DEVELOPING THE CASTOR OIL OPPORTUNITY

Jamaica Promotions Corporation (JAMPRO)
Castor Forum
Tuesday, August 9 2016
## Agenda

1. Castor Outlook Summary
2. Why Jamaican Black Castor Oil?
3. Challenges Identified
4. Where Are You On The Value Chain?
5. Castor Bean Farming
6. Castor Oil Processing
7. JBCO Private Label Packaging
8. Branding, Marketing & New Geographic Markets
9. Geographic Indication / Association
10. Commercial Grade Castor Oil

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### Disclaimer

Much of the information in this briefing is of a statistical nature and, while every attempt has been made to ensure accuracy and reliability, Euromonitor International cannot be held responsible for omissions or errors. Figures in tables and analyses are calculated from unrounded data and may not sum. Analyses found in the briefings may not totally reflect the companies’ opinions, reader discretion is advised.
## Castor Outlook Summary

<table>
<thead>
<tr>
<th>Positive Findings</th>
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<tr>
<td>The future is without a doubt very bright for Jamaican Black Castor Oil.</td>
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<table>
<thead>
<tr>
<th>End Market Stability</th>
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<tbody>
<tr>
<td>Demand for JBCO products will continue to be strong. This isn't a passing fad.</td>
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<tr>
<th>New Geographic Markets</th>
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<tbody>
<tr>
<td>Outside of the US and Europe, there are many more geographic markets where JBCO could see success and market penetration.</td>
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<table>
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<tr>
<th>Competitive Advantage</th>
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<tr>
<td>The global castor market will become increasingly competitive as countries seek to take market share from India (Mexico, Brazil, Haiti). But they don't have JBCO</td>
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<table>
<thead>
<tr>
<th>JBCO vs. CGCO</th>
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<tbody>
<tr>
<td>There is very little discernible advantage to entering the Commercial Grade Castor Oil industry at this time.</td>
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<table>
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<tr>
<th>Castor Oil vs. Castor Bean</th>
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<tr>
<td>This presentation will focus on castor beans as a vital domestic market only.</td>
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My report follows a timeline of three to five years and originates with the consolidation and standardization of the Jamaican Black Castor Oil (JBCO) industry and culminates with entry into the Commercial Grade Castor Oil (CGCO) market for cosmetics and bio-plastics.

The proposed development interventions follow sequentially in a measured timeline with the intention of achieving revenue generation in the short-term and sustainable and diversified growth in the long-term.
DEVELOPING THE CASTOR OIL OPPORTUNITY

Why Jamaican Black Castor Oil?
The Brand

- Brand recognition is everything and the hard work has already been done.

- Widespread positive reputation with consumers.
Why Jamaican Black Castor Oil?
Kid Tested, Mother Approved (It Works)

“It makes my curls pop and it adds shine. Along with using this on my edges, I've been using it on my lashes and they're longer, fuller and shinier too!” - Moni

“A MUST-buy for your hair, eyebrows, and eyelashes! Yes, Eyelashes!! This gem of an oil is our #1 best kept beauty secret ladies! (And gentlemen, of course)” – Madison Edwards
Why Jamaican Black Castor Oil?

The Market

- Estimate: JBCO and JBCO related products average worldwide annual retail sales of approximately USD $75 - $100 million.

- By 2020, sales on Black American hair care products are forecast to reach $3.4 billion per year (up from $2.7 in 2015).

- Hair care market experts say the natural hair movement is here to stay and represents a permanent market shift.

Source: Information Resources Inc., Infuscan Reviews; Bureau of Labor Statistics, Consumer Expenditure Survey; consumer research/Mintel
Why Jamaican Black Castor Oil?

The Market

- Sales in 2015 are up by 5%, and by 2020 sales are forecast to reach $3.4 billion. Mintel forecasts that these figures could reach as high as $4.3 billion by 2020. Population growth, rising interest in natural hair, and new product innovations are likely going to drive category growth.
DEVELOPING THE CASTOR OIL OPPORTUNITY

Why Jamaican Black Castor Oil?
Natural | Organic | Environmentally Friendly

- The global organic personal care market is expected to reach USD 15.98 billion by 2020, according to a new report by Grand View Research, Inc.

- Hair care was the second largest product segment and accounted for around 25% of market share in terms of revenue in 2013. The market is expected to witness significant growth, at an estimated CAGR of 9.6% from 2014 to 2020.

