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Wild Fruits of Africa: Commercializing Natural Products to Improve Rural Livelihoods in Southern Africa

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Abstract

Wild Fruits of Africa (Pty) Ltd (hereafter referred to as Wild Fruits) is an emerging agribusiness based outside Gaborone, the capital of Botswana. Frank Taylor, the CEO, has spent much of his life researching indigenous plants, and is currently commercializing natural food products made from local fruits. Wild Fruits collects wild fruits harvested by rural villagers who have limited income-generating opportunities. Wild Fruits processes the fruit to make healthy snacks targeting the country's growing tourism industry. The company is currently marketing and distributing its products to airlines, supermarkets, and safari lodges in Botswana, and is now seeking expansion into regional markets. This case illustrates the challenges and opportunities facing entrepreneurs in a niche market, as well as issues surrounding blended-value businesses in Southern Africa.

Keywords: natural food products, social enterprise, Botswana, Marula

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Company Background

Wild Fruits makes dried snack products from indigenous fruits and vegetables that are sustainably harvested from the wild. The four key raw materials - Marula, Wild cucumber, Kalahari Melon, and the Kalahari Desert truffle – are described in Table 1. Key among these is Marula, dubbed by some Bantu tribes as “food of kings.” Marula fruits are the size of a plum and have thick yellow skin and white, soft flesh. Marula trees grow most abundantly in dry, open woodlands and have few pests or diseases.

Table 2. Natural products commonly used by Wild Fruits

| Common Name (Scientific Name) | Harvesting Months | Common Uses |
|--|-------------------|--|
| <i>Marula</i> (<i>Sclerocarya birrea</i>) | January - March | Fruit used for dried snack foods, jelly, jam, juice, beer; kernels used for snacks and high quality cosmetic oil; bark is used to treat stomach ailments and is used for dye |
| <i>Wild cucumber</i> (<i>Cucumis metuliferus</i>) | June - November | Dried fruit snacks, chutney |
| <i>Kalahari melon</i> (<i>Citrullus lanatus</i>) | May - November | Dried slices, Dried fruit snacks, cooked with porridge, seeds roasted and ground for consumption; seed- oil used for cosmetics |
| <i>Kalahari desert truffle</i> (<i>Kalaharituber pfeilii</i>) | April - July | Similar to black and white truffles, used in food, income generation |

Source. PhytoTrade Africa and Botswana College of Agriculture

Wild Fruits gathers the raw materials through community groups of trained harvesters in local villages. The group leaders notify villagers about when and where Wild Fruits will be coming to purchase products. Villagers collect marula and other wild fruits from trees in their village and nearby areas. Many of these fruits occur in such abundance that without a commercial use they would otherwise go to waste.

After purchasing the wild fruits from the villagers, Wild Fruits processes and packages snacks in an 800-square-meter factory located in Gabane, about 15 kilometers outside the capital city of Gaborone. Figure 1 describes the process for creating marula snacks. The products have a shelf life of about six months to 18 months, with the browning of the yellowish products being the key deciding factor for shelf life.

Wild Fruits currently sells 11 products in 50-gram and 20-gram plastic bags and 450-gram jars. The company also offers smaller packages of its products that can be customized for the client to use in hotel rooms, on safari drives, and on airplanes. In Gaborone, Wild Fruits products are currently sold at international grocery store chains such as Spar, Pick n Pay, Food Lovers Market and Choppies, and at tourist shops. The high cost of supermarket merchandising has led the company to shift its target market from local shoppers to corporate buyers. The airline Air Botswana offers Wild Fruits’ Marula Stix and Marula Nuggets to passengers on flights as a way to promote local foods, and provide passengers with a more authentic African experience.

