



Essential and vegetable oils: Industry milestones, sharing successes and demystifying Market requirements

LESSONS LEARNT FROM COMMUNITY PROJECTS

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Introduction and Context

- In Keiskamahoek, much of the population are totally dependent upon government grants and subsistence farming.
- Although rural development projects have been helpful in most cases for survival, they have not succeeded despite 100's of millions of Rands being allocated to projects. The community remains locked in a cycle of poverty and hopelessness.
- Current, non-profit models are not addressing sustainability for themselves and socio-economic development for rural people.
- The average monthly income in Keiskamahoek remains between R500-R1000 and many villages are still without basic services such as water, sanitation, health, education, basic infrastructure and opportunities to succeed.
- A new model of development work needs to be pioneered and our organization is attempting to transition the Qobo Qobo Essential Oils project to a larger commercial Social Enterprise that enables potential entrepreneurs in rural Keiskamahoek to use their land, develop a business, create employment and make a reasonable living.



QOBO QOBO ESSENTIAL OILS



- Establishes out growers(Farmers) from disadvantaged communities in Keiskamahoe to grow and supply a consistently top-quality oil and products for local and International markets.
- Provides an economic opportunity for rural entrepreneurs in Keiskammahoek, Eastern Cape who predominately survive on subsistence agriculture which is complemented by various government grants. Our focus will be on youth and women
- Improves lives by breaking reliance on government grants providing business opportunities, skills and jobs that increases earnings from R1 000 a month(Grant) to an earning potential of R 8 000 a month



Qobo Qobo Essential Oils

This project is different from existing approaches because it is transforming communities from donor dependency to a cluster of sustainable enterprises.

Our objective for the project is to become a significant supplier of Essential Oils in South Africa that provides the best quality oil and value-added products through continuous innovation and improvement.

🕒 To create 10 new businesses and 51 new jobs through the creation of an Essential Oils Hub in Keiskammahoek



🕒 To improve the livelihoods and quality of life initially (2018-2020) for 10 rural farmers in Keiskammahoek by increasing their earning potential from R1 000 to over R8 000 a month.

