

A new leaf in our book...

Welcome to our new look news update, issue number 16. In this issue, we welcome a new member, update you on progress at European trade fairs, remind members about the various grant facilities available, discuss our involvement with the IFAT Global Journey and update you on AGM preparations.

New members

We would like to extend a warm welcome to our new corporate member of PhytoTrade Africa, recently approved by our Management Board, Mr Allan Schwarz from Mozambique: trees1@teledata.mz.

AGM update

We look forward to welcoming you to the PhytoTrade Annual General meeting will be held in Johannesburg, South Africa, from 30 May - 1 June 2006 at Willow Park Conference Centre. The AGM will include:

- R&D feedback seminars for the industry groups
- Meet the Buyer sessions
- Presentations by PhytoTrade Africa partners
- A "Share Fair" for members to display their products
- Technical training sessions



Andy Botelle, Namibian film maker and researcher shooting a scene from the new PhytoTrade Africa promotional DVD

PhytoTrade film launched

A new promotional film showing the PhytoTrade supply chain from rural producer to final product was launched at InCosmetics. The initial response has been very positive. We look forward to sharing it with you at the AGM.

PhytoTrade exhibits at InCosmetics

This year PhytoTrade Africa and Aldivia jointly exhibited at In Cosmetics, Barcelona 4-6 April; the leading trade show for raw materials and ingredients for cosmetics, toiletries and personal care. The organisers of the show have recorded a 67% rise in visitor numbers from last year and we certainly felt it on our stand! We were promoting the Ubuntu range of oils and the accompanying Ubuntu Charter: the guarantee that every oil sold through Aldivia from PhytoTrade Africa members are clean, ethical, CBD compliant and 100% natural. We found manufacturers, buyers, contract manufacturers, researchers and consultants were all in strong support of the Charter, especially since the industry has been sensitised to these issues following L'Oreal's

timely purchase of The Body Shop. The Ubuntu Charter and Ubuntu brand carved us a niche at In Cosmetics and the nearest our competition got were vague publicity claims of traceability, sustainability and fair trade. However another strong trend is for botanical actives. Again this is where the partnership with Aldivia helps PhytoTrade Africa's products to stay in the game. In addition Joerg Gruenwald gave a presentation on 'trends in African cosmeceutical ingredients' which attracted over 150 key industry decision makers.

PhytoTrade also attended Natural Products Europe in London and will be exhibiting 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.

Practical "How to" guides available

As part of our Technical Publications Series, three new titles are now available:

- Baobab oil processing
- Baobab pulp processing
- Kigelia pulp processing

Other titles available include the Natural Products Primer, Organic Certification Guidelines, Buyers Protocol and Bioprospecting guidelines. All of these are available as downloadables on the Members Only section of the Website and in hard copy. Please contact Rose Musimwa, Membership Secretary (rose@phytotradeafrica.com) for your copies. Fair Trade guidelines will be added to this series later in 2006.

Global Journey hits southern Africa

The long-awaited Global Journey of the message and banner of International Federation of Alternative Trade (IFAT) arrived in southern Africa in April, symbolising the global importance of fair and ethical trading. PhytoTrade was key in organising and participating in two Global Journey events in Cape Town and Harare. This included a free guest performance publicising Fair Trade by PhytoTrade Chief Executive, Gus Le Breton



with his band "Cut Loose" at the Harare International Festival for the Arts in April.

Since the banner and message started its journey around the world in 2004, it has travelled throughout Asia, Latin America, North America, Africa and Europe, symbolising the global importance of fair and ethical trading. The Global Journey has inspired many colourful events all over Africa in Senegal, Ghana, Nigeria, Mali, Cameroon, Mauritius, Uganda and Kenya.

Currently, Speciality Foods of Africa in Zimbabwe is the only PhytoTrade member who is a member of IFAT. PhytoTrade Africa is currently a member of IFAT and is now a Fair Trade Organisation (FTO).

Pre-Qualified Suppliers appointed

Congratulations to the four members who have recently been appointed as Pre-Qualified Suppliers (PQS) These members are:

- Cheetah Malawi, baobab oil
- CRIAA/KAP, Marula, Kalahari Melon Seed and ximenia oils
- Eudafano Women's Cooperative, Marula and Kalahari Melon Seed oils
- Swaziland Indigenous Products, Marula oil

After an assessment of these members that was carried out by PhytoTrade Executive Office staff was carried out at the end of 2005, it now means that these four members have achieved the quality standards necessary for supply of these oils to Aldivia. It means also that these four members can now deal with Aldivia direct themselves, from order negotiation through to export procedures and execution.

PQS status does not mean a guaranteed market for these oils to Aldivia, or that Aldivia will choose to only deal with PQS members. It also doesn't mean that the market is closed to other suppliers of these or other oils.

The PQS system is designed to be a continuous evaluation process and members are encouraged to apply for PQS status at any time they feel they are able to meet the standards required. Similarly, PQS members are not confined to supply only the oils listed, but once they are able to supply other oils they are enabled to apply for those oils to be added to the PQS listing.

All about PhytoTrade Africa Grants

Our Technical Services Manager, Nyarai Kurebgaseka and our Business Services Manager, Arthur Stevens run us through the grants currently available to PhytoTrade Africa Members.

