

17 Swazi Secrets: Indigenous Products in the Global Marketplace

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Background

The global natural products industry, including key subsectors of foods and beverages, cosmetics, herbal medicines and pharmaceuticals, is valued at more than US\$65 billion per annum; it is booming, with an annual growth rate of over 15 per cent (Key Note, 2005). In southern Africa, the natural products trade is currently estimated at about US\$12 million per annum, but in the long term, if markets are developed, it is estimated that natural products have the potential to generate up to \$3 billion (Welford and Le Breton, 2008). PhytoTrade Africa, the trade association of the natural products industry in southern Africa, develops markets for large volumes of sustainably harvested products from several indigenous plant species that grow throughout the region.³⁶ Such opportunities have enabled those in small-scale rural communities, especially women, to tap into these markets as an equitable livelihood alternative to meet some of their basic needs, including household food requirements, paying school fees and making family investments such as purchasing livestock. These are resources necessary for the reproduction of physical and social life

This case study focuses on the marula tree, which is of great importance to rural communities throughout southern Africa, as every part of it has several domestic uses (Welford *et al.*, 2008). The fruits are used in traditional medicine to treat diarrhoea, diabetes, fever and malaria; the leaves are used to make relish; and the hard wood makes excellent mortars for pounding corn, as well as kitchen utensils (Palmer and Pitman, 1988; Wehmeyer, 1967). The kernels are crushed to extract a stable oil that is rich in unsaturated fatty acids and used by women to moisturise their skin; anecdotal evidence also suggests application during pregnancy to prevent stretch marks (Welford *et al.*, 2008). In addition, the oil is believed to prevent colds and flu and to soothe colic in babies, among other medicinal uses (Botelle, 2001). The kernels are also cracked for nuts that are consumed as a snack or used to flavour relish.

In countries such as Swaziland, where agricultural production is extremely unreliable, natural products such as marula offer an opportunity

for supplementing household incomes and improving rural livelihoods, especially for poor women and their families. There are growing local markets for improved commercial products such as soap, shampoo and body lotion, especially in the hotel industry. And marula oil is becoming more popular in the UK and other countries of the North for use in cosmetics. Efforts are being made by Phytotrade Africa to improve the export trade of marula, focusing on regulatory approval and supply chain development. This draws on successes with other natural products such as baobab fruit, which was approved in June 2008 as a novel food in the EU (Phytotrade Africa, 2008).

Unfortunately, women face many constraints in establishing and running commercial enterprises based on traditional natural resources and in accessing local ‘niche/high value’ and export markets. Culture-based gender bias, compounded with poverty, hinders African women’s access to markets at the personal, community and international levels (World Bank, 2007). Factors that contribute to women’s limited access to export markets include conflict between women’s traditional roles and their work and business demands, social insecurity, lack of education and business experience, religious barriers, limited space in markets and lack of capital (*ibid.*).

There have been various attempts by individuals, communities and organisations to help women overcome these constraints and to enhance their ability to participate in natural resource utilisation, trade and conservation across the southern African region (Murphy, 2009). Common to all these activities are organisational structures that support women’s activities to enhance rural livelihoods. In Swaziland, organisations such as Gone Rural, a grassroots social enterprise, have helped rural women generate much-needed income by selling products ranging from tableware and floor mats to gifts, accessories and clay pots, as well as promoting the sustainable use of Swaziland’s little known natural resource: *lutindzi* grass (Shriber and Peters, 2008).

Swazi Indigenous Products (SIP) has been building the trade in marula products on the history and experience of women organising their entrepreneurial activities. Training for those involved in the marula trade was provided to groups of women, rather than to individuals, building on existing forms of social organisation.

Linking women with export markets: the experience of Swazi Indigenous Products (SIP)

History and rationale

SIP was established in 2004 with external funding and the support of the Swazi Government as a not-for-profit company to empower rural women through the development and commercialisation of marula kernels. SIP

immediately became a member of PhytoTrade Africa, recognising that this could provide opportunities for linking the marula producers to global food and cosmetics markets. SIP exports bulk marula oil to Europe, as well as producing a range of marula oil natural skincare products for Swaziland and export markets under the Swazi Secrets brand, with the tagline ‘Capturing centuries of African wisdom’.³⁷ In 2008, bulk oil sales were in excess of E1 million,³⁸ while sales under the Swazi Secrets brand topped E500,000.

A major goal of SIP is to be 100 per cent owned by its rural suppliers. The suppliers can become shareholders in SIP through the voluntary payment of an E6 joining fee in the beginning, as well E4 in membership fees each trading year. Members receive a membership card that entitles them to a higher price for their kernels. SIP now has 2,600 suppliers, of whom over half are members and 90 per cent are women.

The aims of SIP include:

- Fully commercialising quality products and by-products from the marula fruit;
- Adding value to indigenous and natural resources;
- Identifying prospects of transforming marula into a life-enhancing food and providing an alternative source of nutrition;
- Offering an alternative source of income to those rural communities where poverty and unemployment are most serious;
- Ensuring the hygienic production and preservation of marula fruits;
- Creating employment opportunities in the natural products industry, particularly for women.

