



# ESSENTIAL OILS FROM RWANDA

## PATCHOULI'S WIDESPREAD POTENTIAL



### EXPORT-LED POVERTY REDUCTION PROGRAMME OBJECTIVE

Essential oil processing helps Rwanda to diversify its exports and to use trade as a means to reduce poverty. The project assists in the creation of additional income for the rural population in a country that has recently emerged from a civil war (MDG 1).

### THE CONTEXT

Based on the promising project idea of developing essential oil plants with outgrowers in Burundi, in 2005, the Rwandese Government requested ITC to undertake a needs assessment mission in Rwanda. Meetings were held with potential stakeholders and partner organizations, during which the income generating and poverty reduction potential of essential oil production, in particular patchouli, was presented. Subsequently, four private Rwandese entrepreneurs formed the EPCHER group to develop patchouli planting and processing in two project sites - Nasho, in the Northeast and Bugarama, in the Southwest of the country. Both sites are surrounded by many poor farmer communities, which have land and time available to plant, as outgrowers, new crops. The Rwandese Government, which strongly supports the project, has put 200 ha of land at the disposal of the outgrowers in Bugarama.



## ACTIVITIES

Two international experts on essential oils and distillation have visited the project sites regularly to advise on production, distillation and marketing of the oil. A study tour to Madagascar was organized for the project partner to learn more about distillation operations, along with a visit to South Africa to participate in the International Federation of Essential Oils and Aroma Trades (IFEAT) conference. 60 selected "lead farmers" are being trained in patchouli cultivation and are passing on their knowledge to the other farmers in a "train-the-trainer scheme". A national expert has followed up the technical recommendations regarding plantation and distillation in the field, while a second assisted in building up producer cooperatives that are now operational. To date, the number of outgrowers already exceeds 2,000 poor farmers, for whom patchouli planting and drying represents a substantive additional income.

Several international buyers, contacted by the experts and the Rwandese Government, have expressed interest in buying the Rwandan essential oils. Beginning 2009, the French fragrance company MANE has signed a contract with EPCHER in which MANE commits to purchase all patchouli oil produced at fixed prices well above market prices and to provide EPCHER with technical assistance to optimize the quality and yield of its production by transferring technology, know-how and analytical results. EPCHER on their side commits to develop patchouli oil, providing support to producer cooperatives and buying the dried leaves from the farmers at a fixed and advantageous price. MANE has signed the Global Compact Principles of the United Nations in July 2003, thus committing to the alignment of their operations and strategies with principles in the areas of human rights, labour, environment and anti-corruption. MANE has already trained EPCHER staff and members of the cooperative in oil extraction and international quality requirements at their company site in France. Sourcing from EPCHER allows MANE to offer its ever more conscious clients a fair trade product line.

## RESULTS ACHIEVED SO FAR

EPCHER planted patchouli multiplication fields in Bugarama and Nasho and provided seedlings to outgrowers. Two patchouli distillation plants, designed by the ITC experts and constructed by a Kenyan company were delivered to the project as well as two leave drying facilities. Regular distillation activities have started beginning 2009. Lead farmers have acquired the necessary know-how of patchouli plantation and are giving it on to about 2,000 outgrower farmers. A Coordinator, contracted by EPCHER in April 2009, is managing activities on the ground.

## IMPACT ON THE POOR

Since beginning 2009, about 2,000 poor farmers have increased their income by selling dried patchouli leaves to EPCHER.

## FUTURE DEVELOPMENTS AND SUSTAINABILITY OF THE INTERVENTION

The essential oils experts will continue to train EPCHER and the "lead farmers". New essential oil crops will be planted and distilled as trial to widen EPCHER's product offer. An Impact Measurement Survey will be run at the end of 2009 to measure the exact impact on the beneficiary households.

## FOR FURTHER INFORMATION, PLEASE CONTACT



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