

# INP Market Bulletin

Indigenous Natural Products in Namibia (Issue 6, November 2013)

## Welcome to INP Market Bulletin

Welcome to the 6<sup>th</sup> issue of the Indigenous Natural Products Market Bulletin, produced as part of the Indigenous Natural Products (INP) Activity of Millennium Challenge Account Namibia (MCA-N). There may be only one more issue after this as the MCA-N programme is starting to wind down and is due to cease its activities in mid-September 2014.

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 exports of selected indigenous plant products in Namibia. The key focal species for the MCA-N INP Activity include marula, ximения, devil's claw and commiphora.

The INP Market Bulletin is prepared through the National Botanical Research Institute in the Ministry of Agriculture, Water and Forestry (MAWF) as part of the support provided to the Indigenous Plants Task Team, a multi-stakeholder body that is chaired and partly funded by MAWF.

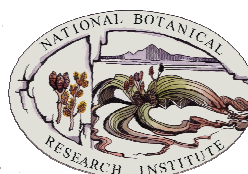
While this issue continues to present market information on the key focal species, it also provides a more in-depth look at the cosmetics industry in Namibia and the INP Producer and Processor Organisation (PPO) Sub-activity of MCA-N. We hope that you will enjoy reading this issue, and we welcome any feedback on the type of information that could be included in the next issue, or how the bulletin could be improved.



Traditional marula beer pots (*iijuma*)

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## THE MARKET IN BRIEF



A selection of cosmetics made with Namibian INP ingredients

### DEVIL'S CLAW

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

**Commercially harvested:** throughout many parts of Namibia

**Total exported (2012):** 544 tonnes

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

**Estimated number of producers:** Unknown

Namibia exported a total of 544 tonnes of devil's claw to the international market during 2012, down from 622 tonnes in 2011, but more than the 336 tonnes exported during 2010. The value of 2012 exports is estimated to be between N\$ 20 million and N\$ 25 million. Germany and France still dominate the

market for Namibian devil's claw. It is anticipated that the weakening of the Rand against the Euro will result in higher earnings from the export market for 2013, which will hopefully also translate into higher prices being paid to harvesters.

### MARULA

**Botanical name:** *Sclerocarya birrea* subsp. *birrea*

**Commercially harvested:** North-central regions

**Total sales (2012):** 6 080 kg of cold-pressed oil

**Estimated income from oil sales (2012):**

N\$ 1.1 million (Eudafano Women's Cooperative)

**Estimated number of producers (2012):** 1 377 (Eudafano Women's Cooperative)



Decorticating marula kernels

Marula oil continues to be in high demand in the international cosmetics industry, with a total of 6 080 kg of cold-pressed oil being exported in 2012, valued at approximately N\$ 1.1 million. The production of marula food oil for the local market is still confined to factory sales, as the launch of this product into the local retail market remains a challenge. The conditions in 2013 for the production of marula fruit juice were not as favourable as they were in 2012. Marula continues to be popular in the local market, and the juice was sold as quickly as it could be produced.

## XIMENIA

**Botanical name:** *Ximenia americana*

**Commercially harvested:** North-central regions

**Total oil production (2012):** 3 810 kg

**Estimated value of oil exports (2012):** N\$560 561

**Estimated number of producers (2012):** 700

(Tulongeni Twahangana Cooperative)

The primary production of ximenia started earlier in 2013 than in previous years, mainly as a result of pressure to meet market demand, which could not be satisfied in the 2012/2013 season. The earlier production was made possible by the availability of ximenia fruit this season, and spurred by the pressing need experienced by local harvester communities for cash income during the prevailing drought. The forecast of oil export demand remains at between six and eight tonnes for the 2013/2014 season.

## KALAHARI MELON SEED OIL

**Botanical name:** *Citrullus lanatus*

**Commercially harvested:** North-central regions

**Total production (2012):** 70 kg

**Estimated income to harvesters (2011):** N\$7 000

**Number of producers (2012):** Unknown

The international market for Kalahari melon seed oil remains weak, although Eudafano Women's Cooperative (EWC) continues to purchase seeds from farmers for oil production. Trends in EWC's sales figures suggest that people in the north-central regions who normally produce the oil at household level for own consumption are now buying it at the factory, albeit in small quantities.

## HOODIA

**Botanical name:** *Hoodia gordonii*

**Commercially harvested:** Karas Region

**Total production (2012):** 1 900 kg dried powder

**Total income (2012):** Unknown

**Estimated number of producers (2012):** Unknown

Demand on the international market for hoodia continues to be low, with only negligible levels of production and export activity being reported for 2012. Total production for 2012 was a mere 1 900 kg of dried hoodia and 2 345 hoodia capsules. Although these amounts are small in terms of their contribution to the national economy and people's livelihoods, it is worth mentioning that there are still people keeping the industry alive, so that capsule samples can be distributed internationally in the hope of finding a market. Hoodia is well known for being an appetite suppressant. Although this property is backed by traditional knowledge, scientific research has cast doubt on the safety and efficacy of hoodia as a natural anti-obesity agent.

