

INP Market Bulletin

Indigenous Natural Products in Namibia (Issue 5, March 2013)

Welcome to INP Market Bulletin

Welcome to the Indigenous Natural Products Market Bulletin. This is the 5th issue of the bulletin, which is produced as part of the Indigenous Natural Products (INP) Activity of Millennium Challenge Account Namibia (MCA-N).

The aim of the INP Market Bulletin is to provide readers, who include producers, service providers, traders, international buyers and other stakeholders, with important information on the commercial production, market conditions, and export of selected indigenous plant products in Namibia. The key focal species for the MCA-N INP Activity include marula, ximenia, devil's claw and commiphora. The INP Market Bulletin is prepared through the National Botanical Research Institute (NBRI) in the Ministry of Agriculture, Water and Forestry (MAWF) as part of the support provided to the Indigenous Plant Task Team, a multi-stakeholder body that is chaired and partly funded by MAWF.

While this issue continues to present market information on the key focal species, it also provides a more in-depth look at devil's claw and ximenia, focussing on some of the people who are active in their communities and whose efforts are significantly contributing to the successful commercialisation of indigenous plant products in Namibia.

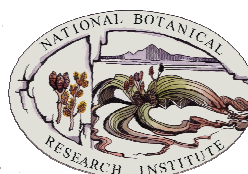
We hope that you will enjoy reading this issue, and we welcome any feedback on the type of information that could be included in the next issue, or how the bulletin could be improved.



Devil's claw flower

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THE MARKET IN BRIEF

DEVIL'S CLAW

Scientific name: *Harpagophytum procumbens* and *H. zeyheri*

Commercially harvested: throughout many parts of Namibia

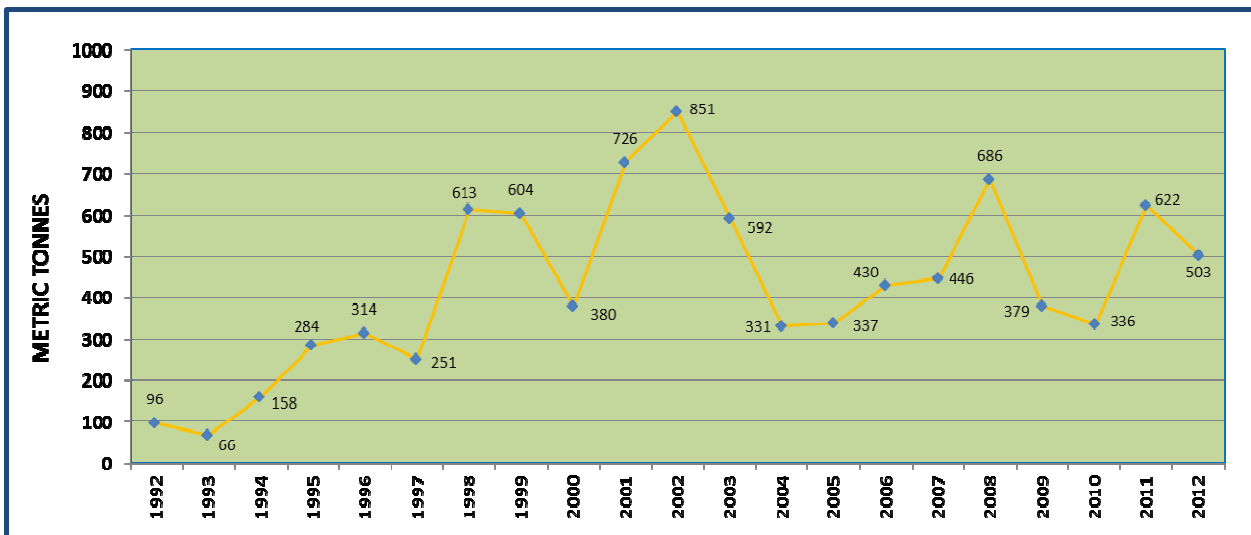
Total exports (Jan – Nov 2012): 503 tonnes