- Changing consumer perception towards organic products coupled with growing utilization of environmentally sustainable products has fueled growth of naturally derived products.

- Younger consumers are significantly more likely than their older counterparts to be purchasing natural and organic hair care products.

- Hair oils are gaining popularity, and since oils are naturally sourced, provide a nice bridge between natural ingredients and functional benefits.

- Increasing use of cosmetic products among consumers in India, China and Brazil along with rising awareness towards harmful effects associated with chemical substances is likely to fuel demand for these products.
Why Jamaican Black Castor Oil?

Inclusive Economic Growth

▪ The JBCO industry in Jamaica is currently comprised almost entirely of small to medium sized farms, enterprises and distributors. There is no Coca-Cola or Monsanto.

▪ There is also a relatively low barrier to market entry. Besides the start up costs for seeds and land, JBCO requires very little mechanization and the castor crop grows well all over the island.

▪ Accordingly, the industry is perfectly positioned to combat rural unemployment, poverty and promote bottom-up, inclusive economic growth on the island.
Why Jamaican Black Castor Oil?

The Obvious

- JBCO is a JAMAICAN product. Castor oil has been part of the Jamaica’s cultural heritage since the middle of the nineteenth century when it was introduced by the colonial government and the oil produced by ex-slaves in rural communities.

- Jamaica is in the unique and enviable position to define exactly what JBCO is, how it is to be made and who can make it.
CHALLENGES + CONSTRAINTS

What’s holding back the industry?
Challenges Identified

**CHALLENGES**

**COORDINATION**
- Non-existent industrial and market coordination between castor sector actors.
- Insulated competition vs. mutually beneficial cooperation.

**TRUST**
- Mistrust and uncertainty throughout the castor value chain, which enhances overall risk.

**QUALITY CONTROL**
- Lack of product quality control and quality testing instruments.

**MARKET LINKAGES**
- Information asymmetry between overseas distributors and Jamaican producers.
- Weak internal and external market linkages

**CHALLENGES**

**REGULATION**
- Absence of industry oversight, regulation and communication channels.

**STANDARDS**
- Varied and secretive JBCO processing standards methods.

**THREATS**
- Prevalence of traditional processing technology and a lack of mechanization.

**MECHANIZATION**
- Insufficient access to capital and investment.
THE CASTOR VALUE CHAIN

Where are you?
The Castor Value Chain

**Overseas JBCO Private Label Packagers & Distributors**

SheaMoisture, Sunny Isle, Tropic Isle, Mango & Lime, Paradise Oils, Leven Rose

**Domestic JBCO Private Label Packagers and Distributors**

Caster Enterprises, Shavout Farms, Outa Earth, Perfect Hair & Skin

**JBCO Processors**

Caster Enterprises, Shavout Farms, Outa Earth, Perfect Hair & Skin

**Castor Bean Farmers**

Small, medium and large farms spread throughout Jamaica (1 – 100 Acres).
CASTOR BEAN FARMING

Recommended to Farms with 1 to 35 Acres*
Intercropping + Drip Irrigation
Assessing Castor Bean Oil Content
Castor Cake (Fertilizer)

*Estimates of yields, prices and cost vary greatly, making it difficult for potential growers to make informed investment decisions about growing the crop.
It is recommended that farmers with 1 to 20 acres of castor crop solely focus on growing and selling the castor bean on the domestic market.

Subject to a wide variety of environmental and agricultural factors, the average Jamaican castor bean farmer produces approximately 1000 - 1700 pounds of castor bean per acre from local varieties (stronger foreign varieties can be from 3000 – 4500).

**PROJECTED REVENUE:**
One 15 acre castor bean farm with an average yield of 1200 lbs. of bean per acre:
$21,600 - $25,000.

### Castor Bean Pricing + Productivity

<table>
<thead>
<tr>
<th>Castor Bean</th>
<th>Per Pound</th>
<th>55 Pound Bag</th>
<th>Metric Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Castor Bean (Jamaica)</td>
<td>$1 - $1.50</td>
<td>$40 - $55</td>
<td>N/A</td>
</tr>
<tr>
<td>Castor Bean (World)</td>
<td>$.40 - $.60</td>
<td>$20 - $30</td>
<td>$400 - $500</td>
</tr>
<tr>
<td>Organic Castor Bean (World)</td>
<td>$.75 – $1</td>
<td>N/A</td>
<td>$730 - $770</td>
</tr>
</tbody>
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DEVELOPING THE CASTOR OIL OPPORTUNITY

Castor Bean Intercropping + Drip Irrigation

- Castor crop farming needs to be a fairly profitable enterprise for this value chain to operate effectively and enhancing the productivity of small castor farms is a necessary step towards making the industry competitive.

