



Branching out...

In this issue, we welcome three new members, update you on progress at European trade fairs, give an overview of AGM outcomes, launch the Natural Products Awards, present our current research priorities and provide an overview of the our partners at the Biotrade Initiative.

NATURAL
PRODUCT
AWARDS



The PhytoTrade Africa Natural Products Awards

At Natural and Organic Products trade fair in Johannesburg (20-23rd October 2006), we will be launching the PhytoTrade Africa Natural Product Awards. There will be prize money of US\$5000, and the awards will be judged by a panel of international natural products, fair trade and organic experts. Nomination forms are available on www.phytotradeafrica.com There will be three categories:

Award 1: For the most innovative new natural product launched in 2005

Award 2: For outstanding achievement for Fair Trade in the natural products industry

Award 3: For outstanding achievement for organic and environmentally sustainable production in the natural products industry

Nominations of products, individuals and enterprises from any of the eight PhytoTrade Africa countries will be considered.

New members

We would like to welcome three new corporate members of PhytoTrade Africa, recently approved by our Management Board

- ◆ Natravista Skin Care
natravista@yahoo.com (Mr Akhtar Petker)
Corporate Member
- ◆ Richard Mtetwa
zinmtetw@yahoo.com (Mr Richard Mtetwa)
Corporate Member
- ◆ Mokuti Herbs International cc
mokuti@deunet.co.za (Rudolf Schleipfer)
Corporate Member

Novel foods update

In order to ensure growth of the market, PhytoTrade Africa has decided to pursue the Novel foods route for some of the African natural products. This has seen the Executive Office sending out more than fifty questionnaires to many institutions and individuals that have conducted research on Baobab, to verify PhytoTrade Africa's research on the species. We have received overwhelming support from members, as well as key individuals such as Gerald Wickens and institutions including Royal Botanic Gardens, Kew. The results of this exercise will all be used to strengthen PhytoTrade Africa's Novel Foods Application to the Food Standards Agency. Key clients are eagerly awaiting the outcome of this application.

PhytoTrade exhibits at Vitafoods

PhytoTrade exhibited at Vitafoods International, 9-11 May in Geneva. It is the largest and most important nutraceutical event in Europe that combines the areas of nutraceuticals, cosmeceuticals, and functional foods and drinks. At the show, PhytoTrade Africa hosted a technical seminar on 'Trends in African Cosmeceuticals' given by Dr Joerg Gruenwald of Analyze and Realize to 163 key industry decision makers. 134 commercial enquiries were received and PhytoTrade Africa was able to further cement its partnership with SA specialist extracts company, Afriplex.



AGM update

The PhytoTrade Africa AGM held recently in Johannesburg was a productive and successful meeting, and here we summarise some of the key conclusions and resolutions adopted at the meeting. This is mainly for the benefit of members not present at the AGM but will also serve as an aide memoir to those who did attend.

Registration as a Section 21

PhytoTrade has successfully registered in South Africa as a Section 21 non-profit company. Our official title is SANProTA (Association Incorporated Under Section 21), T/A PhytoTrade Africa. This will not have any substantive impacts on the way we work, but you may notice a few changes in the wording on our letterheads and corporate publicity. Although we are now legally registered as a South African company, we remain physically headquartered in Harare.

Establishment of the Southern African Natural Products Intellectual Property Trust

We also updated the AGM on the steps taken towards the establishment of a new Trust, which will assume ownership of any proprietary Intellectual Property (e.g. patents) arising as a result of R&D conducted by the Association. This Trust has not yet been legally constituted, but we shared a draft Deed of Trust with the membership and final registration is expected shortly. The Trust will be registered in Botswana.

New grant facilities for PhytoTrade members

A summary was provided of the various new grant facilities that have been established for the membership. Here is a brief overview:

Technical Assistance Grants enable members to hire an external consultant to provide focused assistance around a specific business or technical issue relating to natural products. Applications can be submitted at any time, and the application forms are available on the website.

Innovation Grants are to assist members to undertake innovative product (or market) research and development around one or more natural products. Applications can be submitted at any time, and the application forms are available on the website.

