



African Agency for Arid Resources Ltd
Conservation - Sustainability - Bio-Diversity - Empowerment

KAVADI – KENYA ARID LANDS VALUE CHAIN INITIATIVE

Agar Ltd Pitch –2020

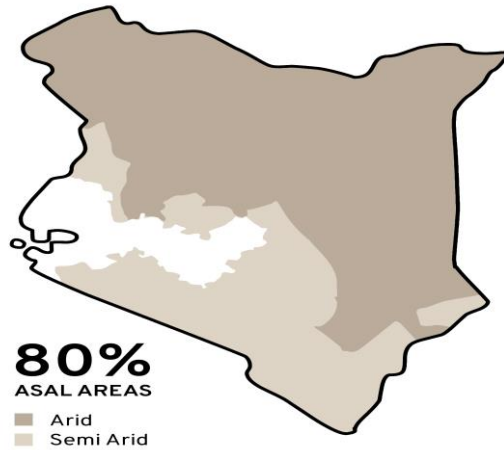


Photo Credits: Alessandro Rocca

ARID AND SEMI ARID LANDS

Arid lands cover around 80 % of Kenya but comprise only 10% of the population. Their primary livelihood is livestock, which has led to increased poverty and land degradation.

The Causes

- **Over-reliance on low productivity livestock rearing.**
- **Desertification and deforestation.**
- Cyclic droughts have increased in frequency and intensity due to climate change.
- Years of neglect from public and private sectors.

The Result

Poverty index of around 70-80% (UNDP 2018), vs. a Kenya average of 35.6% (WB 2017)





OPPORTUNITIES AND CHALLENGES

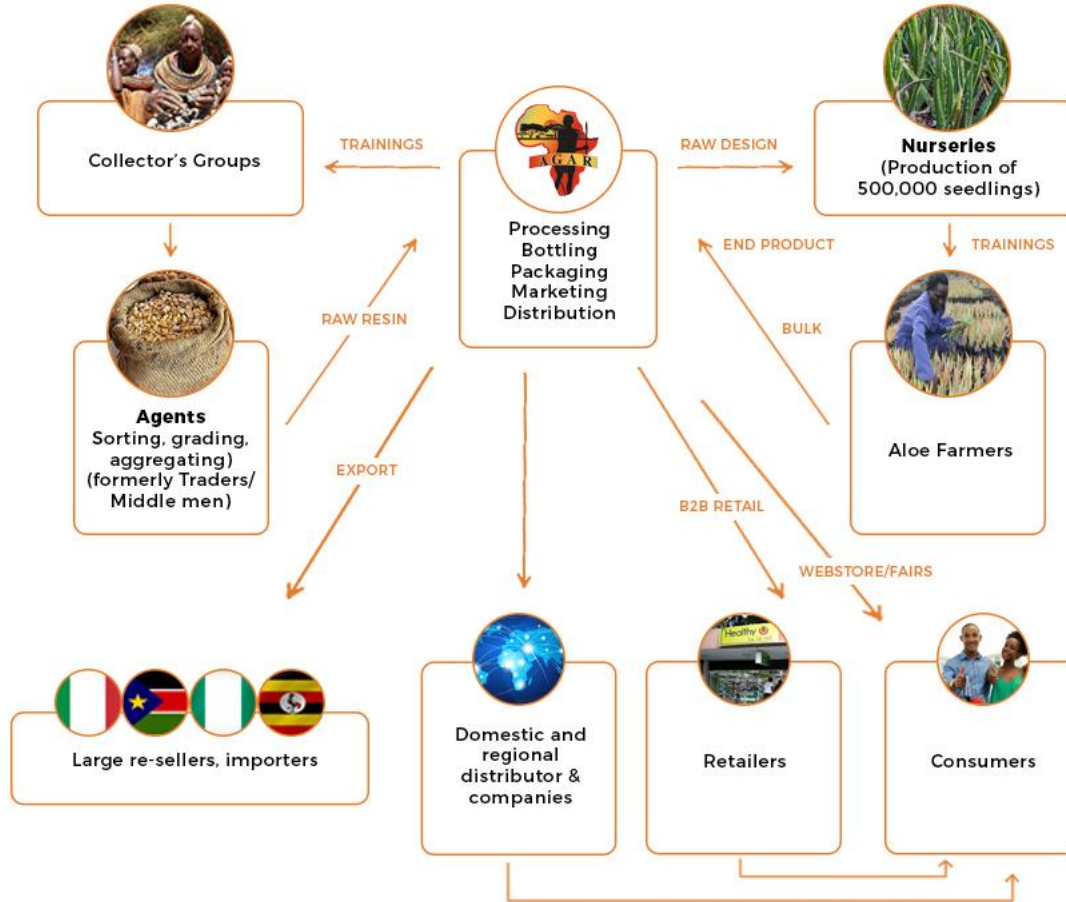
Yet, Kenya's ASALs are endowed with a rich diversity of **high quality** non-timber forest resources, especially:

