

**LETSEMA HORTICULTURE MARKET
LAUNCH**

Resources, Requirements & Procedures



ABOUT LETSEMA HORTICULTURE MARKET (LHM)

Letsema Market is an integrated, multi-faceted Horticultural Market Centre in Gaborone, linking countrywide and aggregating a centralized buying point for locally grown produce. The market exist to:



Increase ROI on investments for horticulture production.



Ensure market price stability through steady supply & fair pricing mechanisms



Improve local producer competitiveness in the market



Broaden citizen participation in horticulture

BUSINESS OBJECTIVES

MARKET SHARE & PRESENCE

- a) Ensure country wide presence by establishing 10 collection centers country wide
- b) To acquire market share of 30% of B2B fresh produce market by 31 August 2025

SOCIAL DEVELOPMENT IMPACT

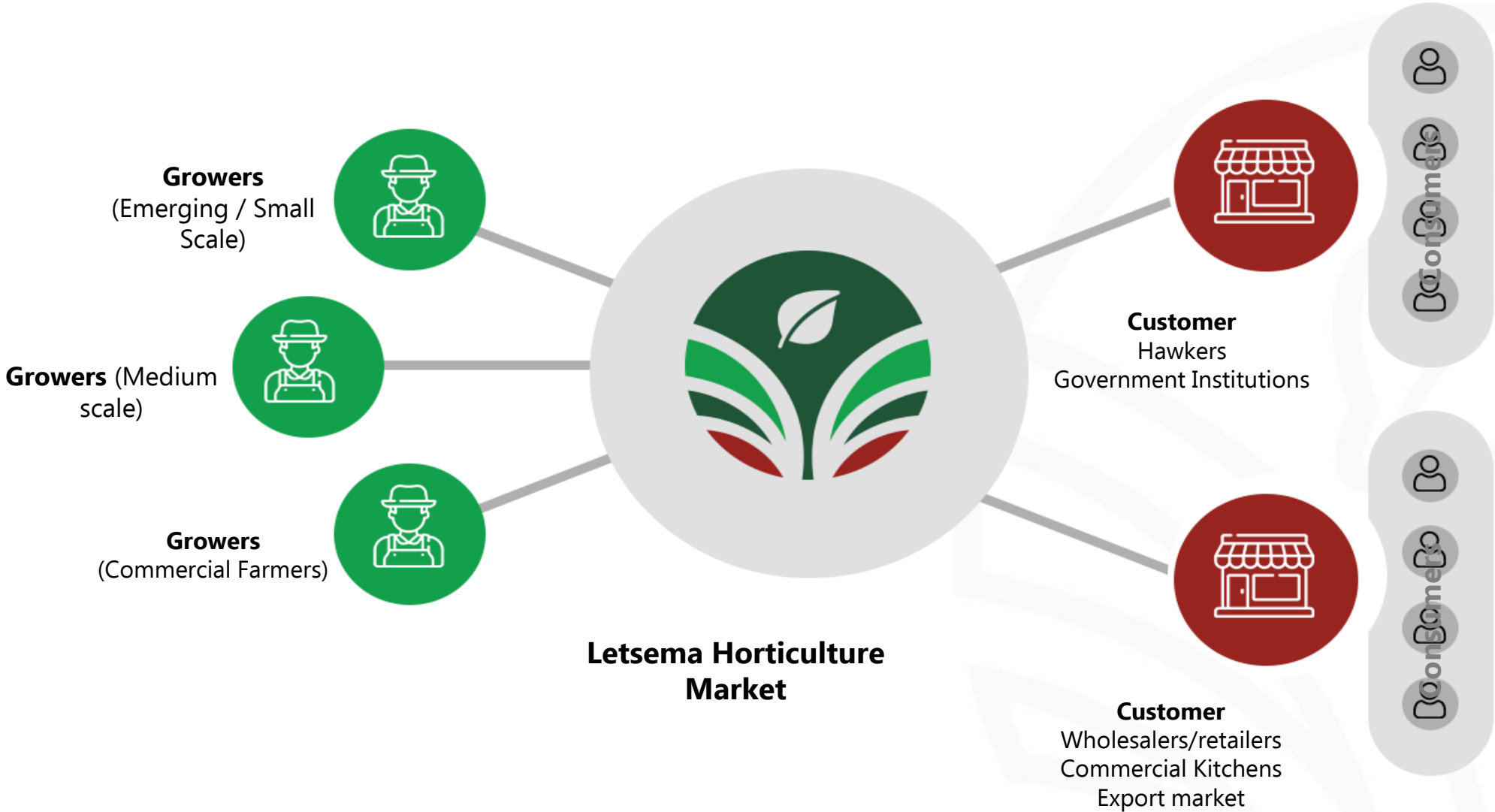
- a) To enrol +1,000 micro, small and medium grower into the LHM supply programme by 31 May 2025

