's YouthActionNet Profile: <http://www.youthactionnet.org/fellows/730/>

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