Technical Assistance Grants

Technical Assistance Grants (or TA Grants) are available to PhytoTrade Africa members who have specific technical issues or problems relating to the production or processing of a natural product considered to be a priority for PhytoTrade Africa, and who would like assistance from us in the form of specialist technical expertise to try to resolve the problem. TA Grants are only available to PhytoTrade Africa members, and then only for the hiring of external technical assistance. They may not be used to purchase equipment, and all expenditures will be made directly by PhytoTrade Africa on behalf of the successful recipient.

TA grants will not normally exceed US\$2500 in value, although applicants do not need to provide a budget in their applications. Any information generated through a TA Grant must be made available to all PhytoTrade Africa members. There are four deadlines for applications per year, as follows:

- 31st March
- 30th June
- 30th September
- 31st December

Innovation Grants

PhytoTrade Africa Innovation Grants are available to PhytoTrade Africa members who have specific and innovative ideas relating to the production, processing or marketing of a



natural product which, if found to be successful, would generate rapid benefits for the wider PhytoTrade Africa membership.

Innovation Grants are intended to cover the costs of practical trials or experiments to test the proposed innovation. Grants are only available to PhytoTrade Africa members, and may be used to cover any reasonable costs associated with the testing of the proposed innovation and are not restricted to PhytoTrade Africa focal species, and may be used for any species or product falling within PhytoTrade Africa's broad criteria for support.



Innovation Grants will not normally exceed US\$5000 in value, and are expected to yield tangible results within a period of six months. Any information generated through an Innovation Grant will be made available to all PhytoTrade Africa members. Applications can be submitted at any time.

Natural Futures Certification Grants

Progress under these grants is good, with the first awardee Eudafano Women's Cooperative (EWC) proceeding well with their pilot organic certification exercise. The first phase should see some 300 households certified as organic for the production of marula and Kalahari Melon Seed. This has involved the mapping of each of the households to identify exactly where the seed and kernels are sourced. This exercise has been hampered by the heavy rains experienced in northern Namibia this year. Certification procedures for the EWC factory at Ondangwa are also proceeding well. It is hoped that the first organic inspection will take place in time for the new production season starting in July 2006 and the first organic marula and KMS oil will flow soon after.

Three applications were received for the March 2006 deadline for Certification grants.

These have been assessed by PhytoTrade Executive Office, and the results will be announced soon. The final round under the current round of Natural Futures funding will be for the May 2006 deadline and application forms will be circulated to members shortly.

In the meantime Executive Office staff are also examining the possibilities of including a new initiative in the certification possibilities. This is Biotrade verification, being prepared through UNCTAD/Biotrade. Currently it is very new but enables wider possibilities for our membership especially in areas of social and economic responsibility as well in biodiversity, relating especially to compliance with the Convention on Biodiversity (CBD), an area almost entirely left out from current certification organic and fair trade systems. A paper will be circulated to members explaining these possibilities in due course.

Business Opportunities Assessment Grant

This grant which forms a part of the Natural Futures facility operated jointly by PhytoTrade and IUCN South Africa offers the possibility for business consultancy services to the value of US\$6,000 to be offered to primary producers. It is aimed at identifying the needs of primary producers to enable them to establish a business plan and relationships with commercial partners. The deadline for applications is 30th April 2006. Applications for a second grant under the same programme worth US\$24,500 under the Primary Producer Business Start-up Grant will be circulated shortly. This grant enables the actual preparation of a business plan for primary producers together with funds for trial purchase of raw material including storage. It is a practical plan that enables a direct relationship with a commercial partner to be established. Applications will be considered on a competitive basis.

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PhytoTrade Africa at the CBD COP8

The last two weeks of March 2006 saw the 8th meeting of the parties to the Convention on Biological Diversity being held in Curitiba, Brazil. PhytoTrade Africa was represented by its CEO Gus Le Breton, as well as by long-standing Board member Pierre du Plessis. There were several "industry" events during the meeting, and the topic of Biodiversity and Business was much in evidence throughout. The PhytoTrade team presented at three different events during the meeting, as well as at the Business and Biodiversity Offsets Programme meeting hosted by Forest Trends and Conservation International prior to the main event.

The enduring impression we got from the COP8 is that more and more people are recognising the potential for natural products to contribute to the CBD's combined goals of biodiversity conservation and sustainable livelihoods. For PhytoTrade Africa and its members, this can only be a good thing. Greater awareness of the sector's opportunities will translate into greater investments in the sector. Greater investments will, in turn, create greater opportunities.

And finally...The Billion Dollar Bet

If you've ever woken up and wondered whether you're really wise to invest your time and energy in natural products, consider this. In March, French cosmetics giant L'Oreal completed its US\$1.14 billion purchase of the Body Shop. With sales of US\$17 billion a year, L'Oreal isn't exactly short of a few pennies. But if they're willing to bet over a billion dollars on a relatively small company whose reputation is founded on its sales of natural and ethically-produced cosmetics, somebody somewhere must have done their homework. They did, and what it told them was that natural and Fair Trade products are a mega-trend of the future. So take heart. If somebody else has bet a billion dollars on it, you're probably on the right track!