Estimated value of exports (2012): N\$ 20 – 25 million

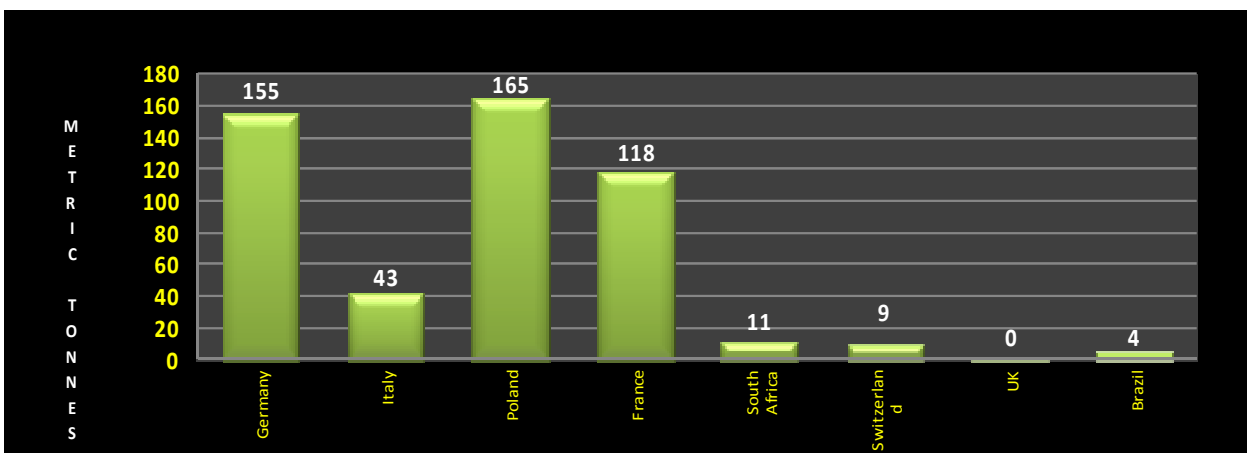
Estimated number of producers: unknown

In 1977, devil's claw was listed in Namibia as a protected species under the Nature Conservation Ordinance of 1975. In terms of this legislation, a permit is required for harvesting, trading in and exporting devil's claw. Namibia is the largest single supplier of devil's claw in the world. The first large-scale exports from Namibia took place in 1962; between 1992 and 2012, close to 9 000 tonnes were exported – an annual average of about 430 tonnes for this period.

During the period January – November 2012, a total of 503 tonnes was exported from Namibia; this is down on the exports for 2011, but still significantly above the annual average. The value of the 2012 exports is estimated at N\$ 20 – 25 million. Although it cannot yet be accurately quantified, it is estimated that, as was the case in 2011, a significant proportion of the quantity exported in 2012 might have been sourced from Angola and Zambia, even though devil's claw harvesting and trade was banned in Zambia. Devil's claw is not a protected species in either of these countries. The main importing countries are Poland, Germany and France; in the past, Germany has always been the main importer, but Poland has now overtaken Germany as the lead importing country, largely due to the relocation of a major German devil's claw importer to Poland. In 2012, fewer countries imported devil's claw than was the case in 2011.



Namibian devil's claw exports (1992 – 2012)



Namibian devil's claw exports by country (2012)

An encouraging development in the 2012 season was that the proportion of sustainably harvested devil's claw in relation to overall devil's claw exports from Namibia rose significantly. In 2011, producer groups supported by the MCA-Namibia INP PPO Sub-activity supplied just over 100 tonnes – about 16% of the

overall total of 622 tonnes. In 2012, this figure rose to almost 216 tonnes, which if all is exported, amounts to 42.9% of the overall total of 503 tonnes that was exported. The bottom line, however, is that these PPOs are now in a strong position to be collectively considered as a major supplier.

MARULA

Scientific name: *Sclerocarya birrea subsp. birrea*

Commercially harvested: north-central regions

Total sales (2012): 7 000 kg cold-pressed oil (including local sales)

Estimated income from sales (2012): over N\$ 1 million

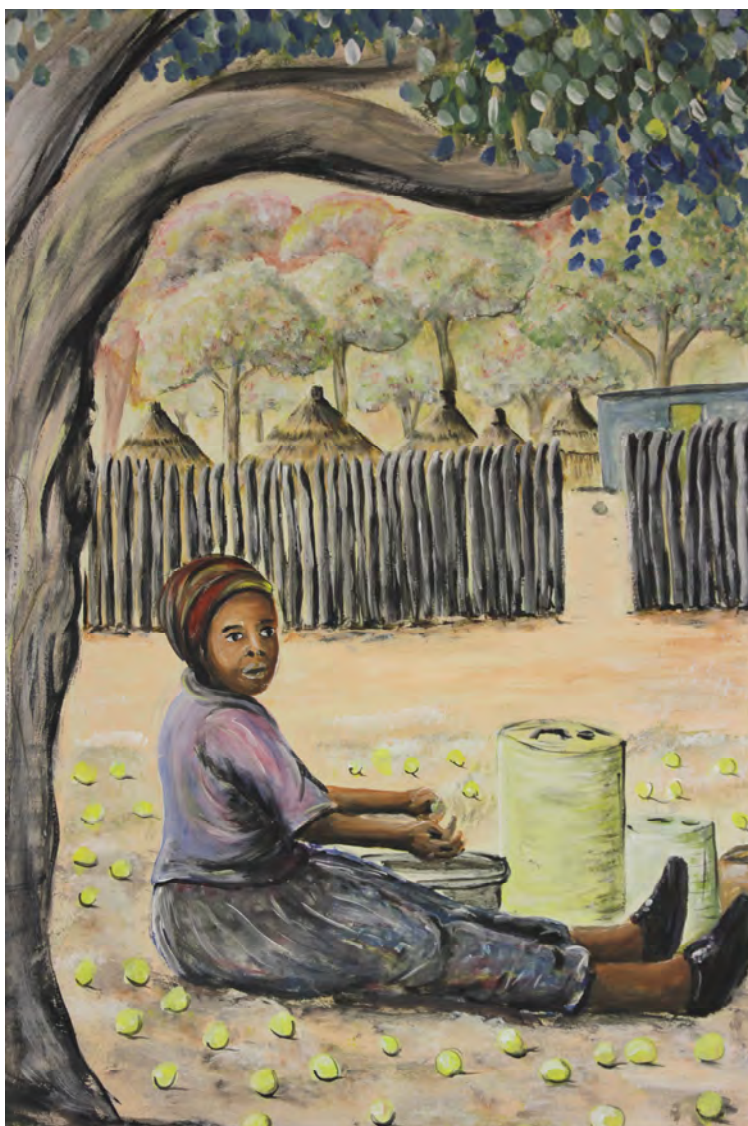
Estimated number of producers (2012): 2 500

Marula oil for cosmetics: The market demand from various small companies for marula oil for cosmetic formulations remains high. The total export volume for 2012 was 7 000 kg, which generated an export value of over N\$ 1 million (€91 200). This is on a par with the same export volume of 6 080 kg in 2011. A total of 25 000 kg of kernels was procured during 2012, which generated N\$575 000 for primary producers. This is a notable improvement from the “disaster” harvest of 2011, when only 9 500 kg of kernels were supplied due to adverse weather conditions. The price paid to producers for kernels in 2012 increased to N\$23/kg, up from N\$21/kg in 2011 and N\$18/kg in 2010. The demand for marula oil from the main buyer for 2012/13 is 8 000 kg, which will be produced from the 2012 and early 2013 marula kernel intake.

