



PHYTOTRADE ANNOUNCEMENT: 1 March 2011

Baobab breaks into vital European food and drink markets

Major new PhytoTrade partnership with global food and drink supplier

PhytoTrade Africa has signed an exclusive partnership agreement for its baobab fruit pulp with a major supplier to global food and drink markets.

The deal with Plantextrakt, a business unit of the Martin Bauer Group, is the biggest breakthrough to date for an indigenous southern African natural product in the mainstream European food industry.

Plantextrakt exports to more than 100 countries on five continents. It is already demonstrating baobab to the food and drink industry in prototype products, in quantities sufficient for analysis by food technologists and internal trial production.

The new partnership is of huge significance says Phytotrade, a trade association which promotes a sustainable trade in natural products from southern Africa.

“This is an important milestone for our investors, funders and partners,” said chief executive John Cheesmond. “Baobab is the first sustainable exotic phytoproduct on the European market. This is a huge step towards our ambition for a profitable long-term natural products trade that benefits both the African producer and the international consumer.”

Plantextrakt’s customers are national and global brands in the beverage, dairy, infant nutrition and confectionary industries. The company is able to take baobab to every major beverage company in every major European market.

Plantextrakt believes baobab has a very good chance of occupying substantial shelf space in the medium to long term, according to marketing manager Oliver Hehn. Baobab will be primarily positioned in the non-alcoholic drink segment of the market.

“Baobab will make a great contribution to our portfolio of sustainable exotic plant extracts,” said Hehn.

He says baobab has the potential to be as successful as cranberry, which was introduced in Europe ten years ago and has spread to many different segments, from beverages to jams and dairy products.

Most of Phytotrade’s baobab is supplied by TreeCrops in Malawi, which welcomed the partnership with Plantextrakt. “Phytotrade has worked tirelessly to develop markets in Europe for baobab pulp, and this is the breakthrough which our rural producers have been looking forward to,” said TreeCrops managing director Chris Dohse.

Plantextrakt sees baobab as an innovative and exotic product with high potential in global beverage markets.

“This is an innovative product with a pleasant taste and proven nutritional benefits. It is a living example of how everybody can win through sustainable sourcing and sustainable living. Baobab is a blueprint of what is possible in the sustainable supply of nutritious and tasty natural products which also have an interesting story to tell consumers,” Hehn said.

The company says baobab’s novel food status in the EU makes it easy to take to the market, and the feedback from customers has been very positive.

“Baobab is developing as well as any new product can hope for. This is a nice-tasting up-and-coming product from Africa. The fact it is sustainable makes it fit nicely into one of the megatrends of the next 15 years. What more can you ask for?”

“Baobab has many of the attributes which are most important to the market these days. It has taste, nutrition, novelty and sustainability combined with a really great story about benefits to indigenous producers.”

Plantextrakt’s head of product development, Dr Bernd Bonnländer, says baobab is so interesting to the Martin Bauer Group because it is a natural source of vitamins, minerals and dietary fibre.

“Functional foods are an important megatrend. It is unusual to get so many important nutritional benefits from a single fruit. Baobab is the only product which has Vitamin C as well as calcium and magnesium, and its dietary fibre gives it interesting slimming and stomach-filling properties as well as immune stimulating properties.

“To have all of this in a single product, which also happens to have an exotic and sustainable story behind it, makes baobab unique.”

Sports drinks are one of the first anticipated growth markets for baobab.

“The calcium, magnesium and Vitamin C will enhance a sporting body’s health defence system. That, combined with baobab’s African spirit, means it makes absolute sense as a sports drink,” said Bonnländer.

Notes to editors

- PhytoTrade Africa is the Southern African Natural Products Trade Association dedicated to helping low-income, rural communities in Southern Africa by developing ethical and sustainable trade in natural products. It represents baobab producers across eight Southern African countries.
- Over the last 9 years PhytoTrade has systematically developed Baobab into a high quality ingredient that can compete on international mainstream market.
- Baobab has previously not been allowed into the UK because legislation prevents the importation of food that was not commonly consumed in the EU before 1997. The EU Novel Foods approval in 2008 gave PhytoTrade Africa the green light to supply the fruit pulp to the UK.
- PhytoTrade Africa manages a sophisticated supply chain which benefits thousands of poor rural families and delivers a quality sustainable product to international food producers and consumers.
- PhytoTrade has supply chains from across the region. The predominant Baobab supplier is TreeCrops, Malawi.

- PhytoTrade was set up by ecologists who were looking for ways to promote better environmental management of African plant species – based on the theory that one of the best ways to conserve African species is to give them economic value.
- Plantextrakt is a business unit of the Martin Bauer Group, a major supplier of teas, extracts and botanicals to the global food industry. The company sources plant products from more than 80 countries and exports to more than 100 countries on five continents. Customers are national and global brands in the beverage, dairy, infant nutrition and confectionary industries.
- Plantextrakt buys raw baobab fruit pulp from PhytoTrade and processes it naturally into a clear extract which is soluble in cold water. The solution can be dried to produce a powder which is easier to store and transport.
- Plantextrakt has developed over 2,000 formulations based on more than 120 plants and constantly creates innovative, tailor-made product concepts. Top-selling products include extracts from tea (black, green), Rooibos, Rose Hip, Hibiscus, Mate, Chamomile, Guarana, Ginseng and many others.
- Baobab dried fruit pulp comes from the fruits of the Baobab tree (*Adansonia digitata*), also known as the 'upside down tree'. It grows in specific zones primarily in South Africa, Botswana, Namibia, Mozambique and Zimbabwe. Baobabs dominate parts of the African landscape with their root-like branches and massive trunks that can reach 25 metres or more in circumference. Baobab is pollinated by fruit bats and produces large green or brownish fruits.
- A 2006 report by UK natural products economist Ben Bennett said the trade in baobab from ten southern African states had a potential value of more than \$961m. Bennett, from the Natural Resources Institute at the University of Greenwich, says baobab has the potential to move from niche product to commodity. The potential sustainably harvested volume of baobab is tens of thousands of tonnes, which could make it an important mass market commodity in the food ingredients trade.
- Baobab's nutritional qualities are well characterised and supported by research evidence from the Leatherhead Food Research Institute and other reputable laboratories. The nutritional focus around baobab is on its antioxidant properties, and its high content of Vitamin C, calcium, magnesium, iron and potassium. Calcium and magnesium together are proven in other products to increase the uptake of calcium in the bones. Baobab has as many antioxidants as goji berries and more calcium than milk. It has more iron than red meat, more potassium than banana and more magnesium than spinach.

- Innova lists baobab in the top five new flavours for 2011. It has been described as having a tart and zesty taste with a flavour between grapefruit and tamarind.

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