## COMMIPHORA RESIN AND ESSENTIAL OIL

**Botanical name:** *Commiphora wildii*

**Commercially harvested:** Kunene Region

**Total production (2012):** Limited amounts purchased from harvesters

**Estimated income from sales (2012):** N\$198 490  
(including sales of resin & essential oil)

**Estimated number of producers (2012):** 387

Due to there currently being a stockpile of resin at the Opuwo Processing Facility (OPF), limited additional resin was purchased from harvesters in 2012. Markets for the essential oil are still being investigated, and collaboration with V. Mane Fils to complete the specification sheets and safety dossiers is ongoing.



## Estimated export value of INPs (N\$) (2010-2012)

	2010	2011	2012
Products	Value	Value	Value
Devil's claw (dried material )	10 360 000	21 000 000	25 000 000
Hoodia (dried material)	179 750	Unknown	Unknown
Kalahari melon seed oil	Unknown	40 000	7 000
Marula oil	1 330 000	920 000	1 003 200
Ximenia oil	117 840	498 960	560 561
Commiphora resin & essential oil	154 400	Unknown	198 490
<b>TOTAL (N\$)</b>	<b>12 141 990</b>	<b>22 458 960</b>	<b>26 762 251</b>

INPs estimated export volume (kg) (2010-2012)			
	2010	2011	2012
Products	Volume	Volume	Volume
Devil's Claw (dried material )	296 000	621 935	543 853
Hoodia (dried material)	7 759	200	1 900
Kalahari Melon seed Oil	Unknown	380	79
Marula oil	7 220	6 080	6 080
Ximenia oil	1 520	3 150	3 810
Commiphora resin	3 089	Unknown	1 393
<b>TOTAL</b>	<b>315 588</b>	<b>631 745</b>	<b>557 115</b>

## MCA-N INP PPO SUB-ACTIVITY UPDATE (SEPTEMBER 2013)

Over the past three years, the Natural Resources Institute (NRI) and its implementing partners the Centre for Research Information Action in Africa – Southern Africa Development and Consulting (CRIA SA-DC), Integrated Rural Development and Nature Conservation (IRDNC) and Namibia Nature Foundation (NNF) have been working tirelessly to reach identified milestones and achieve the objectives for all the tasks of the Sub-activity. To date, excellent progress has been made, as witnessed by a quick snapshot of highlights:

- 67 service contracts signed with PPOs (overall target: 60)
- 8 600 INP producers (5 059 female and 3 541 male) mobilised and trained (overall target: 7 000)

- 5 392 people (2 754 female and 2 638 male) trained in sustainable harvesting techniques (overall target: 1 250)
- Seven rounds of Primary Production Innovation Grants to the value of US\$205 555 signed with PPOs

Sales of INPs (including products derived through the MCA-N INP PPO Sub-activity from marula, devil's claw, ximenia, commiphora and mopane) continued to grow into 2013, bringing the cumulative total for the project period to date to N\$11.478 million.

Please note that the figures provided below refer only to the MCA-N-supported PPOs.



PPO members get to sample innovative value-added products made with the ingredients they produce

### INCOME TO FARMERS FROM INP SALES (2012)

Product	Number of farmers		Total no. of farmers	Quantity harvested (kg)	Total income to farmers (N\$)
	F	M			
Commiphora & Sarcocaulon	191	196	387	3 105	155 240
Devil's claw	1 419	872	2 291	215 870	4 271 100
Ximenia kernels	55	2	57	831	7 890
Marula kernels	1 377	0	1 377	24 561	564 761
<b>TOTAL</b>	<b>3 042</b>	<b>1 070</b>	<b>4 112</b>	<b>244 367</b>	<b>4 998 991</b>

Value addition	Total paid to producers (N\$)	Quantity produced (kg)	Total value of sales (N\$)	Value added (N\$)
Marula oil	564 761	6 080	1 003 200	438 439
Ximenia oil	7 890	3 810	560 561	552 671
Commiphora essential oil	5 548	5.5	28 164	22 616
Commiphora resin	69 650	1 393	170 326	100 676
Mopane essential oil	7 948	7.95	23 943	15 995
Sarcocaulon	15 700	314	38 394	22 694
<b>TOTAL</b>	<b>671 497</b>	<b>11 610</b>	<b>1 824 588</b>	<b>1 153 091</b>

### Provisional data for 2013: Income to harvesters

Although only provisional data on income to harvesters are available for 2013, indications are that income will be lower than it was in 2012. In some cases, the ongoing drought conditions have had an impact, and the proposed ban on devil's claw harvesting in Zambezi Region (formerly Caprivi Region) resulted in some producer groups there not harvesting at all in 2013.



