

Welcome to PhytoTrade news update number 12...

In this issue we launch our new Natural Products Information service, the PhytoTrade news clippings service and “the year of the sausage”. We discuss Fair Trade, bring you trade fair news, introduce you to our new members and more...

2005 is the year of the African sausage tree, *Kigelia africana*

The African sausage tree (*Kigelia africana*) has been one of our focal species since we launched our first phase of R&D. Given the substantial body of literature relating to its traditional uses and efficacy, particularly in the treatment of skin-related ailments, it seemed to be a species with significant commercial potential. Our own research since then has confirmed this, and we have made some interesting (and hopefully valuable!) discoveries about its properties. Unfortunately, the markets we are targeting for this product are in the cosmeceuticals and pharmaceutical arenas, and these take time to develop. Although we feel we are making good progress, we sympathise with members who may be feeling frustrated that sales of kigelia have yet to materialise. Accordingly, we have decided to make 2005 the Year of the Sausage, in the hope that this will elevate the species' importance in our R&D and marketing strategies. If things unfold as planned, we expect to see some important developments in the market for this product over the year. Watch this space.....!



COSMETIC FORMULATION COURSE

From 15th to 17th November 2004, PhytoTrade held a Cosmetic Formulation course in Harare, led by premier South African cosmetic formulator, Aubrey Parsons. Professor Parsons gave participants an overview of the theory and practice of cosmetic formulation, and other lecturers gave sessions on marketing, packaging and the South African cosmetics market. In practical sessions, members learned how to make hand and body lotion, moisturiser, shampoo, conditioner and lip balm. These formulations are available to members, and can be downloaded from the Members Only Website. A cosmetic formulation primer is also planned for publication under the PhytoTrade technical series later in 2005.

Bibliography on MOW

A bibliography of our technical literature is now available as a downloadable PDF on our Members Only Website. If you are interested in receiving copies of selected references, either as hard copies or emailed to you as PDF files, please contact Lucy on lucy@phytotradeafrica.com and she will be happy to facilitate this. The bibliography is being constantly updated by Rosie at our London office, as new literature becomes available.

Confidential market briefing available on Members Only Website

The first of our new quarterly Confidential Market briefings will soon be available on the Members Only Website. It will be full of information about overseas market trends, business opportunities and R&D innovations and will be a useful way of members keeping up to date with PhytoTrade's latest developments.

New members

The following new members were approved at our Management Board Meeting held in November 2004:

- Chikute Herbal Centre from Zimbabwe; Stella Chiweshe-Reich kuridza2000@yahoo.co.uk
- Emmanuel Musonda from Zambia (Individual) emusonda@scientist.com
- Marula Natural Products from South Africa; Girlie Njoni madumezulu@mweb.co.za

- Rural Agro Challenge from Zambia; Henry Ngimbu hngimbu@yahoo.com

New Clippings service available

In January 2004 PhytoTrade Africa launched a new press clippings service edited for members by the PhytoTrade London and Harare offices. The bulletin contains some of the most up to the minute articles relevant to your natural products business, and is drawn from the broad range of scientific and industry journals that PhytoTrade subscribes to, listed below. The service will be sent to members by email on a quarterly basis.

- Economic Botany
- Natural Products
- Soap, Perfumery and Cosmetics
- Cosmetics and Toiletries
- Soft Drinks International
- HerbalGram
- Nutraceuticals World
- Nutrafoods
- Food Engineering and Ingredients
- South African Journal of Natural Medicine

PhytoTrade Natural Products Information Service launched

The Natural Products Information Service (NPIS) is a subscription-based service, operated by PhytoTrade Africa, to assist rural producers to access information on:

- New natural products and market opportunities;
- Simple production and processing technologies for each product; and
- PhytoTrade Africa members locally and within the region who are interested in developing linkages with rural producers

Anyone can subscribe to the NPIS, but it is geared towards small rural businesses, community groups, clubs, or associations who want to start a natural products business.

What services do subscribers receive?