100%

Owned by CEDA

Registered as SMME Horticultural Market (Pty) Ltd
and Trading as
Letsema Horticulture Market

MARKET OPERATING MODEL



CURRENT REALITY

GROWERS

Local growers are struggling to get ROI on agriculture activities.

- Unfavorable sale prices
- Long payment terms from customers
- Post-harvest losses
- Retailer participation in value chain (anti-competitive behavior through market power abuse, typically shown through price discrimination)
- Unreliable offtake of produce.
- Merchandising arrangement.

FRESH PRODUCE SUPPLY

National fresh produce supply is characterized by:

- High import bill (overreliance on imports)
- Price instability
- Enforcement of standards
- Overbearing private sector forces in price determination (absence of price determination objectivity)
- Slow contribution to GDP
- Slow development of the horticulture value chain.
- Importation of crop pests and diseases.



THE OPPORTUNITY: SERVING AN ESTABLISHED MARKET



**Botswana
Horticulture Council
(BoHoCo)**



Farmer's United



Others

GROWER ENGAGEMENT – ESTABLISHING TERMS

- Concession in place that associations will supply the market
- Growers to be affiliated with associations to be eligible to sell to LHM
- Growers to be paid within 1-5 working days (84% reduction)

CURRENT ENGAGEMENT

- Grower registration in progress

MARKET SIZING



CURRENT MARKET SHARE

TULI BLOCK
40%

GHANZI
30%

ASSOCIATIONS + OTHERS
30%

MARKET UNLOCKED BY IMPORT BAN

P430M

KEY MARKET SEGMENTS

- Retailers
- Commercial Kitchens (hotels, restaurants)
- Government institutions
- Hawkers

GOVERNMENT CONSUMPTION

- School feeding program
- State organisations (army, police service, prisons, healthcare)

COMPETITIVE LANDSCAPE

- Mr. Veg
- Veggie Land
- Retailers



GROWER REGISTRATION

Total market registered growers (to date):

140

Botswana Horticulture Council (BoHoCo)

800
Registered Members

200 (25%)
Targeted Grower Registrations for Market

Farmer's United

140
Registered Members

35 (25%)
Targeted Grower Registrations for Market

Supply Gap

- FMCG vetted farmers
- Bulk product suppliers

Produce	Qty KGs (Annual)
Potatoes	6,708,600
Cabbage	5,760,000
Tomatoes	936,780
Carrot	5,090,160
Onion	1,576,860
Green Mealies	391,920
Watermelons	294,960
Sweet Pepper	434,160
Rape	406,800
Beetroot	628,260
Cauliflower	795,780
Cucumber	176,460
Lettuce	300,000
Swiss Chard	380,220
Sweet Potatoes	390,900
Total	24,271,860

HIGHEST CONSUMED PRODUCTS
(Standard Horticulture Basket)

TOTAL LOCAL PRODUCTION, 2023

88 MT



MARKET OPERATIONS

THE GUIDING PRINCIPLES



GROWER SUPPORT

Making the interest of growers as the top priority – i.e. Guaranteeing market, paying fair prices and offering favorable payment terms



FOOD SAFETY

Ensuring that the produce sold by the market is suitable for human consumption – i.e. meeting acceptable health standards



SUSTAINABILITY

Operating the market an interest in long-term financial and market sustainability. This including seeking best sale prices and minimizing wastage