- *Acacia Senegal* (**gum Arabic**)
- *Commiphoras* (**Myrrh**)
- *Boswellias* (**Frankincense**)
- Indigenous **Aloe** (mostly *Secundiflora*)
- *Agave* **Sisal**

Development actors have shown interest in the sector, but challenges remain:

1. NGOs **lack market expertise** and outlets in their initiatives.
2. **Unsustainable tapping** and collection of raw resources.
3. Inefficiency of the **informal market systems** and lack of standards.

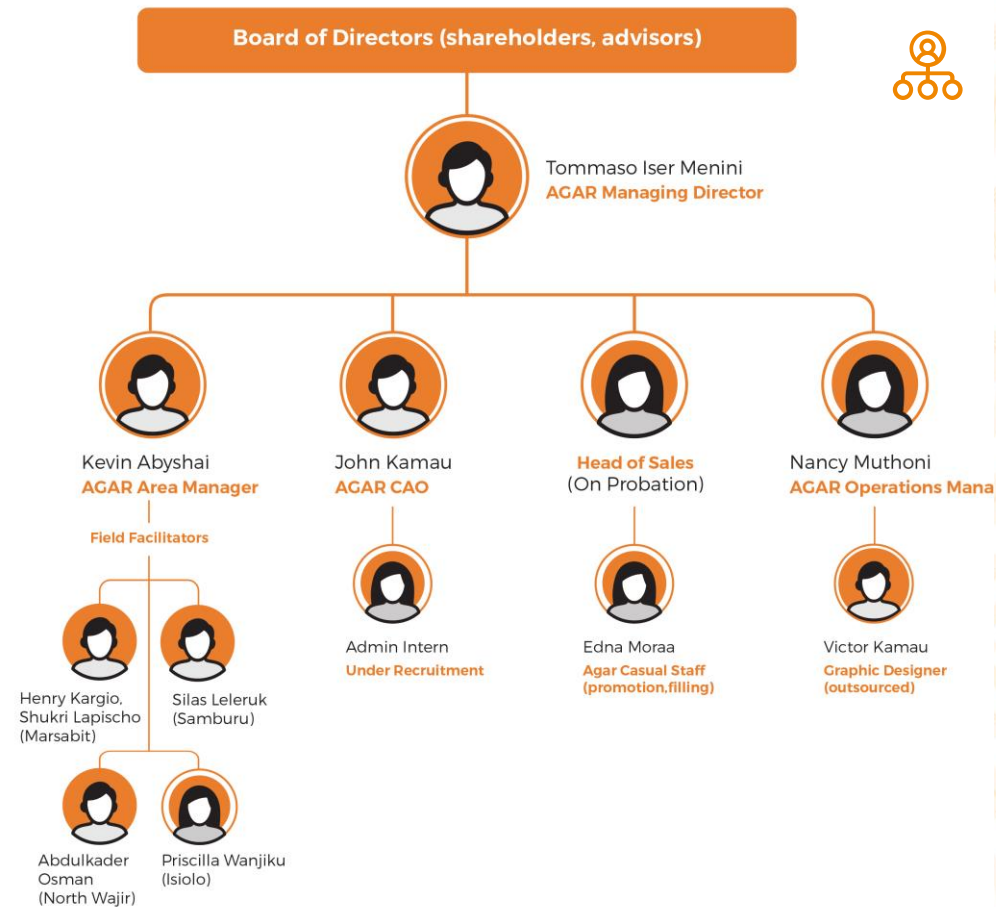




BUSINESS MODEL

- Only company in Kenya collecting from trees and farms and sell to end-customers.
- 1 Field Office (Isiolo)
3 Field Storages
4 Agents
- 50 collectors registered
collectors trained and equipped (Wajir, Marsabit)





