



dōTERRA

Kenya Rising

CO-IMPACT SOURCING STORY



Athi River Factory—
Vegetable oil processing equipment



Kenya's Bright Future

Kenya is one of Africa's rising stars. Home to more than 45 million people, Kenya has made significant economic progress in the past decades, and has one of the most vibrant and stable democratic governments in Africa. With a young and growing population, a dynamic private sector, and a new constitution, there is continued hope for the bright future of this beautiful country. Explosive growth in the technology, banking, and agricultural sectors has the potential to radically transform the Kenyan economy and lift millions of its citizens from extreme

poverty (GDP per person is around \$1,450 annually with roughly 18 million people living on less than \$1.25 per day) to a life of prosperity and opportunity.

Kenya has a wide variety of landscapes, each suited to different types of agricultural production. The coastal regions along the Indian Ocean begin at sea level with gradual increases in elevation, moving inland to altitudes in the 6,000–9,000 feet range in the central highlands. The entirety of Kenya has approximately 12 hours of daylight year-round, allowing well-managed farms to harvest multiple times per year. As 80 percent of Kenyan farms are five acres or smaller in size, this provides an ideal location for our Co-Impact Sourcing approach to make a big impact.

Strategic Partnerships

dōTERRA has a history of building strong partnerships with local experts in essential oil production. One such partner is an organization called Fairoils, which has a long and successful history of essential oil production in Africa, and

Kenya in particular. The Fairoils team brings a unique combination of varied experience in African agriculture, united with a commitment to working with and improving local communities. Both companies, now formal partners, bring valued expertise and resources to the production of CPTG® essential oils through multiple exciting Co-Impact Sourcing initiatives in Kenya.

Lunga Lunga Project

The Lunga Lunga Project is located along the Indian Ocean, near the Tanzanian border and includes a 300-acre model farm, distillation facility, and a small-scale farming cooperative producing essential oil crops. While vastly rich in agricultural resources, this region of Kenya is an ideal area for Co-Impact Sourcing as the area is geographically removed from the rest of the country and has been historically underserved.

With the extensive farming, distillation, and sustainable and ethical sourcing expertise within this partnership, the Lunga Lunga Project works directly with the local community to grow tropical aromatic plants through a cooperative group of smallholder farmers with the goal of including up to 2,500 farmers in this area by 2020. This farming cooperative will supplement the cultivation of aromatic plants grown on the 300-acre Lunga Lunga



Lunga Lunga Farm dam used for irrigation during dry season

commercial farm, with field officers working closely with smallholder farmers to ensure quality, improve yields, and maximize incomes for their crops.

One additional area in which we plan to bring meaningful change is around land ownership. Property rights and land ownership are a continuing challenge in Kenya, but particularly for farmers, many of whom lack legal title to their property. In addition to providing formal employment on the farm and contracted farming work through Co-Impact Sourcing, we are developing an additional project that would provide legal land ownership to help address this very challenging issue.

Mount Kenya Project

The Mount Kenya project is located on the base of Mount Kenya, in and around the city of Nanyuki. Situated at over 6,000 feet above sea level, this area of Kenya has warm sunny days and crisp cool nights. The foothills of Mount Kenya provide an ideal climate for many essential oil crops including Rosemary, Thyme, *Eucalyptus radiata*, and Oregano.

The Fairoils team has been working with smallholder farmers producing essential oil crops in this region of Kenya for over a decade. This project currently includes a group of 250 smallholder farmers and a distillation facility with plans to expand this group to over 2,500 farmers in this area by 2020.



Cooperative Chairman Shibe and his ginger



and then exported to customers in the cosmetics industry. dōTERRA intends to utilize many of these exciting carrier oils in future products.

The factory is located in Athi River, a town 30 minutes outside the capital of Nairobi, and is based inside one of Kenya's Export Processing Zones (EPZ), which are special economic zones designed to increase value added exports from Kenya.

In addition to vegetable oils, the Athi River facility also distills some essential oil crops from the surrounding areas and is the quality control and testing center for all essential oil production in Kenya as well as the dōTERRA/Fairoils operations in Madagascar. The Athi River facility is both Fair for Life and ISO 9001 certified, and employs 48 full-time employees.

