

Engaging local and national stakeholders' in sustainable trade of natural products

– Case Study from Ecuador –



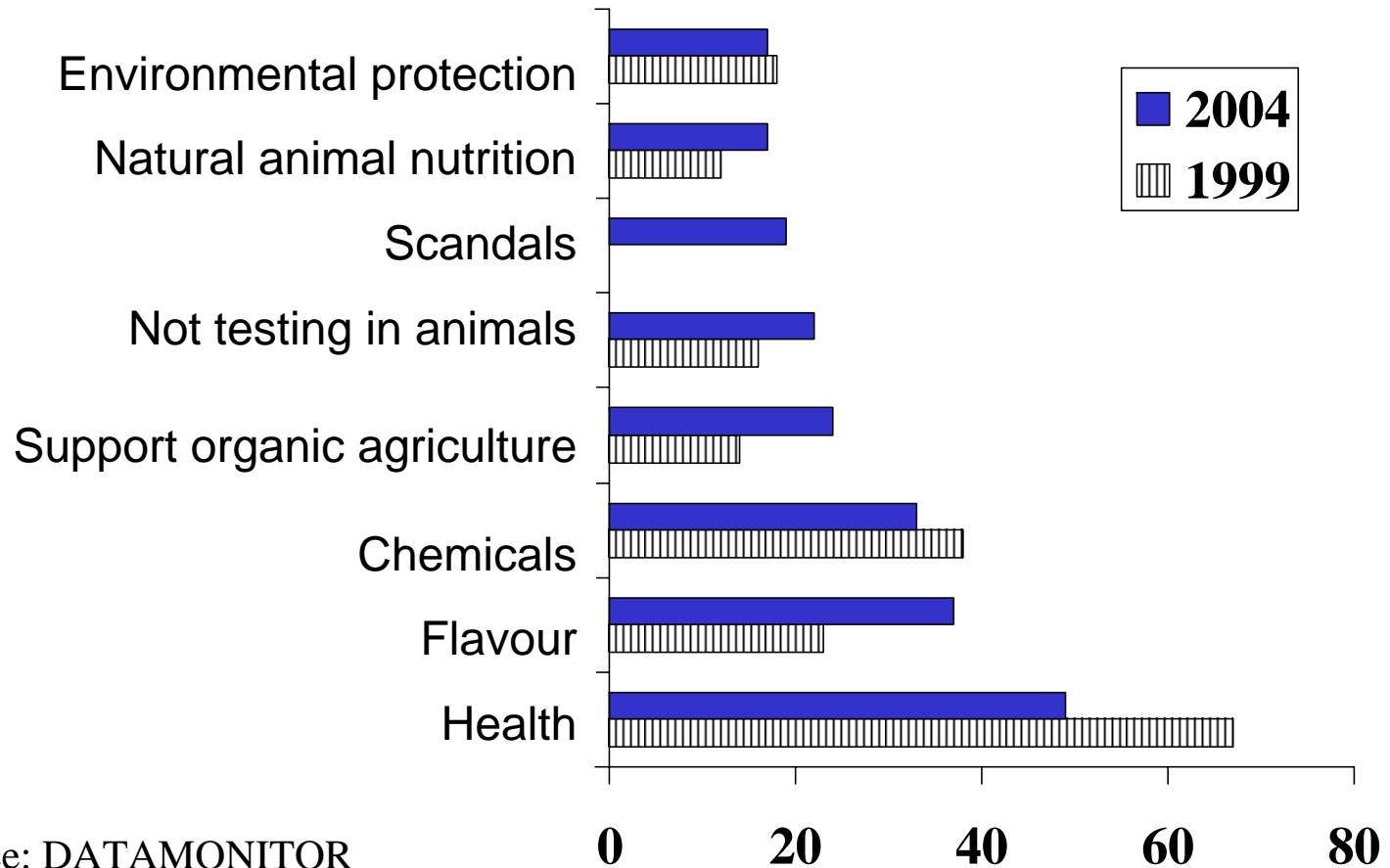
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Content

1. Markets requirements
2. Case Study: Jambi Kiwa
 - Background information
 - Results/benefits achieved
3. Constraints for small producers to overcome
4. Value chain

Markets trends



Source: DATAMONITOR
ANALYSIS 2004

Consequences...