Development of the company

At the primary producer level, SIP undertook the following activities to enhance productivity:

- Resource mapping to discover the potential volumes of marula available in the rural areas participating in its trade;
- Training of the primary producers in sustainable harvesting techniques and organic principles;
- Raising awareness among the primary producers on the requirements for organic certification;

- Training community level monitors on their roles and responsibilities in monitoring the collection, cracking and storage of both conventional and organic marula kernels.

Oil presses used at the SIP factory were locally designed and manufactured. Following training, staff members are more aware of the principles of organic certification, the importance of adherence and the resultant improved incomes from the organic oils. To support factory level production, 465 organic suppliers were registered by the start of the 2009 season. Moreover, 1,400 kg of organic kernels were purchased during the first year of organic certification (although the target was 3 metric tonnes of organic kernels for 2007). This means the primary producers have increased their incomes as organic kernels have a higher price than conventional kernels.

The organic production of marula requires specific handling and storage methods to ensure that there is no contamination of the kernels. To ensure adherence to these principles by the suppliers, the following measures were put in place:

- Provision of clear, detailed collection and handling rules to the primary producers both verbally and in writing;
- Selection of an organic spokesperson in each area to ensure that harvesters and processors of marula follow rules for organic production and monitor the handling and storage of kernels;
- Mobilisation of peer control, paired with emphasising the suppliers' stake in the success of the organic project and the prevailing honesty of rural women;
- Internal inspections done through home visits, either by SIP staff or by organic spokespersons;
- Having separate queues for organic and conventional kernels at procurement and using different packaging materials for the different types of kernels.

Market opportunities have been created within the country through the hotel industry, which purchases marula products such as body lotions, soap, shampoo and shower gels from SIP. This facilitates increased purchases of kernels from the primary producers.

Examining the product value chain, rural suppliers receive E114 for the kernels needed to produce one litre of oil. This is then sold in bulk at E174 or used in Swazi Secrets products where its resale value rises to E460. Organically certified suppliers receive E128 for the same weight of kernels

and the litre of oil produced is sold in bulk for E261. Total 2008 kernel purchases were E651,000, paid directly in cash to the rural suppliers.

The commercial partnership approach adopted by PhytoTrade Africa facilitates the linkage of producers to global natural product markets for bulk oils. The organisation is in the process of developing direct links between SIP and Body Shop International plc. Previously, bulk oils were only sold directly to PhytoTrade Africa's French commercial partner. In addition, SIP has developed a network of clients in 14 countries across four continents. These have often been cultivated through the local hotel industry, as some foreign guests who used marula products in a hotel developed trading links with SIP after returning to their own countries. Three returning guests (from Canada, Germany and the UK) have been sufficiently impressed to start their own companies and websites, selling exclusively Swazi Secrets products.³⁹

The Government has contributed towards market access for marula products by making the trading environment more conducive. It has provided SIP with a rent-free factory for the last four years. The Swazi Queen Mother is the patron of SIP and assists the organisation to obtain government support when the need arises.

Outcomes for women and their families

Key informant interviews undertaken by PhytoTrade Africa with primary producers in 2007 show that women receive both economic and non-economic benefits. Prior to active involvement in marula kernel harvesting, most key informants indicated that they used to make reed mats, engage in agricultural production and sell small livestock. These sources of income had some constraints. For instance, in order to produce mats women had to cross the Mozambican border to collect reeds. This meant spending several days camping at the reed site, leaving their children alone at home or being cared for by relatives.

The commercialisation of marula kernels, especially targeting the cosmetics industry, has opened up new economic opportunities for women, as the kernels were previously a waste product after the home brewing of marula beer. Income realised by the primary producers from marula kernels is used to:

- Buy basic foodstuffs such as maize meal (particularly in a drought years such as the 2006/2007 agricultural season), cooking oil, sugar, salt and flour for baking cakes for sale;
- Pay school fees;
- Buy soap and other groceries;

- Buy clothes, especially for children;
- Make investments such as purchasing livestock and starting up small businesses.

Non-income benefits realised by the participating women include:

- Enhanced organic marula kernels production through training in various activities;
- Confidence building among the primary producers, especially through empowerment by being shareholders of SIP;
- Exposure to the existing and potential opportunities for marketing marula kernels and related products;
- Interaction with outsiders who visit their community to learn from their activities related to marula, which also exposes them to new ideas and gives them the opportunity to share their story with outsiders;
- Economic independence of women, especially married women who previously depended on their husbands to access money for even basic food-stuffs such as salt, sugar and cooking oil.

The story of Khelina in Box 17.1 illustrates how trade in marula products has contributed towards improving the welfare of families involved in the trade.