- Implementation of intercropping and drip irrigation schemes can greatly increase overall productivity and income for farmers.

In India, drip fertigation (drip irrigation combined with fertilization) was proven to increase castor productivity from a national average of 1100 lbs. per acre to 3215 lbs. per acre.

Indian Castor farmers have also proven the feasibility of earning extra income through intercropping. Groundnut, peanut and onions have all shown they can be cultivated alongside castor crops.
ASSESSING CASTOR BEAN OIL CONTENT

There is currently no method for determining the quality of castor seeds for buyers and suppliers. This contributes to a lower price overall for castor farmers product.

Develop simple and cost effective grading tool of castor bean oil content to ensure that farmers are properly rewarded for improved farming practices and seed variety and processors/buyers have greater confidence and transparency in the value of their inputs.
Castor Cake (Fertilizer)

- Two main by-products are generated in the castor oil production process: the capsule husks, produced when the seeds are separated from the fruits, and the meal, produced when the oil is extracted from the seed. Assuming that the seed weight corresponds to 62% of the fruit weight and the efficiency of oil extraction is 47%, the production of 1 ton of castor oil results in 1.31 tons of husks and 1.13 ton of meal.

- Nitrogen content in castor meal (7.54%) is similar to cotton meal (8.21%), but higher than traditional fertilizers like sugarcane bagasse (0.24%) and bovine manure (0.77%).

- This product is a combination of an organic fertilizer and pesticide, which can compete with generic industrial products on the market, to provide protection and nourishment for any field crop that utilizes this product (it has pesticide properties that can control the Nematode parasite, which attacks the roots of field crops like tomatoes, soybean, and potatoes.)
CASTOR OIL PROCESSING

- Recommended to Farms of 30 – 100 Acres
- Pricing + Bulk Distribution
- Manual Processing vs. Mechanization (Cold Press)
- JBCO Quality Control & Industrial Standards
The production of CGCO is highly mechanized and large Indian and Chinese manufacturers distribute between 500 to 1000 metric tons per month in order to meet global demand. In contrast, JBCO buyers worldwide may only purchase 5 to 10 metric tons of JBCO per annum to meet consumer demand.

<table>
<thead>
<tr>
<th></th>
<th>8 oz. Bottle</th>
<th>55 Gallon Drum</th>
<th>Metric Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGCO (World)</td>
<td>$3 - $8</td>
<td>$500 - $650</td>
<td>$1,050 - $1,500</td>
</tr>
<tr>
<td>Organic CGCO (World)</td>
<td>$13 - $15</td>
<td>$1,500 - $1,700</td>
<td>$2,800 - $3,000</td>
</tr>
<tr>
<td>JBCO (Jamaica)</td>
<td>$12 - $15</td>
<td>$140 - $160</td>
<td>$6,000 - $7,500</td>
</tr>
<tr>
<td>JBCO (World)</td>
<td>$7 - $10</td>
<td>$80 - $100</td>
<td>$3,000 - $3,500</td>
</tr>
<tr>
<td>JBCO (Haiti)</td>
<td>$15 - $20</td>
<td>$90 - $100</td>
<td>N/A</td>
</tr>
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</table>
DEVELOPING THE CASTOR OIL OPPORTUNITY

Castor Oil Pricing + Bulk Distribution

The per gallon market value of JBCO is five to ten times the value per gallon of CGCO. JBCO produced in Jamaica is also twice the average cost of JBCO produced elsewhere (India, China).

This is likely due to a combination of JBCO’s strong brand awareness, the ability of overseas distributors to “water down” JBCO to make greater quantities and the specialized, less efficient processing methods.

Depending upon a wide variety of environmental and agricultural factors, 2000 – 2400 pounds of Jamaican castor bean will produce one 55-gallon drum of Jamaican Black Castor Oil.

Total Projected Revenue:
One 50 acre castor bean farm, with an average yield of 1200 lbs. of castor bean, would produce 20 – 30 55-gallon drums of Jamaican Black Castor Oil per yield for a total revenue of: $125,000 to $225,000.
Manual Processing vs. Mechanization (Cold Press)

- This video shows a Chinese Oil Press cold screw press extracting oil out of castor bean seeds.