## PROVISIONAL INCOME TO FARMERS (2013)

Product	Quantity harvested & sold (kg)	Total income to farmers (N\$)
Commiphora ( <i>C. wildii</i> & <i>C. tenuipetiolata</i> )	5 220	261 000
Mopane	11 000	27 500
Sarcocaulon	365	18 250
Devil's claw	57 391	1 277 640
Ximenia kernels	5 337	66 709
Marula kernels	23 740	629 110
TOTAL		2 280 209



## MCA-N HELPS HARVESTERS TO BRING THEIR PRODUCE CLOSER TO MARKET



The presentation of the donkey carts was a well-attended Katope community celebration

One of the main goals of the INP PPO Sub-activity is to encourage harvesters to continue harvesting in a sustainable manner, and in line with the training they have received. The INP Activity therefore makes Primary Production Improvement Grants (PPIGs) available to PPOs for the purchase of suitable harvesting and processing equipment. Training in the Kavango regions (Kavango East and Kavango West) is led by the NRI, which is based at the University of Greenwich in the United Kingdom, and is implemented by the NNF under the leadership of the local coordinator, Fidelis Mpofu.

In remote areas with limited income-generating opportunities, the income obtained through harvesting indigenous natural resources is often essential for providing rural inhabitants with the means to pay for healthcare, education and food, and in some instances, for starting small businesses and farming ventures. MCA-N therefore supported

devil's claw harvesters in the five PPOs in Kavango East and West with a donation of nine donkey carts, with a combined value of N\$90 000. The donkey carts will help these harvesters, who live in very remote communities, with transporting dried devil's claw to the nearest central buying point. Two donkey carts were handed over to members of the Katope Community Forest on Wednesday 28 August 2013. Katope harvesters were first trained in 2012, and are already seeing tangible benefits from harvesting devil's claw: in 2012, they produced close to four tonnes of devil's claw, resulting in direct income to the harvesters of just over N\$67 000.

At the handover ceremony, Rebecca Shaningwa, the Marengue Headwoman, thanked MCA-N for its crucial support, noting that "devil's claw is still new, but already it is like a diamond to us – we will treasure this indigenous plant to sustain our livelihoods".

MCA-N Deputy CEO Implementation, Eline van den Linden, who handed over the donkey carts to the harvesters, said that MCA-N had introduced these Grants to motivate producers of indigenous natural products to get involved in this income-generating activity, and commended the harvesters for their efforts during the 2012 harvesting season. She further encouraged them to look after both the donkeys and the donkey carts.



Celebrating in time-honoured fashion



Rebecca Shaningwa, Eline van den Linden and Volker Shindimba

To date, MCA-N PPIGs have supported more than 60 PPOs with processing equipment, storage facilities and transportation to the value of N\$ 1.8 million, to render harvesting and processing more effective and efficient, thereby ensuring resource sustainability and improved quality. MCA-N is currently awarding the final round of Grants under the PPIG scheme, bringing the final total value of PPIGs awarded to close to N\$ 3 million.

## NAMIBIA'S ESSENTIAL OIL CHALLENGE FUND COMPETITION, AND BEYOND

One of the aims of MCA-N's INP Innovation Fund is to encourage the development of novel products based on indigenous natural resources. Under the Namibian Essential Oil Innovation (NEOi) project, the Innovation Fund gave financial support to the Natural Resources Institute (NRI) of the University of Greenwich for running the Essential Oil Challenge Fund Competition. The competition – the first of its kind in Namibia – was launched at the beginning of February 2013, and challenged entrants to submit their proposals for innovative uses of Namibian myrrh (*Commiphora wildii* essential oil) in cosmetics.

Any Namibian individual, company or co-operative could enter the competition in a bid to win N\$35 000 to support the launch of their newly developed products. Nine entrants submitted a total of 42 products, ranging from lip balms, facial oils and soaps, to body scrubs and room sprays.

Namibian myrrh is a highly prized natural product that has been sustainably harvested for eons by the ovaHimba people in Namibia's northwest, for use as a body scent. More recently, with support from IRDNC and financial assistance from MCA-N's INP PPO Sub-activity through NRI, the newly established Opuwo Processing Facility (OPF) was operationalised. The OPF, Namibia's only community-run essential oil manufacturing centre, is located on the outskirts of Opuwo. It is a business venture that is jointly owned by the members of five conservancies / community forests in northwest Namibia who are engaged in the sustainable harvesting of Namibian myrrh and other natural products with exciting prospects for distilling into essential oils.



The aim of the NEOi Challenge Fund was to create and/or expand local markets for Namibian myrrh essential oil, with a view to establishing a sustainable financial business for the ovaHimba

people who harvest the naturally exuded resin. In addition, the aim was to provide financial and other support to Namibians who are keen to generate income through the sustainable use of indigenous natural plant products, and to develop products to sell at the soon-to-be-inaugurated Opuwo Visitors' Centre.

