

Happy Birthday PhytoTrade...

In this issue, we with PhytoTrade Africa a happy fifth birthday and reflect on some of the challenges ahead, welcome new members, review some of the workshops and conferences attended by PhytoTrade staff and members, look at progress on R&D and Monitoring and Evaluation..

Five years old

Oops, without any of us noticing, we passed a significant landmark this year. On September 6th, PhytoTrade Africa turned five years old! We were in the final throes of preparing for the Beyond Beauty trade show in Paris the following week, and somehow it completely escaped our attention. No time for sentimentality – we've got a job to do!

But some reflection is called for. Five years ago we had a single, part-time employee sitting in a borrowed office. We had 19 members, not one of whom came from the private sector. We had promises of money but not a cent in the bank. And we were brimful of ideas but our sole achievement to date was that we existed.

Today we have 18 employees, 59 members, offices in Harare, London and Cape Town and a substantial track record in the natural products sector. We're the biggest grouping of natural product players in Africa and the first trade association devoted to indigenous natural products in the world. We've facilitated the launch of the first patented biologically active ingredient in which producers co-own the patent, and we've submitted the first Novel Foods application to come from Africa.

This year we have been nominated by SADC to become one of its Centres of Excellence (specifically around natural products and Access and Benefit Sharing). We are substantially the youngest organisation to have attained such status, most of the others having been in existence for 15 years or more.

These are all significant achievements and we have a right to pat ourselves on the back for what we've managed to do in a relatively short space of time. But the real reason we didn't break out into an orgy of self-congratulation on our fifth birthday was that our ultimate goal still lies ahead of us. And until we get there, we can't afford to slow down.

We definitely are getting there, too, but it's not an easy road. Creating brand new markets for brand new products was never going to be an overnight affair. It's even harder when the

supply chains barely existed before we began. But slowly slowly we're making up ground.

The Beyond Beauty show was especially encouraging. There were at least 20 companies there displaying products with our ingredients in them, and 3 or 4 of them whose business is substantially based around these ingredients. You wouldn't have seen that at all five years ago, and you wouldn't have seen half of them even one year ago.

The question for us is when, strategically, is the right time to move from small, niche markets into larger, bulk markets. That's obviously when we will start to see real impacts on our members and real impacts on poverty. It's not a straightforward decision, either. If we move too soon, before our members are capable of supplying the volumes that would be required, we could kill the whole opportunity. But if we hang back too long, others will step in and snatch the opportunity from under our noses. How annoying would that be!



Annual review

On the topic of reflection and navel-gazing, we've just completed our fifth annual review. Led by consultant Matthew Owen, we visited members in five countries and met with all the Board members. We also met a number of partners as well as a few of our buyers within the region.

As it turned out, the key discussion in this year's review was precisely the issue of when and how to move from niche to bulk markets. It was the subject of a two day retreat involving the Board and staff (18 people in all), during the course of which we applied some fairly intensive brainpower to the topic.

There are no magic bullet solutions, but we will certainly be introducing some new strategies in the new year, as well as adding to our portfolio of services to members. Look out in particular for various new financing mechanisms we hope to bring you over the next few months.

Enough reflecting. Let's move on to other business. We hope, by the time we reach our sixth birthday, we'll be that much closer to our end goal!

PhytoTrade and IUCN Natural Futures Programme exhibit at Natural and Organic Products Exhibition

PhytoTrade Africa and the Natural Futures Programme exhibited at the Natural & Organic Products Exhibition held in Johannesburg (20-22nd October 2006). With a strong consumer audience, it was an informative, educational and interactive trade fair. Over 200 exhibitors took part, and the Exhibition showcased products and services that provide chemical free lifestyle options, including natural and organic beauty and cosmetics, food & drinks, natural health, natural childcare and eco-friendly fashion and textiles, organic agricultural products and services.

With support from the Natural Futures Programme, three PhytoTrade Africa members received partial sponsorship to attend the Exhibition. These were: Swazi Indigenous Products, Speciality Foods of Africa and the Elephant Pepper Development Trust. Several other members attended the event at their own expense.

Desertification conference

The Desertif-actions International Forum took place in Montpellier, France on 21st – 23rd September. It was organised within the framework of the International Year of Deserts and Desertification and brought together over 200 people from civil society organizations from 50 countries worldwide working on issues of sustainable development in drylands.