- At half-speed, this machine will make approximately 40 gallons/151 Liters a day.

- At full-speed, this machine can produce approximately 70 gallons/265 Liters of castor oil per day.

- Depending upon what temperature the cold press is set to, the oil produced can range from yellow to green to dark brown.

- Indian/Chinese manufactures make JBCO in this manner or by adding charcoal or additives to make it black.
In this video, Rooted Treasure captures just one of the many ways to make JBCO in the traditional way.

Traditional processing methods can take anywhere from 5 – 12 total hours per batch.

Using this method, the highest rate of production I have encountered ranges from 25 – 55 gallons of JBCO per day.
JBCO Quality Control & Industrial Standards

- The lack of clarity on JBCO processing techniques and standards has contributed to a systemic lack of trust and coordination between castor stakeholders.

- No one knows how the product is being made – and who is making it in what way.

- The quality of a JBCO product is critical to success in the highly competitive hair care market and the lack of industrial standards endangers the quality reputation of JBCO products.

- Because the difference in production costs between manual and mechanized are so substantial, farmers are incentivized to keep their operations hidden and avoid mutually beneficial information sharing or aggregation.

- Any JBCO processing standards should protect JBCO quality but ALSO allow for flexibility in production methods.
Made in a traditional, hand-processed manner wherein the seed is roasted, beaten with a mortar, pressed and then boiled. A dark black and heavy viscous oil in appearance.

Produced by crushing steam cooked or cold pressed Jamaican castor beans in expeller. A dark yellowish green viscous oil in appearance.

Produced by simply pressing Jamaican castor beans. There is no refinement process. A light yellow viscous oil in appearance.

Produced by cold pressing Jamaican castor beans. There is a refinement process. A very light yellow viscous oil in appearance.
JBCO PRIVATE LABEL PACKAGING:

• Recommended to Farms of 100+ Acres
• Wholesale Pricing
• Premium Branding
• Customer Segmentation & Marketing
• New Geographic Markets
Wholesale Pricing

Jamaican Black Castor Oil (Jamaica)

- The approximate price of a JBCO product produced with Jamaican sourced castor oil is $12 - $15.

- Current prices for these products per bottle cannot and should not fall any lower.

Jamaican Black Castor Oil (India, China)

- The approximate price of an 8 oz. JBCO bottle produced with Indian or Chinese sourced castor oil is $8 - $10.

- Prices for these products can fall as low as $5 per 8 oz. bottle.
Wholesale Pricing

- Jamaican JBCO private label packagers must engage in a rebranding effort of their products towards a premium, specialty JBCO product.

- One important and unintended consequence of competing at the Indian/Chinese sourced prices is that it substantiates the false claim that there is no difference in quality or authenticity between the two products.

- If a product is superior, it must be marketed and priced as such.

*With a successful rebranding effort, my report advocates that authentic JBCO products should work towards an overseas retail price of approximately $15 - $25 per 8 oz. bottle.*

Of significance to this product upgrading strategy is that market research has shown that, with the exception of the 18-34 age group, income bears little impact on purchasing behaviors in the natural and organic hair care category.
Premium Branding

A Premium JBCO product should embrace a marketing strategy that is consistently communicating the following information:

- Superior Quality
- Traditional Processing Method
- Handcrafted Production
- Gender Inclusivity (Women in leadership positions)
- Historical and Cultural Value
- Fair Trade Certifications
- Organic Certifications
“IF WE DO NOT KNOW WHO THE CUSTOMER IS, WE DO NOT KNOW WHAT QUALITY IS.” – The Lean Start Up
Customer Segmentation & Marketing

- JBCO private label packagers must engage in stronger product development with very specific customer segments in mind.

- The largest consumer of JBCO and JBCO related products are black American women.

- According to a 2015 Mintel Research report, three quarters of black American women used some sort of pre-treatment in their hair in the last twelve months and three in five used a deep conditioning treatment such as JBCO.

- Black American women are more likely to use “black hair care brands” than they are mainstream brands.

