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About Villgro

Villgro Innovations Foundation works to identify, finance and support early-stage social enterprises that promote innovative products and technologies in the health, energy and agriculture sectors, and have clearly defined potential to positively impact rural and peri-urban India. Villgro has been in operation for over 10 years and has financed and supported over 50 social enterprises. Social enterprises supported by Villgro have collectively gone on to raise over INR 200 million in follow-on funding and have impacted the lives of an estimated 400,000 rural Indians.

Villgro differentiates itself with its high-touch mentoring and support services. Villgro’s advisory services go beyond traditional consulting roles to encompass domain-specific mentoring, strategic and operational planning and access to key industry stakeholders in an enterprise’s sector of operation.

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About Intellecap

Intellecap is a pioneer in providing innovative business solutions that help build and scale profitable and sustainable enterprises dedicated to social and environmental change. We are uniquely positioned at the intersection of social and commercial business to attract and nurture intellectual capital that combines the business training of the commercial world with the passion and commitment of the social world. Our clients include a broad range of enterprises, investors, development finance institutions, foundations, and private sector corporations. We work in over 20 countries around the world, with a special focus on South and South East Asia, and Sub-Saharan Africa.

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Mention bees, and the first, and perhaps the only, connection is honey. Another conditioned perception is that bee keeping is the domain of professional apiarists, who focus on honey production alone. Vijaya Pastala, Founder and CEO of UTMT saw beyond these obvious connections – she saw that bees also perform a vital function of cross-pollination and aid agricultural productivity. She marveled at the simplicity of the idea and the significance of its impact – and wondered why no one else was promoting it. She says, “For most people, bees mean honey, we need to alter that to ‘bees mean pollination’. For the small farmer, this change means a huge potential.”

She set up a hybrid enterprise, Under The Mango Tree, to promote bee-keeping within the small farmer community and create a market for their produce. One arm of UTMT is a not-for-profit society engaged in mobilizing farmers and training them in bee-keeping so that they could enhance the productivity of their farms, and earn supplementary incomes. UTMT’s for-profit arm focuses on selling the honey in the retail market. Says Pastala, “It was like a jigsaw puzzle coming together. We now have an evolved model with the bee keeping and the focus on agricultural productivity.”

The honey market in India is slowly gaining traction with the increased focus on healthier food choices and the marketing efforts of honey brands from health food and pharmaceutical companies. With greater global exposure, Indian buyers today are aware of different types of honey and myriad brands available in the market. As UTMT builds its traction across both arms, the society and the for-profit retail enterprise, several questions face the management team. How can they build the market for UTMT honey? How can they expand their recruitment of farmers and training in bee-keeping? How can they sustain both arms in the long run, and ensure both support each other in matched growth?

**Apiculture in India**

An age-old tradition in India, bee-keeping is today considered a low-investment, high profit venture. The limited time, money and infrastructure required for honey production makes it an excellent source of supplementary employment for farmers, who often face income pressure due to low agricultural productivity. The honey bee does not compete for resources with any other agricultural enterprise, and therefore, is also suitable for small and marginal farmers.

Approximately 250,000 Indian farmers earn their livelihood through bee – keeping.† Apart from it being an easy alternative for income generation, the most lucrative incentive for farmers to undertake bee-keeping activities is its contribution to increasing yield of the crop. The benefit of honey bees as providers of pollination services for enhancing crop yields and maintaining biodiversity is thought to be much higher than their role as producers of honey and beeswax. It is estimated that the overall benefit of beekeeping is over 14 times the cost of honey and beeswax.‡

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‡ [http://www.utmt.in/bpr-programme/](http://www.utmt.in/bpr-programme/)
The results of a recently published report by UTMT show the impact of bee keeping on agricultural productivity; with increased marketable surpluses of both, food and cash crops there has been a significant growth in farmer incomes.

