With its rich economic and human potential, Africa is poised to play a greater role in an emerging new world.

✓ Tremendous **natural resources** crucial for the energy and technology sectors
  - Oil
  - Huge base metal and rare mineral deposits
✓ Manufacturing **competitiveness**
  - Low cost manufacturing and processing
  - Niche markets
  - Most favored nation status
AN UNTAPPED CONSUMER BASE

“THE POOR ARE NOT DESTINED TO REMAIN POOR FOREVER. IF THEY ARE OFFERED OPPORTUNITIES, THEY CAN BE ENTREPRENEURS AND CONSUMERS.”

LOUIS MICHEL
EUROPEAN COMMISSIONER FOR DEVELOPMENT AND HUMANITARIAN AID
Obstacles to Development of African Business

Limited Access to Affordable Energy

✓ Price for a kilowatt of electricity in Africa is among the highest in the world

High Export Transportation Costs

✓ Poor port and transport infrastructures in many countries
✓ Ill-advised cargo reservation policies
CAPITALIZE ON THE UNTAPPED POTENTIAL OF AFRICAN AGRICULTURE

There is untapped potential for social business ventures that combine economic development with social welfare and justice.

Agriculture could become a key asset in Africa’s economic development. The sustained rise in demand for food and fiber worldwide should provide strong incentives for African farmers to produce and export.
OE and ComMark: A Fertile Partnership
Leveraging Knowledge and Experience to Create Organic Markets

ComMark
ComMark focuses on developing the long-term competitiveness of the commercial agriculture sector, encouraging farming in high-value products such as organic and natural fibers, specialty fruit and vegetables for export and diffusion of best practices.

Organic Exchange
Organic Exchange catalyzes global market forces to expand organic fiber agriculture. OE helps organizations understand the evolving marketplace, connect with experts around the world, and generate financial, environmental, and social returns on investment.
THE COMMARK TRUST is a nonprofit Southern African pro-poor regional development organization.

CORE FOCUS
Alleviating poverty by increasing the participation and returns of economically poor communities through agri-business, manufacturing, and service sector activities.

FOCUS DETAILS
Agribusiness Sector
- Rural development
- Commercial agriculture

Labor-Intensive Manufacturing Sector
- Clothing
- Textiles
# Growth Potential of Organic Agriculture Provides Powerful Benefits for African Workers

<table>
<thead>
<tr>
<th>Market Development</th>
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<tbody>
<tr>
<td>• Organic cotton production and value chain exhibits strong growth potential.</td>
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<td>• Sustained growth creates and sustains environmental and social economic change, such as rural community development and poverty alleviation.</td>
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<tr>
<td>• Developing integrated African organic products — grown, processed, manufactured, and marketed in Africa — is an opportunity the continent cannot miss.</td>
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<tr>
<th>Pro-Poor Impact and Empowerment</th>
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<tr>
<td>• Creates new market and skills development opportunities for rural, small-scale farmers</td>
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<tr>
<td>• Enables farmers to sustainably increase their income</td>
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<tr>
<td>• Growing rotation crops increases food security for smallholder farmers, their families, and communities</td>
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<td>• Decreases farmer and community exposure to toxic chemicals and chemical residues in food</td>
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<th>Catalytic Effect</th>
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<tr>
<td>• Improves the competitiveness of the African organic cotton industry</td>
</tr>
<tr>
<td>• Positively impacts industrial job creation and enhances environmental, social, and economic programs</td>
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</tbody>
</table>
Environmental Protection

Process and product innovation

Effective links between Farmers and Brands

Fair Returns to the Entire Value Chain

Responsible and Sustainable Products

Social Justice
Healthy and happy farm families, financially secure livelihoods, and access to new livelihood opportunities and choices.
IDENTIFYING COMPETENT SUPPLY CHAIN PARTNERS

With funding from ComMark, Organic Exchange has:

✓ Identified and mapped textile supply chains in Southern and Eastern Africa
✓ Created a regional advisory group to oversee this work
✓ Leveraged and worked cooperatively with regional organizations and brands to create more in-depth maps
✓ Collected initial data regarding export capacities and rotation and farm system crops associated with organic cotton farms
Sourcing Options
40 Certified and 30 Candidate Resources

- Kenya
- Lesotho
- Madagascar
- Mauritius
- South Africa
- Swaziland
- Tanzania
- Uganda

A further 13 candidate sourcing options exist in Botswana, Ethiopia, Rwanda, and Zambia.