- Women are more likely to use Dark & Lovely, Motions, Crème of Nature, ORS, and Shea Moisture.
DEVELOPING THE CASTOR OIL OPPORTUNITY

Customer Segmentation

- The combined GDP of Black Americans is $2.2 trillion (10th highest country in world)

- In 2015, expenditures on hair care among Black American consumers was estimated at $2.7 billion, which includes sales via various retail channels, including local independent stores. By 2020 sales are forecast to reach $3.4 billion.

- Population growth, rising interest in natural hair, and new product innovations are likely going to drive category growth.

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2015 (est)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Styling products</td>
<td>746</td>
<td>946</td>
<td>+26.8%</td>
</tr>
<tr>
<td>Relaxers</td>
<td>563</td>
<td>692</td>
<td>-18.6%</td>
</tr>
<tr>
<td>Shampoo</td>
<td>402</td>
<td>476</td>
<td>+18.3%</td>
</tr>
<tr>
<td>Conditioner</td>
<td>404</td>
<td>444</td>
<td>+9.8%</td>
</tr>
<tr>
<td>Home hair color</td>
<td>299</td>
<td>304</td>
<td>+1.6%</td>
</tr>
<tr>
<td>Total</td>
<td>2,543</td>
<td>2,732</td>
<td>+7.4%</td>
</tr>
</tbody>
</table>
Customer Segmentation & Marketing

45% of women say they wish there were more hair care products for Black people.

and 28% say they’ve bought a lot of products because they can’t find the right one.

Innovate JBCO product lines with new offerings products for men such as beard oil, face wash and hair loss treatment.

Capitalize of other Jamaican industries to differentiate product offerings such as hemp seed oil, coconut oil + JBCO or JBCO infused with existing Jamaican essential oils (peppermint, ginger).

One third of men say their hair is an important part of their identity… and they wish there were more products specifically for Black men.
Customer Segmentation

JBCO products targeted for high-value overseas markets must clearly and concisely communicate the value of their authentic Afro-Caribbean roots in addition to the labor-intensive handmade processing characteristics.
“Targeted messaging is critical – understanding Black American consumers is more important than ever”

As advertising pioneer Tom Burrell famously stated: “Black people are not just dark-skinned White people.”

This notion is very apparent in hair care category. Mintel has identified the following four distinct hair care segments
Trendy Naturalista

Her mindset

She’s all about natural, and is determined to be as natural as possible in all areas of her life. Being healthy is the ultimate accessory, and truly reflects her personal beauty. She’s very conscious of what she puts in her body and on her skin and hair.

At the same time, she’s always on trend even though she may not always be the one setting them. She wears a variety of hairstyles, and needs a range of products to suit her needs.

She has a very strong connection to Black culture. She’s a Cultural Activist, which means she has a strong preference for culturally relevant advertising and has a heightened sensitivity to what brands are doing in the Black community.

Demos

- 42% 18-34
- 54% iGen/ Millennials
- 48% urban
- 71% not married
- 51% are moms

Celebrity persona

- Janelle Monae
- Esperanza Spalding
- Jill Scott
- Alicia Keys
- Erykah Badu

Her theme songs

“Video,” India Arie
“Blessed” Jill Scott
Glam Artist

Her mindset

She likes variety and gets bored easily wearing the same look. When she steps out, all eyes are on her and that’s the way she likes it. She likes to experiment and flaunt her beauty. Her hairstyle reflects her adventurous personality.

She’s a trendsetter--she wants to stand out and lives in the moment. While being healthy is important to her, it’s not at the sacrifice of looking good. She’s not into wearing natural styles or natural ingredients.

Glam Artists can be found in the Cultural Activist and Cultural-istic segments. 39% are Cultural-istics – the segment that’s least receptive to advertising in general -- subtle approach or experiential works best.

Demos

- 39% aged 18-34
- 47% iGen/ Millennials
- 52% suburbanites
- 67% are single
- 62% not a mother

Celebrity persona

- Nicki Minaj
- Rihanna
- Beyonce
- Rasheeda (Love & Hip Hop)
- Tamar Braxton

Her theme songs

“Flawless,” Beyonce ft Nicki Minaj
“Feeling Myself,” Nicki Minaj ft Beyonce

Base: 556 Black female internet users aged 18+
SOURCE: LIGHTSPEED GMI/MINTEL
Mother Naturale

Her mindset

This lady is almost identical to Trendy Naturalistas in her attitudes toward being healthy and natural.

She’s very confident, classic and more sophisticated in her style. She’s not into following or setting trends. She’s more conservative than the other segments—a beautiful appearance is important as long as it’s understated.

