

Honey Prices Since 1880

by EVERETT OERTEL
Baton Rouge, La. 70808

Introduction

ALL of us must be aware by now that inflation, or the high cost-of-living, has been putting the squeeze on the commercial honey producer. Nearly all, or all, of the items that the beekeeper must buy, usually at retail, have gone up in price while the price that he receives for honey, usually sold at wholesale, has remained relatively constant (see Fig. 3).

Weaver (1970) has recognized the problem. He shows in a generalized chart, that the beekeeper's expenses for package bee production, are rising rapidly while his net income or return on capital and labor is decreasing.

I thought that the readers of the American Bee Journal would be interested in learning what has happened to commodity prices and to honey prices during the past nearly 100 years. The problem is not a new one. Voorhies, Todd, and Galbraith (1933) show that after the end of World War I, California beekeepers had to sell more and more honey to be able to buy a constant amount of supplies. Oertel (1966) has recently shown that changes in agricultural practices have harmed beekeeping in Louisiana and other areas. Anderson (1969) says, "First, the industry has attracted few young men in recent years, and many beekeepers reported that they would not encourage their sons or other young

men to enter this business because of the poor financial returns they are experiencing. Second, the general appearance of buildings and hives indicated that maintenance has been neglected."

The reader should keep in mind that beginning in 1948, a new base for the Consumer Price Index was established by the U.S. Dept. of Labor. Probably someone decided that 180 or thereabouts on the old index looked too high (see 1948 index Figure 2) so a new base needed to be established. I presume both politics and economics entered into the problem. In any event, the new Consumer Index for 1946, 1947, 1948 is from 80 to 110 points lower than the old Index for the same years. Probably an index of about 200 would have been recorded on Figure 3 for 1968, 1969, and 1970 if the new Index prices had not been used.

Prices

The general price level of commodities and other items that make up the present Consumers Price Index and the price of honey is shown in Figures 1, 2, and 3. In the following paragraphs I will briefly describe how the Index and the honey prices were obtained.

Consumer Price Index

The Consumer Price Index is a statistical measure of changes in prices of

goods and services bought by urban wage earners and clerical workers. It includes families and single persons. The index was at one time called the "Cost-of-Living Index." Prior to World War I only commodity prices were used in the Index. According to Warren and Pearson (1935) in 1902 from 250 to 260 commodities were used in the Index and in 1932, 784 commodities. Warren and Pearson calculated Index numbers back to 1786, using from 113 to 146 commodity prices. The Index has been revised from time to time. For example, the base periods used have been 1910-1914, 1935-1939, 1947-1949, and 1957-1959.¹ The early cost-of-living index was based largely on food prices, but now such items as recreation, television sets, transportation, housing, taxes, and many others are included. The present list of items used in calculating the Index covers 3.5 pages of fine print.

Honey Prices

The honey prices from 1880 to 1914 (see Figure 1) were those reported by a New York City commission merchant for extracted honey sold to dealers, as reported in *Gleanings in Bee Culture* (1880-1920). The January quotation of the New York market was used where available. If not available, the December price was used. Sometimes the commission merchant quoted

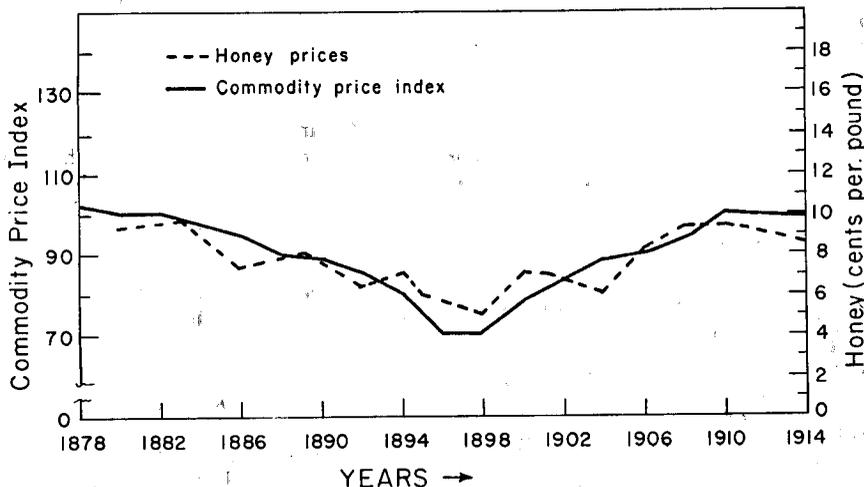


Figure 1.

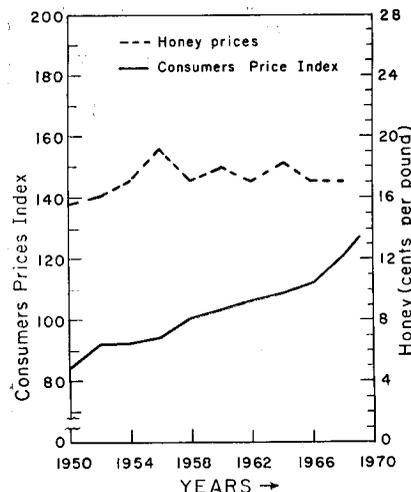


Figure 2.

