African Rose
Company Profile

Essential oils are our business
**What's in a name?**

By the early 19th century, Europe (France in particular), had acquired an appreciation for the fragrance and applications of rose oil but it was in short supply.

Colonisation gave the French access to the fragrant “fynbos” plants of the Southern Cape and in the 1820’s French researchers began experimenting with the hybridisation of various Pelargonium species from South Africa (or geraniums) as they believed them to be.

A hybrid Pelargonium that produced a beautiful dark green, heavily rose scented essential oil resulted. The plant has been named in many different ways but we believe it to be the ……

“AFRICAN ROSE”

Variations of these cultivars have found their way all over the world and form the basis of the modern geranium oil industry.

Geranium oil is one of the ingredients in many modern, expensive cosmetics and perfumes. At the right price and quality, it is in high demand by the major multinational fragrance and cosmetics companies.

Many regions and countries have attempted to grow it over the years with varying degrees of success. Notwithstanding the many challenges of the recent past momentum is gradually but steadily increasing for successful production in South Africa, and today we are one of the world leaders in organic geranium oil production. In addition our conventional oil is a novel combination of price and quality.

**AFRICAN ROSE IS COMING HOME**
Our Vision

A vibrant South African essential oil industry, respected by the international community, based largely on “fair trade” certified emerging farmers.

Our Mission

To provide a comprehensive range of technical, agronomic, marketing and business training support services to emerging farmers nationwide to ensure reliable essential oil production, thereby enhancing their commercial success and future economic security.
Corporate Structure

African Rose comprises:
- African Rose Farming Pty Ltd
- African Rose Oils cc

Company Registration
- African Rose Farming Pty Ltd
  Reg No. 2002/003579/07
- African Rose Oils cc
  Reg No. 2010/122774/23

Directors, Majority Members & Shareholders
- Dr Robin Learmonth
- Mr Charles Wyeth

BEE Status
- African Rose Oils cc is registering as a a Level 1 BBEE company

Expertise

Between them the directors have over 30 years experience in:
- The South African essential oil industry.
- Collaborating with emerging and commercial essential oil farmers.
- Farming essential oils.
- Trading internationally in essential oils.
- Establishing and managing public sector business incubation and technology transfer programmes.
- Participating in corporate social responsibility programmes aimed specifically at specialised emerging farmer programmes and agro-processing.
- Facilitating community development and communal enterprise establishment processes.
- Supporting broad enterprise development and supplier development processes.
History of African Rose

African Rose Farming (Pty) Ltd. and African Rose Oils cc have recently been incorporated via a management buy-out, restructuring and renaming of Earthoil South Africa Pty Ltd, a subsidiary of British-owned international group of companies, Earthoil Plantations. Earthoil Plantations is in turn owned by Treatt Plc, a public company on the London Stock Exchange, specializing in essential oil trading and value-addition.

Earthoil SA was a member of the Earthoil Plantations Group for 4 years and the management buyout became possible through a rationalisation of Earthoil activities.

Earthoil South Africa was created out of a CSIR project to investigate the rejuvenation of the South African essential oil industry starting in 1996.

This CSIR project represented an approximate R10 million investment into the agronomy, production and marketing of essential oils, in collaboration with one of the oldest and most highly regarded agricultural research institutes in the world Rothamstead Research (www.rothamsted.ac.uk)
African Rose Business Model

The foundation of the African Rose business model is three different but highly complementary commercial activities:

- Operating our own 50ha organic geranium oil farming activity in Rustenburg
- Trading in international and domestic essential and vegetable oil markets
- Providing technology, agronomic, marketing and business training support services to emerging farmers and their public and private sector funding institutions.

As a consequence of our success in accelerating the development of emerging farmers and small enterprises in the agro-processing sector, we have expanded our services to training and support of entrepreneurs in businesses outside the field of farming and essential oils.

