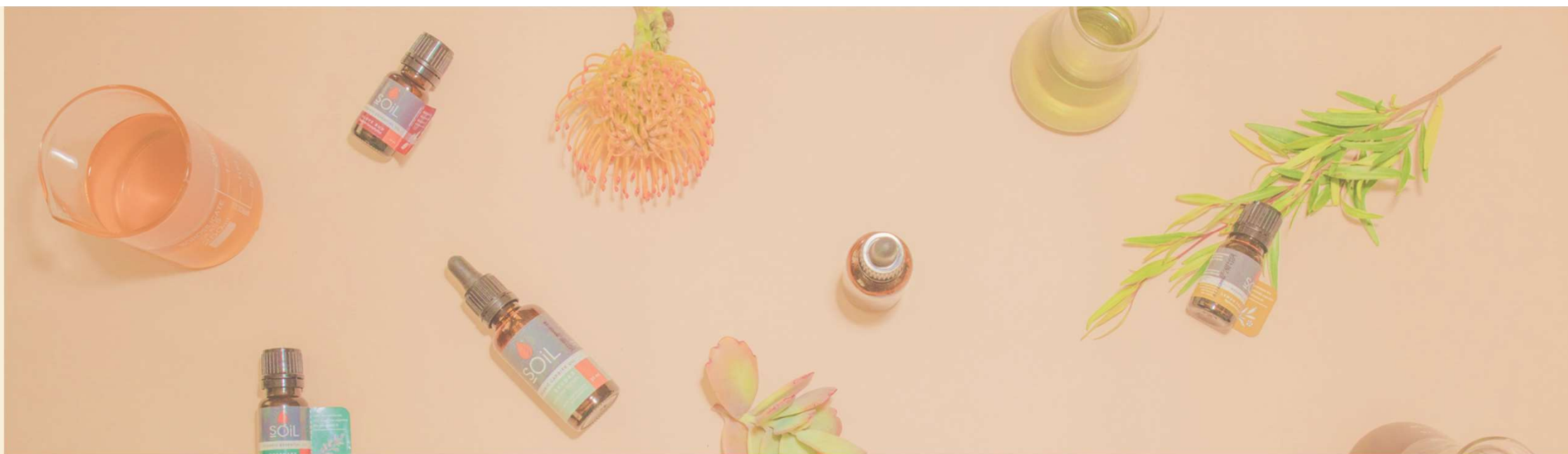




Demystifying market requirements

Presented by Grant McMurray

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Ayanda

AFRICAN OILS



SOiL

ORGANIC AROMATHERAPY

Introduction

Grant McMurray

Founder of SOiL Organic Aromatherapy and Ayanda African Oils

Started in the essential oil industry in 2004

Experience in the cultivation, processing, marketing and value addition of essential oils.

Currently manage two essential oil operations KZN

Grow and process 10 different essential oil crops on these farms.

Bulk Oil is marketed through Ayanda African Oils

Value added products are marketed through SOiL



Market Requirements

Market requirements are ever changing and evolving.

They are influenced by a number of factors including;

- The geography of the market and its regulatory environment
- The clients intended use of the product
- The actual oil being marketed
- The volumes being sold
- The regulatory environments in which your clients operate in (These might be multiple Geographies).



Market Requirements

Asked to share my experiences in the export of Essential oils

- First look at the export of bulk essential oils/ingredient
- We currently market these through our grower group Ayanda African Oils
- Next I will share my experience in marketing finished/ value added products.
- This is done through our Brand – SOiL Organic Aromatherapy





About Ayanda African Oils



- Was formed to market the oils being produced by a grouping of primarily tea tree producers in KZN.
- We currently have 26 farmer members
- In the current season we will market 65 tons of Tea Tree oil predominately to the export market.
- We market both organic and conventional oils
- Ayanda is certified organic by Ecocert
- We grow and market 7 different essential oils



Evolving Market Requirements

The rationale for forming this group was in many parts to satisfy market requirements.

- My clients were demanding greater volumes of oil which I could not supply on my own.
- The regulatory regulations were becoming more onerous and compliance was taking up more of my time.
- Buyers wanted a supply of consistent quality oil to be available on demand, which was easier to supply when working within a bigger group.