Organogram

4 full-time employees

2 part-time/casual employees

4 Field Agents

50 registered collectors

3/4 of full-time employees
have been since inception



OUR PRODUCTS

ESSENZA™
— BY AGAR —

- **Eszenza by Agar was launched in September 2019** in a campaign with two influencers.
- **In November we integrated the aloe products** in partnership with aloe farmers in Laikipia.
- In December we introduced the **“Eszenza Box”**; containing 10 bottles at wholesale price. **Sales are up 500% from 2019.**
- We sell bulk (liters) of **Frankincense and Myrrh essential oils and their Hydrosols.**
- **We consult on arid lands’ value chains** for NGOs and the United Nation (FAO)
- **Shea butter** was recently added to the line (2020)



Photo gallery: above, the Box, essential oils line, below: shea butter and aloe lotion – just redesigned

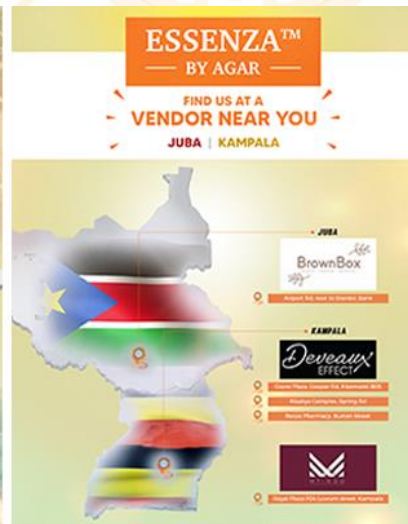


PRESENCE

8 Vendors in Nairobi
1 Vendor in Mombasa
2 Vendors in Kampala (soon 3)
1 Vendor in Juba
2 SPAs



- **Internal e-commerce platform** (webstore)
- **2 events sponsored** (Milan and Nairobi)
- **10 fairs and markets attended** Italy & Kenya
- Nearly **6,000 followers/likes on social media**
- **Participations in workshops and panels** in **Ethiopia, Senegal, Rwanda and Italy**





MAIAFREIA

The Best Essential Oils in Kenya - Essenza by Agar



TRACTION TO DATE



Inception & Build-up

- Business Accelerator
- Licences, Permits
- First consignments commodities
- First distillations

Consolidation of founding funds



2018



Fundraising/Consolidation

- First round of capital (seed) \$150,000
- Bulk distillation/inventory
- Launch of retail line
- Community trainings and registration
- Export (50 – 100 liters)

1/2019



2/2019



Expansion/Exports

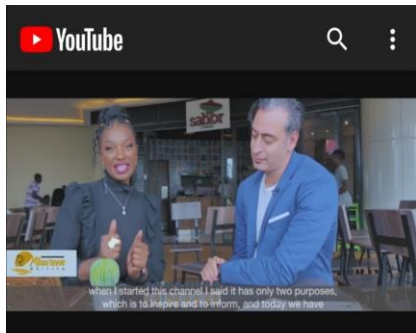
- Retail consolidation
- Exports (100+ liters + line)
- Grant funding (aloe plantations/other)
- Organic Certification
- Expansion to other countries/hospitality

1/2020



2/2020





#Essenza #AGAR

The Essential Things About Essential Oils? With Tommaso

5.9K views



SOCIETÀ • VADO IN AFRICA

Kenya: gomme e resine, tesori nascosti delle regioni semiaride
19 Luglio 2019



THIS IS Essential

EDITOR'S PICK, FASHION & BEAUTY, HAIR, MENTAL HEALTH, SKINCARE, WELLNESS • 16/10/2019

These 10 Essential Oils Are A Must-Have For Your Wellness Routines

By: Essential Team

VISIBILITY

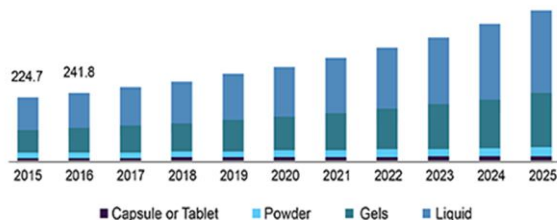


Photo gallery: Youtube TV interview, Full page on The Standard, On Italian media and on KTN. Besides on the right: Posts from lifestyle blogs