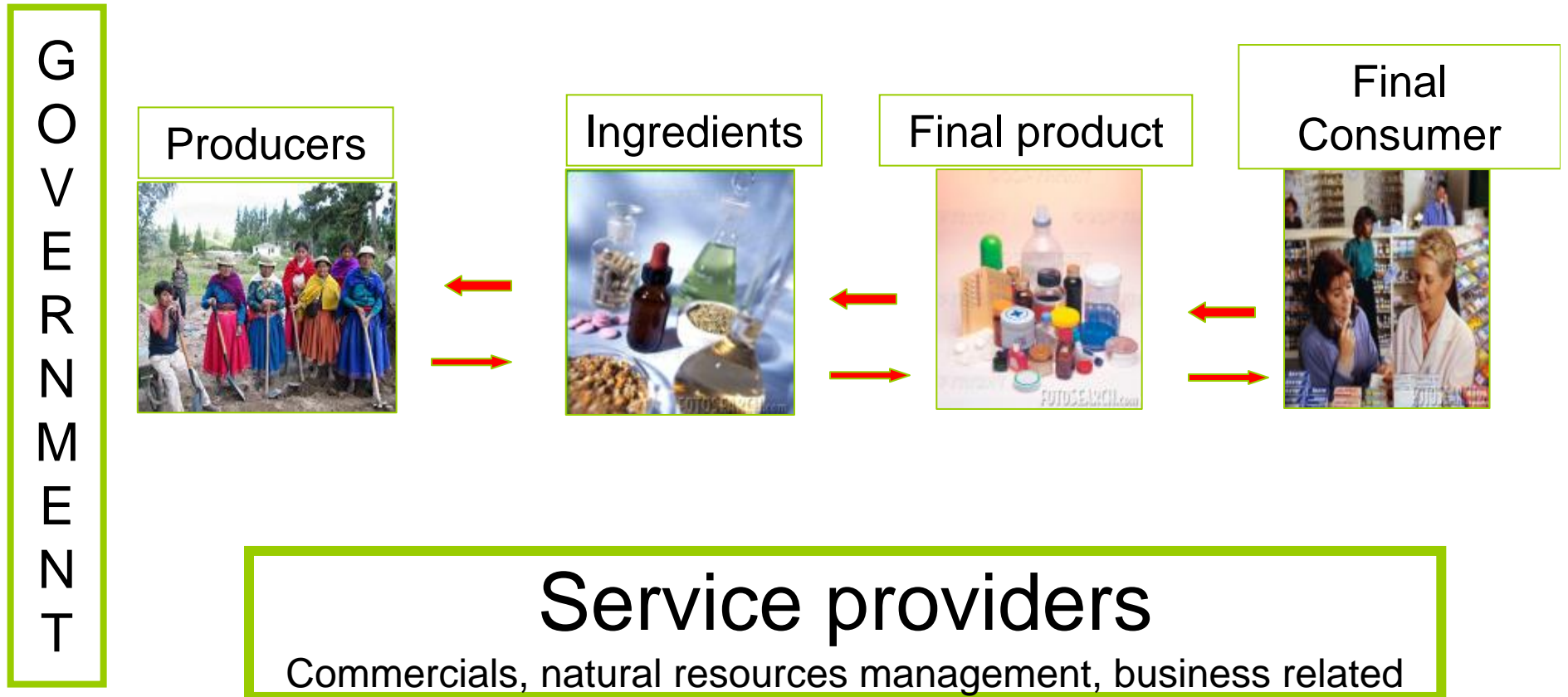
- Need for market differentiation that fulfill consumers new preferences and be more efficient
 - Certification:
 - Rainforest Alliance (RFA), Organic, Fair trade
 - ISO, GxP, HACCP
 - Others:
 - Sanitary and Phytosanitary measures



Case Study: Medicinal plants Producers Association Jambi Kiwa



Example of a Value Chain





Jambi Kiwa

- Started in 1998 as a pilot project of 20 women that transformed and commercialized medicinal and aromatic plants
- By 2001, it was transformed into a community SME named Jambi Kiwa



Objectives

- Improve the quality of life (family and community) of its members, through increasing their income by improving the productivity of its crops
- Revalue their traditional knowledge on natural medicine and avoid the destruction of their environment

Members



Producers in “Mingas”

