

Building Relationships in Herbal Sourcing

How to build buyer relationships that work for both sides. Based on what we've seen succeed, this section outlines a process for building buyer relationships that are resilient, fair, and quality-driven. Try what fits your context.

Operating principles: Reciprocity, Transparency, Consistency, Dignity and Voice, Long View.

A maturity ladder *The supplier relationship 4.0*

Used to
diagnose where
a relationship is

Level 1: Transactional

- ♦ Spot buys
- ♦ Limited traceability
- ♦ Price first

Level 2: Aligned

- ♦ Basic forecast sharing
- ♦ Annual visit or audit
- ♦ On-time payments

Level 3: Partnered

- ♦ Multi-year MOUs
- ♦ Pre-financing inputs
- ♦ Joint QA planning
- ♦ Shared data

Level 4: Co-creative

- ♦ Co-investment (drying, storage, agronomy)
- ♦ Joint storytelling
- ♦ Living-income benchmarks
- ♦ Shared innovation roadmap

What success looks like

- Fewer stockouts and rejections; more consistent quality.
- Shorter problem-resolution times and fewer "surprises."
- Transparent pricing logic and shared risk in tough seasons.
- Measurable livelihood and ecosystem gains at origin.
- Multi-year collaboration replacing one-off POs.

Operating Principles

RECIPROCITY

Make sure value moves in both directions — pricing, knowledge, shared risk.

TRANSPARENCY

Share what you know about specs, costs, and constraints. Expect the same back.

CONSISTENCY

Reliable communication and on-time payments signal you're serious.

DIGNITY AND VOICE

Involve the people whose work makes this possible in decisions that affect them.

LONG VIEW

The relationship's value over time matters more than this season's price per kilo.

A Maturity Ladder

(Used to diagnose where a relationship is — The Supplier Relationship 4.0)

1	2	3	4
TRANSACTIONAL	ALIGNED	PARTNERED	CO-CREATIVE
Spot buys; limited traceability; price first.	Basic forecast sharing; annual visit or audit; on-time payments.	Multi-year MOUs; pre-financing inputs; joint QA planning; shared data.	Co-investment (drying, storage, agronomy); joint storytelling; living-income benchmarks; shared innovation roadmap.



SHI Members from Pure Synergy, Organic Herb Trading, and Yogi make tortillas with farmers from Doselva, Nicaragua. SHI Learning Journey.

Four High-Impact Ideas on Building to Level 4

1. Commit to Basic Forecast Sharing

This allows for necessary planning. Plan to give your supplier the forecast ahead of time and ensure they pass this information to the source. Even a 6–12 month forecast helps suppliers plan their crops, invest in labor, and build post-harvest capacity. They can secure seeds, inputs, and equipment in time rather than react to last-minute orders.

- Reduces the risk of costly over/underproduction.
- This will allow vendors to get investment. A forecast from a trusted buyer can be shown to local banks, cooperatives, or input suppliers to negotiate better terms.
- Improves quality consistency. When they know what's needed and when, they can plan harvests and processing to match your quality requirements instead of rushing.
- Reduces volatility and supports coordinated planning for processing capacity, logistics, and sustainability projects that require more than one season to implement (e.g. Scope 3 Emissions).

2. Commit to Consistent Payment Terms

- Predictable payment timing lets suppliers cover labor wages, input purchases, and operational expenses without resorting to high-interest loans. It stabilizes their cash-flow.
- Regular, on-time payments signal reliability, making the buyer a priority partner when supply is tight. Builds trust.
- Enables investment in quality — with steady cash flow, suppliers can put money into improved drying, sorting, or certification compliance instead of patching cash gaps.
- Reduces stress and uncertainty — farmers and processors can focus on growing and producing rather than chasing overdue payments.

3. Co-create Specifications

Unlike synthetic ingredients, herbal raw materials are not "generics." Every harvest is a result of the origin's unique ecology, agronomy, and environment. Even within the same species, chemical composition and physical characteristics can vary widely due to genetic diversity, environmental conditions, season variability, post-harvest handling and local infrastructure limits. Dryers, sorters, and milling equipment differ across regions. What's "achievable" in one origin may be impractical in another without major investment. Co-creating specs ensures that quality standards are scientifically grounded, context-aware, and achievable, which protects both the integrity of the plant and the sustainability of the supplier relationship.

4. Share Feedback and Meet Regularly

Transparency is the antidote to misunderstanding. Share information about quality expectations, pricing logic, market trends, and even challenges openly. Regular joint planning creates a feedback loop where information moves freely from the field to the buyer and back again: **Monthly operational calls** act as the short feedback loop: catching emerging issues (weather changes, pest outbreaks, logistics delays) before they escalate. **Annual After Action Reviews (AARs)** function as the long feedback loop: looking back at the entire season to identify patterns, root causes, and systemic improvements. This is likely to create a systematic effect where material is not rejected, both parties adapt mid-season, reducing waste and improving quality in real time. Regular touchpoints ensure the information flows in the system are open and healthy.

Case Study: Traditional Medicinals: Putting Best Practices into Action

To mark its 50th anniversary, Traditional Medicinals hosted a milestone event at Biofach 2025, bringing together its entire supply chain—from farmers and primary processors to sourcing partners—for a collaborative working session.

KEY OBJECTIVES OF THE SESSION INCLUDED:

- Business and performance update.
- Mid and long term forecast review.
- Openly discussing challenges such as crop variability and quality specifications.
- Aligning on a shared vision and multi-year plan.

THE IMPACT WAS FAR-REACHING:

INCREASED TRANSPARENCY

Participants gained a clearer understanding of each other's realities and constraints.

IMPROVED PLANNING

Joint reviews of forecasts and quality expectations will help reduce future disruptions in supply.

STRENGTHENED TRUST

The inclusive approach reinforced the message that suppliers are valued partners.

MEANINGFUL RECOGNITION

By inviting suppliers to Biofach (many for the first time) Traditional Medicinals honored their contributions with dignity and respect.



Image showing the brand, processor, and producer all meeting at Biofach

This initiative demonstrates Traditional Medicinals' commitment to long-term, ethical partnerships and its dedication to continuous improvement through collaboration and shared purpose.

Measure What Matters

Beyond price and volume, track:

- Supplier retention
- Farmer income stability
- Reduction in rejections
- Co-created product specification; shared storytelling
- Environmental or social impact improvements

Building and maintaining relationships in the herbal industry means thinking like a grower; cultivating soil (trust), tending regularly (communication), pruning when necessary (course correction), and celebrating the harvest (shared success). It is important to let the PPP (plant-people-place) unit lead the way, not the market or individual desires.