Each of the Challenge Fund entries comprised a minimum of two prototype products (e.g. lip balm, body butter, soap, solid perfume, bath salts and room diffusers) containing *Commiphora wildii* essential oil. These were evaluated on the basis of their smell, appearance and texture, the packaging

In a "Dragon's Den"-style presentation format, each of the entrants was asked to briefly explain the product and their marketing strategy, and then to answer probing questions from the judges to enable them to understand the business case and evaluate its viability.

At a formal ceremony at NICE restaurant on 12 April 2013, Sophia Snyman and Tamarind Nott were announced as the joint winners, and presented with prize cheques.

This truly innovative and highly successful Challenge Fund will hopefully not only lead to the development of an entirely new array of products for the Namibian and international markets, but also inspire Namibians to unleash their entrepreneurial flair and explore further product development possibilities using Namibian ingredients, for the Namibian market. Since the competition ended, sales of *Commiphora wildii* essential oil in Namibia have already doubled, which suggests that the competition has had a significant impact, and confirms that local sales are important for the sustainability of the project at both harvester and processing levels.

MCA-N purchased 400 of the products from each of the winners in an effort to provide momentum for their growing businesses. The products were placed in the bags of



Sophia Snyman, Jeckey Kasaona and Tamarind Nott

design and pricing strategy, the (confidential) product formulation, and importantly, the viability of their business case and their appeal for the proposed target markets.

An independent international panel of judges was constituted for the judging of the products and presentations. The judges were Fabienne Bourhis (Perfumer, V. Mane Fils); Dr. Pauline Lindeque (Senior Manager: Strategic Marketing, Sales and Communication, Namibia Wildlife Resorts); Lizette Foot (General Manager, Team Namibia); Dave Cole (INP Manager, MCA-Namibia); and Dr Julian Fennessy (Team Leader, NRI).

the 650 delegates who attended the Adventure Tourism World Summit (ATWS) in late October 2013 in Swakopmund. In addition, the winning products and some of the others that were entered for the competition were also on sale at the Summit, providing the entrepreneurs with an important marketing platform for their businesses.

MCA-N also arranged for the two winners and the manager of the Opuwo Processing Facility, Jeckey Kasaona, to attend a five-day training course on fragrance formulation offered in Cape Town during October by Tammy Frazer of Frazer Parfum cc. According to Tamarind Nott, the course enabled the





participants to gain invaluable understanding about the process of creating fragrances: “Before this course I was just mixing fragrances I thought would work nicely together, but this course showed me that a concept is essential when creating a fragrance. I also became aware of how complex and diverse perfumery is, and this course gave me a glimpse of what is possible in terms of creating a product range.”

Jeckey Kasaona had this to say about the course: “Although a lot of the information was very technical for me, [the presenter] was very nice and made everything as clear as possible. I felt very free to ask questions at any time. This information was at a very high level of thinking for me and it has inspired me to take more care of the essential oils we are producing. It will help with my career, as I can use this information to make other products using essential oils. All of the information given will also assist me in describing the oils to guests who come and visit the Opuwo Processing Facility.”



In November 2013 MCA-N also funded a two-day course on cosmetics formulation for the other participants of the NEOi Challenge Fund, as well as some others who are currently involved in the production of Namibian cosmetics; in total, fifteen participants attended. The course was presented by Trevor Steyn from South Africa. Trevor runs a very successful cosmetics formulation company there called ESSE, which produces a range of products called africaorganics. The product range is certified organic, and uses 100 % natural ingredients sourced from Africa.

MCA-N is continuing to explore other possibilities for providing support to the fledging cosmetics sector, and will hopefully be announcing some further support in the near future.



Trevor Steyn demonstrating the art of blending fragrances



Cosmetics made with Namibian INP ingredients on display at the ATWS

## MARKET UPDATE

### Devil's claw

The harvesting season for devil's claw starts in March and ends in October each year. The first part of the 2013 harvesting season faced many challenges, including a ban on devil's claw harvesting in Zambia, and the prospect of such a ban being imposed by the Namibian Government on devil's claw harvesting in Namibia's Zambezi Region. Zambezi Region is an important source of devil's claw in Namibia, and Zambia is also an important source for devil's claw that is imported into Namibia and subsequently exported. The industry therefore faced the prospect of a shortage of devil's claw for the export market.

The ban in Zambia was temporarily lifted, however, and the Namibian Government elected not to impose a ban in Zambezi Region, allowing for normal production of devil's claw in the second quarter of 2013 to proceed.