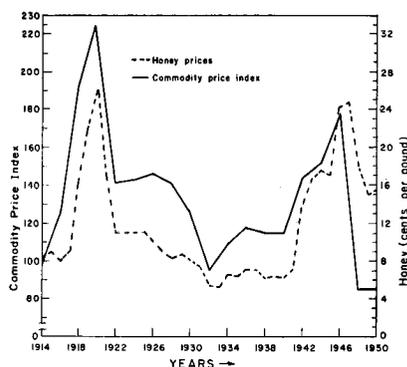


Figure 3.

top grade white clover honey at other times California honey, consequently the reader should consider the prices as only approximate. Remember that the prices quoted are for extracted honey sold to jobbers, etc. Probably the beekeeper received one half cent to one cent a pound less than the quoted price. Honey prices from 1914 to 1950 (see Figure 2) were obtained as follows: 1914-1921 from *Gleanings in Bee Culture*, and 1922-1950 from *Agricultural Statistics*, U.S.D.A. The honey prices since 1921 are for "all honeys" (extracted, comb, and chunk) paid to beekeepers for large lots F.O.B. New York City.² I do not have a breakdown on what percentage of the honey crop is sold as comb, or chunk, or extracted.

Figure 3 was compiled by using the consumer prices from the Bureau of Labor Statistics (1957-1959=100) and the honey prices from the U.S.D.A. *Agricultural Statistics*.

Discussion

The price of honey during and immediately after World Wars I and II, are interesting because of the abrupt rise in 1918, 1919, 1920 and in 1942 to 1947, excluding 1945. From 1922 to 1941, honey prices mostly drifted lower, from 11 cents in 1922, to 5 cents in 1933, to 7 cents in 1941. From 1949 to 1966, honey prices have stayed in a rather narrow range of 15 to 19 cents per pound.

The following quotation describes the honey marketing situation at the end of 1946: "During the ceiling-free holiday, honey prices advanced 50 to 100 per cent over ceiling prices. When ceilings were reimposed, they were to a considerable extent ineffective. However, many beekeepers did abide by them. . . . Decontrol coincided with a period of sugar scarcity, so honey met with an abnormal demand. Many growers had, however, sold their crops before decontrol. . . . Many of the sales reported were direct to consumers and retailers in the producing territory in small containers at prices ranging from 35-60 cents per pound."³

Between 1950-1968 wholesale "all honey" prices have advanced from about 15.5 to 17.5 cents, about 13 per cent. The price index has increased from about 85 to 120, about 41 per cent. Weber (1956) reported that "all honey" in Wisconsin ranged from 15.0 cents a pound in 1950 to 16.5 cents in 1955.

Comments on Prices

I have included a few items (from *Gleanings in Bee Culture*) in the belief that the reader will be interested in them. The items indicate, as does the relationship shown in Figure 1, that beekeepers were in a relatively favorable financial position prior to World War I.

J. E. Crane (in Vermont) said that in the 1870's he sold honey for 30 cents a pound above cost of selling, but did not say whether that was wholesale or retail, or comb or extracted.

In 1876 Muth (in Cincinnati) was paying 15 cents per pound for white clover extracted honey.

Adam Grimm (1876 in Wisconsin) report that he sold comb honey at 20-25 cents wholesale and extracted at 13-16 cents per pound, wholesale.

In 1890, beekeepers were offered 8 cents a pound for honey in 60 pound cans for the Kansas City market.

In 1900, New York wholesalers were offering 7.5-8 cents a pound for light honey and 6.5 for dark.

In October, 1910, New York wholesalers offered white honey at 9-9.5 cents per pound.

In October, 1915, some beekeepers advertised honey for sale at 6-10 cents per pound.

From 1922 to 1941, beekeepers had to endure relatively low honey prices. Adams and Todd (1939) show that in California in 1933 when the average selling price of honey was 4.5 cents per pound, 10 per cent of the apiaries were profitable, about the same percentage broke even and 80 per cent operated at a loss.

Future Trends in Beekeeping

I am well aware that "fools rush in" and so on, but I can't resist the chance to add some comments. Probably the number of honey bee colonies will continue to decline. The average estimated number of colonies in 1955-57 was 5,250,000 and in 1965-67 it was 4,860,000. If price supports are increased wholesale honey prices will probably increase. Consumer prices that make up the consumer price index will continue to advance (inflation is admittedly a part of our economy). The commercial honey producer will have

to strive for ever increasing efficiency (see *An Appraisal of the Beekeeping Industry*, 1970) and lower production costs. Increased rental fees from pollination colonies may help some beekeepers, but probably only a relatively small percentage. In the event of World War III, honey prices probably will increase sharply.⁴

Some Hints for Increasing Net Income

The alert commercial honey producer may be able to improve his net income in one or more of the following ways:

- Reduce labor and transportation costs,
- Become more efficient in the apiary and honey house,
- Increase the life of equipment,
- Keep capital investment as low as possible consistent with adequate returns on the investment,
- Find better locations and improve the colony yield in the outapiaries,
- Improve the quality of his product,
- Support the agencies that increase the sale and price of honey,
- Join a honey handling cooperative,

Those with an aptitude for selling honey might set up a packing plant.

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¹For a detailed discussion of these changes, refer to Warren and Pearson (1935) and Bull. 1517, U. S. Dept. of Labor. *The Consumer Price Index: History and Techniques*. U. S. Government Printing Office, 1967, Washington, D. C.

²The changes in quoted prices received by commission merchants up to 1922 and paid to beekeepers after 1922 accounts at least in part for the drop in honey prices between 1921 and 1922, as shown in Figure 2.

³From semi-monthly Honey Report, Vol. XXXI, No. 2, Jan. 15th, 1947, Washington, D. C.

⁴I am grateful to Dr. Norbert M. Kaufeld, Bee Breeding Laboratory, for the use of bee journals and other literature.