

Scaling up certified supply chains for biodiversity conservation in the northern Western Ghats, India



Final Report- 31st March 2023



Executive summary

What follows is summary of the project supported by the World Land Trust that had the main goal of scaling up the enterprise model of Nature Connect- a conservation enterprise set up by founders of the Applied Environmental Research Foundation- to specifically bring biodiversity rich community forests under sustainable management through certification in the Western Ghats biodiversity hotspot. The activities of the initiative began in July 2019 and were officially concluded on 31st March 2023. During the last four years, the project team dealt with some important challenges such as a) COVID induced disruptions in supply chain management b) Significant delays in establishing the new processing facilities. c) Resource intensive engagement with Mirova Natural Capital for preparation and submission of impact investment proposal for securing investment of USD 2.00 Million through Loreal Nature Regeneration fund. We spent close to 24 months and deployed significant resources to complete various kinds of Due Diligences for completing the transaction.

Despite all the difficulties the **project achieved following key milestones**

- 1) Establishment of 2 processing facilities for production and supply of certified ingredients (Haritaki husk and Beeja powder) one in Junnar block and second in Sadavali in Sangameshwar
- 2) [FAIRWILD and Organic certification](#) of Haritaki value chain at Talmachi bringing some **23 hectares** of community forest under sustainable management
- 3) [FAIR for Life certification](#) of Beeja , Cashew, Mango and Kokum resource areas for supply of certified Beeja powder, native Cashew nuts and Kokum seed butter. Certification of these value chains brought additional **51 hectares** of biodiversity rich community orchards and Beeja resources.
- 4) Development of [Beeja tea value chain](#) and its promotion on e-commerce platform for creating higher economic value while optimizing its resource use.
- 5) Trademark registration of [Myforest brand](#). This has helped Nature Connect to promote the products sourced from forests on e-commerce platform and in retail market in India. It is our hope that public at large will understand the connection between maintaining health of forests and human health through this brand.
- 6) Signing of Term Sheet with Loreal Fund for Nature Generation for the impact investment of USD 1.8 million.
- 7) Sustainable management of Old growth forests in Sangameshwar block spread over **48 hectares** using FAIRWILD certification for successive 8th year thereby preserving habitat of Great hornbill, Malabar hornbill and many endemic plants, birds and amphibian species.

New partnerships- Nature Connect forged three important partnerships during the project period for increasing the growth of its business model 1) Off-take agreement with

Terviva Inc USA. for supply of Pongamia seed oil 2) Research collaboration with BASF France for development of standardized extract from FFL certified bark of *Pterocarpus marsupium* and resin of *Boswellia seratta* 3) Off-take agreements for supply of FW certified Haritaki and Bibhitaki husks with Cultivar Natural Products India Pvt.Ltd. (contract manufacturing facility of Banyan Botanicals, USA).

Supply of certified and non-certified ingredients- Nature Connect made every effort to increase its business revenues from supply of certified as well as non-certified ingredients to our trusted clients in India and abroad during the project period which was significantly influenced by COVID-19 induced disruptions. a) Export of 1 tonne of Pongamia cold pressed oil to Terviva USA b) Supply of 2.5 tonnes of non-certified Haritaki husk from sourced from community forests under agreement in village Talamachi, in Junnar block.c) Export of 1500 Kgs of FW organic Triphala to Pukka Herbs UK d) Supply of 1 ton of stems of *Tinospora cordifolia* to Phalada Agro India Pvt.Ltd. d) Supply of 2 tons of FW organic certified Haritaki and 1 ton of Bibhitaki husks to Phalada Agro Pvt.Ltd.

Leveraging of WLT's support to the enterprise model- AERF- Nature Connect consortium built on the outcomes of WLT's support to the enterprise model received grants to strengthen and scale up Nature Connect's enterprise approach from following organizations 1) **Aban and Keki Gharda Memorial Foundation(AKGMF)**- for purchase of processing and packaging equipment for promoting NC's following products in the retail market a) Myforest Turmeric powder b) Haritaki powder c) Triphala powder 2) **The Nature Conservancy India office-** to pilot the FAIRWILD certification approach for ensuring sustainable management of Community Forest Rights areas and generation of sustainable livelihoods for indigenous communities in Kanker district, Chhattisgarh. 3) **Earth Song Foundation-** promotion of Turmeric and other traditional crop varieties for reviving abandoned agricultural lands.

Other supporters of NC's conservation enterprise model- Along with WLT, Credit Suisse India Pvt.Ltd. provided USD 310,000 to AERF for promoting the enterprise approach for biodiversity conservation of community forests and building a strong business case for biodiversity conservation for the period of 3 years – April 2019- March 2022. The support was also used to distribute 500 improved cookstoves, bring 800 acres of private forest under long term conservation management and develop skills of local communities in Bamboo based construction.

Key learnings from the project – a) International certifications such as FAIRWILD and Fair for Life do help in providing access to the international market to the certified ingredients. However patient capital is crucial for survival of this business model in highly dynamic and competitive natural products market b) Significant financial investment is required in

building dedicated team for promotion of the business and its products in retail, wholesale and international market c) Investment in development of innovative natural products will bring the required growth in business as the margins will be much higher than through sale of traditional products.

Photo gallery



FAIRWILD Organic certified processing facility at Talmachi. Processing of Haritaki fruits 2023 harvesting season at Talmachi processing unit.



Important species found at FW certified site in Talamachi- Indian Giant Squirrel and Leopard



Beeja tea value chain development at Beeja and Turmeric processing facility at Sadavali



Visit of NC's partners and buyers- representatives of BASF, France and Banyan Botanicals, USA to NC's certified sites and processing centre