R&D Grants target a specific piece of research that is needed by the Association, and enable members to apply for funding to undertake that research on behalf of the membership. Applications for these should only be submitted in response to specific calls circulated by the PhytoTrade team.

Certification Support Grants are to assist members in attaining any form of recognised environmental or Fair Trade certification for one or more natural products. Applications for these should only be submitted in response to specific calls circulated by the PhytoTrade team.

Business Opportunity Assessment Grants are aimed at helping primary producer groups to identify natural product-related business opportunities and develop specific business plans towards the development of these opportunities. Applications for these should only be submitted in response to specific calls circulated by the PhytoTrade team.

Primary Producer Business Start-Up Grants take this process one step further, and actually assist primary producers to set up a new business around natural products. Applications for these should only be submitted in response to specific calls circulated by the PhytoTrade team.

Note that all of these grants are only available to Corporate members.

Introduction of new PhytoTrade Africa Mentoring System

An innovation agreed upon at the AGM was the introduction of a new Mentoring System within PhytoTrade. The idea behind this is to designate one person from the ExO team as a dedicated "mentor" to each Corporate member of the Association. The mentor's task is then to ensure that you are receiving the services you need from us. We hope that this will enable us to provide more efficient and streamlined services to members. Since the AGM we have been working on the practical details and you will be hearing more from us shortly on this topic.

Constitutional amendments

There were a number of minor constitutional amendments made at the meeting. The primary objective of these was to allow for the establishment of a system of proxy voting at AGMs. In future, if you are unable to attend the meeting yourself, you will be able to appoint a proxy (another member who will be attending), and this proxy will then be able to vote on your behalf.

Staffing changes

We used the AGM to update members on changes in our staffing configuration (arising from recommendations made during last year's Annual Review). Our current team is as follows:

Nyarai Kurebgaseka remains our Technical Services Manager, with responsibility for co-ordinating much of our R&D work within the region, and for providing members with support on the technical aspects of production and processing.

Arthur Stevens is our Business Services Manager. His job is to assist on the business side of production, processing and export procedures. He is also involved in guiding members towards environmental and/or Fair Trade product certification.

Jonathan Landrey is our recently appointed New Business Manager. He comes in to bolster our domestic and regional market development activities, and his specific task is to facilitate new business opportunities around natural products within the region.

Lucy Welford has assumed a new job title, and is now our Marketing and Communications Manager. She also runs our office in Cape Town, which was opened towards the end of last year. She manages our corporate communications strategy, and provides targeted support to members and commercial partners on the marketing side.

Gabriel Ngorima is another recent appointment. He is our Research Associate with responsibility for Monitoring and Evaluation (M&E). It is Gabriel's task to extract information from members on sales and raw material purchases, in order to justify to our funders the beneficial impacts of our work in terms of increased income for rural producers.

Cyril Lombard remains our Market Development Manager, and is responsible for some of the higher-tech R&D, as well as our market development activities within the EU and North America. Cyril is based at our London office.

Rosie Abdy Collins assumed a new role at the beginning of 2006 as our Client Relations Manager, also based in London. Rosie's primary task is to manage all our interactions with our long term commercial partners.

Rosemary Musimwa is our Membership Secretary and Administrator. She manages all the administrative affairs of the Association, as well as playing a key supporting role in terms of export documentation and logistics. Rose is also assisted by **Francisca Patsika**, who handles the secretarial work, and **Sekayi Mujati** who manages the finances.

Finally we have three additional Research Associates: **James Magidi** is a GIS specialist and oversees the distribution mapping of our focal species, **Charlotte Roenne** is a forest ecologist who provides specific ecological inputs into resource management planning and strategies, and **Maria Abad Jara** focuses on collating market research and R&D data. Maria operates from our London office.

