

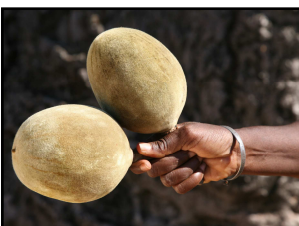
Presentation by PhytoTrade @ Hivos



On Monday, February 15th, Gus le Breton, CEO at the Hivos partner **PhytoTrade Africa**, gave a public presentation on a new biobased produce that PhytoTrade wants to bring from the very rural areas of Africa to the world market: Baobab Superfruit. The meeting was attended by about twenty people from various academic institutes, companies and organisations that are all active in the promotion of sustainable economic development and the access of the poor to the market.

Baobab is an indigenous African tree that is widely distributed throughout southern Africa and can mainly be found in dry areas, where many poor/ marginalized people live. Traditionally, every part of the tree is used, but for commercialisation the most interesting part is the baobab fruit, which is full of dry, white powder that can be used to make e.g. drinks, cereal bars or even alcoholic beverages. The seeds are pounded to extract vegetable oil that is used for the cosmetics industry (e.g. for Body Shop products). Despite the long traditional use of baobab in the region, there has been no effort to commercialise the fruit. Therefore, PhytoTrade aims at bringing baobab containing products to the world market in order to give rural poor people access to the world market. According to Gus le Breton there is a huge surplus of baobab in southern Africa and since harvesting the fruits is a commercial activity that does not ask a lot of expertise or expensive inputs from the rural poor it is an excellent way to increase their income.

However, bringing baobab to the market is quite a difficult task. In 2008, after 2 years of preparation and waiting, PhytoTrade obtained the EU Novel Foods approval that allows the export of baobab to the European Union. In 2009, an almost sealed deal with SAB Miller on launching a baobab alcoholic drink during the FIFA World Cup in South Africa was cancelled due to the economic crisis that also hit SAB Miller. Current challenges for the introduction of baobab to the world market include quality aspects, standardisation and securing market access. One problem that PhytoTrade faces has to do with the quality of the fruit. The producers have to make sure that baobab fruits are clean (e.g. are not contaminated with DDT which is used to prevent malaria) and of a good quality (e.g. no vermin infestation). This problem is tackled by working directly with producers in order to establish appropriate quality standards and by setting up traceability systems. A second problem concerns the standardisation of the value-added products, such as the powder, which is used for the production of different foodstuffs. Since the fruits from the different countries have different characteristics (colour of the powder, taste), the factory in Cape Town which extracts the powder from the fruit has difficulties to blend the powder so that one unique baobab taste can be created. A third problem is the volume of production which has to be high enough in order to satisfy the future demands of the world market. PhytoTrade is at the moment busy in developing products for the German, Japanese, French and British market.



After the presentation, discussant CBI (Centre for the Promotion of Imports from Developing Countries) raised the challenges of marketing a new product in Europe and emphasizes that PhytoTrade needs to search for a strong partner company. The biggest challenge, according to le Breton, is pricing, which should be low enough to secure a big market and at the same time high enough in order to secure a fair price for the producers in southern Africa. Other issues raised during the discussion were quality consistency, the incentive of food producers to add baobab to their products (e.g. mineral and calcium-rich), the kind of

companies that could facilitate market access in Europe, the organisation of the export of powder and the importance of local markets. Gus le Breton agrees that there are still many challenges, but sees a great opportunity for baobab in the world foods' market.

PhytoTrade Africa is a non-profit trade association and its mission is to develop long term sustainable trade that delivers on-going economic benefit to poor rural communities. The association works on breaking down the barriers to improve the market access of the rural poor in southern Africa. PhytoTrade works in three fields: product development, market development and supply chain development. The association is active in 8 southern African countries and represents 50 producers' organizations with more than 18.000 members. PhytoTrade is assisting its members to achieve organic and fair trade certification for their products, enabling them to tap into the growing global market. Currently the association is focused on marketing products for the global cosmetics, herbal medicine and food industries (e.g. baobab, beverages, cosmetic oils).

See also: <http://www.phytotradeafrica.com/>