Examples of increased agricultural productivity at the farm level are as follows:

![Impact of Beekeeping on Agricultural Productivity](image)

### The Indian Honey and Bee–Keeping Industry

According to a report published by the Global Industry Analysis, Inc (GIA), the global market for honey is estimated to exceed 1.9 million tonnes by the year 2015. While honey has been a part of the Indian palate for generations, increasing awareness levels and health consciousness among consumers has further fuelled its demand. Globally, honey is consumed as a healthier sweetener for beverages, while it is still valued only for its medicinal properties in India. Consumption too, therefore is much lower in India – at 8 gm per person per year, while a German would consume at an average about 2.1kg of honey per year. This trend of organic diet options is also expected to give way to new variants and flavors in the global honey market.

The market for honey in India is valued at INR 225 crore (US$ 41 million). India is also steadily establishing itself as a market leader in the global honey industry, with major producers like

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Dabur ranked among the key players in the world market. Production of honey in India is approximately 40,000 to 50000 tonnes per year.⁶

Although honey is the most popular product derived from bee keeping activities, there are a number of other hive products such as beeswax and protein-rich pollen that are gaining popularity. Improved technology allows manufacturers and producers to extract new and useful products from bees. Protein-rich pollen clinging to a bee's legs is dusted off and collected. Bees create propolis, a natural resin, to build their hives that can ward of diseases. Propolis has antiseptic and anesthetic properties and is commonly used as an ingredient in medicines, toothpastes, oral sprays, chewing gums, and in shampoos, soap, skin ointments and cosmetics.

Royal jelly, the special food that bees feed their next queen acts as a magic drug to cure diseases like eczema, impotency and Parkinson’s. Royal jelly helps the queen bee become fertile and live five times longer than other bees. Apitherapy, an alternative medicine is an entire system that is centered on royal jelly.

Honey bees are identified through the manufacturing and storage of honey and the colonial nests built by them out of wax. Varied ecological conditions and diverse flora in India make it suitable for a variety of honey bees. The giant honey bee (Apis dorsata F.), the oriental hive bee (A. cerana F.), dwarf bee (A. Florea F.), and several species of stingless bees (Trigona and Melipona), are widely distributed in the country.

India is known to have four major bee types. Of these, three are indigenous varieties - the Apis cerana, Apis florea and Apis dorsata. Of these only the cerana can be boxed. Apis mellifera is a European honey bee that was introduced about 40 years ago in India. Due to stringent quality standards practiced in the global market, only European bee produced honey is exported. Contributing to 60% of the total annual production, the export market has been steadily growing at 20% annually.⁷

The major regions for production of honey in India are the forests and farms along the sub-Himalayan tracts and adjacent foothills, tropical forest and cultivated vegetation in Rajasthan, Uttar Pradesh, Madhya Pradesh, Maharashtra and Eastern Ghats in Orissa and Andhra Pradesh. Collection from wild honey bee nests is a very popular activity among the tribal populations and forest dwellers in several parts of India.

Crops are the largest source of nectar and pollen, every season beekeepers migrate in search of seasonal honey based on the flora and crop yield around that time. Rajasthan is known for mustard, Himachal for fruit trees, UP, Gujarat and Madhya Pradesh for soya and sunflower.

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⁶ Bee-Keeping Business: ’Honey’ Singh says no one in sight post Budget 2012.  

Honey from each crop tastes different, for example mustard honey has more glucose, while eucalyptus honey does not freeze.

**Sustaining Beekeeping Practices**

Bee keeping has a huge positive impact on the environment. Pollination by bees is the cheapest way to increase yield, farmers therefore either set up their own hives or co-operate with traveling beekeepers who take boxes of bees from area to area. According to a research paper published in 2009, challenges faced by this community can be categorized into four groups – biological, technical, trade and institutional:

- **Honeybee diseases, predators and parasites, loss of indigenous species and ecological imbalance contribute to biological challenges.** It has been noticed that when bee colonies are affected with disease, death of bees varies from 5% to 20%. With approximately 70% of cultivated crops all over the world depending on cross pollination by insects like honey bees, the declining numbers have raised alarm bells among bee keepers.

- **Technical challenges** to beekeeping arise due to the limited awareness among farmer communities about the appropriate technology and methods to extract honey and hive products. Traditional methods of honey hunting cause many bee colonies to be destroyed. A new method has been devised to prevent this problem – that of raising bees in boxes and producing honey at home. This low-cost, improved bee box has enhanced honey productivity by over 50%.