Sliced devil's claw on drying nets



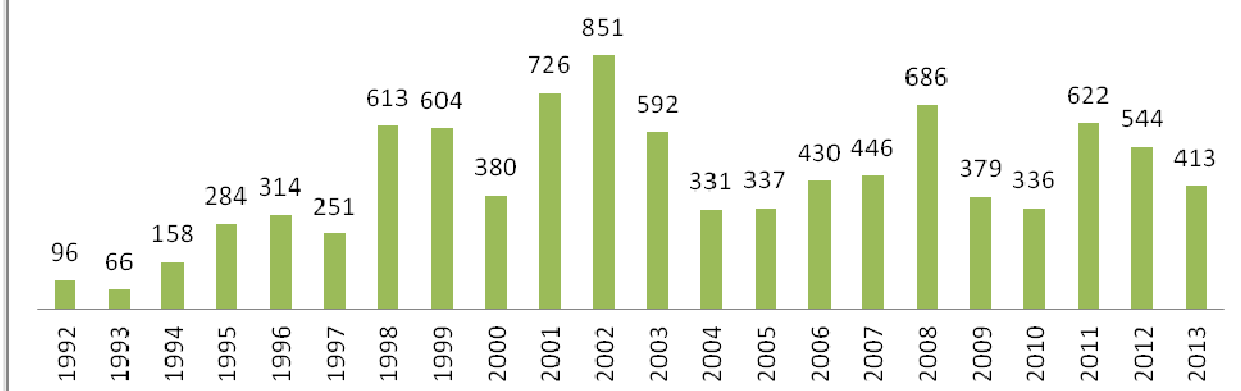
Cleaning devil's claw before slicing and drying

Recognising the value of devil's claw and the importance of resource sustainability, the Zambian Government has been consulting with Namibian stakeholders, and is introducing a management model to regulate the harvesting of the resource. It is encouraging that other neighbouring producer countries, namely Angola, Zambia and Botswana, are also running projects to improve sustainability and primary processing techniques. Devil's claw management in Namibia is widely seen as a model for replication, and technical advice and assistance is being provided by supporting NGOs.

In Angola this year, with funding from the USAID-funded Southern Africa Regional Environmental Programme (SAREP), activities that are aimed at establishing an Angolan sustainably harvested devil's claw project commenced. Training was facilitated by the NNF, with trainers of trainers coming to Namibia to visit projects in the Kavango regions and receive training on sustainable harvesting methods and processing. With support from a local Angolan NGO, Associação de Conservação do Ambiente e Desenvolvimento Integrado Rural (ACADIR), five new areas bordering on Namibia have introduced sustainable harvesting practices. A purchase agreement with a Namibian exporter was entered into, and purchases have already taken place.

International demand for devil's claw remains driven by EU importers, mainly from France and Germany. The demand for 2013 is stable, and orders can be met. However, it remains a struggle to convince EU importers to preferentially source devil's claw from sustainably managed and controlled areas. Although there appears to have recently been a drive to bring about acceptance of the internationally recognised standards on Good Agricultural and Collection Practices (GACP) as being applicable to devil's claw, it is still too early to tell whether the impact on pricing would be positive, and what the uptake rate of European buyers would be.

## Devil's claw range states exports 1992 - 2013



The implementation of a sustainable devil's claw harvesting project with support from MCA-N has led to improvements in primary processing methods and the maintenance of traceability records. Traceable devil's claw production in 2012 accounted for almost 50% of the total Namibian exported volume.



Dortea Nambuli demonstrates traditional marula decortication

Recently, sales of finished devil's claw products on the local market have been showing a positive trend, and planning to engage in further value addition within Namibia is underway. Regulatory hurdles in developed countries will need to be addressed before such products could lead to large-scale value addition within Namibia.

### Marula

**Marula oil for cosmetics:** The strong demand from the international cosmetics market for marula oil continues. The 2013 demand from international buyers is 13 tonnes, valued at 195 000 Euros (N\$ 2.5 million).

