

The Use of Franchising Elements in Development of Beekeeping in Russia.

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In Russia honey and wax export used to be one of the most important issues of the state income for centuries.

In 1970 Russia had about 10 millions of bee colonies. In 2006 Russia had 5,5 million bee colonies. At the moment in Russia about 96% of bee colonies are concentrated at amateur beekeepers' apiaries and about 1% are in farms that have about 100 bee colonies as a rule.

Increasing consumption of food products thanks to the developing countries (2007) and the international crisis (2008) has formed premises for the growing interest to beekeeping as an extra income source and core business as well – flexible and not demanding a big initial cost.

Agrarian Franchise “Development of Beekeeping in Russia”

In 2008 the Tentorium Apicompany started the project “Agrarian Franchise “Development of Beekeeping in Russia”. The project is aimed at the increase in the number of amateur and industrial apiaries and thus it is also aimed at increasing and preserving the number of bee colonies in Russia.

During the last ten years the Company took an active part in congresses, conferences and exhibitions of Apimondia. It organized expeditions to different countries in the world to find technologies of beekeeping and study beehive products. The Company approved these technologies at its own apiaries. The technology is easy to use and it is based on the following issues:

- the use of breed bees;
- the growth of apiaries' profitability due to the effective use of bee colonies and intense growth of bees for the main honey flow;
- preparing of bees' favourable recovering after a winter period due to the use of high quality food during winter period – honeydew and honey crystallization are minimized;
- getting of all beehive products.

Having studied the world experience, including “Beekeeping against poverty”, the Company worked out Agrofranchise, aimed at beekeeping development in Russia. To share technologies of beekeeping, the Company has chosen franchising scheme, though it wouldn't be ordinary – there is no lump sum or royalty in franchise. The company considers the project to be a social mission.

Agrofranchise “Development of beekeeping in Russia” is a complex service of the Company, including:

- teaching at the courses of beekeeping;
- practicing at the Company's apiaries;
- supplying with equipment and stock which is necessary and sufficient for arranging an apiary;
- supplying with a list of companies, implementing equipment and stock;
- supplying with a project of hive construction designs or
- supplying with hives at moderate prices;
- supplying with colonies of bee breeds from breeding apiaries;
- insurance of colonies with hives;

- veterinary support for the first year;
- informational and consulting services including:
- general guarding and support in arranging an apiary;
- supplying with “The User’s Guide on Arranging an Apiary”;
- supplying with the user’s guide “The Technology of Getting All the Beehive Products at the Apiaries”;
- distant consulting of an apiary’s organizer on production matters at the apiary during the first year.

The advantages of agrofranchise are:

first, a complex support of an apiary’s organizer during the first year of the apiary’s work;

second, passing on the advanced experience of beekeeping;

third, passing on the technologies of getting all beehive products.

Now most of the apiaries in Russia are aimed at getting honey. All other valuable beehive products – propolis, pollen, beebread, royal jelly, working bees brood and drone brood – have been produced only for personal use. The demand for these products is constantly growing and their cost differs greatly upwards from the cost of honey.

The main reasons for the absence of mass production of pollen, royal jelly, propolis and drone brood are still not only the ignorance in methods and precise technological regulations on preparing, processing, disinfecting and storing, but also complete lack of information about the value of such products.

Mastering technologies of getting such products can provide a high profitability of an apiary and increase the earning capacity of beekeeping. Having mastered the technology of getting pollen load, beebread, working bee brood and drone brood, bee venom and royal jelly, one can earn a good living even in adverse weather conditions. Having a commercial organization of an apiary, the beekeeper gets profits from selling honey, wax, bee colonies, pollen, beebread, royal jelly, propolis, propolis linens, drone brood, dead bees, bee venom.

In countries with a developed agriculture beekeepers get most profits from bees’ pollinating activity. In Russia the importance of beekeeping in crop capacity is unappreciated.

The profitability of multiple purpose apiaries is proved by such factors as unstable climate conditions, high competition, economical expediency, which inclines to expanding the range of beekeeping products.

Agrarian franchise launched in 2009 is worked out for small-scale amateur beekeeping. However amateur beekeeping is a cradle for professional experts in industrial beekeeping.

The partners of the Program

1.1 The Ministry of Agriculture of Perm Territory

This year the farmer franchise was launched in the Urals (Perm territory and Sverdlovskiy region) and in the South of the country – Krasnodar territory.

Nowadays the Urals region faces some problems. In the period of international crisis the important role in economics is played by farming, including beekeeping. In Perm territory the meliferous base is sufficient enough to keep 1 million bee colonies if being efficiently placed.

The importance of beekeeping in agricultural development was appreciated by the Agricultural Ministry of Perm territory. “The Program of Agricultural Development in Perm Territory for 2009-2012” stipulates financing up to 50% cost of organizing an apiary of 30 bee families. In 2009 eleven apiary organizers entered the Program. There are recommendations on the work with local authorities in agrarian franchise. They were worked out basically on the experience of cooperation with authorities of Perm territory.

1.2 The Ministry of Trade and Business of Perm Territory

The Ministry of Trade and Business of Perm territory subsidizes entrepreneurs, small-scale and large-scale enterprises in partial compensation of the cost, connected with registration and business start-up. Subsidies are given in block grants compensating up to 80% of the cost of apiaries' organization, but not more than 2,200 €. The cost of organization of an apiary of 15 bee colonies is about 2,600 €. In 2009 four people entered the project of the Ministry of Trade and Business.

1.3. The Federal Agency of Employment

In 2009 the Employment Agency offers a federal program on paying a one-time grant of 1500 € for people registered as unemployed. Business plans for organizing an apiary of 8 bee colonies were sent to 41 Employment Centres of Perm Territory. The program started in may 2009 and now 50 people organize an apiary of 8 bee colonies on Perm territory and 22 – in Kirovskiy region.

Under the conditions of increasing unemployment and poverty the agrarian franchise can be successfully applied as a social program. People with low income have a chance to start up small apiaries thanks to the agrarian franchise.

1.4. World Save the Bees Fund

The idea of developing beekeeping through the agrarian franchise was supported by World Save the Bees Fund. One of the branches of financially supported projects is creation of national and regional programs of beekeeping development.

World Save the Bees Fund was registered in Germany on the 18th of June 2009. The main aim of the Fund is utmost support of beekeeping development and assistance to social organizations in the branch protection. These aims are achievable only in case of cooperation of specialists from different branches, special organizations, state and official circles.

The objectives of the Fund are:

- To put the problem into the limelight and draw public attention to the issue of bees' disappearance;
- To support scientific researches on beekeeping development, prevention of bees' diseases and their health security;
- To give social support and contribute to the business of people and organization, involved in beekeeping;
- To build up the people's need for ecologically clean products based on beekeeping;
- To contribute to organization of ecological assessment and ecological monitoring.

To attain objectives the Fund offers to join the efforts of specialists, scientists and all concerned people. The Fund's website www.save-bee.com has been made for informing people, concerned in mass death of bees and other problems of beekeeping, for getting financial support from different sources.

The means gathered by the Fund are supposed to be distributed by tender and used to solve the urgent problems of beekeeping.