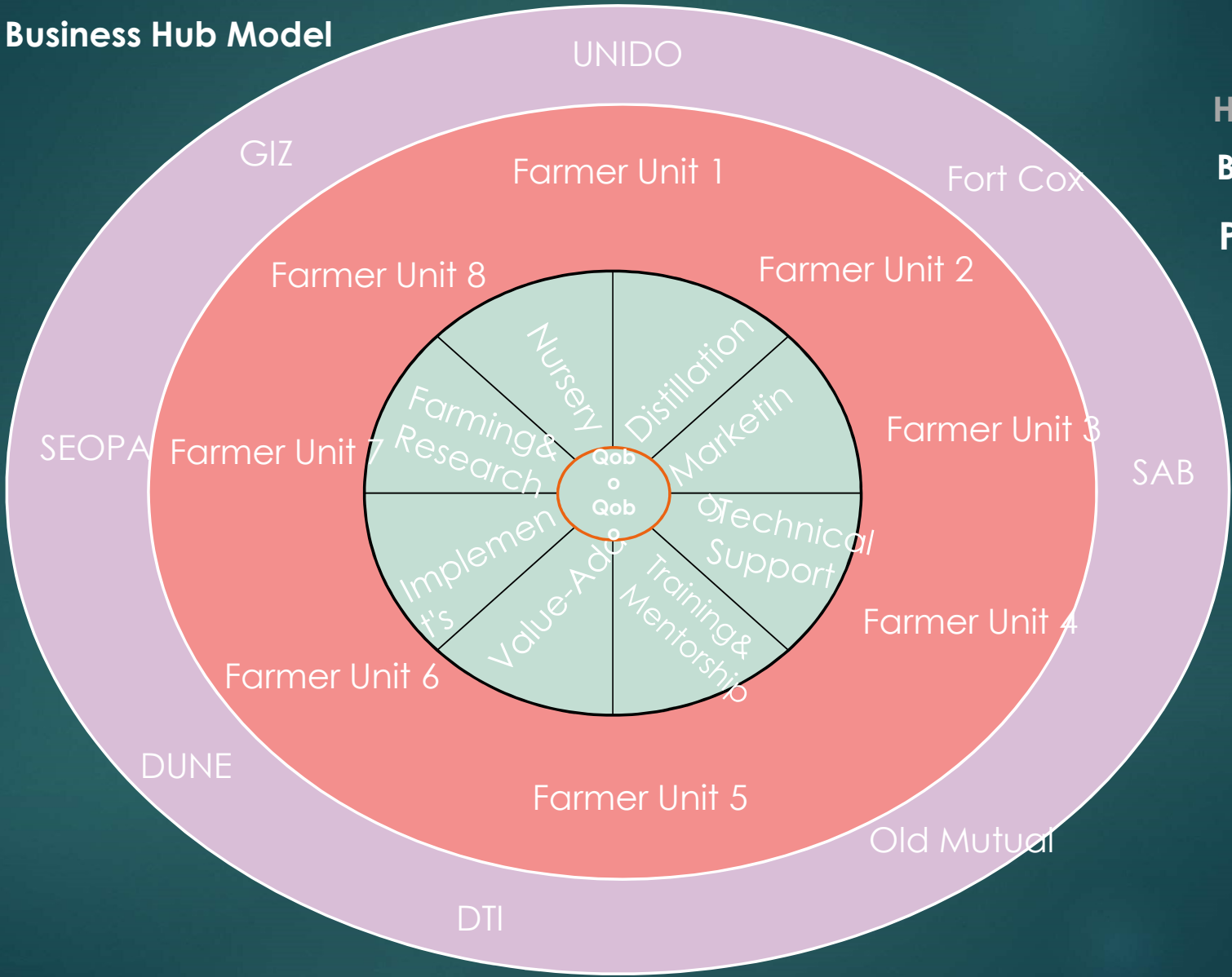


To be a profitable grower and supplier of Essential Oils that provides top-quality oil



To create awareness, promote and sell natural products and essential oils to the wider public.

Qobo Qobo Business Hub Model



Hub. Qobo Qobo
Business Units
Partnerships



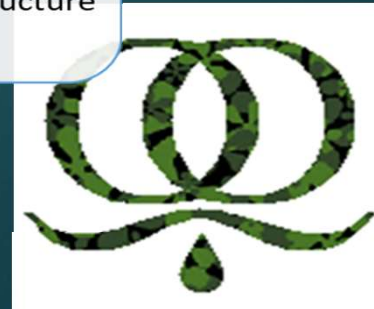
Qobo Qobo Business Hub Model

What is Qobo Qobo Hub

- Physical Facility that aids the development of early stage SME's
- Provides business support services aimed at building viable independent businesses
- Critical to helping SME's navigate the challenges present in early stages.

What does it do?

- Business Development Services, Access to physical space and resources to conduct key business activities
- Programme models: Predefined sets of services offered in a particular sequence.
- Land Preparation, Training, Mentorship, Consultancy, Financial Services, Admin Services, Seedlings, Fertilizers, Chemicals, Distilling, Marketing, Labour, Infrastructure
- Securing Market Access for Oil and best prices



Qobo Qobo Business Hub Model

Farmer Units

- Independent Farmer Units who grow Essential Oils

Partnerships

- Various stakeholders who contribute to the development and growth of the Essential Oils Hub in the Eastern Cape



Strategic Review of our Approach

Moving from 20 years of successful implementation of community development – non profit mentality to