Marula food oil: There was only a limited production of marula food oil in 2012, as priority was given to meeting the high demand for cosmetic oil. The marula food oil product has been finalised, but has yet to be launched in the local retail market. The present factory stock is sufficient for the current low-key marketing efforts from the factory, but not enough for a higher level of market promotion.

Marula juice: The availability of fresh marula juice for sale attracts many customers to the Eudafano Women's Cooperative factory situated in Ondangwa in north-central Namibia. A total of 4 600

litres of marula juice was produced and sold to local consumers during 2012, generating income of N\$69 000 for the factory. From January to April (the fruiting season of marula), a total of 36 tonnes of whole marula fruit was either collected or delivered to the factory, and sales of fruit generated a total of N\$11 742 for producers. The fruit was purchased from a total of 36 producers, of whom five were Eudafano Women's Cooperative (EWC) members. The demand for marula juice from local consumers was high in 2012, and, planning is underway to



“Marula harvest” (painting by Ziggy Marthin)

expand the EWC factory, including the marula juice production and storage facilities, so as to increase production in 2013 to satisfy demand.



Pressing marula juice

XIMENIA

Scientific name: *Ximenia americana*

Commercially harvested: north-central regions

Total production (2012/13): 382 kg oil

Estimated value of exports (2012/13): N\$63 000

Estimated number of producers (2012): 61

Ximenia oil: While the demand for ximenia oil from the main buyers in France proved stronger than expected, 2012 was a challenging year for the ximenia sector as a result of a dramatic decline in fruit availability caused by adverse weather conditions. The production of kernels from Tulongeni Twahangana Cooperative (TTC), the main supplier of ximenia kernels, was low, and efforts to obtain fruit from other regions were unsuccessful. Only some 800 kg of ximenia kernels could be procured in 2012 from 61 producers (59 women) who could harvest (the total number of producers in a good year is around 700). The total 2012/13 export of 382 kg of oil (89% lower than the 3 810 kg in 2011/12) was worth around N\$63 000. The price paid to primary producers for ximenia kernels was increased from N\$8.50 /kg in 2011 to N\$ 10/kg for 2012.



Ximenia kernels

KALAHARI MELON SEED OIL

Scientific name: *Citrullus lanatus*

Commercially harvested: Caprivi, Kavango and north-central regions

Total production (2012): 70 kg

Estimated income from sales (2012): N\$7 000

Number of producers (2012): unknown

Kalahari melon seed (KMS): Despite the potential for high production of KMS oil at EWC, market demand for the oil remains depressed. The small 2012 production volume of 70 kg, worth N\$7 000, was sold to local customers and regional markets. Three years ago, the demand for KMS oil was above 4 000 kg, with strong demand emanating from the European market. This demand could not be satisfied, however, contributing to a slacking off of interest on the part of international buyers. Although the diminished market for the oil can be ascribed to many factors, the difficulty experienced in securing new markets is largely a consequence of its high production costs. There is a need for a comprehensive review of a new production and costing model to reduce the price of the oil so that it can once again become economically viable.

COMMIPHORA

Scientific name: *Commiphora wildii*

Commercially harvested: Kunene Region

Total export (2012): nil

Estimated income (2012): nil

Estimated number of producers (2012): unknown



Commiphora wildii

Commiphora resin and essential oil: No exports were recorded for the perfume plant for 2012. To maintain interest amongst harvesters and in the market, the Opuwo Processing Facility has continued to process material for national and regional sales, and to support the ongoing efforts to establish markets for the essential oil.

HOODIA

Scientific name: Hoodia gordonii

Commercially harvested: Hardap and Karas regions

Total exports of dried powder (2012): 2 246 kg

Estimated income from capsule sales (2012): N\$165 000

Estimated number of producers (2012): unknown

Hoodia: The international market demand for hoodia remains depressed, with only negligible production and sales being reported for 2012. The export figures obtained from MET show that a total of 11 223 kg of dried hoodia powder with a market value of approximately N\$729 495 was produced in 2011, while only 2 246 kg of dried powder with a market value estimated at N\$145 990 was produced/exported in 2012. Although MET export figures reflect some activity in the hoodia sector, the export of a high volume of dried hoodia powder material is rather due to the market need for the material to be sterilised, which is done in South Africa, and therefore does not necessarily reflect sales, since a considerable portion is also reimported into Namibia. However, figures obtained from MET also indicate significant exports of hoodia capsules: 366 910 capsules with an export value of approximately N\$293 528 were exported in 2011, while 206 250 capsules worth an estimated N\$165 000 were



A selection of INP for sale in Opuwo

exported in 2012. The main importers of hoodia capsules are from New Zealand and European countries, notably Austria; some African countries also import hoodia capsules.