- **As bee keeping is a cottage industry; most producers are too small to sell widely, leading to limited market access and therefore lesser income generation opportunity.** The most common market linkage channel for bee keepers is co-operatives, however it has been noticed that in many parts of the country if they sell directly to consumers they tend to get better rates. Difficulties in obtaining pre-finance for honey purchase, packaging and marketing is also a growing trade challenge.

- **Institutional challenges** include lack of resources to support the infrastructure required for the growth of this industry. Farmers have access to limited resources to control bees’ diseases and parasites leading to loss in efficiency. Another challenge faced by institutional manufacturers is the very stringent quality standards that are maintained for export of honey.

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11 [http://www.atindia.org/about_us.htm](http://www.atindia.org/about_us.htm)
Government Initiatives

The government of India recognizes the potential to develop bee keeping as a prime agri-horticultural and forest-based industry. Honey production is now increasingly being noticed as a lucrative business that generates employment opportunities for small and marginal farmers. The government has therefore undertaken a number of training and capacity building initiatives to educate farmers on the latest beekeeping practices. One such program is run through the Department of Agriculture and Horticulture and implemented by the Central Bee Research and Training Institute, Pune, India. This institute is the pioneer agency funded by the government to exploit the bee keeping potentials of various regions. Another program co-managed with the Department of Entomology is run as a training centre to impart bee keeping skills among small and marginal farmers in Tamil Nadu.12

The establishment of Khadi and Village Industries Commission to revitalize the traditional village industries promoted the development of beekeeping. There are a number of state run initiatives to support apiculture, an example of one such state-run program is the “Development of Beekeeping” initiated by the department of horticulture in Himachal Pradesh. Under this scheme, bee keepers can request for assistance of upto 50% of the cost or INR 250 (US$ 4.5) per colony and 50% of the cost of bee hives/equipment or INR 350 (US$ 6) per set whichever is less.13

Competitive Landscape

Institutional honey manufacturers in India have largely been restricted to collection of honey for export with the exception of Dabur and Wipro that entered the domestic market in the early 2000s. However, in the recent past, there has been a growth in a number of small organic/natural honey producers and retailers. The Khadi Gram honey has also seen a growth in popularity in the past few years, since it has begun retailing in popular commercial stores like Fab India.

Dabur: Dabur Honey today is the largest player in the branded honey market, commanding over 75% of the total share. Dabur honey sourced selectively from the Himalayas, the Nilgiris and the Sunderbans forests.

Wipro Sanjeevani: Wipro Sanjeevani Honey was launched in 2004. It was launched in the market as bottled natural honey, and later relaunched as Glucovita honey.14 Sanjeevani honey has a strong market presence in Andhra Pradesh and Maharashtra.

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12 http://agritech.tnau.ac.in/apiculture/fp_api_tnauandapiculture.html
14 http://www.indiainfoline.com/Markets/News/Wipro-Sanjeevani-honey-re-launched-as-Glucovita-honey...../5335200871
Khadi Gram and Co-operatives: Khadi & Village Industries Commission\(^{15}\) as well honey and beekeeper cooperatives in different states support apiary activity and retail honey through different retail outlets.

Under The Mango Tree - The Journey

Pastala, through her professional experience of over two decades has always been associated with rural farmers. From identifying potential livelihood options, to developing village-based business plans and providing them mentoring services, she has supported their quest to improve their lives through better business opportunities. While working with these farmers, Pastala realized that accessing fair trade consumer markets was their biggest challenge, and solving this would enable them to pursue sustainable livelihood options.

In the course of her research to find a suitable market opportunity for agricultural products, she came across the first National Commission on Agriculture (1976) report that highlighted the need for beekeeping to improve agricultural productivity. A key challenge that was identified in the report was the poor access small beekeeper societies had to urban consumer markets. In spite of India’s diverse flora that produced orange blossom, cardamom, litchi, sweet clover and various regional honeys, urban consumers had only tasted a single kind of honey. This struck a chord with Pastala, who moved to Mumbai to explore effective solutions to bridge the gap between demand for good quality organic certified/natural produce and supply of reliable food products in this segment.

