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

– Case Study from Ecuador –

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Markets trends

Environmental protection
Natural animal nutrition
Scandals
Not testing in animals
Support organic agriculture
Chemicals
Flavour
Health

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

Producers → Ingredients → Final product → Final Consumer

Service providers
Commercials, natural resources management, business related
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

- 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

Producers in “Mingas”
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, dieting, 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 (Δ Y 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**
Sustainable BioTrade Programme – Ecuador

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