Athi River Facility

In addition to the production of essential oils, Fairoils is a large producer of pure and natural vegetable oils for the cosmetic and personal care industry. They produce an extensive list of vegetable oils including Sesame, Avocado, Macadamia Nut, Tamanu, Pomegranate Seed, Moringa, Shea, and Baobab. The plants are grown and harvested by smallholder farmers from all over Kenya, Uganda, Madagascar, and Sudan, and are brought to the Athi River Facility where the seeds (or nuts) are pressed, blended,

Impact Assessment

dōTERRA and Fairoils are committed to the economic development and wellbeing of the communities we are working with in Kenya. In order to fulfill this commitment, we rigorously assess the impacts of our initiatives. Specifically, dōTERRA has funded a four-year monitoring and evaluation study with a team of professionals and support from the University of Oxford to measure the impact of the Lunga Lunga project against the wider community, to not only ensure our positive impact but also to make continuous improvements to our programs and services. We are



Seedling nursery for new farms and expansion farms

Sesame, Shea, and Sunflower Farms

UGANDA

Marsabit

KENYA

SOMALIA

Kisumu

Nakuru

Nanyuki

Mt. Kenya Project
Rosemary, Geranium,
Thyme, and Eucalyptus

Mt. Kenya

Dadaab

**Macadamia Nut
and Avacado Farms**

Nairobi

Kitui

Athi River Factory
Vegetable oil processing,
essential oil distillation,
and quality control

TANZANIA

Spice Triangle
Clove, Cinnamon,
and Black Pepper

Malindi

Mombasa

Lunga Lunga Project
Essential oil distillation and
commercial farming.
Ginger, Eucalyptus,
and Geranium

QUICK FACTS

Co-Impact Sourcing® in Kenya will create over 5,000 rural farming jobs by 2020. The formation of thriving cooperative farming groups within various communities across Kenya is one of the primary goals of dōTERRA's initiatives in Kenya.

The primary essential oils of focus in Kenya include Ginger, Geranium, *Eucalyptus radiata*, *Eucalyptus citriodora*, Rosemary, Oregano, and Thyme. Due to the prime growing conditions, enthusiastic labor force, and sustainable scalability in Kenya, this venture will produce an extensive product list and also pioneer additional essential oils for dōTERRA in the future.

The Lunga Lunga distillation facility is ideally positioned along the African spice corridor. In addition to plants grown within the project scope, the distillation facility will also distill raw materials produced in Madagascar, Tanzania, and Zanzibar.

Increasing incomes, improving lives, achieving superior quality, and securing essential oil supply. As dōTERRA's demand for essential oils continues to grow, so does our global supply chain. Strategically planning for growth, while intentionally bringing opportunities to low-income communities, are keys to dōTERRA's Co-Impact Sourcing strategy.

The 300-acre Lunga Lunga model farm will serve as a teaching, training, and capacity building operation. Farmers gather regularly at the Lunga Lunga farm to attend training sessions.

Establishment of a Community Development Fund. For every kilogram of oil produced by our farmer cooperatives, a portion of that revenue will be set aside in a fund overseen by the cooperatives themselves to finance larger development projects at their discretion. These funds are in addition to the generous donations made by the dōTERRA Healing Hands Foundation™.



Mwamose Primary School students in front of their school and new mural. HHF funds were used for recent expansion and scholarships.

Social Impact and Community Building

Kenyan farming communities provide a unique opportunity to have a significant social impact in the Co-Impact Sourcing initiatives where we are working, through community-benefitting projects funded by the dōTERRA Healing Hands Foundation. In just the past two years since we initially began working in these areas, the following projects have been funded through donations from HHF:

- **Kiwegu Primary School**—Construction of additional classroom and restroom facilities
- **Mwamose Primary School**—Construction of school library, water storage, staff room, restrooms, teacher living quarters, and student veranda. Scholarship support
- **Majengo Mapya Kindergarten School**—Construction of a new facility
- **Mwena River Bridge**—River crossing access for community and school children
- **Community Center**—Construction of a facility to hold farmer trainings and other community events
- **TICAH**—Indigenous culture and health trainings for 2,000 school children
- **Colobus Conservation**—Education and reforestation of indigenous trees
- **Mwamose Water Point**—Community borehole and water tower
- **Water Maintenance Trust Fund**—Ongoing research and maintenance of community water sources



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