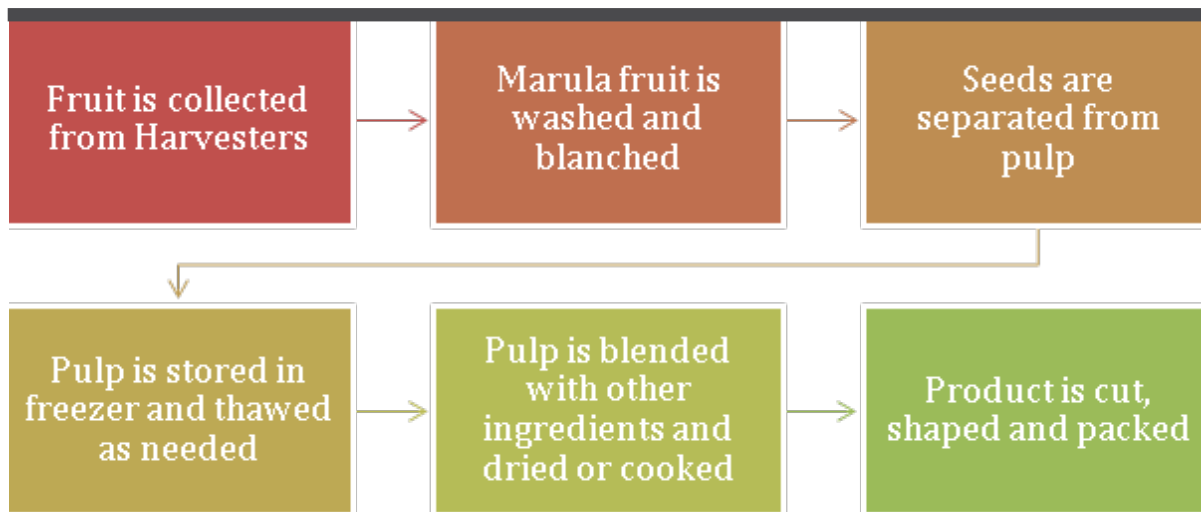


Figure 1. Production Process for Marula Snacks

Current Management Structure

Wild Fruits currently has 19 employees, including management staff and non-management staff, based in Gabane. The primary leadership and vision for the company is provided by the Owner/Managing Director, Frank Taylor, who is supported by a Production Manager, Production Supervisor, and Marketing/Buying Manager. Functionally, the company has four primary internal departments: Production & Operations, Marketing, Finance/Accounting and Transport. Taylor makes all final decisions for the company in consultation with the management team. The non-management staff consists of a bookkeeper, assistant bookkeeper, driver, and 12 operations staff. As the company plans for the future, it is looking into how to provide ongoing experienced executive management.

Key Success Factors

Wild Fruits is establishing itself among a growing niche market that satisfies consumer demands for natural foods, environmental sustainability, and nutritious and flavorful products. A driving force behind Wild Fruits' success is the vision and dedication of Taylor, who has lived in Botswana for nearly 50 years. After working as a trader and game skin tanner, Taylor started Pelegano Village Industries in 1975, a non-governmental community development organization he still directs. He also established Veld Products Research & Development, a non-profit company that researches and develops uses for non-timber forest products to benefit local communities.

Taylor is passionate about helping local communities through market solutions. Hundreds of local rural people, primarily women, have harvested fruit for Wild Fruits' products. Many of the harvesters use the income to pay for healthcare, school uniforms and building improvements.

“We can really have a big economic impact on these small subsistence farmers,” Taylor said. “The more products we can offer, the more people we can employ, the greater the economic impact we can have.”

Wild Fruits tries to purchase all the fruit a community has harvested even if it is more than needed. “We cannot refuse to buy because we see what happens when we do that,” Taylor said. “People make all sorts of promises and then never follow through. That’s the worst thing you can do to people in the subsistence economy.” Storage space for the products, however, has been a limiting factor.

At the 2008 Natural and Organic Products Show in Cape Town, South Africa, Wild Fruits (then called WildFoods) won the Africa Natural Product Award from PhytoTrade Africa, Africa’s only trade association dedicated to the development of a sustainable natural products industry. The award, which has increased brand awareness in the region, is given to a business in southern Africa that is committed to ethical and sustainable products that use natural ingredients.

“Frank Taylor has long been a driving force behind the commercialization of natural products in southern Africa,” PhytoTrade’s CEO said in a press release. “He has led by example through his commitment to environmental sustainability and community development.”

After facing constraints in export opportunities due to food safety regulations, Wild Fruits took a significant step forward in 2012 by earning Hazard Analysis and Critical Control Points (HACCP) accreditation. This means the company is meeting international food safety standards and will allow the company to tap into new markets domestically and internationally as many retailers require this certification. Taylor has been in conversations with Woolworths (a high end supermarket), which is considering purchasing Wild Fruits products. In addition to HACCP certification, Taylor would like to pursue organic and Fair Trade certifications.