NPIS subscribers will receive the following services:

- ◆ Regular newsletters and updates from PhytoTrade
- ◆ Preparation by PhytoTrade technical staff of a producer profile describing the subscribers production capacity, product range and contact details
- ◆ Circulation of producer profiles to all PhytoTrade Africa members
- ◆ Match-making services to link subscribers to members requiring regular supplies of a particular product
- ◆ Linkages to donors who may be interested in supporting subscriber enterprise
- ◆ Access to a range of technical training manuals and publications

NPIS Subscribers are also entitled to receive the following services at cost-price:

- ◆ Priority attendance at PhytoTrade Africa training sessions on production and processing technologies for relevant natural products
- ◆ Access to a much wider range of technical training manuals and publications
- ◆ Participation in regional trade shows

What does it cost?

An annual subscription to the NPIS costs US\$50, payable in local currency. To become a NPIS subscriber, applicants should fill in an application form (available from Rose Musimwa rose@phytotradeafrica.com on request), and submit it, along with subscription fee, to the PhytoTrade Harare office.

Market opportunity for Lipids Industry Group

In January 2005, the Lipids Industry Group – concerned with issues relating to the production and trade of lipid oils; was advised by group secretary and PhytoTrade Technical Services Manager, Nyarai Kurebgaseka of a market opportunity. This was to supply one of our customers, a market leader in cosmetic ingredients, with various oils including Baobab, Manketti, Trichilia (Mafura Butter), Kalahari Melon Seed and Ximenia oils. SAFIRE, CRIAA SADC and Cheetah Malawi were awarded the contracts.

PhytoTrade Africa's objective is to build a viable and enduring natural products industry in the region, based on resources accessible to poor rural people. It is currently operational in Botswana, Malawi, Namibia, South Africa, Swaziland, Zambia and Zimbabwe.

Elephant Pepper and CRIAA awarded PhytoTrade Innovation grants

CRIAA is adopting the technology that is currently being used for marula pulp to investigate the potential for the production of Strychnos pulp. This is the first ever investigation into the suitability of strychnos as a food ingredient. CRIAA will prepare a range of samples which will be made available to nominated commercial partners so that they can conduct further formulation trials. CRIAA will also be experimenting with a variety of storage conditions, including examining different containers and preservatives.

Elephant Pepper has been awarded an innovation grant to formulate a baobab chilli sauce, using baobab pulp as a key ingredient. The baobab sauce will join the Elephant Pepper range of sauces that include Zambezi red pouring sauce, chilli jam and chilli relish. Several formulations are being prepared by an industrial kitchen in Johannesburg, ready for consumer trials at the end of March.



Emerging opportunities for Baobab fruit pulp....

We're now at an advanced stage of negotiations with partners in South African and there appear to be very good prospects for the development and launch of one or more baobab pulp related products this year. Makonde Industries in

Zimbabwe are launching a porridge fortified with baobab pulp at a food fair in Harare at the end of January. We are currently delivering two tonnes of pulp a month from PhytoTrade members, and we anticipate that this figure will grow. We also hope that there will be similar opportunities for regional trade in baobab pulp in neighboring countries soon.

Focus on Fair Trade

If you're a member of PhytoTrade, you will have already signed the PhytoTrade Constitution, as well as our Fair Trade Charter. The Charter will have given you some idea about what Fair Trade is, its purposes and goals. You're also by now probably aware that PhytoTrade is a member of IFAT, the International Fair Trade Association facilitating PhytoTrade member access to Fair Trade markets.



However, your organisation or company may be wondering, "What do I need to do to be considered a Fair Trade Producer?" This article will give you some basic understanding of Fair Trade practices.

Fair Trade labels and certification currently only exist for the following products: coffee, cocoa, tea, sugar, honey, bananas and orange juice. Thus, almost all of PhytoTrade's members cannot apply to a formal labelling scheme. However, there are import organisations, shops, and buyers who are interested in products that are 'Fairly Traded,' even if they are not certified as yet. Also, Fair Trade certification for natural products such as ours may be drawn up by the FLO (Fairtrade Labelling Organisation International) in the future. So if our PhytoTrade members are

PhytoTrade Africa's objective is to build a viable and enduring natural products industry in the region, based on resources accessible to poor rural people. It is currently operational in Botswana, Malawi, Namibia, South Africa, Swaziland, Zambia and Zimbabwe.

already adhering to commonly agreed-upon guidelines, they will find it much easier to get certification when it becomes available.

