Botswana Agricultural Marketing Strategy (2011-2016)

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A special mention is also extended to Mr Neil Fitt of the Agricultural Hub as well as all the members of the Reference Group who generously gave their time to provide relevant, advice and feedback throughout the eleven month period during which the Agricultural Marketing Strategy was prepared.

Jose Maurel
Director
Special Advisory Services Division
### List of acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AMA</td>
<td>Agricultural Marketing Authority</td>
</tr>
<tr>
<td>AMS</td>
<td>Agricultural Marketing Strategy</td>
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<tr>
<td>ASR</td>
<td>Botswana Agricultural Sector Review</td>
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<tr>
<td>BAMA</td>
<td>Botswana Agricultural Marketing Authority</td>
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<tr>
<td>BAMB</td>
<td>Botswana Agricultural Marketing Board</td>
</tr>
<tr>
<td>BCA</td>
<td>Botswana College of Agriculture</td>
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<tr>
<td>BCPA</td>
<td>Botswana Cattle Producers Association</td>
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<tr>
<td>BDC</td>
<td>Botswana Development Corporation</td>
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<tr>
<td>BEDIA</td>
<td>Botswana Export Development Investment Authority</td>
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<tr>
<td>BHM</td>
<td>Botswana Horticultural Market</td>
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<tr>
<td>BMC</td>
<td>Botswana Meat Commission</td>
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<tr>
<td>BOBS</td>
<td>Botswana Bureau of Standards</td>
</tr>
<tr>
<td>CEDA</td>
<td>Citizen Entrepreneurial Development Agency</td>
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<tr>
<td>CSO</td>
<td>Central Statistics Office</td>
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<tr>
<td>DABP</td>
<td>Department of Agribusiness Promotion</td>
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<tr>
<td>DAPR</td>
<td>Draft Agricultural Policy Review</td>
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<tr>
<td>DAR</td>
<td>Department of Agricultural Research</td>
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<tr>
<td>DCP</td>
<td>Department of Crop Production</td>
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<tr>
<td>DoM</td>
<td>Division of Marketing</td>
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<tr>
<td>DLU</td>
<td>Division of Land Utilization</td>
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<tr>
<td>EDD</td>
<td>Economic Diversification Drive</td>
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<tr>
<td>FAO</td>
<td>Food and Agricultural Organization</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>FMD</td>
<td>Foot and Mouth Disease</td>
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<td>FTU</td>
<td>Food Technology Unit</td>
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<td>GFPM</td>
<td>Gaborone Fresh Produce Market</td>
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<td>GoB</td>
<td>Government of Botswana</td>
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<td>GM</td>
<td>Genetically Modified</td>
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<tr>
<td>INRM</td>
<td>Integrated Natural Resources Management</td>
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<tr>
<td>ISPAAD</td>
<td>Integrated Support Programme for Arable Agricultural Development</td>
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<tr>
<td>LIMID</td>
<td>Livestock Management and Infrastructure Development</td>
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<tr>
<td>MID</td>
<td>Market Information (or Intelligence) Division</td>
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<td>MoA</td>
<td>Ministry of Agriculture</td>
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<tr>
<td>NFTRC</td>
<td>National Food Technology Research Centre</td>
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<tr>
<td>NAMPAAD</td>
<td>National Master Plan for Arable and Dairy Development</td>
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<tr>
<td>NARCB</td>
<td>National Agricultural Research Council for Botswana</td>
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<tr>
<td>NCSA</td>
<td>National Conservation Strategy Agency</td>
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<tr>
<td>NDB</td>
<td>National Development Bank</td>
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<tr>
<td>NDP</td>
<td>National Development Plan</td>
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<tr>
<td>NFTRC</td>
<td>National Food Technology Research Centre</td>
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<tr>
<td>RCI</td>
<td>Return on Capital Invested.</td>
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<tr>
<td>SACU</td>
<td>Southern African Customs Union</td>
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<tr>
<td>SCM</td>
<td>Supply Chain Management</td>
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<tr>
<td>SADC</td>
<td>South African Development Community</td>
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<tr>
<td>SDVI</td>
<td>Supply-Demand Virtual Information</td>
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<tr>
<td>TBC</td>
<td>Total Bacterial Count.</td>
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## Botswana Agricultural Marketing Strategy (2011-2016)

