



### PRIMARY SOURCING REGIONS

Traditional Medicinals has approximately 60 herbal products containing over 100 different botanical ingredients, sourced from over 35 countries. Most of the company's formulations stem from European herbal traditions. Traditional Medicinals mainly uses European and Mediterranean as well as some western Asian plant species in the herbal products. Important partners for the supply of the botanical ingredients in the herbal products include wild collection firms, family farms and processing companies situated in European countries, especially Bosnia and Herzegovina, Germany, Hungary, Italy, Albania, Austria, Bulgaria, and Poland.

However, in terms of the annual volume of botanical raw materials sourced, about 80% originate from 10 countries (on five continents) in the following order: India, Egypt, USA, Bulgaria, Kazakhstan, Poland, Hungary, Sri Lanka, Bosnia and Herzegovina, and Paraguay. Furthermore, over 50% of the total volume of botanicals used by the company originates from the top four listed countries (India, Egypt, USA, and Bulgaria).



Collection of Liquorice root in Kazakhstan, CREDIT: Martin Bauer Group

## Implementation of FairWild certification scheme in the USA

**BACKGROUND** Founded in 1974, Traditional Medicinals® is a family owned business situated in Sebastopol, California, producing certified organic and non-genetically modified (non-GMO) verified herbal teas in its solar powered facility with Fair Trade and FairWild® certified herbs. The company is a California Benefit Corporation, a Certified B Corporation, a California Certified Green Business, Green America® GOLD certified Green Business, and a long-standing member of the California Certified Organic Farmers. The company's herbal products are distributed mainly in the United States of America and Canada through health and natural foods stores, cooperative grocers, independent grocers, major grocery chains, mass market retailers, and drug stores.

### HOW AND WHY THE COMPANY ENGAGED WITH THE FAIRWILD STANDARD

Traditional Medicinals is committed to sourcing botanical ingredients that are produced according to independently verifiable and certifiable sustainability standards (comprising ecological, economic, and social sustainability criteria) (Traditional Medicinals Policy CP00027.00). The company is committed to not only sustainable agricultural methods as evidenced by third-party certification of medicinal plant farms (whether certified biodynamic or certified organic or both), but also to sustainable harvesting and resource management of wild medicinal plants under fair trade conditions. Over 40% of the botanical species that are used in the products are wild-collected. For these, the company's Supply Chain Group collaborates with the producer and supplier partners along with non-governmental organizations (NGOs) involved in nature conservation to implement suitable sustainability standards using ecological, economic and social criteria and indicators. Implementation typically includes risk assessment, resource assessment, resource management and monitoring systems, independent inspection and certification.

The following table quantifies the number of botanical components used by Traditional Medicinals, whether herbal raw materials (e.g. wild Dandelion root) or agriculturally-derived packaging components (e.g. cotton for teabag string).

Cultivated or Wild-harvested	FY 2014, Count	FY 2014, %
Cultivated plants	68	58.1
Wild-harvested plants	40	34.2
Primarily wild-harvested plants with some cultivation	3	2.6
Primarily cultivated plants with some wild-harvesting	6	5.1
Total number of botanical components	117	100
Total wild-harvested botanical components	49	41.9

Traditional Medicinals' ingredients are for the most part certified organic (cultivated and wild-collected), non-GMO verified, and certified kosher. Additionally, 11.34% (by weight) of the botanicals purchased in 2014 were FairWild-certified and 15.5% of the botanicals purchased were FLO Fairtrade certified medicinal and aromatic plants (MAPs).

Traditional Medicinals was among the first companies to test implement the FairWild Standard in its supply chain. Now it is about 10 years since the implementation of the FairWild initiative. The company first began purchasing FairWild (Version 1.0) MAPs in the mid-2000s from the earliest certified operations including Terra Magnifica in Croatia and Boletus d.o.o. in Bosnia and Herzegovina. Traditional Medicinals was the first brand to label and market FairWild finished products, for example FairWild liquorice root from Kazakhstan (as a component of some of their top-selling products).