Board elections

The two vacancies on our Board were filled at the AGM by Carl Bruessow and Charles Wamulwange. Consequently, our Management Board for 2006-7 will be as follows:

Charles Chileya (FRMP)
Nazir Jussab (Forestry Devt Company)
Michel Mallet (CRIAA SA-DC)
Tebogo Matlhare (Thusano Lefatsheng)
Carl Bruessow (Mulanje Mt Conservation Trust)
Charles Wamulwange (Kalahari Natural Oils)
In its subsequent meeting, the Board co-opted the following two additional members:
John Pearce (Swazi Indigenous Products)
Anthea Stephens

Anthea, who has recently left the position of Acting Country Director for IUCN South Africa, was co-opted as a non-member, based on the contributions the Board felt she could make to PhytoTrade Africa. Once constituted, the Board elected the following office-bearers:

Chairman	Carl Bruessow
Vice-Chairman	Charles Chileya
Treasurer	Michel Mallet

We also said goodbye to two long-serving members of the Board: Pierre du Plessis (CRIAA SA-DC in Namibia) and Caroline de Kock (Speciality Foods of Africa in Zimbabwe). Both will certainly continue to be heavily involved in PhytoTrade Africa activities, and no doubt we may see them being called upon for Board duty once again in the future!

Meet the Buyer

Once again we had representatives from our commercial partner, Aldivia, at the meeting. Aldivia were represented by Pierre Charlier, their CEO, and Mikaele Raynard, their R&D Director. They gave an overview of their expectations around the market for African oils, as well as sales projections for the coming three years. They also shared with us some of their more recent R&D advances around our oils. The session was a very positive one for members, and there is no doubt that the demand for our oils through Aldivia will experience steady growth over the next few years.

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Aldivia were supported by their SA distributor Lynette Hauselmann of Cosmetichem. She gave members an overview from her perspective as to how the demand for natural ingredients is growing in South Africa, a perspective that cannot have failed to excite anyone who is working in this sector.

Guest presenters

In addition to the Aldivia team, there were guest presentations from several other key personalities in our industry. These included:

Dr. Nigel Gericke, a well-known South African phyto-pharmacist. Nigel is currently on a part-time contract with PhytoTrade Africa, providing focused inputs into our product development work. He gave an overview of some of the R&D capacity that currently exists in South Africa, as well as of some of the recent findings from his research on our behalf.

Rik Kutsch-Lojenga, from UNCTAD's BioTrade programme in Geneva. UNCTAD have supported PhytoTrade for some time, and we have collaborated with them on several global policy-level initiatives, including recent attempts to lobby the EU around Novel Foods regulations. Rik gave a presentation on the Union for Ethical Biotrade.

Cori Ham from the Commercial Products from the Wild (CPWild) programme at Stellenbosch University. The CPWild programme has collaborated with PhytoTrade on various natural product research and market development activities, and Cori gave a brief overview of the services that they are able to offer to PhytoTrade members.

Anthea Stephens from IUCN South Africa. Anthea discussed progress on the Natural Futures programme, in which IUCN and PhytoTrade Africa are partners. This programme is responsible for several of the new grant facilities that have recently been set up for PhytoTrade members. It will also see us shortly begin a much more systematic engagement at the policy level within the region.

Miscellaneous

Both the Botanical Raw Materials and the Lipids Industry Groups held meetings during the AGM. The meetings were practical and businesslike, and we hope will set the tone for more productive interactions between group members in the future.

We held our first ever Share Fair. Members involved in the production and sale of finished products brought samples along to show other members. This seemed to be appreciated by those who were there, and gave rise to a lot of useful discussions between members.

The first Pre-Qualified Supplier certificates were awarded to members at the meeting. We now have four Pre-Qualified Suppliers (PQS), all of whom are pre-qualified to supply oils to Aldivia. We will shortly be commencing a second round of assessments in an attempt to expand the range of PQS members, and any of you who are currently engaged in the production of oils or fruit pulps (marula, baobab and kigelia) should consider submitting your details for assessment.

Next year's AGM will be in Swaziland. We hope we get a chance to see each other between now and then but, if not, we look forward to catching up with you all there.

PhytoTrade Africa Research Priorities

Research priorities for PhytoTrade Africa London office to complete in the next few months include the following topics.