When it comes to advertising, she’s highly receptive, particularly to traditional approaches— but she has her antennae up for any signs of exclusion or stereotypes among brands. Marketers shouldn’t take her buying power for granted, because she’s more likely to be a Cultural Activist.

Demos

- 53% aged 45+
- 42% are Baby Boomers
- 47% urban
- 65% not married
- 71% without kids <18 years

Celebrity persona

- Queen Latifah
- Oprah
- Angela Bassett
- Viola Davis

Her theme songs

“I’m Every Woman,” Chaka Khan
“Golden,” Jill Scott

Base: 556 Black female internet users aged 18+
SOURCE: LIGHTSPEED GMI/MINTEL
This segment is almost the polar opposite of Glam Artists. Functionistas take a minimal and functional approach to her beauty regimen.

She keeps it simple—she tends to wear the same hairstyles—ones that are simple and easy for her to do on her own and that don’t require a lot of work.

When it comes to her receptivity to advertising, a larger percentage of them are Cultural Activists, but some are also Cultural-listics.

Demos

- 65% aged 45+
- 49% are Baby Boomers
- 48% suburbanites (16% live in rural area)
- 65% not married
- 66% without kids <18 years

Celebrity persona

- Halle Berry
- Whoopi Goldberg
- Phylicia Rashad
- Loretta Devine
- India Arie

Her theme songs

“|’m Fine,” Mary J Blige or “I Am Not My Hair,” India Arie

Base: 556 Black female internet users aged 18+

SOURCE: LIGHTSPEED GMI/MINTEL
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How To Market Your JBCO Product?

**Natural Hair Blogs / YouTube / Instagram**

- **Naptural85**
  - Instagram: [@naptural85](http://naptural85.com/)
  - YouTube channel: Naptural85

- **Mo Knows Hair**
  - Instagram: @moknowshair
  - YouTube channel: MoKnowsHair
  - [http://moknowshair.com/](http://moknowshair.com/)

- **Mahogany Curls**
  - Instagram: @mahoganycurls
  - YouTube channel: MahoganyCurls

- **Natural Neiicey**
  - Instagram: @naturalneiicey
  - YouTube channel: PGneiicey

- **Smartista Beauty**
  - Instagram: @thesmartista
  - YouTube channel: SmartistaBeauty
  - [https://www.facebook.com/Smartistabeauty-1391581797763793/](https://www.facebook.com/Smartistabeauty-1391581797763793/)

- **My Natural Sistas**
  - Instagram: @mynaturalsistas
  - YouTube channel: MyNaturalSistas

- **Jessica Pettway**
  - Instagram: @jfashiongirl87
  - YouTube channel: JessicaPettway

- **Etc Blog Mag**
  - Instagram: @etcblogmag
  - YouTube channel: etcblogmag

- **Taren Guy**
  - Instagram: @tarenguy
  - YouTube channel: Taren916
Where to Distribute?

Yelp or Google Natural Hair Store / Distributor in Target Market (for example)

**Toronto:**
- Honey Fig
- Curl Bar
- Kind Hair Shop

**London:**
- Errol Douglas, Knightsbridge
- Afrotherapy, Edmonton

**Cape Town:**
- Braid Sensations
- Afro Hair Design
New Geographic Markets

- Nigeria
- South Africa
- Kenya
- Cameroon

- Over the last few years, the black hair care industry has been booming in many parts of Africa. The biggest growth in 2014 was in Nigeria where people spent more than $440 million.

- In South Africa the amount of money spent on hair care increased 7% from 2013 to 2014, and in Kenya consumers spent more than $100 million on hair care, and salon sales were up 8%.

- "The move towards natural hair has raised a lot of questions and inspired a lot of handmade, better quality, mid to high level products that utilize indigenous ingredients that were overlooked in the past e.g. shea butter, coconut oil, and even our local black soap."

- Market research firm, Euromonitor International estimated that approximately $1.1 billion of shampoos, relaxers and hair lotions were sold across South Africa, Nigeria and Cameroon in 2013 and anticipates Africa’s liquid hair care market could grow by about 5 per cent by 2018 in Nigeria and Cameroon.
With one the largest beauty and hair care markets in the world, Brazil is a key country for the global JBCO expansion. Brazil accounted for 9% of all hair care products launched in 2013 worldwide, ahead of the UK (8%) and the US (7%).