PROFESSIONALISM

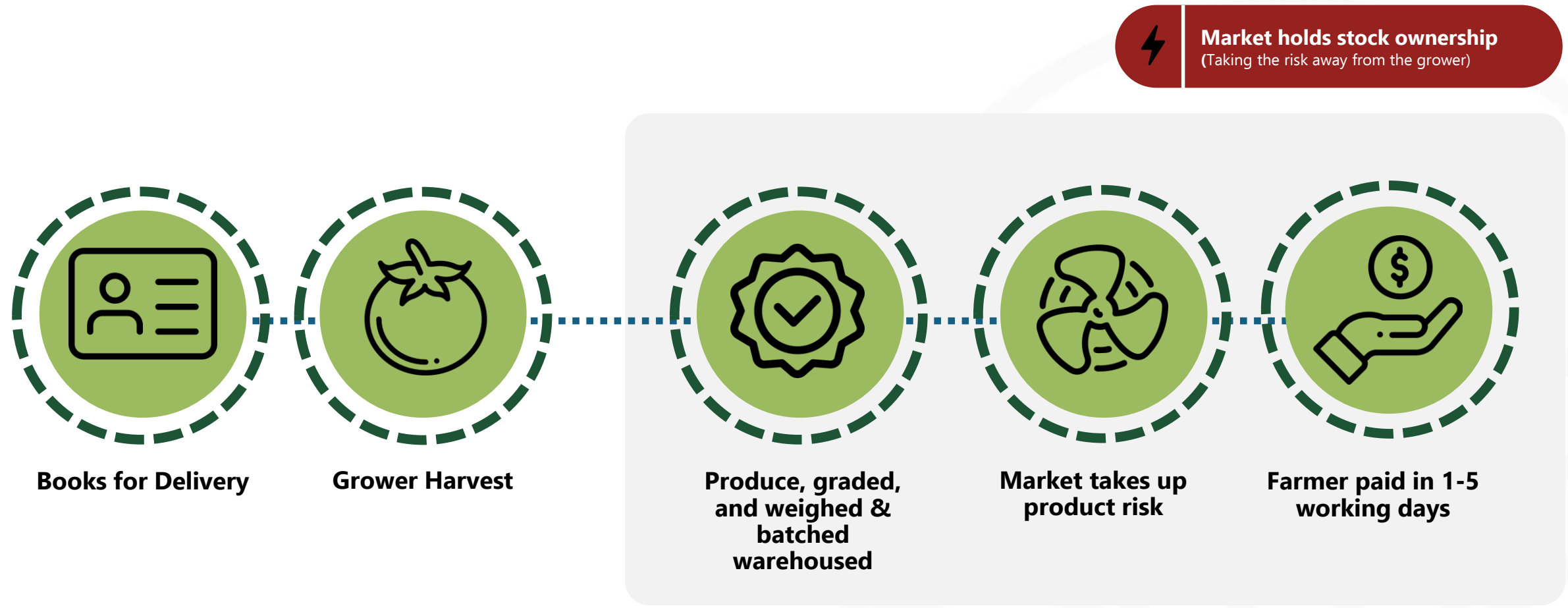
Ensuring that the market is operated professionally by the team. This, embodying principles of integrity, honesty, fairness, and excellence.



GROWER DEVELOPMENT

Actively engaging with growers and stimulating recognition of standard (e.g. HACAP and GAP to help improve yield and quality)

THE PROCUREMENT PROCESS



THE SALES PROCESS



**Customer places
order**



**Inventory
confirmed +
sourced**



**Order picked and
packed**



**Order fulfilled (pick
or deliver)**



Customer invoiced

BUSINESS MODEL: MAXIMIZING STAKEHOLDER VALUE

Intake

For local growers

- Small Scale (-5 ha)
- Medium scale farmers (5-10 ha)
- Commercial farmers (10ha+)

Favorable trade conditions

- Fair buying prices
- Low product risk
- Good payment terms
- Guaranteed market
- Cold storage support

