



Value Chain Analysis of Medicinal Plants in South Africa

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ABSTRACT This paper explored the implications posed by the functioning of the medicinal plants value chain in South Africa on the economic viability and sustainability of smallholder enterprises. The paper identifies the main actors in the medicinal plants value chain as well as the opportunities and constraints associated with entry into the formal markets. The study made use of formal surveys with the medicinal plants market key informants and organisations. The formal value chain is very strict with very few actors engaged in partnership vertical integration characterised by strict quality control. The study advocates for strong support for medicinal plant producers by development agents, especially the smallholders together with assisting them to gain access into the high value chain. In addition, since processed or semi-processed products fetch higher prices, smallholder producers of medicinal plants need to be supported with agro-processing facilities to enable them to reap higher returns from their farming activities.