Ten of the company's products have FairWild labelling and 24 products have Fair Trade labelling. Having 34 products with 'fair' labelling has made Traditional Medicinals the number one organic and fair herbal tea brand in both Canada and the USA. According to the company's experiences, the current FairWild market success in the USA is linked to overall 'fair trade' labelling market success.

**CHALLENGES** Some of the first challenges in implementing the FairWild Standard still remain. FairWild-certified MAP ingredients need to be consistently commercially available from two or more distinct certified operators before brands will make a firm commitment to purchase, label and market FairWild products. Insufficient, inconsistent or interrupted supplies of FairWild-certified ingredients would hinder the company's plans. Any unplanned shortages (insufficient quantities or quality problems) can disrupt future commitments. Companies need to have a solid base of certified operations with at least two (preferably three) per FairWild-certified plant species, which would foster a stronger commitment to use FairWild-certified MAPs in future product development plans. At present the company faces, insufficient number of certified operations, insufficient quantities of certain FairWild-certified MAPs for a brand to risk labelling and marketing new products. For example Traditional Medicinals has been purchasing FairWild-certified Nettle leaf (low risk species) since 2007 and is only now starting to label it as FairWild on some product labels. That is because the supply of FairWild nettle has been inconsistent over the past eight years. Certified operators also face high cost and complexity to remain in the scheme and many have dropped out over the years.

According to Traditional Medicinals, the current market demand for FairWild-certified material is still limited. Up to this point, Traditional Medicinals has been the sole marketer of FairWild-labelled products in North America. The FairWild scheme is gaining recognition mainly in the context of Traditional Medicinals being an organic and fair herbal product company and positioning FairWild in the same context as FLO Fairtrade or Fair Trade USA.



FairWild-certified Licorice Root tea, CREDIT: TRAFFIC/Richard Thomas

There is however growing demand for sustainable natural health products, especially those with dual certification of organic + fair. Reflecting on the current US market overall, a very big educational learning curve is needed to connect urban Americans with plants and nature, as currently there is a very low awareness about what medicinal plants are, existence of wild-collection for commercial use, or differentiation between various certification labels. A higher awareness would create an enabling environment to further extend the market for FairWild.

**FUTURE VISION** Traditional Medicinals has been growing for the past 40 years and this trend is likely to continue. The company has proven to be successful at manufacturing and marketing safe and effective herbal medicinal products that are made from sustainably produced botanical raw materials. The company aims to achieve full ingredient sustainability by its 50th anniversary in 2024, if not sooner. That includes the goal of 100 per cent fair + organic certified and Non-GMO Project verified ingredients, as well as biodegradable, compostable, recyclable and non-GMO packaging. Traditional Medicinals hopes that more producer groups will join the FairWild production system and find it economically beneficial to remain certified, and that more finished product brands will label finished products as FairWild, to ensure the sustainability of the FairWild initiative.



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This factsheet is compiled by Kristina Rodina, TRAFFIC, based on an interview with Josef Brinckmann, Traditional Medicinals (March 2015).

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## OTHER TYPES OF CERTIFICATION

The company defines ethically and sustainably sourced botanicals as those that are certified organic and either FairTrade or FairWild certified and/or are sourced from selected community and social development project sites such as the REVIVE Project (Rajasthan, India). Traditional Medicinals considers botanical ingredients that are produced in compliance with any of the below listed standards as meeting its minimum requirements for evidence of economic and social sustainability for production and ethical trade:

- Control Union Fair Choice Social and Fair Trade Standard;
- EcoCert Equitable, Solidaire, Responsible Standard;
- Fairtrade International Fairtrade Standard for Herbs and Herbal Teas for Hired Labour;
- Fairtrade International Fairtrade Standard for Tea for Small Producer Organizations;
- Fair Trade USA Farm Workers Standard;
- Fair Trade USA Independent Smallholder Standard;
- FairWild Foundation FairWild Standard;
- Institute for Marketecology Fair For Life Social & Fairtrade Standard;
- Instituto Biodinâmico de Desenvolvimento Rural EcoSocial Standard and others.

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