The forum was divided into 3 topic areas: priority of drylands in political agendas; economic potential of the drylands and their development; and strategies for the involvement of civil society. PhytoTrade Africa was invited to speak in the second topic area on the economic potential of the drylands and their development. The result of the Forum was the writing of the Montpellier Call for Action. The Montpellier call and supporting documentation can all be viewed at www.desertif-actions.org or contact rosie@phytotradeafrica.com.

Organic Producers of Zambia Workshop

The OPPAZ/ Hivos Regional Workshop on Smallholder Group Certification and Quality Management for Market Access was held in Lusaka, 10-12 October. The first day of the workshop consisted of presentations covering marketing, organic production, fair trade challenges, Organic Internal Control Systems and the UNCTAD BioTrade Verification Initiative.

Presentations were given by FLO, as well as by PhytoTrade Africa members Charles Wamulwange of Kalahari Natural Oils on Natural Product development in Zambia and Saskia den Adel of CRIAA SA-DC on commercializing Marula in Namibia. Kristy Facer of IUCN SA presented on approaches to Natural Products markets; and Rosie Abdy Collins, representing PhytoTrade Africa presented on the UNCTAD BioTrade Verification Initiative.

The rest of the workshop focused on developing Internal Quality Management for External Global Certification standards, as well as helping smallholder producers to reach external quality standards. The importance of absorbing Internal Quality Management systems from HACCP was also stressed for producers aiming for EU food markets.

Documentation from the workshop can be requested from rosie@phytotradeafrica.com.

FairTrade Labelling Organisation Standards

One of PhytoTrade's core values is to ensure that rural communities that harvest the raw materials used in the extraction of lipid oils, receive a fair price for their work. To this end all members are required to adhere to the PhytoTrade Africa Fair Trade charter and the Ubuntu Charter and must negotiate a fair price for the raw materials with their harvesters.

In line with PhytoTrade's efforts to ensure Fair Trade, further research into the FairTrade Labelling Organisation's Standards was undertaken in August and September 2006. The target for the Fairtrade Standards is not on the oil producer but on the harvester groups that supply the kernels, seed or pulp to the oil or pulp producers.

Several members have assisted PhytoTrade with collecting data on the standard of living conditions of their supplier communities, and on the costs involved in the harvesting, extraction of the kernels, seed or pulp, and the delivery of the raw materials to the oil or pulp processing factory. PhytoTrade has analysed these and is working with Max Havelaar in France to establish whether a Fair Trade Farm Gate price for the various raw materials can be established across the region.

The Fair Trade Farm Gate Price is calculated by adding a series of costs that ensure the environmentally sustainable utilization of natural resources, and that income generated is solely used for the benefit of the harvesting communities. The latter is referred to as the FairTrade Investment Premium, and is retained by the harvester organization. The use of the FairTrade Investment Premium benefits the harvesting community and its end use is voted at an annual general meeting.

One practical problem in applying the FairTrade Labelling Organisation Standards is that one of the minimum requirements is for the harvesting group to be a registered as a community organization. The harvesting organization needs to have a board, the capacity to control and account for funds, and for its members to have participatory decision making through democratic voting rights. Only a few producer groups to PhytoTrade members have this sort of institutional organization, so this is an issue that PhytoTrade is addressing.

A positive outcome of this is that PhytoTrade has re-evaluated our Monitoring and Evaluation data collection, and is working on a template that will assist our researchers with gathering socio-economic and ecological data that is essential for both FairTrade Labelling Organisation Standards, and for the Standards

of the Union of Ethical BioTrade. It will also benefit members by highlighting what requirements their supplier organizations and their own operations must fulfil for FairTrade or Ethical BioTrade certification.

Work continues between PhytoTrade and Max Havelaar towards securing a FairTrade Price for the raw materials of lipid oils.

New opportunities for Kalahari Melon Seed Collection in Botswana

In September, Veld Products Research and Development (VPR&D) carried out three field trips to different villages in Gantsi District in Botswana to gather data on the location and abundance of Kalahari Melon Seeds. In each area a group of villagers was motivated to collect wild melons with the survey team, and then to extract the seeds from the melons. Data was collected on the time and manpower required to harvest, the time taken to extract the seed, and the ratio of seed to melon weight.

