



Honey Market Report

Quarter 2 – 2021

Anti-Dumping Petition

A long anticipated antidumping petition on raw imported honey was filed on April 21, 2021 against five exporting countries: Argentina, Brazil, India, Ukraine, and Vietnam. The National Honey Packers and Dealers Association, of which GloryBee is a member, is coordinating a defense. The petition will be reviewed, and determinations made by the United States International Trade Commission and the Department of Commerce. There are four main stages with estimated timeline:

- 1) ITC Preliminary Determination (June 2021)
- 2) DOC Preliminary Determination (September-November 2021)
- 3) DOC Final Determination (December 2021-April 2022)
- 4) ITC Final Determination (February 2022-May 2022)

During the initial stage, the ITC will issue questionnaires to U.S. domestic honey producers, importers, and foreign exporters; the ITC will gather information and hold a hearing wherein both those supporting the petition (U.S. domestic producers) and those opposing the petition (defense led by NHPDA which includes U.S. packers and importers) will present arguments and the ITC will establish whether there is sufficient evidence that the U.S. raw honey industry is harmed by imports from these exporting countries. The bar is typically very low for determining harm in the preliminary determination.

If the ITC determines reasonable indication of harm the DOC will begin an investigation for each of the 5 exporting countries; they will typically select the two largest exporters from each country and gather data via questionnaires to calculate dumping margins based on U.S. versus home market sales for each of the exporting countries. The DOC will use this information to determine preliminary duties on imports from these countries which would begin collected on September 28 or November 17th (the November date is if the case is postponed). The duties will be the liability of the importer of the honey into the U.S. The Final Determination will be conducted by the ITC and DOC in Q1-Q2 2022 and includes several months of investigation. The bar is higher in the final determination and requires the petitioners to establish that imports from the named five exporting countries are causing harm to the U.S. domestic honey producers. During this period, the DOC will determine final duty rates which would be reviewed and adjusted annually thereafter.

The anti-dumping petition limits GloryBee's ability to forward price customer contracts. This is due to uncertainty regarding initial and final duty rates. Consequently, GloryBee is not offering to cover customer contracts past December 2021. Six-month contracts will be continued to be the maximum amount of forward pricing offered on customer contracts due to general increases in raw materials, shipping, and the added uncertainty regarding preliminary and final duty rates.

Due to the rapidly changing market, please reach out to your Account Manager or Business Development Manager to discuss in more detail. See back page for more information on other factors influencing the world honey market.



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Overview

In addition to projected rising costs due to the anti-dumping petition, raw honey prices have been on an upward trajectory since the onset of the pandemic. These rising costs have been the result of increase consumer demand in the U.S. and Europe for retail honeys, lower than average crop performance in 2020 in many exporting countries, exporter shutdowns/delays due to lockdowns, and increasing freight rates impacting the larger global supply chain. As a result of these factors, honey prices are expected to remain firm for the rest of 2021.

Driving Factors by Country



Ukraine – The Ukraine 2020 crop performance was below average and currently there is little Ukraine honey available for export; no meaningful volumes of Ukraine honey are expected to be found until the 2021 crop which would arrive in the U.S. around September to October 2021.



Vietnam – In Vietnam, the rubber tree crop (generally light amber) precedes the acacia tree crop (generally amber). The rubber tree crop has just completed and is average to low. The beginnings of the acacia crop point to average to good crop size. There is a general high demand in the U.S. for ingredient honeys which has driven prices up; however, prices have remained at similar levels to Q1 2021 prices. Currently there is ample supply, but a gap may occur towards late summer as exporters use the acacia crop to fill shortages resulting from the poorer performing rubber crop.



Brazil – In the beginning of Q1 2021, Brazilian organic prices started to ease as new crop harvest began. However, prices have recently begun to rise above Q1 levels. The recent rise in prices has resulted from poor crops in some key producing regions and speculation and concern regarding the anti-dumping petition. Exporters are currently hesitant to offer. Light amber honey is still available, but white and extra light amber honey are difficult to find. Many importers and packers are well covered for Q2 shipments, however, there may be limited supply in late summer due to poor crop performance.



India – Overall, India had an average production of mustard crop. The country has been hard hit by the pandemic, which resulted in an increased consumption of honey within India and less available for exports. However, exporters are still eager to sell indicating there is ample availability of conventional, conventional Non-GMO, and organic Indian honey; prices are at similar levels to Q1 2021.



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