Creating the Blueprint

Pastala began her journey to set up Under The Mango Tree in 2008 with the objective of diversifying livelihoods and improving rural incomes. When UTMT began operations, it worked on sourcing single-origin honey from NGOs and facilitating market access by selling it in the retail market.

\(^{15}\)http://www.kvic.org.in/index.php?option=com_content&view=article&id=292&Itemid=253
Pastala explains the philosophy behind the model. She and her team had observed several lacunae in the Government of India program that offers training in bee keeping and extraction and wanted to bring a systematic process of training. She says, “After the training the people are sent away with a box. There is so much to know and learn about bees such as their seasonality, the bee cycle, their behavior and how they have to be managed differently. This can only be done when the engagement goes beyond a training period.” Pastala adds that the model emerged basically from the thinking that there are so many NGOs in the agriculture space. She adds, “They mostly speak about better seeds, better fertilizers, but nobody is talking about better flower pollination – it is important therefore that we add our piece in the equation.”

The Bees for Poverty Reduction model was piloted from 2009 to 2011. This experience enabled Pastala to understand practices and tweak the model. She always knew that no one was working on pollination. She noticed that pulses and oil seeds are big crops in semi-arid India, and that these are cross pollinated crops. This basically meant that without a pollinator there would be no crop. She also found that in the poorest districts of Gujarat, small farms are organic by default; the farmers here have no habit of using fertilizers. She says, “We want to help them get the organic certification so that they can they earn better prices for their crops.” UTMT undertook a study to test the hypothesis of impact of bees on agricultural productivity on a 2 acre plot, and saw the impact.16

**Getting Started**

Raising funds to build on her blueprint was not easy. After dipping into her savings and borrowing from friends and family, Pastala managed to raise INR 9 lakh (US$ 16,560). She soon found herself a partner in Sujana Krishnamoorthy, an economist and together they established Under The Mango Tree as a society in the year 2009. After receiving INR 13 lakh (US$ 23,919) from the National Bank for Agricultural and Rural Development (NABARD) and confirming their first NGO partner Bharatiya Agro Industries Foundation (BAIF), UTMT Society was finally up and running. Says Pastala of this initial phase, “It was a tough ride, which was fueled by the belief that it is possible. I committed myself to the goal for the duration I have given myself.” She adds that she had given

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herself a timeframe of up to 2013-14 for the organization to become sustainable and “in the black”. If it survived she would continue, else she would move on. For those who love UTMT Honey, it is a sweet sigh of relief that Pastala will not have to take this call. Luck had a lot to do with it too, she recalls. The early team she put together saw the idea in the true form and stayed on for it, there were a high degree of ownership, which has continued to date. And things have just turned out right each time UTMT hit a seemingly insurmountable obstacle. She shares, “At one stage, we had no money and funding for the society was drying up, we thought we would close down in two days. Just then a customer for our honey came to us and said he wanted to donate INR 5 lakh (US$ 9200).”

BAIF was already working with farmers in 12 states and, through its network, UTMT trained farmers in the tribal areas of Dangs and Valsad in Gujarat and Dahanu, Jawhar and Nashik in Maharashtra. UTMT and BAIF shared the cost of training the farmers and charged the farmer a subsidized rate for the bee box, thereby increasing ownership levels among them. Says Sujana Krishnamoorthy, head of the UTMT Society, “The tribal villages have a honey hunting practice. When we told them that bees could live in boxes, they didn’t buy it. It was a struggle and it took us one year to change their thought process. With the bee boxes, they saw that the amla (gooseberry) was bigger, the flowers were in abundance – this was better than sharing anecdotal experience. Singh told them that the bees had been at work. From here on, the demand for bee keeping increased – farmers came forward for training and wanted bee boxes.”

Initially, the honey thus collected was used by the locals. But over the years, after having established a decent base of beekeepers, UTMT began retailing the honey under the for-profit arm of the company. For this too, initially, Pastala faced a huge challenge in securing capital, but finally managed to raise seed funding of US$75,000 from US-based social investment fund First Light Ventures, a subsidiary of Grey Ghost Capital.