Brazil’s hair care market is projected to see double annual digit growth over the next four years to reach an estimated USD $3.88 billion by 2017.

In Brazil, 39% of consumers say they use leave-in conditioner, high penetration when compared to developed markets such as France, where 11% of the consumers say they use it and the UK at 10%.

When it comes to consumer preferences, 35% of Brazilians look for moisturizing / hydrating benefits and 31% prioritize anti-dandruff benefits, both proven effects of JBCO.

In 2013, 50% of all Brazilian hair care products launched espoused moisturizing and hydrating qualities as opposed to 29% of global hair care product launches globally.
New Geographic Markets

- **United Kingdom**

  According to the Office of National Statistics (ONS), black and minority ethnic groups made up almost 16% of the British population in 2011, and are perceived to increase to 35% by 2035.

  The Afro-Caribbean hair care market is valued at $684 million (£427 million), estimated to rise to approximately $760 million (£475 million) by 2017.

  Though representing somewhat of a niche market, behind these figures is a huge demand for ethnic products to suit the unique hair and beauty needs of this minority, particularly in the UK.

  In the UK, ethnic hair products are mainly sold through specialized hair and beauty stores.
DEVELOPING THE CASTOR OIL OPPORTUNITY

Jamaican Castor Producers Association

Increasing coordination across three areas:

- **Market**: ensure that differences in price are equated with quality, and price is the main market management form.
- **Industrial**: norms or standards and enforce them via instrument-based testing, inspection and certification.
- **Domestic**: JBCO quality is resolved internally, and the identity of the product is guaranteed or ‘institutionalized in the repetition of history’ by its region or country of origin (i.e. Champagne) or by a brand name (i.e. Chiquita).
- **Civic**: organize collective action towards resolving and avoiding conflict.

- Strengthening the industries collective bargaining power with overseas buyers.

- Establishing industry production standards and grades and pursuing a geographical indication for JCBO.

- Regulating market and value chain linkages to enhance the reliability of industry contracts, procedural efficiency, the degree of dependence which firms have on each other.
Commercial Grade Castor Oil

- Global Castor Oil And Derivatives Market is expected to reach USD 2.33 billion by 2024. Growth of key end-use industries including pharmaceuticals, bio-plastics and cosmetics is expected to drive the global castor oil and derivatives market.

- Cosmetics & pharmaceuticals was the largest application segment and accounted for over 25% of total market volume in 2013.

- Change in the trend towards acceptance of bio-based cosmetics is projected to provide significant gains to Europe market. North America is anticipated to witness reasonable growth in the next few years.
Commercial Grade Castor Oil

- Similar to JBCO, Commercial Grade Castor Oil (CGCO) is set to experience significant market growth over the next decade.

- CGCO is one of the most common grades of castor oil, used in the manufacture of textile chemicals, pharmaceuticals, cosmetics and as a starting raw material for other grades of castor oil derivatives.

- The CGCO derivatives market is expected to reach $2.33 billion by 2024 (up from 1.8) Growth of key end-use industries including bio-plastics and cosmetics are expected to drive the global castor oil and derivatives market.

- Ford CEO has stated that “developing sustainable composite material could help to reduce the weight of car parts – in turn improving fuel economy – while also negating the need for petrochemicals, decreasing the impact of vehicle production on the environment.”

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CASTOR END MARKETS

Lavera: an organic cosmetic company, uses zing ricinoleate as one of the ingredients in its deodorant and body lotion. It uses hydrogenated castor oil in its sunscreen lotion production.

BioSolar: a Solar cell manufacturer, uses castor derivative as a protective layer on photovoltaic solar modules

Sofila Group: a textile company which has created the first bio-polymer by processing the castor oil

Fujitsu Limited: uses castor oil derivative for small components of notebook PCs and mobile phones, such as connector covers

Ford CEO has stated that “developing sustainable composite material could help to reduce the weight of car parts – in turn improving fuel economy – while also negating the need for petrochemicals, decreasing the impact of vehicle production on the environment.”
DEVELOPING THE CASTOR OIL OPPORTUNITY

Missing Gaps in The Value Chain

• JBCO Wholesalers

• JBCO Distributors

• Marketing Officers

• Seed Providers / Seed Nurseries

• Castor Cake (Fertilizer) Processors

• Business Performance (farms, processors, exporters)

• Castor Bean Warehousing
THANK YOU FOR LISTENING