Our enterprise development activities include the designing and implementation of business incubators and technology demonstration centres, geared towards fast tracking of businesses in a wide variety of sectors.
Organic Essential Oil Farming

We operate a 50 Ha commercial essential oil farm in Rustenburg for the production of organic geranium and various other essential oils. This farming operation provides a significant component of our secured sales but also maintains African Rose on the cutting edge internationally of the best farming practices for various crops, most particularly rose geranium.

The farm has been in production since 2007 and consistently yields organic geranium oil of international quality and in significant yields relative to the world market. It employs approximately 25 full time people and many more seasonal workers during plant production, planting and harvesting.

New developments in the field of organic geranium farming that have been developed on this farm include,

- The use of a combination of various organic fertilisers including significant amounts of vermi-compost produced in-house
- Combining mechanical and manual techniques and extensive mulching for weed control
- A completely new approach to harvesting

The farm is an ideal training venue for potential new essential oil farmers, facilitating cost effective training and practical experience, giving new farmers vital insights before they set out on their own. It has already been used in this way by various organisations and we are currently developing new models whereby long term training for specifically selected farmers can be conducted over a period of several seasons where after the “graduating” farmers are financially and technically equipped to begin their own farming enterprises.
Oil Trading

The oils we buy are produced by farmers in South Africa, and other countries in the SADC region including Namibia, Lesotho, and Malawi. We trade locally and internationally with these essential and vegetable oils (organically certified and conventional). The international trading is based on secured annual take off agreements with multi-national buyers, including Earthoil Plantations Ltd providing market security to the enterprises developed by African Rose for at least several years to come.

Earthoil Plantations has a policy (clearly illustrated by its website www.earthoil.com) of preferentially purchasing oil from emerging farmers worldwide wherever possible, to support economic empowerment of the underprivileged.

This policy is whole-heartedly embraced and entrenched in African Rose’s own business development policy. African Rose believes the future success of the SA essential oil industry will depend on how well emerging farmers in SA are integrated into main stream essential oil activities and aligned with international markets.

The policy is supported by sound business principles as international fragrance, flavour and cosmetic company procurement policies are demanding raw material from these types of production platforms, along with internationally accredited Fair Trade policies.
Emerging Farmer Support Services

Although the company provides technical support and other consulting services to commercial farmers, its primary focus is that of small and emerging farmer development and support.

African Rose has considerable experience in all the elements of the enterprise development curve specifically experienced by essential oil farmers.

Our business model is therefore to provide what they must have access to, and what they need to know, to succeed.

**Firstly**, our business model seeks, via strategic alliances to secure key elements e.g. financing; land; water; infrastructure; technical, agronomic and business skills; and markets.

**Secondly** our business model is designed to transfer this knowledge to new farmers, specifically:

- **Pre-project implementation education**
- **Community development interventions** to correctly position the project in the community,
- **Operational/agronomic training** - seedling production, fertilisation, irrigation methods, harvesting etc on our Rustenburg farm and their own sites
- **Market development**, (understanding what the client wants) - packaging, reliable supply, consistent quality etc -
Our Competitive Advantage

What sets African Rose apart from other consultants operating in this market is:

• Our extensive experience of business incubation. Charles Wyeth our director responsible for emerging farmer development was a pioneer in small business incubation in post apartheid SA and subsequently became a leading figure is SA Government business incubation initiatives.

• Our skills in technology transfer and management support to small business and integrating these businesses into the communities within which they occur.

• Our network of expert service providers specific for the essential oil industry, acquired over 15 years including:
  - Agronomic consultants.
  - Steam distillation plant construction and commissioning.
  - Irrigation system design.

• Our own essential oil farm that while operating on strict commercial principles; provides a controlled training environment for potential new farmers.

• Our access to guaranteed reliable international markets via the various contracted take off agreements with Earthoil Plantations.

• Our intellectual capital originating from the historical research conducted by the CSIR including:
  - The best SA locations and climates for various essential oil crops.
  - Chemical insights into the characteristics and quality of essential oils.
  - Well established agronomic practices.
  - Mobile and fixed distillation facility design.