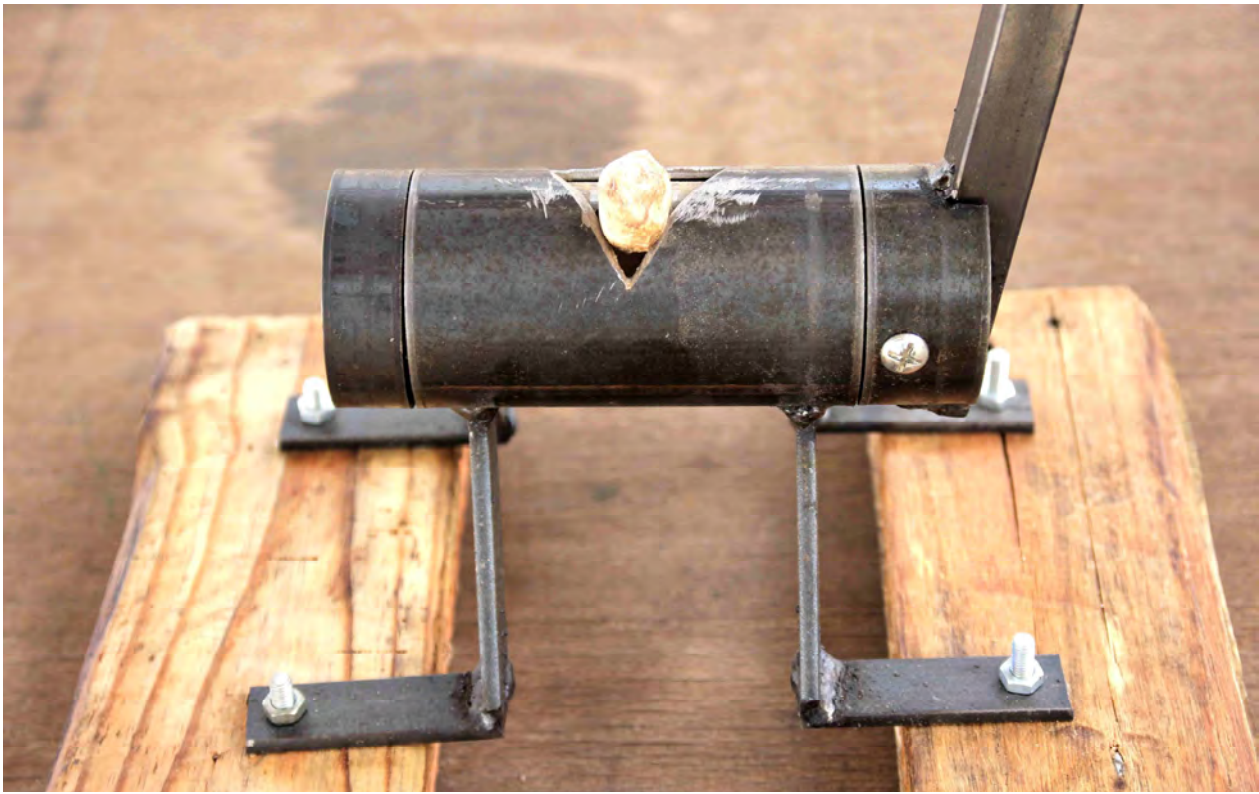
The 2013 season appears to be good, but the total quantity that will be collected (estimated at this stage at around 35 tonnes for the whole season), although more than the 25 tonnes collected in 2012, falls short of earlier optimistic projections of over 50 tonnes. Nevertheless, marula oil processing capacity at Eudafano Women's Marula Manufacturing (EWMM) has been upgraded, and production is on schedule to meet the export orders in the second half of 2013 and early 2014.

The Body Shop International (BSI) visited EWC in June 2013 to discuss current and future business partnerships. EWC is a community fair trade partner of BSI.



The marula nut is hit against an axe blade with a piece of wood

**Marula food oil:** Marula food oil marketing is still limited to the EWC factory in Ondangwa. Although EWC is likely to produce more oil due to a higher intake of kernels in 2013, the date for the official launch of the food oil into the retail market has still to be determined. The launch has been hampered by many challenges facing the factory, notably the inadequate supply of raw materials and the high demand for cold-pressed oil for the cosmetics industry. Launching a marula food oil product requires that sufficient stocks are available to meet



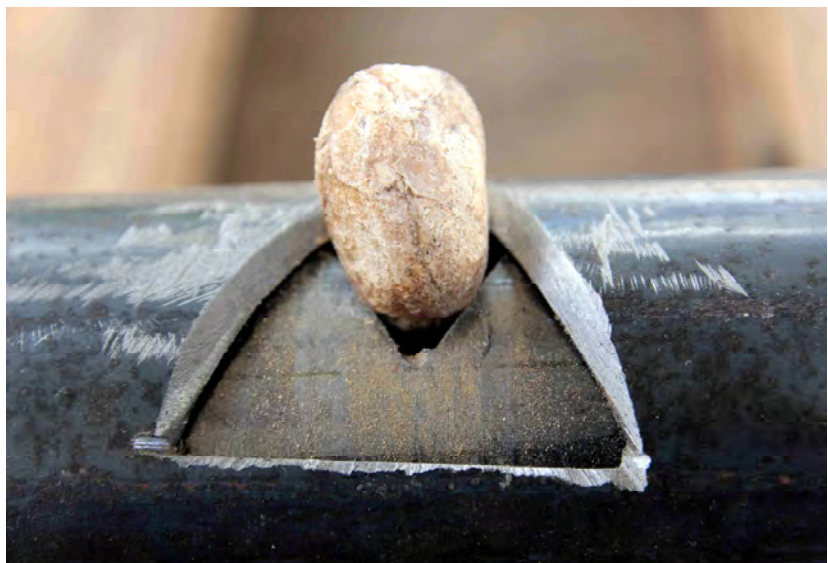
The recently developed mechanical decorticating machine

demand following the launch. Nevertheless, marula food oil sales from the EWC factory have generated earnings of around N\$17 000 since 2010.

**Marula juice:** The production of marula juice was not as high as anticipated due to the low quality of fruit in 2013. As a result of the drought, much of the fruit was not as well developed, and had a low juice content. A total of about 46 tonnes of marula fruit was processed into marula juice, which is up from the 36 tonnes processed in 2012. Sales of marula juice amounted to approximately N\$52 000 for 2013, down from N\$69 000 generated in 2012.