**The Hybrid Business Model**

UTMT has a hybrid business model that combines both for-profit and not-for-profit legal structures. Both of these independent entities share a complementary relationship:

- Under The Mango Tree Society: The not-for-profit arm trains farmers on bee keeping with the *Apis cerana indica* and aims to provide diverse livelihood opportunities, improved agricultural productivity and increased income.
• Under The Mango Tree Naturals and Organics Private Limited: The for-profit company creates direct, fair-trade and sustainable market access from farmers to consumer. Until now the amount of honey from the farmers trained by the society is low and is not enough to make it cost effective. Also, the farmers are not bound to sell it to UTMT, which offers a support price. Hence, UTMT’s for-profit arm has been buying honey from other beekeepers and farmers. From May 2013 onwards the honey flow is expected to be higher and will feed into the for-profit honey production.

UTMT’s hybrid structure was a deliberate and early choice – the organization empowers and trains farmers through its not-for profit society, and sells honey in the open market for profits through its for-profit entity. Says Pastala, “We have seen and it has been proven that the characteristics of sales people and those that empower are extremely different. The for-profit is efficiency driven, focused on sales and numbers. The not for profit is more sensitive, emotional, focused on execution and methodology. Currently, both arms of the organization are housed in the same office. We are thinking of housing them in different places soon.” She adds that the values in both entities and their core is the same – and includes participation, individuality and respect for the individual, and gender sensitivity.

Pastala shares that UTMT’s hybrid nature has also come in for some challenges as funders are not always keen to subsidize the society. Hybrids have faced some pressure particularly after the microfinance crisis, as a lot of MFIs that started out as not-for-profits and transformed into for-profits were found to be at fault. She emphasizes that UTMT has always been hybrid from the beginning (like BASIX, which tests models through its not-for-profit arm and moves those that are proven to the for-profit space). Challenges notwithstanding, the hybrid structure has helped UTMT bring in elements of good business practices to the society as well as the for profit arm such as setting standards on budgeting, reporting and documentation.
The UTMT Solution

The UTMT Society: UTMT operates largely through two flagship programs, the Bees for Poverty Reduction program focused on rural farmers and the Urban Beekeeping program designed to promote beekeeping practices in urban areas.

Bees for Poverty Reduction is the strategy through which Under The Mango Tree targets rural farmers. This program has a four pronged approach that includes providing diversified livelihood opportunities; supporting increased agricultural productivity; procuring higher incomes for farmers and maintaining the ecological balance as a result of good bee keeping practices.

Its unique framework supports sustainable livelihood options for small and marginal tribal farmers who practice rain-fed, subsistence agriculture and would benefit greatly from this alternate source of employment. The program:

- Focuses exclusively on the indigenous bee – the Apis cerana indica, available in natural surroundings and an excellent pollinator;

- Diversifies livelihoods by providing hand-holding and training support at the farmer’s homestead and increasing agricultural productivity for the small farmer;

- Includes buyback of the honey and beeswax collected at a premium price because of the organic certification that is obtained.

At the moment the program operates in three major states: Maharashtra, Gujarat and Madhya Pradesh. It impacts areas with a tribal population of over 90% across the six districts they
operate in and cover around 11 tribal blocks. In the last two years, UTMT has impacted over 1500 marginal farmers by providing them intensive training on beekeeping.

Says Krishnamoorty of UTMT’s best practices, “We use the audio visual format with photos and videos. We find that it is powerful and helps recollection even 8-9 months later. This is different from what the other agencies and organizations are doing.” She adds that the program needs to be a participatory agriculture extension program, to be able to see and change the farmers’ point of view. UTMT works with master trainers who are local bee enthusiasts they train and who can then hand hold fellow villagers. The reason for the deep and year-round engagement with farmers becomes clear as Krishnamoorthy adds, “The box itself is so important; it is vulnerable to ant attacks, and attacks by other predators such as lizards. Cleanliness is important, as they are prone to wax moth infestation. It needs just 10 minutes of maintenance each week, but farmers need to be trained in it. In summer, the box needs the shade, you need to put a wet cloth to cool it. In monsoons, you need to put a plastic wrap to prevent seepage. You need to ensure the queen bee doesn’t leave, because once she does, the rest of the bees will leave too. Its skill based on learning by doing, there is a need to handhold farmers until they learn.” Training is intensive in the first year, post which UTMT hands over to the master trainers. The master trainers also double up as honey aggregation agents. This process helps UTMT to scale to new villages. Forty five villages form a cluster, and UTMT has over 15 clusters across Gujarat, Maharashtra and Madhya Pradesh.

