

NDB Financial Services & Products for the Fodder Value Chain Sub Sector

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Key Focus Areas



- What is a Value Chain?
- Fodder Value Chain Overview
- NDB Value Chain Funding Strategy
- NDB Financing Solutions for Fodder Value Chains
- Key Features of NDB Agricultural Finance
- Strategic Policy Recommendations
- Recommendations & Way Forward

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What is a Value Chain?

A fodder value chain comprises the interconnected activities, stakeholders and support services involved in producing, handling, storing, distributing and utilizing fodder. It includes suppliers of agricultural inputs, fodder producers, irrigation and mechanisation service providers, storage and logistics operators, processors, and livestock enterprises that ultimately consume the fodder.



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Fodder Value Chain Overview

Input supply (seed, fertilizer, irrigation)

Production (lucerne, cactus, Juncao grass fodder crops)

Harvesting, baling & storage

Transport & distribution

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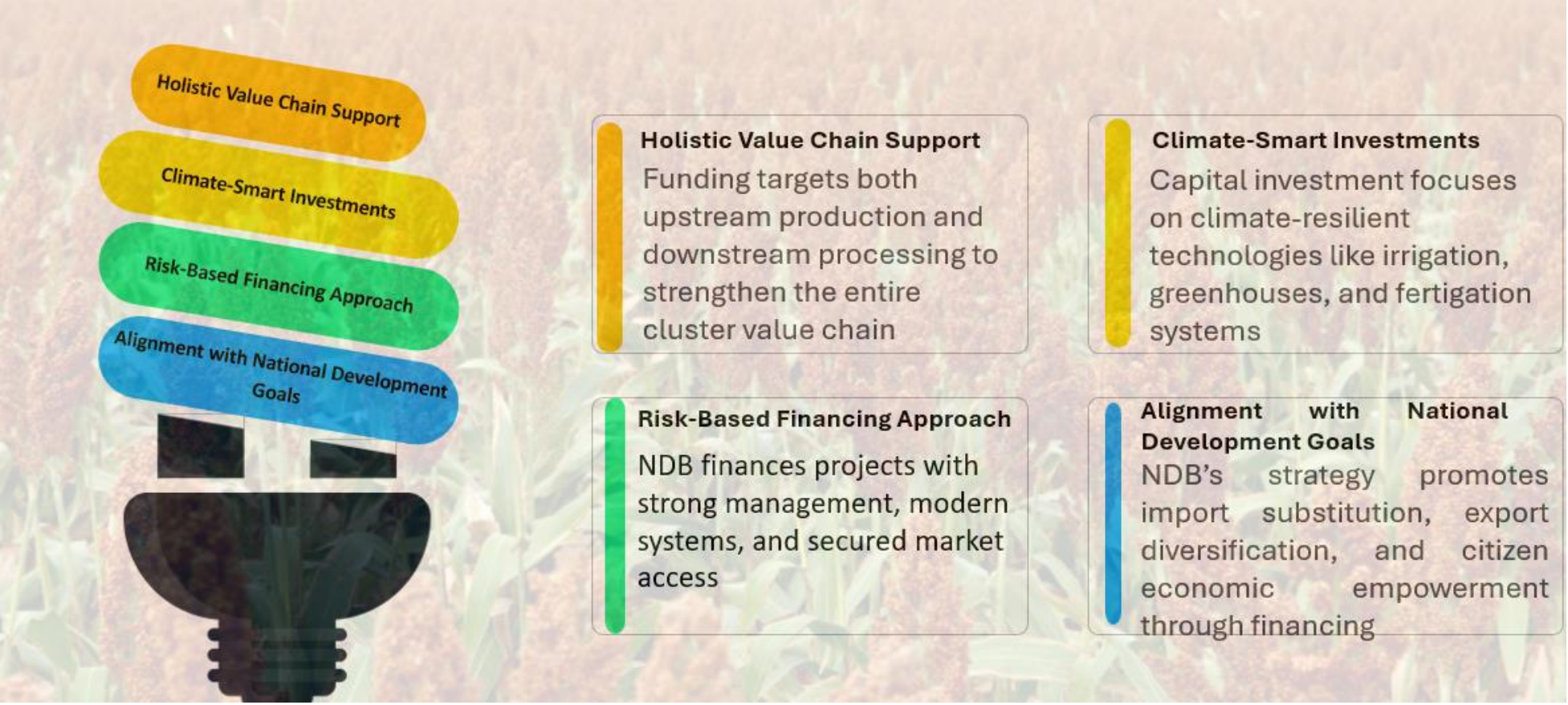
NDB Value Chain Funding Strategy



NDB Financing Solutions for Fodder Value Chains



Term Loans for Capital Assets: Term loans finance irrigation, greenhouses, shade nets, storage, and packhouse infrastructure for fodder farms.

Working Capital Loans: Working capital loans cover input procurement, labor, and operational costs for production cycles clusters

Agricultural Asset-Based Finance: Asset finance supports acquisition of tractors, refrigerated vehicles, solar pumps, and cold storage for farmers

Trade Finance Instruments: Trade finance like letters of credit and export loans aid cross-border trade and market expansion for horticultural producers.

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Key Features of NDB Agricultural Finance

- Flexible repayment structures
- Loan amounts suitable for commercial projects
- Long tenors for capital investments
- Focus on value-chain development

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Strategic Policy Recommendations



Export Credit Guarantee Scheme for Agriculture.

- **Risk Mitigation for Agriculture**: The scheme will reduce risks of climate variability, perishability, and market changes in production by clusters.
- **Loan Guarantees for Value Chains:** Government-backed loan guarantees will encourage banks to confidently lend to value chains.
- **Supporting National Goals:** The scheme will promote economic diversification, food security, and job creation in Botswana's agriculture sector.
- **Value Chain Strengthening**: The scheme will also enhance global competitiveness by improving market confidence and reducing finance barriers.

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Recommendations & Way Forward

- Develop bankable fodder clusters.
- Promote irrigation-based production.
- Integrate fodder with dairy, feedlot and beef enterprises.
- Encourage aggregation and contract supply models.
- Leverage NDB financing to scale commercial production.

Thank you

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