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Regulatory Requirements

- In the EU the REACH regulations govern the sales of chemicals into the EU. Their implementation has had a significant impact on how we do business with our EU customers. The EU also has its own organic regulations which need to be complied with for the sale of organic ingredients.
- In the USA the FDA is the regulatory body which oversees the importation of essential oils while the USDA's NOP determines the organic regulations.



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Documentary Requirements

The list of documents required seems to expand all the time. Currently we supply the following documents with each shipment that we export;

- SDS
- COA (including GCMS report)
- COO – Certificate of Origin
- COI on TRACES (Organic only – Trade Control and Export System)
- Allergen declaration
- Hazardous Goods Shipping Declaration
- EUR1 for EUROPE
- PRA – Pesticide residue analysis
- ABS Permit? – Currently a requirement for Rose Geranium.



Soft Skills (often overlooked!)

In order to build markets one needs to build relationships.

- Regularly attending trade shows
- Face to Face meetings – either at the client or on your farm (or at trade shows)
- Quick response times to communications.
- Accuracy of information with samples, COA's, GC's matching delivered stock.
- Delivery of the goods according to expectations.





Quality Standards

These are becoming more relevant in our business all the time.

- Organic certification
- Food Grade
- GMP
- HACCP



About SOiL

SOiL is a retail brand of certified organic aromatherapy products.

The brand comprises almost 100 different products including almost 50 different essential oils.

Our products are manufactured, warehoused and distributed from our farm in Gingindlovu, KZN

Locally we supply Dischem, Clicks, Wellness Warehouse, Pick 'n Pay and many independent retailers

We are now concentrating on building our export business and currently have distribution into the UK, The Netherlands, Spain, Romania, Sweden, USA, UAE, Taiwan and Hong Kong.



Bulk vs Retail

The market requirements for retail products are quite different to that of ingredients.

SOiL product range is classified as cosmetics in most regions.

So our market requirements are determined by three groups;

- Regulators of cosmetic products
- Our business partners being retailers, distributors etc
- The end consumer – our ultimate customer.

We need to consider the requirements of these groups when trying to market our products.



Regulations and Compliance

To enter a market a product needs to comply with the relevant regulations in that territory.

For SOiL it generally requires compliance with cosmetic regulations.

Regulations generally focus on the same items;

- Product safety
- Product efficacy
- Label information including claims

The way each territory enforces regulations differs.

Eg the USA - Onus is on the manufacturer to ensure compliance
vs EU where the regulator requires product registration prior to it
going onto the market



Compilation of product information files (PIFS)



In line with EU, FDA, Ecocert and other regulations a product information file (PIF) has to be compiled for each product.

These PIF's contain the various product test results.

It will also have the Material Safety Data Sheets and certificates of analysis for each of the ingredients.

The label artwork and copy are also contained in the PIF

Product efficacy and stability testing



As part of the product formulation phase the new formulations will have undergone a number of tests. These include;

- Dermatologist approved
- Skin sensitivity testing through patch testing
- Efficacy testing
- Stability testing

Registration of the products on the CPNP



- The EU requires all cosmetic products to be notified on the Cosmetic Products Notification Portal (CPNP) before they become available for sale in the EU.
- EU regulations also require that a responsible person be appointed in the EU to maintain the PIF files and be a point of contact for EU consumers.
- The Responsible person must submit the PIF's onto the CPNP.

Sales partners market requirements



Large retail chains have an ever growing list of requirements which need to be fulfilled before listing a product.

Suppliers need to produce documentary evidence supporting this;

- Fair labour practices and policies
- Adherence to environmental laws and regulations
- Products produced under a Good Manufacturing Practices (GMP) regime (eg ISO22716:2018)
- Independent verification/certification of products labelled as organic or fair trade.

Consumers market requirements



SOiL has identified the eco-conscious consumer as their primary market.

These consumers are agents of change who consider the **social, environmental, ecological** and **political** impact of their buying decisions.

To meet our customers expectations we produce products that;

- respect the environment,
- are sustainably produced,
- fairly traded and ethically sourced,
- packaged in recyclable glass,
- sourced from traceable growers and producers.



Consumers market requirements

SOiL values how quality standards enhance our reputation and understand the importance of independent 3rd party verification.

We have chosen to certified to Ecocert's Organic Cosmetic Standard and also to their Fair for Life fair trade standard.