**The Urban Beekeeping Initiative** emerged from the concern over the dwindling bee population in cities given the critical role they play in preserving our ecosystem. The Urban Beekeeping initiative was launched by UTMT to popularize the activity beyond the rural areas and thereby bring back the bee population in urban centers.

Urban beekeeping is a well known concept in western countries but has yet to pick up in India. This initiative by UTMT is aimed at promoting and building awareness levels among urban citizens on the role of bees in pollination and maintenance of ecological balance. While it is not possible to install bee boxes in urban households, the boxes are installed in public areas like parks.

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**Aggregating and purchasing honey...**

In the initial years, honey flow is sufficient only for in-house consumption. Typically, a box will yield low amounts of honey in the first year which is all locally consumed – at about 1kg. In the second year, they get about 2-4 kg, and in the third year this is up to 6 kg. The number of boxes also goes up, by the end of the third year, the farmers keep upto five boxes, and this yields them 25-30 kg of honey.

For UTMT’s clusters, the honey flow is just about coming in. There is no compulsion on farmers to sell UTMT their honey. While the enterprise offers a minimum supply price, farmers often sell it in the open market for a higher price.
UTMT’s For-profit Arm: The for-profit arm of UTMT is getting production in place. The big challenges they have tackled last year are getting their operations and quality in control. As mentioned above, the amount of honey flowing in from the farmers trained by the society has not been enough to make aggregation cost-efficient. Until now, UTMT has only offered a support price to the farmers, who do not necessarily have to sell back to the for-profit arm. Says Pastala, “All that they produced was consumed at the household or village level itself.” This is set to change by May 2013, when the honey flow is expected to increase, and farmers may have to sell a part of their produce to UTMT. Currently, the for-profit arm procures honey from other farmers through NGOs who become their procurement partners.

The for-profit entity has hired a business head now to ensure the brand has an all-India presence. Says Pastala, “We are targeting customers who currently consume imported or gourmet honey.” She adds that the focus is on accessibility now as there is a buzz around the brand among those that know about it, and customers for UTMT honey tend to be loyal.

Important Partnerships
UTMTs strategy involves working in partnership with established groups for implementation of all their programs. These partnerships help to maximize impact and efficiency. For instance, in rural areas, UTMT works closely to integrate bee keeping into the community-based framework of NGOs that are already running livelihood activities. This allows UTMT to expand its reach and increases bandwidth to undertake activities in more regions. Some of the UTMT Society partners include:

BAIF DHUVA: Dharamput Utthan Vahini (DHRUVA) is an associate organization of BAIF Development Research Foundation. The organization has its operational base in tribal predominated districts of South Gujarat and parts of the Union Territory of Dadra and Nagar Haveli.

BAIF MITTRA: Maharashtra Institute of Technology Transfer for Rural Areas (MITTRA) is an associate organization of BAIF Development Research Foundation. This organization works in Maharashtra state.

The Aga Khan Rural Support Programme (India): The Aga Khan Rural Support Programme (AKRSP) was established in 1984. Since then, AKRSP has spread its outreach in over 1100
villages in the states of Gujarat, Madhya Pradesh and Bihar where over 4000 village organizations have been created.

Other important partners include
- Villgro, which helped UTMT with human capital and support;
- Edelgive, which supported in managing human resources, conduct performance appraisal, and create job descriptions;
- Taj Safaris which has implemented the project at Bandhavgarh in Madhya Pradesh;
- Watershed Organization Trust (WOTR) in Ahmednagar;
- RBS, which provided the MIS for bee boxes.

**Social Impact**

Under The Mango Tree Naturals and Organics Private Limited helps farmers reach their produce to a wide and urban audience through its retail efforts that include presence in over 40 stores across the country. The UTMT product range includes all-natural honey collected directly from beekeepers. These enjoy the unique flavors influenced by flora nectar gathered by bees, climatic season and locations of bee hives. These include wild forest honey collected from the forests of the Narmada river, clover, litchi, eucalyptus (known for health benefits), Himalayan flora, desert bloom from the Rajasthan deserts, orange blossom, mango, sesame, and mustard, among others.