Effects on the community

There has been improved resource use and conservation management on the ‘incentive-based conservation’ principle. The women producers acknowledge that they became more aware of the need to conserve the marula tree after realising its economic importance in meeting their basic needs. Non-destructive harvesting and protection of species from grazing improves conservation. Men who use marula trees to carve mortars and pestles are encouraged to cut the trees that do not bear fruit (though the men may be cutting the male fruit trees, which could have negative implications for the fruit production of the female trees in the long term). Conservation of the species is also a way of investing in natural capital assets, thus avoiding any future costs that would otherwise have resulted in attempts to restore degraded woodlands.

The rise in the value of marula has also resulted in a renewed interest in organic farming, sustainable use and community stewardship for marula trees in support of customary and local regulations. Community residents have initiated a secondary market that coincides with marula procurement days to take advantage of the additional income flows.

Box 17.1 The story of an organic marula kernel producer

Khelina Hluphekile Magagula is 49 years old and lives in the Hlane area. She is divorced and has seven children, three of whom live with her, together with two grandchildren whom she looks after. Khelina started working with SIP in 2005 as a supplier of conventional kernels. Following the training that she received from SIP, she now supplies organic kernels. She is very happy about this as it gives her more income, which she says 'takes care of us and helps us in many ways'. It is used to buy maize meal, laundry soap, sugar and salt and pay school fees for her grandchildren. Khelina also uses the money to buy flour for use in baking buns for sale, especially during the off marula season. In addition, she buys airtime for the mobile phone that she got from a son who works in South Africa.

In 2005, Khelina sold her kernels for E23 per kilogram; in 2006 she sold them for E24/kg and in 2007, because her kernels were organically certified, she sold them for E27/kg. Members of SIP who are selling conventional kernels are paid E25/kg, while non-members receive E24/kg for their conventional kernels. Khelina is an SIP member. She normally sells 20kg of kernels per month, but on the day of the interview she had sold 25kg of organic kernels. In 2006 she received approximately E900.00 from selling kernels.

Another source of income is brewing beer from the marula trees. However, this does not give her significant income as many other women also brew marula beer, resulting in poor sales. Brewing is also costly, as she has to buy sugar for it, whereas no inputs are needed for cracking kernels except her labour and time.

Source: Key informant interview in Hlane area, April 2007

While there has been an increase in the number of women involved in kernel production, this has not affected the number of trees available, as women collect only the fruit that has fallen on the ground. Traditional leaders have also put in place rules and regulations that govern the use of the trees. For instance, to ensure that the trees continue to bear fruit, women in the village at a given time brew marula beer that is then taken to the relevant traditional leader in the area as a form of thanksgiving to the ancestral spirits.

Lessons learned and future directions

Experiences from PhytoTrade Africa show that meaningful benefits realised are an incentive to biodiversity conservation. For instance, rather than clear land that has marula trees for agricultural production, which was contributing to deforestation in the past, the area is conserved so that people can have access to marula products. In the process, the biodiversity of the area is also conserved. Increasing the awareness of producers about the value of the species through market opportunities at the global level has been very instrumental in promoting conservation.

There has been improved access to incomes that are used to meet household needs and other forms of investment such as purchase of livestock. At the same time, the project has not impacted negatively on traditional/local practices, e.g. brewing of marula beer from fruits, which are still practised. Commercialising marula products has also contributed towards collective engagement in sustainable use and conservation activities by the local communities. There is better co-ordination and linkages between producers of natural products and the global markets. Lessons learned that are relevant to various stakeholders are summarised below.

Lessons for local organisations

Experiences from Swaziland show that there is a need for transparency if communities are to be actively involved in natural products commercialisation at the global level. Similarly, empowerment of the primary producers is key. In the case of SIP, this is facilitated through ownership of shares in the company by groups of rural women who are producers of marula kernels. Training and capacity building are important in building women's confidence and self-esteem to enable them to engage in trading activities. There is also a need to ensure that fair prices are paid to primary producers for their products. Lobbying and advocacy at national, regional and international levels contribute to ensuring that fair prices are paid to primary producers. Last but not least, the importance of creating strategic partnerships with a wide range of organisations and clients (e.g. in the European and Canadian markets) cannot be overestimated. Such partnerships contribute towards the realisation of significant incomes by rural women producers.

Lessons for governments and international players

Governments need to create an environment that is conducive to trade in natural products. For example, there should be export regulations in place, as well as supportive legislation. Trade policies supportive to the trade in

natural products would contribute towards success in global markets.

There is also a need to develop the whole market chain – from primary producers’ level to global markets. This will ensure that local producers are able to meet the volumes and quality standards required. Producers must be paid fair prices for their products if their livelihoods are to be enhanced.

Future directions

SIP’s future development strategy is firmly targeted on expanding sales of its higher value-added products – the Swazi Secrets brand – in order to achieve profitability free of donor funding and thus enable payment of a community dividend from profits. Bulk oil sales contribute to increased purchases of raw materials from primary producers, compared to finished products, enabling the company to continue expanding its supply chain to new rural areas.

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