INPs estimated export volume (kg) and value (N\$) (2010/2011/2012)						
Product	2010		2011		2012*	
	Volume	Value (N\$)**	Volume	Value (N\$)**	Volume	Value (N\$)**
Devil's claw (dried material)	336 000	10 000 000 – 15 000 000	621 935	21 000 000 – 25 000 000	503 000	20 000 000 – 25 000 000
Hoodia (dried material)	7 759	179 750	200	0	0	0
Kalahari Melon seed Oil	0	0	380	40 000	70	7 000
Marula oil (for cosmetics)	7 220	1 330 000	6 080	920 000	7 000	1 000 000
Ximenia oil	1 520	117 840	3 810	498 960	382	63 000
Commiphora resin	3 089	154 400	0	0	0	0
TOTAL VALUE		12 203 610		22 581 960		25 974 376
* 2012 figures are provisional.						
** The devil's claw value is an estimate representing a possible range						

SAN DEVIL'S CLAW HARVESTERS: BALANCING SUSTAINABILITY AND INCOME

Support to devil's claw harvester groups is a key focus of the MCA Namibia (MCA-N) Indigenous Natural Products (INP) Producer and Processor Organisations Sub-activity. In 2012, 23 such devil's claw harvester groups were supported, representing some 2 254 harvesters – over 60% of whom were women – who directly earned just over N\$ 4.2 million. Focusing on harvesters who are members of Nyae Nyae Conservancy, this article provides more detailed insight into the devil's claw industry.

Devil's claw, the collective term for *Harpagophytum procumbens* and *H. zeyheri*, is the oldest commercially traded indigenous plant product in Namibia, with the first major export of dried devil's claw "chips" having taken place in 1962. In Namibia today, through conservancies and community forests, increasing numbers of rural inhabitants, particularly the San, are relying on the organised harvesting and sale of devil's claw to generate much-needed cash income for themselves and their families.



N!aici Kagece monitoring devil's claw regrowth

The plant has a taproot off which storage tubers grow, and it is these storage tubers that are harvested, as they contain the highest concentrations of analgesic and anti-inflammatory compounds such as Harpagoside. Devil's claw grows in many parts of southern Africa, mainly in the deep



Devil's claw main and side tubers

Kalahari sands that cover large tracts of Angola, Zambia, Zimbabwe, Namibia, Botswana, South Africa and Mozambique.

The indigenous inhabitants of southern Africa, primarily the San, have for centuries used the plant's tubers for medicinal purposes, mostly for digestive disorders, fever, sores, ulcers and boils, and as an analgesic. The use of devil's claw for the treatment of rheumatism, arthritis and similar ailments, though based on this ethno-medicinal knowledge, has only been recognised by Western medicine in the past 60 years.

Although devil's claw has been an established product in the world market for many years, till recently the industry was not focused on sustainability, or on any benefit-sharing arrangements with harvesters. The harvesting of and trade in devil's claw, particularly in Namibia, was characterised by unsustainable harvesting practices, exploitative prices being paid to harvesters, and the supply of a product of inferior quality. A complex set of formal and informal arrangements that is further complicated by a lack of information and data, particularly regarding the informal sector which plays a significant role in the supply of devil's claw, is to a large extent still in place today.

Against this background, in 1997 the Sustainably Harvested Devil's Claw (SHDC) project was initiated with the support of a buyer in the United Kingdom, a local devil's claw exporter, and a local NGO, CRIAA SA-DC (Centre for Research Information and Action in Africa – Southern Africa Development and Consulting). The SHDC project was piloted in Namibia's Omaheke Region on a small resettlement farm called Vergenoeg ("Far enough"). From its humble beginnings, the SHDC project has grown slowly, and today it is being implemented by 24 harvester groups throughout Namibia, which in 2012 supplied 216 tonnes of devil's claw.



Training on drying devil's claw on raised nets

The SHDC model includes the following key features:

- Training and registration of harvesters who apply for a group permit
- A management system for quality control and record keeping that guarantees product traceability
- Sustainable harvesting methods, compliance with which is ensured through harvest monitoring and post-harvest impact assessments
- Reliable partnership with a local exporter, which secures a market as well access to market information
- A premium price paid directly to harvesters

The Nyae Nyae Conservancy provides a good illustration of how the SHDC project can improve various aspects of devil's claw harvesting, trade and resource management. Until recently, devil's claw in Nyae Nyae Conservancy was also unsustainably harvested, and exploitative prices were paid to harvesters, for an inferior product. In 2003, the conservancy initiated its own SHDC project, which encouraged harvesters to start organising themselves into groups on a village basis. Harvesters received training on sustainable harvesting and processing practices, started using appropriate processing equipment, and negotiated a purchase contract with a reliable buyer.

In 1998, Nyae Nyae Conservancy was the first communal conservancy to be gazetted in Namibia.

Covering an area of just under 900 000 hectares (8992 sq km), it is one of the largest conservancies. It is situated in Otjozondjupa Region, with the settlement of Tsumkwe being situated in its centre. The San living in Nyae Nyae Conservancy speak Ju/'hoansi, and although the land they occupy is much diminished in extent, they still reside on some of their ancestral N!ores (villages or farms that demarcate an area where residents of a village can hunt and gather). It is this N!ore system that provides the basis for the conservancy's devil's claw management plan.