Responsible Social Enterprises ,
Sustainability

Farmer Units

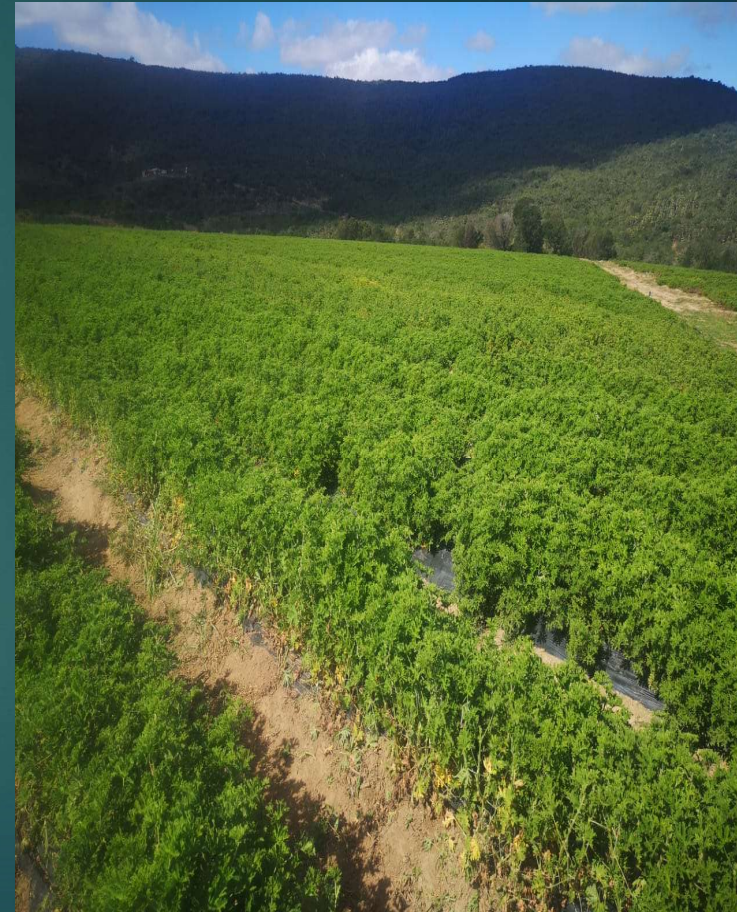
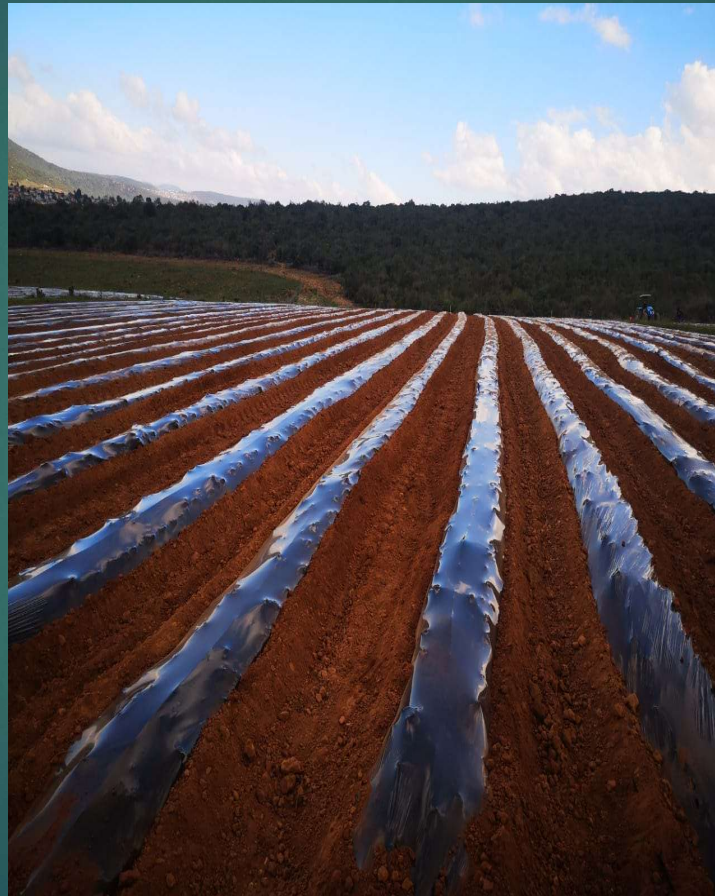