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>TEEAL</td>
<td>The Essential Electronic Agricultural Library</td>
</tr>
<tr>
<td>UB</td>
<td>University of Botswana</td>
</tr>
<tr>
<td>UoM</td>
<td>Unit of Measure</td>
</tr>
<tr>
<td>UHT</td>
<td>Ultra Heat Treated – <em>or Long Life</em></td>
</tr>
<tr>
<td>VC</td>
<td>Value Chain</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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1. EXECUTIVE SUMMARY

Achieving greater commercialisation of the agricultural sector has been an explicit aim of Botswana government policy for many years. Whilst pursuit of this policy has yielded some positive developments (e.g. the growth of the horticulture sector) development of Botswana’s agriculture continues to be constrained and is currently not reaching its full potential. There still remains much opportunity to expand and diversify.

An understanding of the importance of marketing by all relevant stakeholders (private enterprise and government) is fundamental to the success of the current commercialisation drive. Within Botswana agriculture there is a lack of attention to the important requirement to understand customer needs and desires, and creating products which fit these demands, whilst remaining practically and financially viable. In effect, current agricultural production is not market-led. This is, and will remain, a major obstacle until the situation is changed.

Existing government policy already acknowledges the need for the private sector to be more dynamic and to assume greater responsibility for bringing about a transformation process in the agriculture sector if broader development objectives, including economic diversification, are to be met. In other words, there is a recognition that government’s role should increasingly be focused on providing a guidance and facilitation role through the pursuit of coherent and sensible policy and support where justified, including by way of financial intervention. This role also needs to ensure a more level playing field for the smaller operators in agricultural markets, including farmers, to ensure they are not disadvantaged and to provide them with the opportunity to generate higher disposable incomes which is critical to poverty alleviation.

The current international backdrop of rising food and agricultural commodity prices gives a powerful impetus and makes implementing this Agricultural Marketing Strategy (AMS) even more important and urgent. Although Botswana is a landlocked country, it is no more immune to external shocks than other countries. Botswana is currently an importer of all the main food commodities with the exception of beef. The cost of imports to the country is doubling every decade. To reduce its food import bill there needs to be an expansion of domestic food production in a way that provides an adequate return to producers and other market intermediaries.

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1 Botswana’s strong economy is based predominantly on the performance of one sector, diamond mining. The current dependence of Botswana on diamonds varies 34% in 2005 to 26% in 2009 of GDP according to CSO and Ministry of Trade data. This lack of diversification makes Botswana internationally exceptional. Diversification of the economy of Botswana will be an essential safeguard for its future. Agriculture can play a strong role in delivering this diversification. Despite declining as a percentage of GDP, agriculture remains a major source of employment.

2 The private sector in Botswana already has some strong players who will be important to the commercial development of the agricultural sector. However, notwithstanding their strengths, the coverage of the value chains by these companies is still rather limited.
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At the same time it is also important to recognise that Botswana agriculture also represents a rather special case for which specific interventions will be required to address peculiar, circumstances, including specific local market-related issues. Government policy will consequently also need to be informed by these issues. In particular there are a number of factors which currently prevent the emergence of freer, more competitive agricultural markets in Botswana:

a) Poor market intelligence and interference or distortion leading to inadequate price formation. For example there is no transparent market in coarse grains, mainly maize and sorghum. The wholesale price\(^3\) is not easily available as BAM\(B\) does not easily provide information.
b) High market share concentration and dominance. In fruit and vegetable production, one farm provides more than one third of the country’s output in some commodities\(^4\) and a handful of farms provide another one third. There is a similar concentration of power in the hands of a small number of supermarket buyers. The situation where the retail section of the food sector is owned and controlled by foreign nationals poses particular problems for producers and traders in Botswana.
c) Heavy dependence on trade with South Africa. The markets in Botswana are currently dominated by South Africa with import parity pricing being an important factor in setting producer prices as paid by the parastatals such as Botswana Meat Commission (BMC) and the Botswana Agricultural Marketing Board (BAM\(B\)).

