



**FACILITATING MARKET
ACCESS FOR SMME
HORTICULTURE
ENTERPRISES –
EXPERIENCE OF LEA,
BUSINESS CONSULTANT,
LEA MASUNGA BRANCH**

20 MARCH 2025

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Presentation Outline

- LEA SERVICES
- MARKET OVERVIEW
- CURRENT EXISTING MARKET OPPORTUNITIES & EXPERIENCES
- CHALLENGES EXPERIENCED BY HORTICULTURE BUSINESS
- REFLECTION ON RECOMMENDATION OF VALUE CHAIN ANALYSIS STUDY



LEA SERVICES ON HORTICULTURE BUSINESS

- Assessment of pre-requisites (Land, water etc).
- Technology Assessment (Irrigation system, Machinery & Equipment, Inputs).
- Relevant Business & Technical Skill / Experience Assessment (GVI, Benchmarking).
- Business Plan Facilitation (YDF, CEDA, NDB, IAS).
- Implementation Facilitation.
- Cropping Plan Facilitation (Capacity, market, management practices programs).
- Market Access Facilitation.
- Monitoring & Mentoring (Branding).

MARKET OVERVIEW

- Horticulture encompasses perishable products which needs to be consumed within a short time.
- Reliable market is one of the key pre-requisites for the Horticulture business.
- Reliable market plays a pivotal role into the growth of economy (Job creation, business expansion, new technology adoption).
- Reliable market enhances exploitation of the horticulture value chain (Manufacturing of inputs & related machineries).
- Creation of a conducive platform for procurement of horticulture products is a necessity (either facilitated by Govt, Private or PPP).

CURRENT EXISTING MARKET

OPPORTUNITIES

Chain Shops/ Chain Stores/ Retail Stores

- Its one of the biggest buyers of horticulture products from local farmers.
- The market buys wide range of products such as cabbages, potato, tomatoes or anything available locally.
- It plays a key important role in sustaining horticulture business because of its diversity.
- Procurement pattern between the buyer and the producer is not formalized (No contracts, no grading process) – thereby affecting crop planning.
- Mostly the buyer determines the prices and the quantity of the consignment- leading to vulnerability of primary producers.

CURRENT EXISTING MARKET OPPORTUNITIES

Chain Shops Cont'd

- Farmers secure this market through a listing process/ registration (company documents, bank account, price list, provision of samples for proposed crops).
- Supply commences after approval of listing.
- Average payment period is mostly 15 – 30 days post delivery of produce.
- Mostly LEA facilitates for securing of this market though the platform is unstructured and not formalized.

CURRENT EXISTING MARKET OPPORTUNITIES

Informal sector

- The street vendors is one of the important line of buyers within the horticultural sector because they mostly offer cash upon receipt of produce.
- They are mostly found where there is concentration of people in parking lots, bus stations and in front of formal businesses.
- Procurement is usually concluded by the buyer after negotiations (Price, quantity).
- The market mostly orders few quantities to mitigate the risk of perishability.
- The platform is mostly facilitated through Flea Markets.

CURRENT EXISTING MARKET OPPORTUNITIES

Government Institutions

- The Government institutions are one of the most organized consumer of horticultural produce.
- These institutions include Schools (primary, secondary and tertiary), health facilities (hospitals) and institutional disciplined forces (army, correctional services).
- The market is limited to some few horticultural products mostly consumed at Schools (Cabbage, Tomato, Onion, Potato).
- The procurement process is mostly through engagements of ‘Agents’
- In some few areas, there are deliberate efforts to procure from farmers directly, mostly through LEA facilitation.
- The supply schedule is determined by the procuring entities.

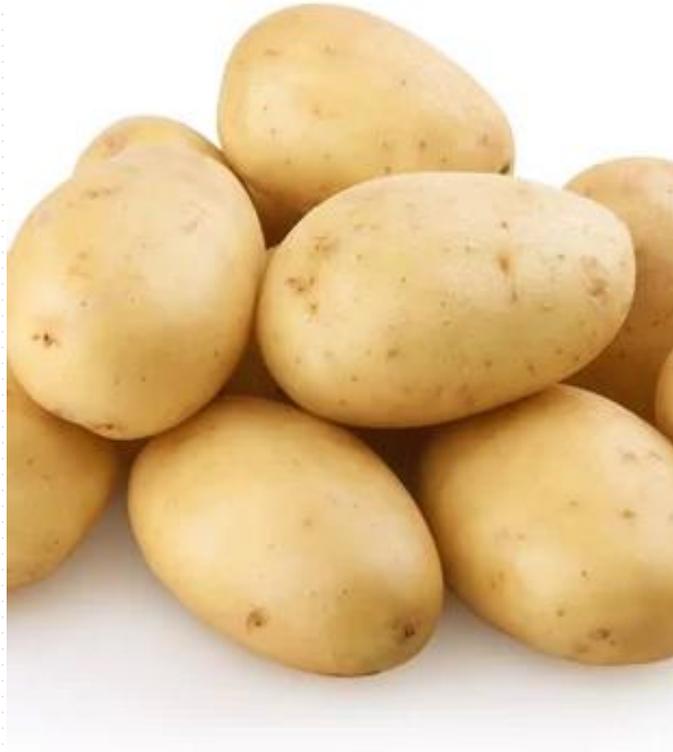
CHALLENGES EXPERIENCED BY

- **HORTICULTURE BUSINESSES** The current horticulture market is unreliable.
- Difficulty to follow a cropping plan.
- No guaranteed contracts .
- Limited growth or expansion.
- Delayed payments to producers.
- No Pack Houses at farm areas (quality assurance).
- High losses of produce.
- Limited resources (delivery vehicles, technologies).
- Buyers determine prices.
- Difficulty on loan repayment by Producers.
- Loss of key personnel.
- Collapse of businesses inadequate market.
- Limited funding for adoption of technology (Production structures).

REFLECTION ON RECOMMENDATION OF VALUE CHAIN STUDY - MARKET AGGREGATION CENTRES

LEA support the establishment of Market Aggregates Centers as per the study. This will foster the growth and sustainability of the horticulture segment because they will be:

- Defined supply contracts.
- Consolidated cropping plan.
- Reliable and convenient market.
- Favorable prices.
- Timely payments.
- Exploitation of other markets (Agro-Processing).



Thank you.

