

Africa by the numbers

Purpose-based brands are finding success sourcing from Africa but not without hard work

By Rick Polito

By the numbers, Africa is staggering: hundreds of millions of acres never touched by industrial agriculture; a diversity of habitats to support almost anything that grows; a who-knows-how-long list of ingredients yet to be discovered by the West; and a vast workforce eager for employment.

Making those numbers add up for a natural product company, of course, is no matter of simple mathematics. From basic infrastructure to cultural complexities, obstacles abound. But mission-based businesses doing business on Earth's second biggest continent say prospects are good, and profitable, as lessons are shared be-

tween like-minded companies and markets warm to a business model gaining solid footing on the ground and a connection with consumers in the marketplace.

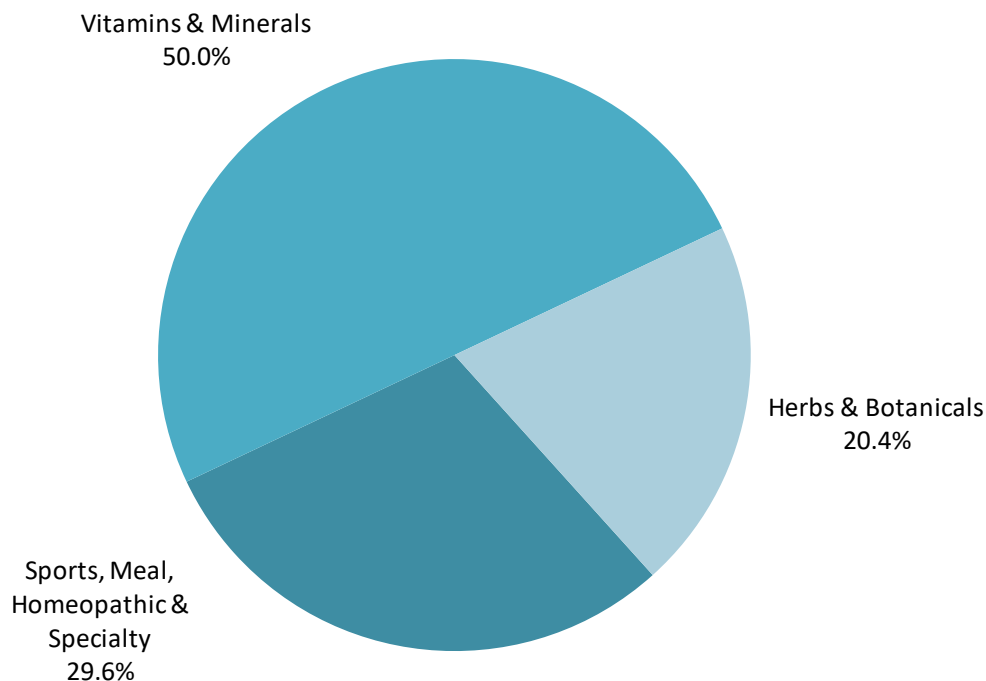
Emily Cunningham, a co-founder at **MoringaConnect**, is an Africa-focused entrepreneur who likes the numbers. "There are 1.5 billion acres of fertile, uncultivated land in Africa and over 120 million small-farm families living on that land earning less than \$2 per day," Cunningham says, by email. "The resources they need to transform their lives are growing in their own backyards."

The resources that Cunningham is helping bring to market come from the moringa tree. Aid organizations planted the trees hop-

NBJ Takeaways

- » Africa has vast stretches of farmland untouched by insecticides and herbicides
- » Countries are more open to foreign companies
- » There is a lot of opportunity beyond "hot new" niche ingredients
- » Support systems for businesses are growing
- » Natural products brands can help set standards for the future

AFRICA: SUPPLEMENT SALES BY PRODUCT, 2017



Source: Nutrition Business Journal (\$mil, consumer sales)

ing to combat malnutrition with its nutrient-packed leaves. “More iron than spinach, more protein than yogurt, and more calcium than milk,” says Cunningham. But there was no market for moringa until companies like Cunningham’s and **Kuli Kuli** created products to support the supply chain. Moringa-Connect’s model further anchors that supply chain in Africa by having Ghanaian workers press seeds for oil used in personal care and other products. She likes what that does to the math. “We’re proud to employ nearly 100 Ghanaian men and women along our supply chain and serve over 3000 Ghanaian farming families,” Cunningham says.

Olowo-ndjo Tchala would never say the arithmetic promises profits on day one, but success is possible and personal, he says. His **Alaffia** fair trade soaps and lotions line transformed villages in Togo with schools and healthcare for families, and while all that fits nicely in calculations of conscience, doing good is only one part of the payoff for companies sourcing ingredients from Africa.

“It’ll give you the greatest reward,” Tchala says, “the greatest return on the money and the greatest return on the moral aspect of it.”

Rising competition

Kevin Brown sees additional sides to the equations, some with daunting differen-

tials. The opportunity is there, but so are the challenges, he says, and not all of them are of the expected logistics variety. “In many ways, it’s easier than ever to run a natural products company in many parts of Africa,” says Brown writing from Uganda where he advises socially conscious companies as a founder of **Mighty Ally** and mentors the **Unreasonable East Africa** incubator.

He points to governments warming to international companies, investment “pouring into the region” and an emerging constellation of private enterprise support services as draws for entrepreneurs, but success breeds competition, and that’s something that still escapes the wide-eyed view of some entrepreneurs, Brown says. “It seems like there are countless companies using natural ingredients in food, skin care, fashion, and the like. They all tout a social mission, and, on the surface the products look and smell the same. So, it’s become a real positioning challenge to break through the noise,” Brown says. That can stall growth for companies that haven’t thought past the social purpose and into the intricacies of the market. “Setting up and running a natural products company isn’t the challenge. It’s differentiating the brand and scaling beyond a mom and pop business—that’s the big opportunity

that most entrepreneurs miss.”