- ◆ **Marula oil for next Novel Food Application** – research and collation of all relevant literature on Marula oil, including grey literature on its traditional and cultural uses.
- ◆ **Pipeline species projects** including the collation of data on species previously identified by research programmes as having commercial potential and compilation of initial list for further research.
- ◆ **Kigelia – anti-inflammatory activity** – research on verminoside, an iridoid isolated from Kigelia's extract with anti-inflammatory properties.
- ◆ **Cucurbitaceae** – research on the cucurbit distribution across country members; also looking into KMS and its appellation of region.

Focus on the Biotrade Initiative

The Biotrade Initiative is a partner of PhytoTrade Africa and its verification programme is an important new approach to the possibilities for inspection and certification, especially for wild harvested products from developing countries. The initiative has arisen largely as a result of the perceived inadequacies of existing certification systems in addressing the difficulties in achieving certification as well as addressing areas that are not addressed at all by existing systems. The latter include areas such as compliance with international conventions, especially the Convention on Biodiversity (CBD) and the Convention on Trade in Endangered

Species (CITES).

Biotrade verification is not intended to be a replacement for existing certification schemes, which include organic, Fair Trade, Forest Stewardship Council, and the Rainforest Alliance. It is intended to be supplementary to these schemes and to encourage incorporation of issues that are not currently included.

The Biotrade verification scheme is intended to develop through a "club" type system through the establishment of a Union, membership of which is through verification aimed at compliance with standards. Those who are not fully compliant will not be excluded, instead they will be aiming towards full compliance. Initially this will be through self assessment, followed by a third party assessment and verification, resulting in membership of the Union.

Standards currently have been developed and are being tested in Peru, Brazil, Columbia and Malawi with a PhytoTrade Africa member. Input is strongly encouraged at this stage from all involved in the process – including producers and buyers. The scheme is designed to take into account the needs and views throughout the value chain, with safeguards to ensure that no one specific grouping can overly influence the setting of standards.

The standards currently being tested cover specific aspects of the CBD, including

- ◆ impacts on biodiversity,
 - ◆ ensuring sustainability of the eco-systems from which the harvest or collection is taking place,
 - ◆ maintenance of genetic variability,
 - ◆ respect for traditional knowledge
 - ◆ monitoring of impacts including the regeneration rates of the species involved.
- The socio-economic aspects are covered include:
- ◆ training of employees,
 - ◆ minimization of waste,
 - ◆ the fair and equitable sharing of benefits derived from the use of biodiversity,
 - ◆ fully transparent negotiation of pricing and ultimate sustainability financially of those taking

part in and throughout the value chain.

An area of special importance is compliance with national and international legislation. In addition, the identification and payment of licences and fees, as well as all corporate and other taxes applicable.

Social equity is also important, including absence of child labour, or any forms of discrimination. Where a company employs people there is also an insurance that employment legislation is complied with, including health and safety conditions at work.

Testing of standards in Malawi with a PhytoTrade Africa member took the form of a full scale inspection by third party inspection specialists SGS, a company involved in wild harvest and processing in Malawi. The results have been very instructive – not least in the areas on which the PhytoTrade Africa member now needs to concentrate to gain full admittance to the Union.

Various different aspects of verification and inspection also are being investigated – including verification by third party specialists similar to that undertaken with SGS in Malawi. As the scheme unfolds it is expected that a higher degree of self assessment will be undertaken prior to third party verification. Integration with inspection methodologies of other certification schemes is expected to become an important feature – with interest being expressed by Rain Forest Alliance/ SAN and Forest Stewardship Council (FSC). Integration would, for example, enable clients to be certified by both FSC and Biotrade – without having to undergo separate verifications as is currently the case with organic and fair trade certification.

Unlike existing organic and fair trade systems, the Biotrade verification initiative is not intended to be consumer-orientated. Instead, it is hoped that Biotrade verification will be a business to business initiative, developing stronger, more effective and more encompassing industry standards. It is also hoped that it will open up new business opportunities through increased supplier/ buyer recognition.

See www.biotrade.org

And finally...

We would like to welcome Jonathan Landry, our New Business Manager whose work will complement that of Arthur Stevens, the PhytoTrade Africa Business Services Manager. Jonathan starts full time with PhytoTrade Africa at the beginning of August 2006.

And finally, your Marketing and Communications Manager, Lucy Welford is expecting a baby in October 2006.

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