Source: Prudour, 2019

U.S. aloe vera extract market size, by product, 2015 - 2025 (USD Million)



Source: www.grandviewresearch.com

MARKET: ESSENTIAL OILS

Worth 6 Billions USD in 2016, **12% CAGR**.

Expected to reach **13 billions USD** by 2023

Frankincense essential oil was worth **200m USD** alone in 2018 – **projected at 400m by 2028** (7.7%)

Applications: **Food and beverages, cosmetics, aromatherapy, pharmaceutical.**

MARKET: ALOE EXTRACTS

Demand for **Aloe Extracts** reached **60,720 Tonnes** in 2016 **representing revenues worth US\$ 1.6 Bn** and it's **growing at 7.7% CAGR**.

Aloe extracts are widely used in the **food industry, cosmetic and toiletries, and the pharmaceutical industry.**



Competitor's Analysis

Company	Retail & online	Locally produced/ imported	Control over supply chain	Quality
Agar Ltd	2/3	Local Production	3/3	3/3
Cinnabar Green	2/3	Local Production	2/3	2/3
Arbor Oils	1/3	Local Production	2/3	2/3
Kara Essential Oils	2/3	Imported	0/3	1/3
Aqua Oleum	3/3	Imported	0/3	2/3



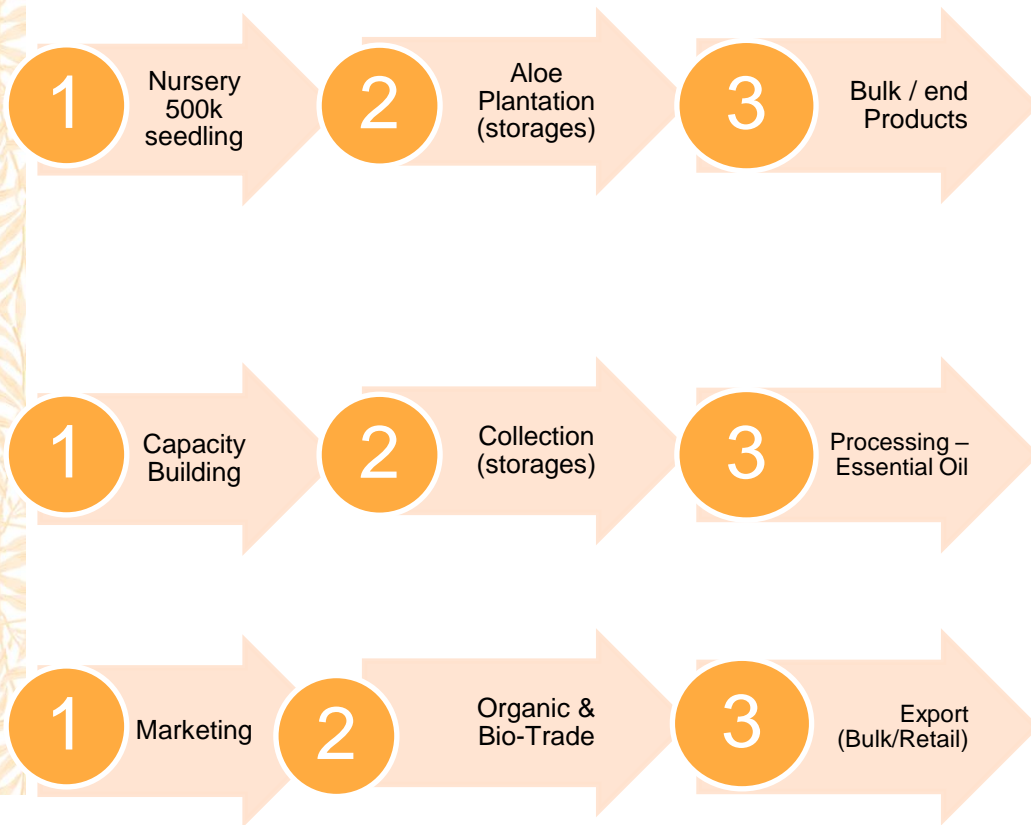
Why Agar, Why Now

- **Frankincense demand is increasing.**
- **Frankincense supply is decreasing**
- **Aloe plants are similarly over-exploited** in other countries (S. Africa) and under-exploited here.
- Frankincense trees in Kenya **aren't in danger, and neither is aloe!**
- Agar **can supply 1,500 litres per year from NOW**
- Scaling up operations, **we could reach 5,000 to 10,000 litres – worth up to USD 3.5m**
- Aloe farming could bring an **additional 160k from 1000 acres of land** – doable in ASALs

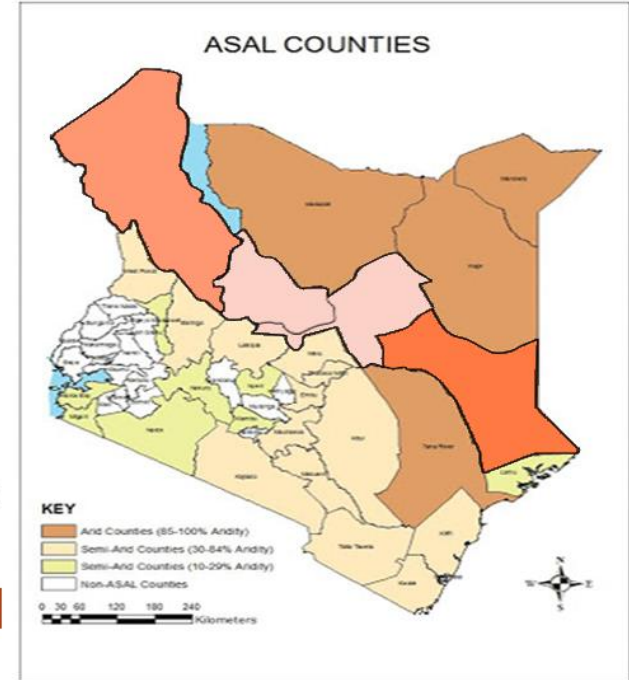
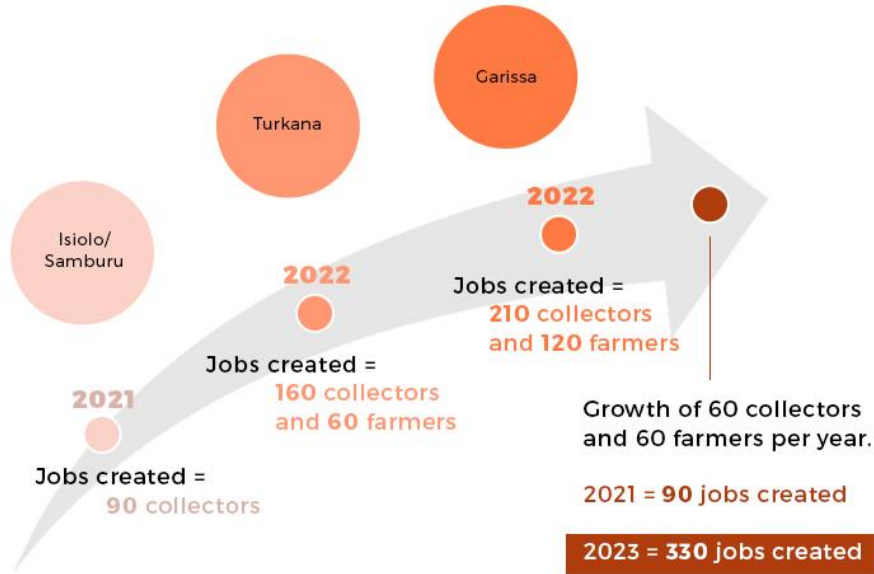




Proposed Innovation – use of funds



Growth Plan



Current counties: **Marsabit – Wajir**

Regional: **Uganda, S.Sudan; Ethiopia**

THANK YOU

 agar_limited

 Agar Ltd

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