Since 2010, the MCA-N INP Sub-activity has continued to provide support to harvesters in the conservancy, providing them with training relating to resource management, legislative compliance, and sustainable harvesting and processing methods, and assisting the conservancy with general institutional development. They also receive support to ensure that contractual arrangements with a buyer are in place before the start of the harvest season. This process involves the negotiation of the annual price per kg which is paid directly to harvesters, as well as a management fee paid to the conservancy for management and monitoring activities, organising the buying points, and ensuring quality control.

Yet it would be impossible to implement much of the activity related to devil's claw in Nyae Nyae Conservancy were it not for the important work undertaken by a number of key people in the conservancy management team. One such person is N!aici Kagece, a married man of 42 from the village of Makuri, who became the Nyae Nyae Conservancy



N!aici Kagece taking care of office work

Devil's Claw Co-ordinator in 2010. Each village also has a local coordinator to assist him. His main tasks are to train and register harvesters, apply for harvesting permits, issue basic processing equipment, assist the buyer on purchasing trips, and prepare documentation for the annual organic inspection.

N!aici says, “It is good for me to do the job, as it builds my capacity and experience”; he unselfishly maintains that it is “also good to work with the community to assist them so that they can earn income – income is very important for people to buy clothes and food.” N!aici says that although it is sometimes difficult to work with communities, the key to successful community work is to “engage with harvesters so that problems can be identified and addressed, otherwise we will not move forward.” But there are significant logistical constraints associated with working in an area as large as Nyae Nyae Conservancy: “The conservancy has a lack of

is done sustainably, the resource is under pressure because income is much needed. Plants need to rest for two to three years before they can be harvested again when the tubers are big enough, so in 2012 approximately seven N!ores decided on their own not to harvest, so as to give their plants a rest. This is a very difficult decision for people who desperately need income, but it shows their commitment to sustainable harvesting. It is important is that we harvest sustainably so that we can continue to harvest and sell devil’s claw in the future – that is why we do monitoring during the harvesting and



Devil’s claw plant and flower

transport, and this hampers my work. I need to visit the villages and harvest areas to ensure that it is being done properly, in accordance with our [conservancy] rules.”

In 2011, harvesters in Nyae Nyae Conservancy directly earned N\$252 188 for the sale of close to 11 tonnes of devil’s claw, while the conservancy earned almost N\$54 000 as a management fee. In 2012, however, sixty eight harvesters directly earned N\$93 476 from the sale of 3.756 tonnes of dried devil’s claw, while the conservancy earned N\$15 025.

According to N!aici, a desire to ensure sustainability lies behind the drop from 2011: “Although harvesting

after the harvesting has been completed.”

In Namibia, 20% of the population living in rural areas are considered to be severely poor. It is often the poorest of the poor living in rural areas that use indigenous natural plant resources to improve their food security, and they are increasingly engaged in the commercialisation of these products to improve their livelihoods. By creating and working with organised producer and processor groups, the MCA-N INP Sub-activity is ensuring that the benefits of current and future growth in the global market reach individual harvesters.

WILBARD DJUULUME KALIMBO: PIONEERING XIMENIA HARVESTING BY MEN



TTC Board members Djuulume Kalimbo and Teopolina Hatupopi

In the remote area of Eenhana in northern Namibia, women use traditionally made ximenia oil as a hair conditioner. As men have traditionally had no use for the resource, it has been seen as highly inappropriate for men to be associated with ximenia. All the activities related to the harvesting and processing of ximenia are seen as “women’s work”. With growing commercial interest in ximenia, however, one strong man decided to challenge the stereotype.

Wilbard Djuulume Kalimbo, a village headman from Eenyama village, has become one of the few men involved in the harvesting and selling of ximenia kernels. A 70-year-old father of 24 children, Djuulume depends on his mahangu field to feed his family members. But subsistence farming can be difficult: when adverse weather conditions prevail, his mahangu field does not produce enough to feed his family.

Together with his wife, Djuulume started collecting ximenia fruits in 1999, before the establishment of Tulongeni Twahangana Producers (TTP, the forerunner of TTC) in 2004. Nowadays, he loads his family onto his “bakkie” during the harvesting season

and heads for the forest to collect ripe ximenia fruit, which they then dry for a short period and store in a clean place, ready to be decorticated. Decortication to produce kernels generally takes place after the rains have stopped and the main crops have been harvested and stored. Once an order is confirmed, TTP announces the intake dates to its various branches, usually a month or two in advance. The decorticated kernels are brought by harvesters to the TTP intake points, where they are inspected for quality, weighed and recorded. The various intakes are bulked in Eenhana, ready to be transported to Windhoek, where the oil is extracted. From Windhoek, the oil is exported to the international market.

As Djuulume is over the age of 60, he receives a monthly pension from the government. He has no other sources of income, however, and is thus heavily reliant on the income he makes from selling ximenia kernels. According to Djuulume, he can make in total between N\$2 000 and N\$4 000 by selling the kernels three to four times a year. Like Djuulume, other producers also generate income from ximenia sales, which enables them to pay school fees, buy clothes and food, and meet other

household needs. "I am old, but I will continue to harvest for as long as I can", Djuulume says.

At this stage, ximenia is not sold in the informal or traditional market, or anywhere other than the selling point managed by TTP on behalf of the producers. TTP collects the kernels from the producers and arranges for them to be transported to the Katutura Artisan's Project (supervised by CRIAA SA-DC) in Windhoek for processing (oil extraction). From there, the oil is exported to Europe to be used as an ingredient in cosmetic formulations. Products formulated from ximenia oil include emollient moisturising and anti-ageing skin care products, eye-care products, anti-acne products, products for dry, fragile and damaged hair, soaps, lipsticks, and lip balms.