Progress made

- ▶ Identified and registered 8 farmer units
- ▶ Identified suitable land with water.
- ▶ Employed a full time Farm Manager
- ▶ Contracted commercial farmer to consult for the project
- ▶ Appointed two external mentors that monitor and evaluate monthly
- ▶ 10 hectares of Rose Geranium cultivated
- ▶ 10 hectares of Rosemary cultivated
- ▶ Further 20 hectares ready for planting this spring
- ▶ Producing high quality seedlings in hub nursery
- ▶ Producing high quality oils
- ▶ Running different trials for different Essential oil plants



Progress made



Progress made



Lessons Learnt Beneficiaries

- ▶ Instant gratification
- ▶ Farmers lose interest in project before the money starts coming through
- ▶ Youth is not interested in agriculture
- ▶ Entitlement
- ▶ Ensure that the selection process attracts the right beneficiaries
- ▶ Ensure former employees are not selected to be beneficiaries
- ▶ Ownership of business



Qobo Qobo Hub

- ▶ Conduct as many trials as possible
- ▶ Its difficult to get buy in from Funders and stakeholders when starting in the initial phases of programme
- ▶ Appoint beneficiaries who own land
- ▶ Do not pay beneficiaries advances before harvesting
- ▶ Secure land with water as quickly as possible
- ▶ Secure market in writing once trials are successful
- ▶ Collaborate
- ▶ Ensure distillation process works efficiently



CONCLUSION

- ▶ THE TRANSITION FROM DONOR DEPENDENCY, BOTH FOR THE IMPLEMENTING AGENCY AND FOR FARMER PARTICIPANTS IS A CHALLENGING PROCESS AND REQUIRES A MAJOR MIND-SET CHANGE.
- ▶ TYPICALLY DEVELOPMENTAL IMPLEMENTING ORGANISATIONS ARE NOT PROFIT ORIENTED. FOR SUSTAINABILITY TO BE ACHIEVED THERE HAS TO BE A BUSINESS FOCUS ON CREATING PROFITS WITH SOCIAL RESPONSIBILITY.
- ▶ THE CHANGE OF ATTITUDES AND MIND-SET REQUIRES COURAGE, TIME AND PATIENCE



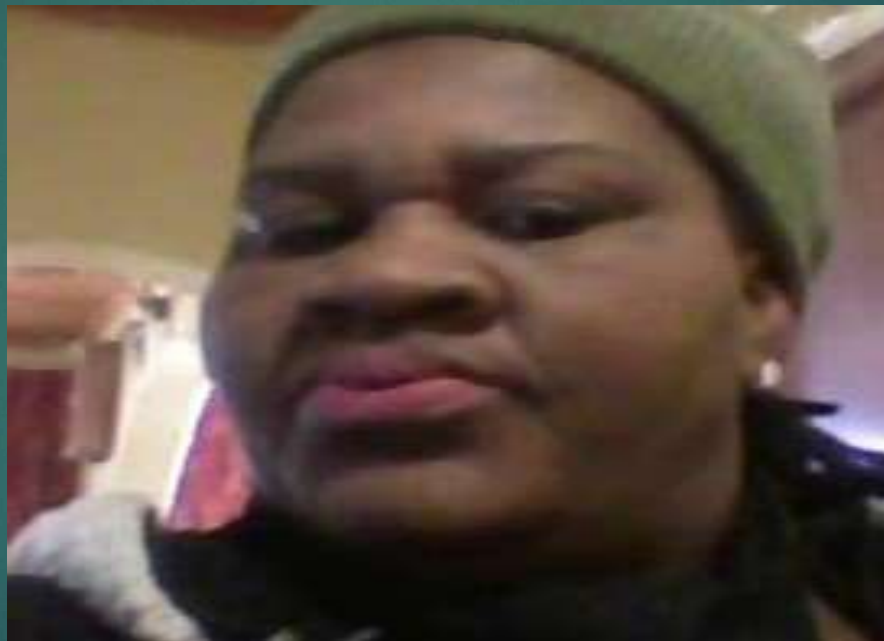
WORK IN PROGRESS





QOBO QOBO FARMERS AND INSTITUTION

CONCLUSION



THANK YOU

