



BUSINESS OPPORTUNITIES IN AGRICULTURE AND AGROPROCESSING

MINISTRY OF AGRICULTURAL
DEVELOPMENT AND FOOD SECURITY-
Department of Agribusiness Promotion

PRESENTATION FOCUS

Overview on Agricultural Sector

Why Invest in Agriculture in Botswana

Opportunities for Investment

Approaches to utilisation of investment opportunities in Agriculture

Conclusion

Overview of Agriculture in Botswana



Sector dualistic: subsistence/traditional & commercial farming community.



Dominated by subsistence farmers especially livestock and rainfed.



Livestock (cattle, poultry, small stock, piggery, ostriches).



Crops (maize, sorghum, oil seeds, pulses, fruits & vegetables).

Overview ...cont'd



Botswana has a surface area of 581,730 km² of which 45.63% has been zoned for agricultural production.



Land tenure systems include Tribal land, State land and Freehold land.



Water sources for agriculture include grey water, borehole water, surface water (dams and rivers)

Overview ...cont'd



Sector currently mainly dependent on rainfall.



Rains unreliable, erratic and generally low, average 475mm per annum .



Sector's performance has generally been low at about 2.9 % of GDP



Shortfall in the supply of all commodities except for beef. Hence the need for import substitution on agricultural products and the Food systems.

Why Invest in the Agricultural Sector?



Identified as one of the strategic sectors for economic diversification, employment creation & income generation (Agro-processing/value addition), Value chains.



Supportive policy environment for the sector e.g. Border closure, Tax incentives in some areas, VAT exemption on agricultural implements.

Why Invest in the Agricultural Sector, Cont'd?



MoA currently reviewing the subsidy programs for relevance and the level of impact



Free extension services.



Profiling the different categories of farmers to identify their needs and define where government intervention is required.

ERTP

Economic Recovery Transformation Plan (ERTP) has budgeted 40 million meant to recover the economy from effects of COVID 19

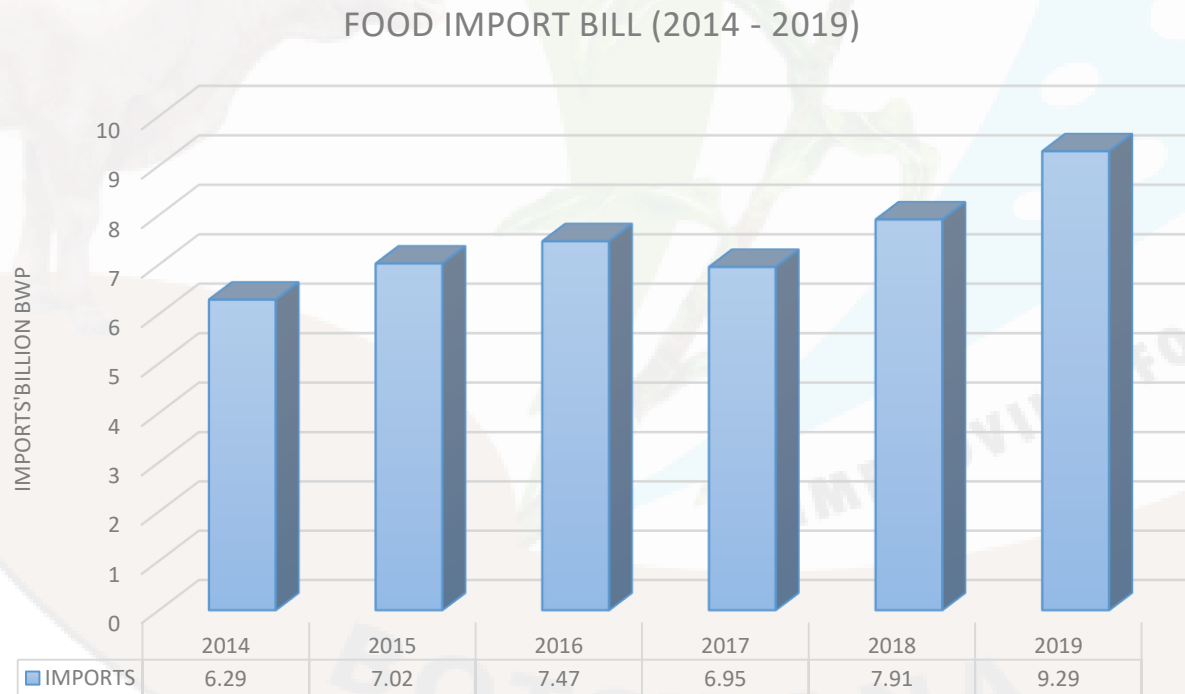
Upgrading Mmadinare fish hatchery, upgrading horticulture nurseries, poultry mobile abattoir, upgrade livestock facilities, and small stock multiplication farms.