For the time being, no options exist in Angola, DR Congo, Malawi, and Mozambique.
CERTIFIED SUPPLIERS
ENVIRONMENTAL, SOCIAL, AND PROCESS STANDARDS

Environmental Standards
Including:
• ISO 14001
• Oeko-Tex 100
• Global Organic Textile Standard (GOTS)
• Integrated Pest Management System (IPMS)

Social Standards
Including:
• ISO 9001
• Fair Labour Organization (FLO)
• Business Social Compliance Initiative (BSCI)
• Fair Wool Programme
• WRAP (Worldwide Responsible Apparel Production)

Track and Trace
Including:
• OE 100 Standard
• OE Blended Standard
CANDIDATE SUPPLIERS

CANDIDATE COMPANIES ARE:

✓ Accredited to one or more standards, including:
  - Fair Trade
  - ISO 9001 and/or 14001
  - Cotton Made in Africa

✓ Considering becoming certified to process organic cotton
CERTIFIED AND CANDIDATE CAPABILITIES

Basic t-shirts

Fine knit jerseys

Basic wovens

Fine shirtings
Certified Yarn Sourcing Options

10

• Certified spinners (7 cotton, 3 wool) in:

- Kenya
- Lesotho
- Madagascar
- Mauritius
- South Africa
- Swaziland
- Tanzania
- Uganda
A further 9 potential sourcing options (1 flax, 8 cotton) are available in the previously listed countries as well as:

- Ethiopia
- Rwanda
- Zambia
9 certified sourcing options for apparel and household fabrics are available in:

- Madagascar
- Mauritius
- South Africa
13 potential sourcing options exist in the previously listed countries as well as: Botswana, Ethiopia, Rwanda, Zambia.
Certified Knit Fabric Sourcing Options

11 certified sourcing options for apparel, household, and toweling fabrics in:

- Kenya
- Mauritius
- South Africa
- Swaziland
- Tanzania
10 potential sourcing options exist in the previously listed countries as well as:

- Botswana
- Ethiopia
Certified and Potential Woven and Knit Garments, including Hosiery

28 certified and 16 potential sourcing options in:

- Kenya
- Lesotho
- Madagascar
- Mauritius
- South Africa
- Swaziland
- Tanzania
- Uganda
POTENTIAL
WOVEN AND KNIT GARMENTS, INCLUDING HOSIERY

Additional 13 potential sources in:

Botswana
Ethiopia
Namibia
Rwanda
Zambia
**Note:**
Preliminary supply chain research conducted by Organic Exchange was conducted in September 2008.

For a current resource directory, contact: info@organicexchange.org
Keep an eye on Ethiopia, where the first organic cotton trials and projects are underway, with a potential of 6 OC candidate companies (spinning, weaving, knitting, woven, and knit garments).

OE will encourage candidate companies to become certified by showing them the value chain potential.
A considerable number of potential companies would become certified if the cost of certification (audit, admin, etc) could be offset by greater volumes and better prices from brands and retailers.

The RSA market is not deemed big enough yet. This could potentially be offset if more international buyers knew of the viable resources in Africa.
Catalyzing global market forces to expand organic fiber agriculture.
Make the business case for organic

Educate your stakeholders

Collect metrics or key performance indicators

Work with your sourcing groups and suppliers

Keep you up to date on emerging issues

Help you take advantage of positive publicity

You can switch. We can help.
THANK YOU

www.organicexchange.com

Background music by:
African Tribal Orchestra – “Dreams of a Bright Future”