The primary producers of ximenia face a number of obstacles to earning a higher income. For example, the harvesters struggle with transport to deliver their kernel bags to the intake points, which may be far away from their homesteads, and this costs them money. In turn, there are also transport difficulties for TTP to deliver the bags from intake points to the central bulk storage at Eenhana.

ximenia in demarcated plots may be a solution. He has experimented with cultivating ximenia on his own field to investigate whether it is feasible to grow the crop in a "plantation-like" environment. He claims that he succeeded in cultivating the trees to maturity. This was his own initiative, as he wanted to demonstrate to his community that it is possible to cultivate ximenia under irrigation. He has now fenced off a plot of 20 hectares close to his village for the purpose of cultivating ximenia.

Djuulume says that many young people in Ohangwena and Oshikoto regions, where ximenia is harvested, could capitalise on the opportunity to generate income through ximenia. Unlike with formal employment, collecting ximenia does not require formal qualifications, and unemployed youths can benefit from harvesting, as the international demand for ximenia exceeds the supply. "There is a need to create awareness about the benefits of collecting ximenia. There are many people doing nothing at home or in cuca shops [local bars], and if they are informed about the potential to make an income, I believe they will become involved. It would be even better if a factory were to be established in Eenhana for oil extraction."



Ximenia fruit

Climatic conditions such as heavy rains and frost also negatively affect fruit production, meaning that there is less to harvest. Djuulume suggests that cultivating

Development continues, however, and in 2012 TTP was provisionally registered as a cooperative, and is now known as the TTC. The first TTC AGM was held in November 2012, and nine board members were elected (seven women and two men). Djuulume, who acted as Chairperson of TTP in the past, is now one of the elected board members. Djuulume is providing a positive example to his peers and inspiring other men to follow in his footsteps. He says that things have changed for the better now that the organisation has become a cooperative, as it should

become easier to access technical assistance and negotiate for improved benefits for all members.

BURT'S BEES VISITS NAMIBIA TO SAMPLE INP FRAGRANCES

In November 2011 the MCA Namibia Indigenous Natural Products (INP) Activity and its project partners hosted a visit by Michel Mane, the President of the Americas Region of V. Mane Fils, one of the world's largest flavours and fragrances companies, and Stephane Piquart from BeHave, to observe the harvesting and processing into essential oils of commiphora resin and mopane seed in Kunene Region.



Preparing to remove the *omumbiri* after processing

A "Term sheet" was subsequently agreed upon by V. Mane Fils and PhytoTrade Africa, with the aim of further developing the relationship between the Producer and Processor Organisations (PPOs) in Kunene Region and V. Mane Fils, with the latter committing to undertaking product development trials and marketing initiatives. Further work has resulted in additional species, namely *Commiphora angolensis* and *Sarcocaulon mossamedes*, being investigated for their potential in the fragrances sector.

This visit was followed by a visit from Shannon Hess, the senior manager responsible for sourcing and sustainability for Burt's Bees, a client of V. Mane Fils, in October 2012. The company visited the Opuwo Processing Facility (OPF) and the Eudafano Women's Cooperative factory to explore prospects for buying INP products through V. Mane Fils, with a view to determining their potential as ingredients in Burt's Bees products.

In 1984 the Burt's Bees brand was born when Burt Shavitz, a bee keeper who was selling honey from the back of his truck in Maine, U.S.A, and a business partner started manufacturing candles and later lip balm from the beeswax. In 2007, The Clorox Company acquired Burt's Bees for USD 950 million; Burt's Bees is the only cosmetics brand within The Clorox Company portfolio.

Burt's Bees is the largest mass market, natural personal care company in the U.S.A., and is a leader in global markets. Burt's Bees global headquarters is located in Durham, North Carolina in the U.S.A.; their products are distributed in more than 30 countries worldwide. Burt's Bees' mission is "to make people's lives better every day – naturally" – their



Eli Kozohura shows what's left after processing *omumbiri*

formulations contain 98% natural ingredients. Burt's Bees has also:

- launched 110 products in the last 10 years, and seen an annual growth of just over 10 % for the last few years;
- eliminated their usage of shrink wrap by approximately 2 250 km a year by rethinking their tamper-evident label on lip balms and lip shimmers;
- saved close to 2.9 million litres of water annually by reclaiming and reusing their water in the manufacturing process; and
- sent no waste to the landfill since 2010.

While the overall objective of hosting the visit was to entice Burt's Bees to commit to purchasing products from the OPF and V. Mane Fils, as well as marula oil from Eudafano Women's Marula Manufacturing

(EWMM) and ximenia oil from TTC, Burt's Bees was also keen to:

- explore the potential for responsible sourcing practices in community-based partnerships for cosmetic ingredients, specifically fragrance ingredients in Namibia;
- evaluate the level of responsible compensation to indigenous communities for cosmetics ingredients; and
- better understand the roles of the partnerships between NGOs and indigenous peoples (producer groups) to create viable business opportunities and stable supply chains.



Shannon Hess, getting to “nose” some Namibian fragrances

Against this background, there was a particular focus on the following:

- the respect and cultural sensitivity with which training sessions are conducted;
- how team members interact and gain the trust of communities;



Himba adornment

- cultural sensitivity and knowledge of NGOs and outside organisations; and
- how team members go about problem solving in volatile supply chains for natural products.