**New development:** A potentially important innovation is the development of a new hand-operated machine for decorticating marula kernels. In the traditional decortication method, the nut is cracked on a stone slab or axe blade when hit with a stone or stick; with the new

decortication device, the nut is held in place between sharp blades, and the kernel is exposed when the handle of the device is manually pressed down, cutting the nut between the blades. So far the technology has proved to be convenient and effective, and to deliver a high quality of kernel. The marula oil industry has long been searching for a technological innovation. It remains to be seen whether the new machine will finally replace the traditional method of decorticating marula kernels, which some consider to be hazardous and slow.



The business end of the new decorticating machine

## Essential oils

Although much still needs to be done to secure markets for the essential oils produced from *Commiphora wildii* resin and *Colophospermum mopane* seed, research and development and private sector partnership opportunities continue to be investigated and deliberated, and steady progress is being made for these novel products from Namibia. Considerable emphasis is being placed on obtaining the safety and specification dossiers which are required to commence with marketing to international fragrance companies.

Nevertheless, limited volumes of raw materials are being purchased from harvesters, and the production of essential oils at the OPF is ongoing. In total thus far, income to harvesters for these raw materials has been in the region of N\$307 000 for 2013.

The OPF is destined for new heights with the construction of a Visitors Centre on site with assistance from MCA-N. The Visitors Centre is aimed at attracting tourists who can now take a tour of the “Scents of Namibia” and learn more about the communities that collect the raw materials, and how the essential oils are produced. Products containing the essential oils and other products will be available for visitors to purchase.



The new OPF Visitors' Centre under construction ...



... and almost ready to receive visitors



### Ximenia

Despite the firm market interest in ximenia, the 2013 harvest has again unfortunately proved to be very poor due to the extended drought during the main

fruiting season. This is the second consecutive bad ximenia harvest, although 2013 was not as bad as 2012. What was thought of as a small early intake in May 2013 proved to be the main intake for the year, and kernel production amounted to only 20% of what was needed to meet the demand for ximenia oil. This is obviously cause for concern, as the inability to meet current market demand will in future impact on sales. Should increased volumes be available for products that use ximenia oil as an ingredient, cosmetics formulators will simply stop using ximenia in their products.

The capacity of the Tulongeni Twahangana Cooperative (TTC) is steadily increasing, however, and its members and leadership are demonstrating that they are both able and enthusiastic. With functional associations, a constitution, AGMs, an elected management committee and good and transparent book-keeping and administration systems now in place, TTC is fast becoming a well-established cooperative.

## LOCAL VALUE ADDITION IN THE INP COSMETICS SECTOR

Cosmetics made with INP ingredients, especially those using Namibian ingredients, are relatively rare on the local market. In order to gauge consumer awareness, buying trends, attitudes, needs and preferences regarding locally made natural

basis. This seems to indicate that cosmetics are highly valued by consumers, and that cosmetics shopping is consequently a planned event.

When asked about their INP awareness and usage, more than 60% of respondents indicated that they knew of the term “indigenous natural products”; 80% were aware of INPs being used in the production of cosmetics. The best-known INPs in the market were marula, devil’s claw, ximenia, !nara, hoodia, aloe vera, Kalahari melon seed, commiphora, olive oil and rooibos. Of these, marula, devil’s claw, ximenia, !nara, hoodia, commiphora and Kalahari melon seed are all locally sourced. Interestingly, about 25% of respondents indicated they make a point of purchasing cosmetics made with INP ingredients. The most popular INP ingredient was marula, followed by ximenia, olive oil, devil’s claw and hoodia.

Namibia is currently the main source of cold-pressed marula and ximenia oil for cosmetics formulations in Europe. These oils are sought after because of their exceptional oxidative stability, which makes them ideal cosmetics ingredients. Their antioxidant properties and the fact that they are easily absorbed by the body make them ideal light-bodied oils for aromatherapy, and for a range of topical skin moisturising lotions.

It emerged that cosmetics manufactured in Namibia that contain INP ingredients are not readily available in retail outlets or supermarkets, where the bulk of cosmetics are purchased. They are mainly available in the informal market through door-to-door sales, and in the specialist cosmetics shops, pharmacies,



cosmetics, the Indigenous Plants Task Team (IPTT) commissioned a market snapshot survey in March 2013, for which 250 cosmetics consumers were interviewed at two of the larger Windhoek retail outlets, the Body Shop and Clicks in Maerua Mall.

### The situation

It emerged that cosmetics shopping in Namibia occurs largely through specialised cosmetics channels (specialised stores, network (pyramid) marketing, and pharmacies), and at monthly intervals, as opposed to on an ad-hoc, convenience

salons and boutiques that serve a specialist niche market.