Wild Fruits has exceptional capacity for building partnerships and leveraging support and resources. The company has established relationships with various local and international development institutions that provide support to the company and harvesters. For example, the Centre for the Development of Enterprise (CDE), an international small enterprise support institution, recently prepared a diagnostic evaluation of Wild Fruits and recommend key changes to the business structure and operations. Wild Fruits has also developed relationships with the Botswana Investment and Trade Center, and the Local Enterprise Authority.



Taylor (far right) explains the importance of HACCP certification to Cornell University students.

Strategic Issues

Wild Fruits is the only business in the country to produce snacks made from indigenous fruits, and the only processor in the whole of Southern Africa to successfully process the Marula fruit into snack foods, so it has a clear potential advantage in the uniqueness of its product. Wild Fruits currently offers about a dozen different snack products, many of which are similar in taste and consistency but differ in shape and size. Taylor, a scientist by inclination, is constantly developing new ideas for products, including chutneys, spreads, pickles and juices. The product that consistently sells the most, however, is Marula Stix, which are dried sheets of processed marula fruit pulp mixed with sugar and cut into strips.

On the supermarket shelves, the marula jam competes well with many international brands as its distinctive new logo makes it stand out from the competition. There is limited competition at local supermarkets in dried fruit snacks, so Wild Fruits is becoming a prominent player in the market for consumers who are looking for health-conscious snack options. Among local consumers, however, there may not be a large demand for dried fruit snacks. Taylor would like to target mothers who are seeking healthy snacks for their children, but he does not have a marketing strategy to do so. He recently changed the name of the company from Wild Foods to Wild Fruits after discovering that consumers associated the former name with wild animal meat and animal products rather than fruits. Since rebranding, sales have increased substantially.

Beyond the novelty of the product made from native fruits, Wild Fruits has a story of community development that other competitors are lacking. The company is a social enterprise that benefits local communities where the fruits are harvested. The story of community development, however, is not communicated on the product packaging. Some clients, including the government schools, prefer to buy from Wild Fruits because it is a local business, but the price they are willing to pay can be lower than the cost of production.

One significant challenge facing the business is a lack of working capital. Although sales of the product have been growing each year (150% from 2010 to 2011, 12% from 2011 to 2012 and 19% from 2012 to 2013), the business is still operating at a loss, which has required Taylor to rely on his own savings to keep the business going. He considered getting a loan from the local Citizen Entrepreneurial Development Agency, but it would have required an expensive valuation of his land to use it as collateral. The cost of the valuation put the loan out of reach. This financial limitation prevents Taylor from making necessary product improvements such as investing in a new cutting machine to ensure that fruit is cut consistently.

Staffing issues are another significant constraint. There is high turnover in one single post in his staff, that being the post of production manager; this post requires someone who can “think out of the box”, be proactive and identify potential problems before they arise. Another staffing challenge is a lack of ownership among senior staff to take initiative and follow up with issues involving their departments. This results in Taylor handling problems himself and often working 16-hour days. Taylor also recognizes that his passion and strengths lie in product research and development, not marketing and management. He would like to bring someone into the company who can lead on managing and marketing, but he has not been able to find a candidate with the right skill set.

Looking Ahead

Despite the challenges, there are great opportunities for Wild Fruits. One of these opportunities is in the tourism industry. Botswana is one of Africa’s fastest growing tourist destinations due in large part to wildlife hotspots in locations such as the Okavango Delta and Chobe-Kasane National Park that offer Africa’s renowned “big five” game animals (elephants, lions, buffalo, leopard, and rhinos). Many international tourists are interested in trying local foods and supporting local businesses, and Wild Fruits is a natural fit for this niche. Wild Fruits is currently selling to Air Botswana, which is their largest customer, so tourists are introduced to their products on their flights. Wild Fruits is exploring new markets in the EU, the US and Japan, from where there have received product enquiries.

Taylor is also considering expanding the line of products offered by adding sugar-free products, pasteurized marula puree for flavoring yoghurts and ice cream, chutney as well as marula cider. He is also exploring the production of cosmetic oils from marula seeds. In Taylor’s eyes, the opportunities are endless, as is his passion for engaging local communities and helping them to improve their livelihoods by creating healthy products made from native fruits.

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New label of Wild Fruits' snack product served on Air Botswana.