Impact Accelerator Subsidy program for horticultural famers

Provision of agriculture infrastructural development (access roads, electricity water reticulation)

Food Import Bill

Has been generally increasing across the years
Ranged between 6 to 9 Billion Pula



Opportunities in Agriculture...

Table 1: Comparison of Imports, Production and National Demand of Selected Commodities (2019)

Commodity	Domestic Requirements (mt)	Production (mt)	Shortfall (mt)
Horticulture	112,000	64,000	48,000
Cereals	300000	103,287	196,713
Honey	40	2.9	37
Milk*(Litres)	65,000,000	8,083,441	51,916,559
Sheep Meat	550	312.5	238
Goat Meat	1,700	620	1,080
Chicken	70000	40,000	30,000
Piggery (Pork)	1500	477	1023
Fish	3000	100	2,900
Beef	40000	54000	-14,000

***Milk in litres**

Opportunities cont....



Botswana thus a net food importer (Table 1)



Food security is mainly supported by imports.

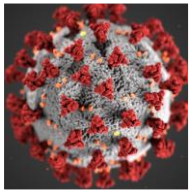


There is an opportunity to invest in almost all agriculture sub-sector value chains



The bulk of the import bill comes from the processed commodities, indicating an urgent need for value addition through establishment of processing centres in the country.

Opportunities cont....



The COVID-19 pandemic has exposed the vulnerability of Botswana's to food security,



Cross-border issues have re-emphasized the urgent need for import substitution of agricultural products. .



Hence new and more sophisticated ways of facilitating agricultural production needs to be explored.



The following are some of the challenges that faces the agricultural sector that presents opportunities:

Opportunities cont.....

- Use of ICT

The pandemic has re-emphasized the need to take advantage and leverage on ICT to do business in agriculture.

Technologies such as marketing platforms, precision farming and the use of drones in agriculture will enhance agricultural production efficiency.

Opportunities cont.....

- Grains

In total 924 898.49 ha are mapped and available for rain fed arable production though only 40% is utilized

Facilitate the development of the local private seed production sector to substitute for the 27000 tons annual seed imports valued at P109 million.

Facilitate establishment of fodder production projects in strategic areas across the country.

Opportunities cont.....

- Poultry - The chicken industry also continues to experience high volumes of imports of processed chicken meat valued at P30 million annually.

This presents opportunities for establishment of processing plants across the country to facilitate the import substitution

Establishment of hatchery for day old broilers and point of lay pullets.

Commercial production of Tswana chicken meat and egg

Feed manufacturing plants
(Common challenge)

Opportunities cont.....

- **Small stock**

Commercial production of Small stock. Genetic improvement through stud e.g Lobu

Limited Agro-processing in the subsector
Construction of Tsabong abbatoir (PPP)

Botswana is targeting the Asian market for Mutton, Lamb and chevon.

Export potential for the European Market. Botswana has secured a market in Europe through 2 Trade Agreements, SADC –EU EPA and SACU –EFTA

Opportunities cont.....

- **Dairy**

The dairy sub sector in Botswana is still at an infancy stage, with the annual local milk production accounting for only 15 percent of the national demand

The dairy herd has also not grown significantly to contribute to the growth of the subsector (embryo transfer technology opportunity).

As a result, imports of dairy cows, milk and dairy products have remained high (embryo transfer technology opportunity)

Opportunities cont.....

Horticulture

Local production currently satisfies 54 percent of the national demand for horticulture products, with the remaining available through imports.

The annual import bill P630 million. This presents several opportunities;

Primary production: Protected cultivation

Development of agro-processing plants by the private sector around horticultural areas to reduce post-harvest losses.

Opportunities cont.....

- **Fruit Tree Production**

The production of fruit trees, mainly citrus are estimated to be around 17 percent of the local demand.

Citrus trees are performing very well under the Botswana climatic conditions and they mature earlier than in some countries in the region, which presents a potential for satisfying the local market and later exporting these products.

Production of cut flowers

Opportunities cont.....

Aquaculture (Fish Production)

Aquaculture industry is still at an infancy stage and it is only able to produce 3 percent of what is demanded locally (production is 100 tons against demand of 3 000 tons)

Undeveloped value chain

Fish hatcheries

Establishing fish collection centres and logistics (cold storage facilities and transport).

Opportunities cont...

Value addition (e. g. pack houses, storage, freight)

Input supply (fertilizers, seeds, agrochemicals)

Agricultural Insurance

Fodder production

Grey water reuse: need for technology to treat water, water from sewages in towns/villages

Solar power for powering irrigation.

Approaches to utilisation of investment opportunities in Agriculture

Joint ventures and partnerships

Formation of Associations and Cooperatives

Compliance to standards

Quality assurance

Research and Development

Availability of trade agreements for export markets

(SACU, SADC, ACFTA and other bilateral relations)

Economic Diversification Drive (EDD)

CONCLUSION



Botswana best destination for agricultural investment.

WELCOME!!!!!!

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Thank you!!