### **The market for natural cosmetics**

“Natural skincare” is usually understood to refer to the use of plant-based cosmetics ingredients, without any synthetic chemicals, and manufactured in such a way that the integrity of the ingredients is preserved. An analysis of the world market for natural cosmetics reveals that they are now more popular than ever. Natural cosmetics may still be a relative newcomer in the beauty industry, but there is already a wide selection of natural beauty products on offer for all to choose from, including foundations, eye shadows, lipsticks, blushes, mascaras and concealing agents. The trend towards natural cosmetics is growing, as more and more women demand organic or natural ingredients in their makeup. It would appear that in Namibia, however, shopping for natural or organic cosmetics has not yet caught on. Only 40% of respondents indicated that they purchase cosmetics products on the basis of “natural” or “green” labelling.

Namibia certainly has the potential to manufacture high quality cosmetics from natural resources for the local market. The necessary organic or natural ingredients are usually affordable, and not difficult to access. There is also sufficient entrepreneurial interest in manufacturing high quality cosmetics that are inspired by traditional use and knowledge of, and experience with natural oils, and in building on national pride in our cultural heritage related to INPs. The dominant perception among Namibian INP stakeholders is that there is massive potential for growth in the INP cosmetics sector.

The local market for locally manufactured cosmetics comprises two segments: one is for the supply of INP ingredients for the commercial cosmetics and novelty market; the other is for traditional cosmetic products for recently urbanised Namibians who no longer have access to their traditional INPs.

### **Market challenges for locally produced cosmetics**

Products that are sold in small niche market are generally more expensive than alternative products, as economies of scale do not come into play. This also applies to cosmetics manufactured in Namibia. A further key obstacle in the market for locally manufactured cosmetics is the lack of consumer awareness regarding where to buy INP-based cosmetics. In the absence of industry regulations and standards applicable to the raw materials used in the manufacturing of cosmetics, especially regarding the quality of oils from widely dispersed, low-volume presses, there is also a lack of confidence in Namibian cosmetics manufacturers. There is growing demand from consumers for high quality products that are proven to be safe, and less harmful to the environment. There is therefore a need for Namibia to put standards in place for the processing and pressing of INP ingredients and the manufacturing of cosmetics, so that consumers can be assured of the quality and environmental sustainability of the products they buy.

### **What should be done?**

Namibia has a growing cosmetics market, with opportunities for local cosmetics manufacturers. The market survey recommended a national generic promotional campaign for Namibian cosmetics. Consumer education on the use of INP-based cosmetics has the potential to be a key driving force behind growth in the industry. A broader stakeholder-backed drive on a national level would be the perfect platform to present the benefits of INP cosmetics to consumers. Such a drive should include endorsements of INP cosmetics products from government agencies, NGOs and industry associations. Ideally, there should also be some form of industry protection, together with support for a marketing and consumer education campaign.



## **INP INNOVATION FUND GRANTS: UPCOMING RESULTS DISSEMINATION WORKSHOP**

In the previous issues of the INP Market Bulletin, we have provided updates on the Grants awarded under the Innovation Fund. In total, MCA-N awarded nine Grants, three of which have now been completed. We have also tried to encourage Grantees to provide updates at meetings such as those of the IPTT. This has not always been sufficient, however, and as a result MCA-N has decided to convene an Innovation Fund Dissemination of Results Workshop. The provisional period within which this workshop will be held in Windhoek has been set as between 30 June and 4 July 2014. At this two-day workshop, in addition to a presentation on the results of the various Grants, emphasis will also be placed on mapping the way forward, so that the important work that has been undertaken can continue to be of benefit to all INP stakeholders. Please keep this week free so that you can attend.

## CONCLUDING REMARKS

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An estimated total of N\$ 26 million was generated through the formal trade in INPs in 2012, up from N\$ 22 million in 2011. Devil's claw exports accounted for the highest earnings, followed by marula oil and ximenia oil.

Unlike in 2011, when environmental factors negatively affected productivity in the industry, 2012 started on a positive note for most INPs. Higher market demand, higher production and higher prices have been the salient features of the devil's claw, marula and ximenia sectors in 2012. The increase in demand for marula oil has also resulted in the recruitment of more primary producers to supply marula kernels. Higher earnings are also expected from international trade, as the South African Rand continues to weaken against major foreign currencies. The price paid to primary producers also increased this year, providing much-needed cash income for drought-stricken households.

Value addition in the form of new product development for the local market has also taken centre stage this year. More than 40 cosmetics products using ingredients from marula, commiphora and ximenia, many targeting the hospitality industry, have been formulated, and more products have been added to the devil's claw product range.

The same degree of success has not been enjoyed by three other INPs, namely hoodia, commiphora (despite some product development) and Kalahari melon seed. Although the international market for these INPs remains limited, new opportunities are emerging in the local market. To respond to the need for product development, entrepreneurs should be encouraged to innovate and develop new products, and build consumers' awareness of the benefits of using INP cosmetics. This will have the effect of expanding the local market for Namibian INPs, which in turn will support sustainable, financially rewarding business enterprises for primary producers.

**More information on Indigenous Natural Products can now be accessed at:**

**[www.nbri.org.na](http://www.nbri.org.na)**

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