UTMT’s activities are not restricted to just rural farmers enrolled in the Bees for Poverty Reduction program but also include beekeepers/farmers outside of the program. Since its inception in March 2009, UTMT through its training, capacity building and market linkage programs has worked with around 3000 farmers across the country impacting over 15000 people including the farmer’s families. Some of their key achievements of the society include:

- Impacted 15,000 lives: 66 villages, 12 districts, 3 states
- 3,000 farmers trained;
- 40 Master Trainers;
- 20 farmers in bee-box manufacturing.

UTMT Pvt Ltd has been successful in creating a niche market and brand awareness in Mumbai. It has a retail presence in Mumbai, Bangalore and Pune. Its social impact includes:

- Facilitated direct market access for: 1,500 beekeepers from 8 producer groups across 5 states;
• Funded Organic Certification for 900 farmers through Villgro incubation support and planned to fund an additional 1000 farmers starting from FY 2014 onwards;
• Funded the development of the value chain for Tribal Gold (honey from UTMT Society trained farmers) by employing a Procurement Officer at the field level and funding procurement of Tribal Gold that will be harvested from April 2013 onwards;
• Provided direct market access to honey that has been harvested from UTMT Society in FY 2014;
• Brought to market 28MTs of honey and 9MTs of beeswax.

Company Specific Challenges

UTMT continues to face challenges with human resources. Says Pastala, “Selling the concept is still a challenge, people do not equate the honey bee to pollination or agricultural productivity. We have been trying to measure this productivity gains consistently through small studies. We are trying to get a large study off the ground now.”

With increasing demand for training by UTMT, the team has learned to choose their implementation partners with care; for instance, they know now that for working with farmers, agriculture-focused NGOs have a better rapport with the target audience than do the MFIs.

UTMT also faces a challenge in its choice of honey bee, and does engage in advocacy to promote indigenous types of bees. Debate and discussions are on at the National Bee Board in Delhi amongst different stakeholders about the commercial approach to honey. For instance, the Mellifera bee, which is a European import, is choosy about the flowers it goes to, and can cost upto INR 3000 (US$ 55) per box and does not give more than 20 kgs of honey per box. The local Cerana bee, on the other hand, does not cost the farmer anything as it is freely there in the environment. Says Krishnamoorthy, “We have to consider this from a small farmers perspective – it is not about honey production alone but about agricultural productivity improvement.”

The for-profit arm faces more mainstream challenges – accessibility to customers and building a pan-India presence. Currently, UTMT sells honey through its online presence and through e-mail marketing to their known database of interested potential customers as well as through its retail presence, which is currently not extensive. The focus has been on showcasing its honey as a gourmet brand to a discerning audience of customers who consume imported and gourmet honey. With the new business head coming on board, the next challenge is to hire a sales staff to expand to Pune, Goa, Delhi and the South Indian states.

The Road Ahead

Over the next three years, UTMT sees itself as an established global gourmet brand, known for its quality and organic certification. The team hopes to impact 10,000 small and marginal
farmers through self-sustaining bee keeping clusters across the country. Its impact is measured through improved agricultural productivity and higher incomes for small and marginal farmers.

While the society focuses on impacting a larger number of farmers by scaling up its training and hand-holding efforts, UTMT’s retail arm has been polishing its marketing plan to ensure wider distribution of its honey as well as to build awareness about the different types of honey available with its urban audiences. In addition to building a presence at exhibitions and events, the brand is also seeking to associate itself with popular cookery programs on television to popularize recipes using UTMT honey. The big challenges Pastala and her team faces today include scaling up on the training side as well as ensuring accessibility of their product to customers – without diluting or changing the basic premises on which this unique hybrid organization has been built so far.

As Pastala sees it, honey is the by-product of a larger plan to improve agricultural productivity. For UTMT’s target audience – the small and marginal farmers as well as the growing band of urban consumers of gourmet honey, the means is irrelevant as long as the end is (as) sweet – as honey.