Thomas Cole knows that part of the process all too well.

Cole is titled a “Botanist Humanitarian” on the founders’ page for **Kaibae**, makers of products from the baobab tree and other “lost crops,” and says building a supply chain and a marketing plan simultaneously was no small task. Baobab was all-but-unknown in U.S. markets when the company launched five years ago. “There’s a huge learning curve and educational curve around public relations and marketing and really getting the consumer understanding what it is we’re talking about,” Cole says. Connecting with farmers, untangling logistical challenges, building a processing infrastructure and “getting organically certified in the middle of nowhere” was simpler in comparison, he recalls.

The ground game

Basic infrastructure questions cannot be discounted either, with improvement coming at an incremental pace. Monique van Wijnbergen is the sustainability and corporate communications director for the **Natural Habitats Group**, part of the Palm Done Right campaign to clean up the palm oil supply chain with regenerative palm plantations and cooperatives. She contrasts a trip

EXPORT AND IMPORT VALUES OF FOOD, EXCLUDING FISH, 2016

	Export	Import
Europe	382	378
Americas	285	167
Asia	183	345
Oceania	43	13
Africa	34	60

Source: Food and Agriculture Organization of the United Nations (\$bil)

to Sierra Leone this year with a first visit in 2014. “Where previously there were just bush routes, there are now roads,” she says. “It’s small steps, but it’s also, I believe, having an eye for these small improvements.”

Tchala cautions people against making too much of the infrastructure challenges. “We move containers all over Africa. So,

you’ll be ready to go,” Tchala says. “I believe it requires taking time to understand the culture of the people.”

That level of commitment is crucial, says Cunningham, who emphasizes the importance of “proximity.” “It takes time to develop empathy for a land and its people,” she explains. “Africa is a special place, and

bergen says. In the case of Natural Habitats, informed consumers know the palm oil supply chain has dark roots, but they might not understand that it can be “done right.” “It’s something that we have to get across to consumers, but I don’t think they are there yet,” she says.

For Tchala, another part of the future is the realization that there does not need to be a continuous sequence of hot new ingredients. There are many ingredients grown in other parts of the world that could be grown in Africa, perhaps with greater transparency. The shea butter used in Alaffia products may have an exotic appeal to Americans, but Tchala recalls a recent conference about Africa-sourced ingredients where one of the hot topics was organic turmeric.


Niche ingredients can help thousands of farmers and families, but there is room not just for commodities but commodities done the right way, especially in countries where exploitive supply chains may not yet be entrenched.

“I think it is important that we focus on not just looking at what is the next hot thing, but what is being used in high volume today that needs to be done the sustainable and human way.”

At Kaibae, Cole likes the idea of not just matching the ingredient to the habitat where it can be grown but also matching it to the needs and scale of the communities. “We’ve worked with these seaweed mamas on the eastern coast of Zanzibar. It’s a pretty localized growing area, and I wouldn’t say there’s, you know, a huge amount of seaweed being grown; but we’re working with these women in a way to really sort of enhance and support their livelihood and their income within those communities.”

At either scale, the benefits can multiply quickly, Tchala believes, and natural products companies coming in now have a responsibility to see that those benefits are shared fairly. “It’s important for U.S. companies to get involved, to help set the standards before other countries come in.”

When natural products companies bring along the accepted values of the natural products industry, the benefits can be exponential.

When it’s done right, that’s how math works. 

“Africa is a special place, and it’s hard to launch and run a successful enterprise by helicoptering in and out.”

- Emily Cunningham, MoringaConnect

it is possible,” he says. But everyone interviewed for this story agrees that being on the ground and in the communities for extended periods of time is vital.

The value of experience on the ground and in the community became very clear to van Wijnbergen in Sierra Leone, where Natural Habitats launched two different programs, one building a palm plantation on virgin land and another working with farmers already operating in a land lease system. Part of the trip involved signing a new lease for multiple farms and families. “We were all set to do that, but then, in the end, it turned out that one of two communities was not yet, let’s say, completely aligned, so that meant we needed to go back to the community to engage with them again,” van Wijnbergen says.

The issues were “among the people, among the families,” she says. “So even though you think you are right there, you need to really be out in the communities. Engage everybody. Make sure you have a broad stakeholders group and everybody is aligned.”

Tchala speaks in terms of “commitment.” Communities in Africa need to see commitment from companies coming into their area, and they see that when executives from those companies leapfrog the “middlemen in the capital cities” to engage at the local level. “It’s not a place where you can walk in and just think that by next year

it’s hard to launch and run a successful enterprise by helicoptering in and out.”

Brown recognizes the value of brand entrepreneurs living in and connecting with communities, but he also emphasizes the importance of having locals on the team. “Even if a foreign resident lives in the market where they work, there’s simply no replacing the inherent knowledge of a citizen.”

African aspirations

Part of what makes the future look bright for natural products with an Africa pedigree is purpose-driven brands sharing what van Wijnbergen calls “learnings.” She points to a recent visit a Natural Habitats employee made to see operations at a **Dr. Bronner’s** facility in Africa as an example of brands coordinating on creating a model benefitting stakeholders up and down the supply chain. Some of the lessons might come straight from African entrepreneurs, says Cunningham. “We just did a feature on some of our favorite Ghanaian entrepreneurs in the natural-product space including **Yvaya Farm, 57 Chocolate, Sankofa and Snacks of Africa.**”

Challenges include helping consumers understand the impact of their purchases. *NBJ* consumer research suggests millennials, in particular, are more willing to pay more for responsibly sourced ingredients, but the stories can be complex, Van Wijn-