The Successful Farmer

- Profitable
- Free funds for CAPEX and OPEX
- Planning capacity

Offtake

For customers

- Retailers
- Commercial kitchens
- Public sector entities

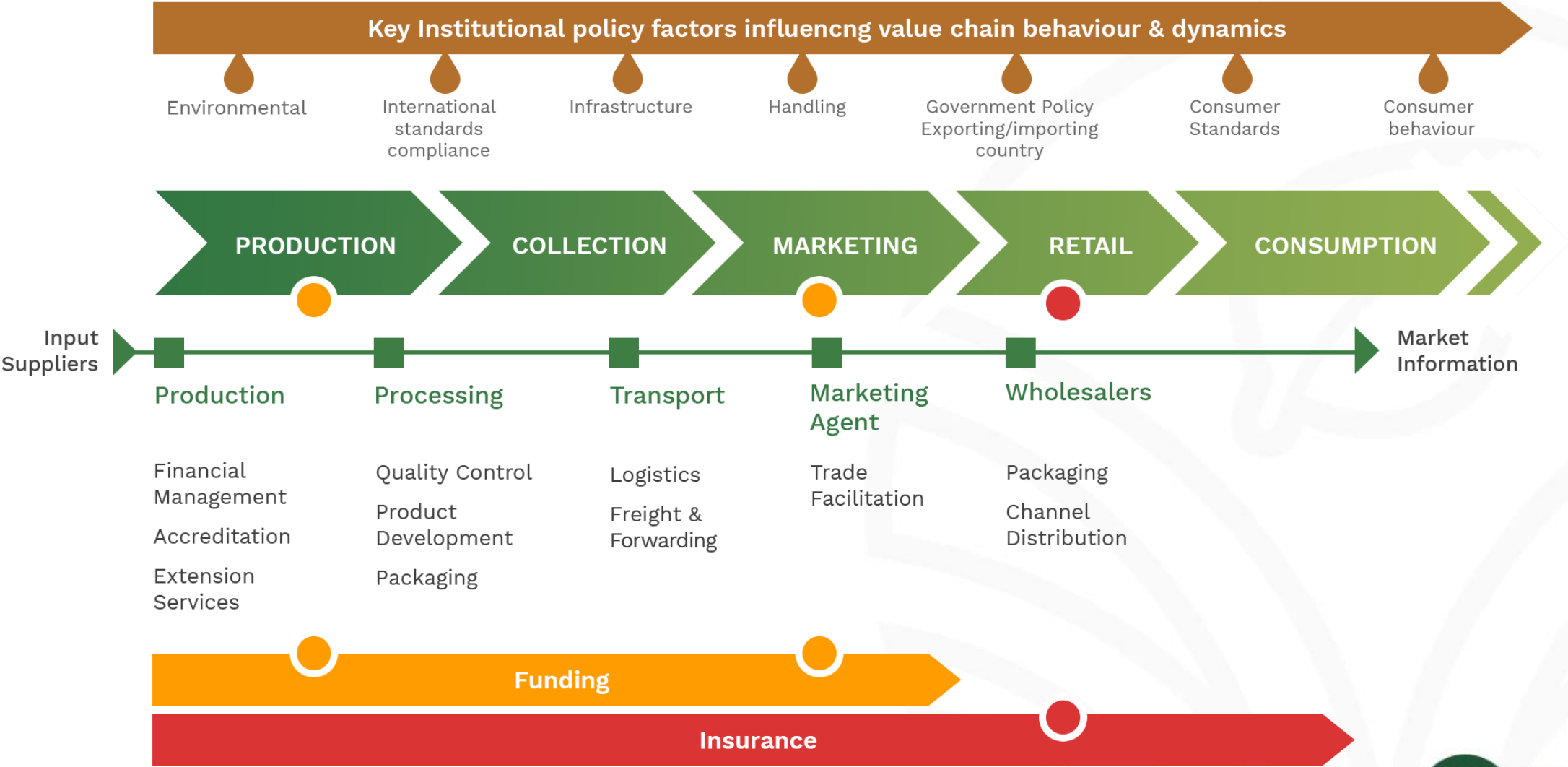
Favorable trade conditions

- Fresh, high product quality
- Food safe products (tested, certified)
- Centralized buying point
- Purchase price stability

The Happy Customer

- Certified food safe products
- Predictable supply
- Product availability guarantee

BOTSWANA AGRIBUSINESS VALUE CHAIN



GROWER DEVELOPMENT

- Standards education, training and operationalization
- Technical training
- Development of local progressive localised GAP (with Global GAP goal in 5 years)

VALUE ADDITION

- Conceptualization of manufacturing development framework (to avoid the NaPro effect)
- Fundraising
- Allotment of special economic zone
- Product demand generation

THE PROSPERITY MAGIC

- a) Legislative Framework
 - Establish requisite legal provisions for mandatory product testing.
- b) Import regulation
 - Provisions to make sole market regulator for fresh produce imports
- c) Value-chain integration
 - Efficient inclusion of financing, logistics, technical services
- d) Export
 - Efficient inclusion of financing, logistics, technical services
- e) Nationwide cropping coordination
 - Coordination of national cropping plans with farmer groupings
- f) Business Intelligence
 - Data warehousing and advanced analytics for increase in value chain efficiency





LETSEMA
**Horticulture
Market**

CERTIFIED FRESH

letsema-hm.co.bw