The above are all central to Burt's Bees' business philosophy, and form the core of its Code of Conduct.



Commiphora angolensis resin

All in all, the visit was a success. The trip reinforced the positive relationship established with V. Mane Fils during their visit in November 2011 and confirmed the role that they can play in product development and marketing. Although there are still a number of hurdles to be overcome, the general conclusion is that Burt's Bees is genuinely interested in exploring ways of incorporating ingredients from Namibia into their products. This will provide impetus to V. Mane Fils to prioritise the development of fragrances from Namibia to supply Burt's Bees. Notwithstanding this positive development, it should be borne in mind that typical product development by Burt's Bees takes a minimum of 18 months.

Much of this positive development has been made possible by the hard work undertaken by Namibian and other organisations in commercialising indigenous natural plant products and setting up supply chains. Not only do some of Namibia's unique ingredients have huge potential, but the model has been set up to ensure responsible supply and sourcing so as to provide Namibian producers with a solid platform from which to market their products. According to Shannon Hess of Burt's Bees, “the team here is a true example of best practice and an inspiration in responsible sourcing, and community cooperation with real results”.

UPDATE ON MCA NAMIBIA INP INNOVATION FUND GRANTS

The Innovation Fund aims at ensuring both the short and long-term competitiveness of Namibia's INP industry in the global market place. The INP Innovation Fund complements the activities of the Producer and Processor Organisations (PPO) Sub-activity, contributing toward an increase in income for rural households engaged in indigenous natural plant product commercialisation.

This section provides an update on the third round of the INP Innovation Fund Grants that were awarded in September 2012. During the third round, a total of four Grants, worth approximately N\$ 6 million, were awarded. This brings the total Grants awarded to nine; all the available funds have now been committed.

Name of the Action: *Commercialising marula fruit products at Eudafano Women's Marula Manufacturing (EWMM)*

Main applicant: *PhytoTrade Africa*

Local partners: *EWMM, CRIAA SA-DC*

Project duration: *14 months*
(starting date: November 2012)

The overall aim of this Action is to support EWMM to develop commercial opportunities for marula fruit products by building on EWMM's existing capacities and facilities, and exploiting the findings of the previous INP Innovation Fund project "Understanding Marula Fruit Chemistry to Enable Innovative Commercial Opportunities".



Preparing marula kernels ...

The project will focus on the following:

- Supporting EWMM to increase production of marula juice by providing focussed planning, logistical and other material services, including additional human resources, facilities and equipment.
- Improving the quality (for example stability, taste, standardisation, microbiological load) of small test batches EWMM's marula juice production, to be

able to learn scale up lessons and provide the basis for convincing industry and potential clients that EWMM can build on the findings of the study on the ripening process and quality.

- Adding value to dried marula fruit skins – a key by-product from the juice processing, and with fewer technological and logistical challenges for EWMM – by developing innovative product opportunities targeting metabolic syndrome and heart health.



... for marula oil extraction

The Action seeks to put EWMM in a position to expand its marula fruit business and become commercially viable, by researching and developing local and export market opportunities.

Name of the Action: *Quality Improvement of Two Namibian Indigenous Oils and Devil's Claw*

Main applicant: *PhytoTrade Africa*

Local partners: *CRIAA SA-DC, EcoSo Dynamics CC, EWMM, Namibia Quality Beverages Pty Ltd, Hearshaw and Kinnes Analytical Laboratory Pty Ltd*

Project duration: *18 months*
(starting date: 1 November 2012)

The aim of this Action is to improve the quality of Indigenous Natural Products in Namibia in order to ensure compliance with international standards and requirements. The Action will focus on marula oil produced by EWC, ximenia oil produced by Tulongeni Twahangana Cooperative (TTC), and devil's claw harvested in 11 conservancies in the Caprivi and Kavango regions of Namibia.

The project aims specifically to understand the extent of contamination (from pesticides and other possible sources) in Namibian Indigenous Natural Products, and to develop strategies to significantly reduce levels where it is necessary, in an effort to meet standards or eliminate contamination altogether. This will be done through monitoring the extent of contamination under different conditions, and using these results to develop appropriate protocols for harvesting, processing, handling and storage processes that minimise or eliminate risks.

The expected result of the action is an increased understanding of potential contamination risks and well-informed handling protocols for three Namibian wild-harvested natural products. This will assist in increasing awareness and training of Namibian producers, enabling them to deliver products that



Quality control of ximenia by TTC members

comply with standards and requirements of local, regional and international markets.

Training to producers resulting from this Action, as well as necessary equipment (i.e. storage containers), will be provided for through the MCA-N Support to Producer and Processor Organisations (PPO) Sub-activity currently being implemented.

Namibia aims to expand the natural product industry into a major income earning opportunity for rural producers and the country as a whole. The project will result in greater quality assurance, and therefore improved marketing potential of the natural products into which research is conducted. Stimulated markets will increase the demand for raw materials, and thereby create income opportunities and improve the livelihoods of the rural poor. In addition, the availability of high quality raw material in Namibia will also enable local SMEs to include these raw materials in value-added consumer products.