Essential and vegetable oils are our business

Accelerating enterprise development is our passion
Examples of Our Successes and Recent Projects

Participation in a consortium that developed a multi million rand Eastern Cape essential oil project done in collaboration with a major mining house. A 40Ha essential oil farm and distillation facility is being established, that was started as greenfield operation and required installation of 4km of high voltage electricity line, a 40 Ha irrigation pivot, building a distillation facility and land preparation and planting. The first 20 Ha will be harvested this summer (2010)

Establishment and ongoing participation in Dysseldorp Liquorice. A community owned Section 21 Company that processes 250 tons of liquorice roots annually and sells to British American Tobacco. The business is a successful community agro-processing business and has to date injected about R5 million into Dysseldorp economy since its incorporation in 2000

Collaboration with the Western Cape Department of Agriculture to evaluate establishing a 100 Ha essential oil farm in the Oudtshoorn area

Trading with the Lesotho based The Rosehip Company, which has developed what we believe is one the most equitable community based raw material collection programmes in
Southern Africa. Hundreds of rural Lesotho people collect the rose hip seed from the invader species Rosa Eglanteria, which are used to make rosehip tea and oil. Earthoil Plantations, via African Rose buys significant volumes of seed and oil annually. Collectors are paid cash on collection. A major reason for the market success is our ability to demonstrate to European buyer the impact of the project on the local people and the ethics and true economic empowerment of the business relationship between processor and collector.

Conceptualisation and implementation and subsequent transfer of the Seda Essential Oil Business Incubator, the only current Government sponsored essential business incubator in SA.

Collaboration with TechnoServe SA, the local office of the international development agency. A current project is the implementation of a large scale trial in the Lekatela area, North West Province to evaluate the viability of organic geranium oil production by the community.

Discussion with the Mbomela District Municipality to develop a business and implementation plan for a major essential oil project in the Mbombela Municipal area.
Enterprise Development

As a consequence of our success in training and enterprise development and experience in business incubation and technology demonstration for agroprocessing and more specifically essential oils, we have extended our activities beyond essential oil enterprises to include the following more general services:

- **Establishment and support of Business Incubators and Enterprise Accelerators.**
- **Establishment and support of Technology Demonstration Centres and Innovation Support Centres.**
- **Designing and implementation of business development support programmes for public-sector enterprise development support centres.**
- **Facilitating and support of Enterprise Development and Supplier Development Programmes for Corporates and the public sector.**

**Business Incubation Activities**

Mr Charles Wyeth is an international expert in business incubation, having managed the South African government’s national business incubation programme for over 5 years, during which time he was responsible for increasing the amount of business incubators in the country from 8 to 21.

Dr Learmonth was the manager of the SEDA Essential Oils Business Incubator, and together with Mr Wyeth has developed training, capacity building and mentorship programmes for emerging farmers and start-up businesses in the agro-processing sector.
Within the business incubation domain, African Rose provides support services in:

- Establishment and support of Business Incubators
- Designing and implementation of operating systems and support services for Business Incubators, Enterprise Accelerators, Innovation Support Centres and Technology Demonstration Centres
- Designing and implementation of training courses for Incubator Managers and staff focusing on:
  - Incubator management
  - Stakeholder Relationship Management
  - Marketing and Branding for Incubators

Business Development Support Services

The senior staff of African Rose and their network of business support specialists have extensive experience in:

- Designing and implementation of Enterprise Development programmes
- Supplier development programmes for Corporates and Public Sector institutions/entities

In addition to our own expertise, African Rose has a close network of Service Providers and Business Support institutions whose skills and competencies we leverage in the delivery of services to our clients. These include Financial Support Institutions, Research institutions and Specialist Service Providers.
Essential and vegetable oils are our business

Accelerating enterprise development is our passion

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More information on items in this Company Profile and African Rose business in general is available on our web site

www.africanrose.co.za