- It includes more than 632 families in 62 communities of the Province:
 - 480 active members that commercialized their VA products to industrial clients
 - El 80% -> indigenous women with high indexes of illiteracy (20 to 50 yrs).
 - El 75% of its members belong to the indigenous Puruhá

Their products

- Raw material used for national agro-industries including plants dried, cut or powder
- Finished products, includes 44 plants, and VA products such as:
 - **8 Formulas (infusions):** diuretic, dietingl, expectorant, for the liver, for the nerves, among others.
 - Shampoo, essential oils, extracts and creams for several applications (skin spots)



Clients

- Local and National markets
- International market

Implication to access to markets (national and international)

- Productivity of plantations
- Products quality / healthy
- Sustainability : offer and environment
- Market differentiation
- Management and negotiation skills
- Work with other actors of the value chain:
 - Local Government
 - Universities, Schools
 - NGOs
 - Donors: OAS



Benefits achieved

- Products and plantations more healthy:
 - Do not have pesticides, fertilizers nor chemicals
 - Crops rotation: medicinal plants and vegetables and flowers
 - Low pollution concentration in the soil
 - Retaken their ancestral knowledge.
 - Increase the consumption of healthier products by rural communities
 - Change in land-use patterns
 - Soil recovery and increase its nutrients
 - Water protection through reforestation



Other benefits

- Socio-Economic benefits
 - Retaken their ancestral knowledge.
 - Increase the consumption of healthier products by rural communities
 - Income (ΔY en 25%)
 - Others



Constraints and needs

- Market information and access
- Management and negotiation skills
- Commercial/marketing skills
- Quality, Value Added and economies of scale
- Limited scientific and technical knowledge
- Financial resources
- Limiting policies and legislation (national/int'l)



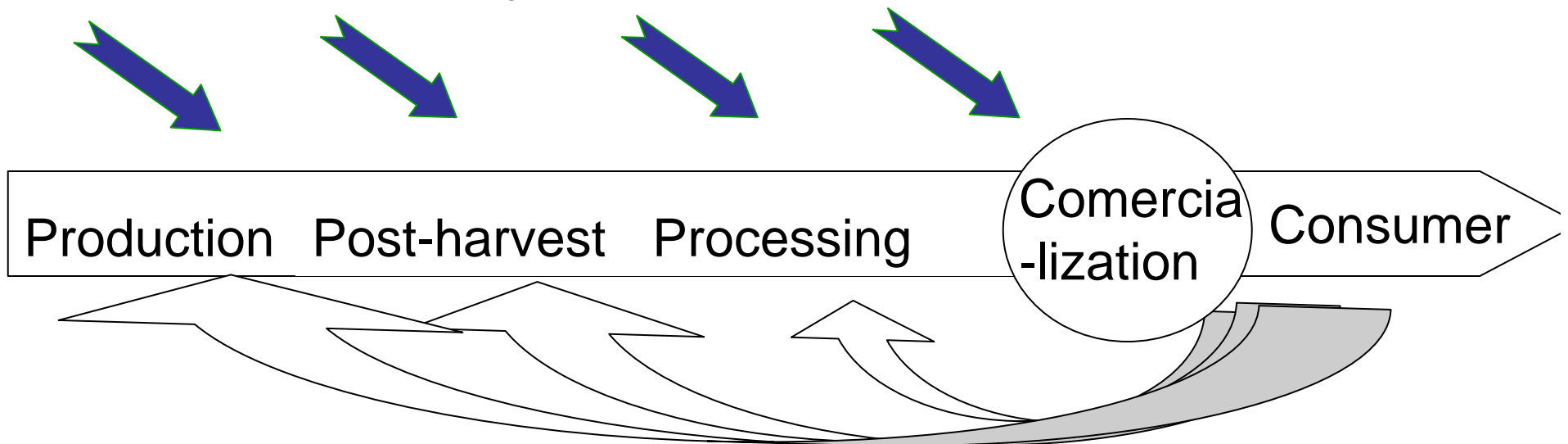


VALUE CHAIN APPROACH



1. Start from the market (consumers requirements)

2. Direct and Indirect actors provide: Information, Contacts, Mentoring, Co-funding, Technical Assistance, Guidance in...



3. Facilitate the process: consolidate the selected value chain

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