Name of the Action: *Namibian Business Opportunities for the Opuwo Processing Facility (NOBO) Project*

Main applicant: *Natural Resources Institute, University of Greenwich, UK*

Local partners: *Integrated Rural Development and Nature Conservation (IRDNC), PhytoTrade Africa*

Project duration: *21 months*
(starting date: 1 October 2012)

The overall aim of the Action is to increase the number of communal harvesters benefiting from sustainable novel extract production (*Sarcocaulon* and *Commiphora angolensis*) associated with the Opuwo Processing Facility (OPF) in Namibia's Kunene Region. Two new plant extracts, derived through sustainable harvesting and local solvent extraction, will be trialled on international markets. Additionally, there will be close collaboration to achieve long-



Unprocessed *Sarcocaulon*

lasting commercial partnerships between an international novel flavour and fragrance buyer (V. Mane Fils), the OPF essential oil component, new producer groups, and PPOs supported through the INP PPO Sub-activity.



Phytotrader's John Cheesmond inspects *Commiphora angolensis*

The development of a Namibian wild-harvested essential oil sector will bring economic and social benefits at a number of levels. The Action aims to expand the use of the existing OPF, which currently benefits about 450 harvesters, to over 1 000 harvesters, with an additional eight PPOs in new harvesting areas. Through the application of Access and Benefit Sharing (ABS) arrangements, the Grant will also promote the transfer of technology for

solvent extraction of novel oil to the OPF from the potential commercial partner.

The primary beneficiaries of this action will be up to 1 000 harvesters of related INPs in 13 PPOs in Kunene Region. These harvesters, mostly women, will benefit through the sale of INPs to the OPF. The PPOs are also joint owners of OPF, and will therefore gain through technology transfer and, potentially, profit sharing. One intended impact of promoting sustainable harvesting in this way is to secure the future in situ management of the identified resources by the communities that harvest them. Linking monetary value with sustainable collection and processing is a proven method of community-based natural resource management (CBNRM).



Commiphora harvesters at a training meeting

The main activities will be the development of supply chains, the trial purchase of novel oil materials, the setting up of solvent extraction technology at OPF, getting regulatory approval, and forming long-term agreements between PPOs, OPF and V. Mane Fils.

Name of the Action: Innovative, safe and active cosmetic (ISAC) Ingredients

Main applicant: PhytoTrade Africa

Local partners: CRIAA SA-DC, Indigenous Plants Task Team (IPTT)

Project duration: 14 months
(starting date: 1 October 2012)

The overall aim of the Action is to support the competitive positioning and marketing of six cosmetic ingredients from Namibian biodiversity. The ingredients include four INP oils (ximenia, marula, Kalahari melon and manketti); and two by-products (a novel fraction from ximenia kernel oil cake, and a water-soluble extract from marula kernel oil cake). It is intended that the results of the Action will be used by Namibian PPOs who harvest and process these products, to develop their businesses and to target new customer bases.

The overall goal is to generate supplementary income for rural harvesters and harvesting communities by increasing the demand for natural cosmetic ingredients produced sustainably from indigenous plant materials.

ISAC Ingredients aims to realise the competitive positioning of the cosmetic ingredients through analysis of the oils to assess and present their safety profiles, their sensory and technological characteristics, and their efficacy in cosmetic and personal care applications. Individual studies will also be carried out on the two by-products to investigate their potential application as active cosmetic ingredients.

The results will provide Namibian businesses and their potential clients and partners with data and scientifically substantiated information that can be used to position and market the target ingredients in local, regional and international cosmetic markets.

The data may also be used to support the development and marketing of consumer-ready products which contain these ingredients.

An expert interpretation of the results will be carried out and will form the basis of product information documents, in which the information will be comprehensively presented. These documents will be made available to the Namibian businesses that are working with and marketing these ingredients. There is a clear trend towards the scientific substantiation of cosmetic ingredients and products. Where Namibian companies can present natural products with sustainable, ethical, and scientific credentials, it is understood that these products

could be strongly positioned in the global cosmetics market – one which is becoming increasingly competitive.

ISAC Ingredients is a timely project which responds to current trends within the cosmetics industry. It supports Namibian businesses to respond to the demands being increasingly placed on ingredient suppliers and manufacturers of finished consumer products, and will enhance their ability to attract new business relationships. The project approach may also be used as a template or example for positioning other cosmetic ingredients in the market place and for driving sales.

CONCLUDING REMARKS

The production and sales of INP increased slightly during 2012 as compared to 2011. Devil's claw, followed by marula and ximenia, continues to dominate sales in terms of revenue to the primary producers and revenue from the export market, and continues to enjoy high demand on the international market. An estimated total of N\$ 22 million was generated from the formal trade in INP in 2012. Marula and ximenia species have both seen a decline in fruit availability owing to adverse weather conditions in 2011/2012, resulting in reduced production volumes for 2011/2012. Marula fruit availability improved during 2012, which should contribute to higher sales volumes in 2012/2013.

Ximenia oil producers, on the other hand, could not meet the high demand from international buyers due to the scarcity of the resource. Other positive developments were that the price paid to primary producers for both marula and ximenia kernels increased on average by 10% during 2012.

The last round for funding from the MCA –N Innovation Fund was completed, and four grants were awarded. In total, nine projects have been funded since the first round in 2010. All MCA-N-funded INP IF Grants are expected to be completed by mid-2014, and a dissemination of results workshop is expected to take place.

Further information on the INP Activity is available on the MCA-N website:

<http://www.mcanamibia.org> (see under Agriculture/Indigenous Natural Products)

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