Checklist

You should be able to answer 'YES' to the following questions in order for your products to be considered 'Fairly Traded'. Not all criteria will apply to your organisation, depending on the type of production you are involved in.

Do the prices paid to producers (for raw materials, semi-processed goods, processed goods) cover the cost of production, and also allow the producer a decent living wage?

Sources of verification:

- Buying-trip records.
- Financial accounts.
- Producer testimony.

- ✓ Are your producers able to afford things such as: standard housing, food, school fees, and clean clothing?

If your producers incur a cost in production and supply of goods, are they given a partial payment in advance to facilitate production, and avoid producers going into debt?

Sources of verification:

- Buying-trip records.
- Financial accounts.
- Producer testimony.

- ✓ Do your producers need equipment to harvest the raw material? Do they need to buy bags to put the fruits in? Do they need to take public transport to reach 'buying points'?
- ✓ Are you paying them enough in advance to facilitate their production and allow them a decent living standard until you buy the end product?

Are contracts that are signed between producers and buyers allowing for long-term production planning? Are you encouraging long-term trade relations that allow proper planning and sustainable production practices?

Sources of verification:

- Contracts between producers and buyers.
- Work plans.

- ✓ Do you tell your producers when you will next come to buy their product, and how much you are willing to buy?

Do you share your financial information, management practices, business practices, and production, marketing, and development plans openly with your producers (though tempered with respect to sensitive commercial or political information)?

Sources of verification:

- Policy on access to information.
- ✓ Do you publish annual reports detailing your financial and production information?
- ✓ Can producers or importers easily obtain information about your management or development plans?

Are you committed to fair and equal employment, progressive work practices, and involvement of workers and producers in decision-making and management?

Sources of verification:

- Employment policies.
- Employee testimony.
- ✓ Are you an 'equal opportunity' employer?
- ✓ Are you open to suggestions from employees?
- ✓ Do you pay overtime at a premium rate, and allow no more than 12 hours per work-week?
- ✓ Do you respect employee freedom of association, the right to bargain collectively?
- ✓ Do you facilitate employee access to training and skill advancement?

Have you made efforts to work with marginalised and disadvantaged communities (i.e. indigenous peoples, women, poor or remote villages)?

Sources of verification:

- Supplier records.
- Company/organisation objectives.
- ✓ Do you target efforts at involving women and minority groups etc. in your trade and product development?
- ✓ Do you encourage and support community development activities arising from your trade?

Do you assist producers with their understanding of the markets for which their products are destined, and how to improve or alter their designs/production to meet market trends?

Sources of verification:

- Work plans.
- Producer testimony.
- ✓ Do you explain to producers what their products will be used to produce? Do you involve them in any pre-processing or processing?
- ✓ Do you explain to producers what you are looking for in the products?
- ✓ Do you alert them to any new demands or changes in market trends that affect their product?

If you have factories or workshops, do your employees have:

- a. *A decent living wage (at least the legal minimum)?*
- b. *Minimum health and safety standards?*
- c. *Good housing, where appropriate?*
- d. *The right to join trade unions?*
- e. *No child or forced labour?*
- f. *Minimum environmental working conditions?*

Sources of Verification:

- Employment policies.
- Site visits.
- Financial accounts.
- ✓ Do you adhere to national health and safety standards?
- ✓ Do you ensure your workers have access to medical care, and/or insurance?
- ✓ If you provide housing, then is it clean and in safe, reasonable condition? Does it have latrines? Access to water? Locks?
- ✓ Do you employ anyone under the age of 16 full-time?
- ✓ Does the workplace have adequate lighting? Ventilation? Fire extinguishers? Latrines?

Fair trade - what's all the fuss about?

The Fair Trade movement is evolving as you read this newsletter. Much of its focus is buoyed by the coffee market, and PhytoTrade members come from countries that are not within the much talked about tropical belt, dominated by coffee and tea growers.

