


PhytoTrade
AFRICA 

**New markets & emerging opportunities:
the case of natural products**
Rosie Abdy Collins
Geneva, Jan 07

**The Southern African Natural
Products Trade Association**

PhytoTrade
AFRICA 

About PhytoTrade Africa

Southern African
Natural Products
Trade Association


58 members
8 countries
Established in 2001
Offices in
Zimbabwe, RSA,
London



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About PhytoTrade Africa

- CBO's, private enterprises, NGO's, research institutions, universities, government dept's, individuals
- All members sign the **Fair trade & Environmental Charters**
- Budget: US\$1.25m/year
- Donors (IFAD, Ford, Hivos, UNCTAD/BTFP), membership fees, services

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About PhytoTrade Africa

- Objective:** sustainable, supplementary cash income for rural producers
- Exclusively** wild harvested indigenous plants, especially non-timber forest products- why?

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About PhytoTrade Africa

- Poorest live on marginal land- wild harvest, mixed farming systems
- Advantage over more complex crop livelihoods, entry barrier
- Local species, local knowledge- environmentally + socially adapted

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- All operations are Member + Market driven
- Sustainable + ethical products
- Market Focus: International natural products industry, esp. cosmetics + food through 'smart partnerships'



Products

Baobab fruit pulp

- Beverage ingredient
- Cereal flavour and nutrient fortifier
- Bakery ingredient
- Health/snack bars
- Nutritional supplement



Market Opportunity


- Global natural products market- US\$65 billion/yr
- Natural, organic and Fair Trade increasing market share
- Interest from food and beverages, cosmetics, herbal medicines, pharmaceutical industries



Market Opportunity

Natural Products: the new engine for African trade growth, Bennett (NRI) 2006

- 8 species, 10 SADC countries
- Current trade = US\$12m/yr
- Current households = 9m
- Potential = US\$3.6b/yr
- Potential households = 14.5m



Opportunity to Reality?

- We have potential supply and market, pro-poor, environmentally sust, trade development impact
- How do we move from this opportunity to reality?



Opportunity to Reality?

Systematic investment:

- Supply chain development
- Product R&D
- Market development
- Institutional development

Public sector phasing to private sector



Supply chain development

- Producer groups
- Enterprises
- Certification/Verification
- JUNCTAD BioTrade initiative, FLO, Organic)
- Quality systems and standards
- Training
- Pilot production



Product R&D

- Raw materials into products & ingredients
- Stability, basic performance
- Properties, usefulness, IPR
- Identify and demonstrate commercial options



Institutional development

- Support producer institutions
- Support processors, private sector
- Association- key to commercial success in all industries
- Support researchers
- Lobby policy makers, regulators, donors, researchers





Competition

Natural products market is targeted by many

- Grape seed extract
- Olive extract
- Coffee extract

All have public sector support



The key to success

- Market focus- products must meet industry + consumer needs
- Long-term investment, time consuming process
- Systematic approach- whole value chain
- Scale of funding must be appropriate to the task



Thank you
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