Traditional uses of the wild melons were verified with the communities: the flesh of the melon is eaten to quench thirst, suppress hunger, and wash with when away from home. Sometimes the juice of the melon is used instead of water to cook meat to improve flavour, and roasted seeds are eaten as a snack. All three communities stated that human consumption of the wild melons was very infrequent due to the good supply of food and water provided by the government in their villages. In all cases the abundance of melons was perceived to have increased over the past years due to reduced human interest.

The main traditional use of wild melons is as a livestock feed and source of water. One concern was that harvesting during drought years could have a negative impact on thirsty livestock. However all communities confirmed that the melons did not tend to grow in drought years.

The communities were eager to develop a group organized supply chain for the melon seeds, and were also interested in the possibilities of being trained to cultivate the melons between their row crops.

The collected seeds have been sent to PhytoTrade Africa for analysis, and members of the PhytoTrade team are looking forward to a meeting in early November with Veld Products, Thusano Lefatsheng and WildFoods to investigate how these organizations could work together to start a new supply of melon seed, and possibly Ximenia kernels, from these communities and other areas.



R&D update

Kalahari Natural Oils has now completed their work on oils filtration. Filtration trials on Marula, baobab, parinari, mongongo and trichilia oils have been successful. The color of the oils has improved and the odour was somewhat reduced. The report is available from the Technical Services Manager upon request (nyarai@phytotradeafrica.com).

Swazi Indigenous Products who was awarded the Trichilia trial production grant have also completed their work and their report will be available from the TSM and also on the Members Only Website. In summary, their findings were that oil production was best achieved using a screw press.

Only one Technical assistance grant application has been awarded so far to VPR&D for collection of Kalahari Melon seed (see article below). Some seeds have been collected and these will be pressed into oil for comparison with that from Namibia. If the oil compares well then members in Botswana will be called upon to assist with the KMS supplies in future.

New members

We would like to welcome the following new members to PhytoTrade Africa, whose applications have recently been approved by our Board. They are:

Maruva Pvt Ltd, Zimbabwe

Kaimaima Products Ltd, Zambia

Coconut Oil Mozambique, Mozambique

The Olive Workshop, South Africa

Roselund Jena, Zimbabwe

This brings the total numbers of members to 59, of whom 60% (35) are trading and 40% (24) are non-trading.

EUROPE OFFICE

UNIT W 215, HOLYWELL CENTRE, 1 PHEPP STREET
LONDON EC 2A 4PS, UNITED KINGDOM
TEL: +44 207 739 8822
E-MAIL: europe@phytotradeafrica.com

SOUTH AFRICA OFFICE

POST NET SUITE # 210A, PRIVATE BAG X4
HOUT BAY 7872, CAPE TOWN, SOUTH AFRICA
TEL: +27 21 791 2201
E-MAIL: info@phytotradeafrica.com

www.phytotradeafrica.com



PhytoTrade Africa announces Natural Products Awards winners

PhytoTrade Africa used the Natural and Organic Products show to launch their first annual Natural Product Awards.

Nominations of products, individuals and enterprises from the eight PhytoTrade Africa countries were considered and many strong candidates were in the running. With prize money totalling US\$5000, the awards were judged by a panel of international natural products, fair trade and organic experts. Although three PhytoTrade Africa members won the awards, the selections were made independently by an external panel of judges – of which PhytoTrade Africa can be justifiably proud. The winners were as follows:

Award 1: For the most innovative new natural product launched in 2005: **Winner Speciality Foods of Africa, Zimbabwe: Baobar**

Award 2: For outstanding achievement for Fair Trade in the natural products industry: **Winner Swazi Indigenous Products, Swaziland**

Award 3: For outstanding achievement for organic and environmentally sustainable production in the natural products industry: **Winner Treecrops Africa, Malawi**

Third M&E site to be set up in Zambia

The ever increasing need to show the impact of environmentally and socially sustainable natural products commercialisation has necessitated the establishment of a two long-term case studies in selected sites across southern Africa. A third case study will soon be set up in Zambia by PhytoTrade Africa together with Zambian-based member Kalahari natural oils that has made great strides in pioneering the commercial development of Mongongo. This case study follows on from the two case study sites already set up with PhytoTrade Africa members in Zimbabwe and Malawi. In the long run, the case study will be a valuable source of evidence to show the impact of project intervention on the livelihoods of the primary producers and also on biodiversity.

And finally...

Lucy Welford your Marketing and Communications manager gave birth to a baby girl, Scarlett on 26th October 2006.