But this is no reason to ignore Fair Trade! In the UK market, sales of Fair Trade goods have experienced annual growth rates of over 30% since 2000, with a retail value of over US\$200 million a year. Major multinationals are launching their own fair trade brands to meet with a demand that is strongly consumer driven, whilst every week new products are launched, and more organizations are showing their support for the movement by stocking these products. Entire universities across Europe and the US are stocking fair trade products in their shops and canteens. But what is it all about? Do we talk about Fairtrade, Fair Trade or fairly traded products?

The answer is that the Fair Trade movement is an evolving process. The movement has created organizations such as Max Havelaar, Transfair, the Fair Trade Foundation, the Rainforest Alliance and numerous other 'fairly trading' organisations. But in a movement driven by consumers, it is essential to avoid alienating these consumers, and so IFAT has now joined forces with the International Fair Trade Labeling Organisation (FLO-I).

IFAT certifies *organisations* that can meet the requirements of IFAT standards. FLO-I certifies *products* that are traded respecting Fair Trade standards for certifying production, auditing trade according to these standards and for the labeling of certain products. FLO-I co-ordinates European and American labeling initiatives such as Max Havelaar (the Netherlands), Transfair (USA and Canada) and the Fair Trade Foundation (UK). The result is that a Fair Trade Product can be one produced by an IFAT certified Fair Trade Organisation or a product labeled under FLO-I.

And so lastly how about 'fairly traded' products that are neither certified by IFAT nor FLO-I? An example of this is The Rainforest Alliance, an American organisation driven to find solutions to the problem of deforestation. They have developed a number of schemes with economic incentives for farmers, including the harvest of Non-Timber Forest Products. Large coffee buyers such as Lavazza and Lyons Original Coffee (Kenco) have been attracted to the Rainforest Alliance's initiative.

More Information..

If you want more details about how to make trade fair, you can contact PhytoTrade

(info@phytotradeafrica.com). We will provide you with further information on Fair Trade initiatives and practices.

PhytoTrade Annual report

We are currently working on the 2004 annual report which we anticipate will be published in February 2005 and will be sent out to all members by post.

Trade fair news...

PhytoTrade Africa will be representing members at the following events and trade shows in 2005:

Event	Dates	Location	Link
Biofach	24-27 Feb	Nuremburg	www.biofach.de
International Food And Drink Exhibition	13-16 March	London.	www.ife.co.uk
Personal Care Ingredients Europe	12-14 April	Paris	www.stepex.com
In Cosmetics	12-14 April	Berlin	www.in-cosmetics.com
Vitafoods	10-12 May	Geneva	www.vitafoods.eu.com
Natural Products Expo Europe	15-16 June	Amsterdam	www.expoeurope.com
CPhI (Cosmetic & Pharmaceutical Ingredients)	1-3 Nov	Madrid	www.cphi.com
Euro-Lipids	2-4 Nov	Frankfurt	www.eurolipids.de
SCS Formulate	Nov	UK	www.scsformulate.co.uk
Food Ingredients, Europe	29-1 Dec	Paris, France.	europe2005.f-events.com

South African office

We're moving ahead with plans to open a PhytoTrade Africa office in South Africa. Notice of the job advertisement will be circulated for the post of South African representative in due course.

Communities in Zimbabwe to take natural products use to commercial levels

A survey to assess the potential of communities to take up natural products business in two PhytoTrade focal tree species is being carried out in the Zvishavane and Shurugwi areas of Zimbabwe. Both qualitative and quantitative methods are in use in the research that will provide information for building a long-term monitoring and evaluation programme of natural products use in the area. The survey is showing that both Marula and Mobola plum have a strong social and cultural importance in the area. High species abundance, and absence of any anticipated significant environmental impact of natural products use indicates a viable and sustainable natural products business may be possible in these areas.

AND FINALLY

PhytoTrade Africa launched in intern programme in 2004 that has resulted in several new faces in the head office. Gabriel Ngorima, a Masters student from Wits in South Africa, has been undertaking fieldwork in Zvishavane to contribute to one of our long term case studies. He is now hard at his studies in Wits, but will be back for more fieldwork in July. James Magidi, meanwhile, is a recent surveying graduate from the University of Zimbabwe, and is setting up a GIS programme to enable us to maintain up to date records of the distribution and densities of our focal species around the region. We hope that this will cement our position as the leading knowledge centre in the world on these species!