The AMS sets out a number of essential conditions necessary for a more-market led approach to the commercialisation of Botswana agriculture to become a reality:

- Improved access to more accurate and more useful agricultural data and statistics on the costs, profitability and current market prices of agricultural production in Botswana and placing these data in an international context. This will enable private enterprise entrepreneurs to better identify opportunities for improving their productivity and efficiency at all stages of the supply/value chain, including at farm level.
- Stronger understanding by producers of the influence of the consumer on the agricultural value chain. This will help stimulate the effective demand for more Botswana agricultural products to meet the needs of the consumers and fulfil the market demand.
- Greater efficiency and effectiveness of the Parastatals. This will lead to improved physical infrastructure, opportunity and efficiency for the marketing of agricultural products. Improving the contribution to the value chain made by the parastatals and reducing the amount that they take from the value chain will improve the profits available to farmers. This can be achieved by reducing the wastage of money in the value chains, allowing enhanced prices to be paid to farmers.

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3 Typically quoted per tonne in full loads delivered.
4 MoA data
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- More market-driven and informed policy making by MoA. This will result in a better operating environment, including in the regulatory framework, for all key stakeholders involved in agricultural value chains. This will lead to greater opportunities for private enterprise diversification, including through value addition. It will also help create a more defined role for the DABP as well as other government agencies. A culture of giving greater consideration to the consumer, the market and the commercial implications of their actions in MoA (and DABP) needs to be firmly embedded. This should lead to necessary government action to improve the distribution system and infrastructure for agricultural development in the country as a whole.
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Farming is essentially a business. Failure to recognise that will lead to poor performance. Above all a successful farmer must run his production on a commercial basis” “

A successful sub-Saharan African farmer.

2. INTRODUCTION

Botswana has enormous agricultural growth potential,\(^5\) which can be more successfully realised if agricultural production, and associated activities, could be undertaken on a commercial basis i.e. operating as businesses which generate healthy profits, thus allowing for reinvestment and further expansion. This precept is at the core of this Agricultural Marketing Strategy (AMS), inspired by the conviction of those involved in its development that a commercially driven agricultural sector can flourish in Botswana.

The precept applies equally to large farms as well as smaller farms and those subsistence farms that have the potential to produce a surplus for sale. Subsistence farmers will continue to struggle, many locked in a vicious cycle of deprivation or reliance on support from non-agricultural related income, if their production for the market is not profitable\(^6\) enough. Converting them to profitability will give them the opportunity to reinvest and expand.

The Government of Botswana wishes to see more small-scale producers make the transition from subsistence level farming to commercial farming, whilst at the same time improving market access and returns for other groups of farmers. There are currently a declining number of rural poor and semi-subsistence farmers in Botswana operating alongside a growing number of commercial or semi-commercial farmers. Most of these farmers, particularly the small ones, have limited routes to markets for their produce and very few have diversified into adding value. There is a need to ensure that more Botswana farmers, irrespective of size, can have reasonable access to a range of markets and can trade more freely than is currently the case.

Securing greater private sector participation in agricultural value chains will be key to the attainment of multiple Government objectives for the agricultural sector including increased domestic agricultural production, increased employment (especially in rural areas) and to ensure that more local food is sold on local markets, including supermarket shelves. The private sector will need to encompass not just those entrepreneurs who are already operating in agricultural-related value chains but also those who decide to move into a particular agricultural value chain and micro entrepreneurs who develop by producing a surplus from those who are currently subsistence farmers.

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\(^5\)The absence of a clear strategy as outlined below has led to a potentially serious situation in some sectors. For example, the dairy industry is in crisis and the BMC business has declined.

\(^6\)Profit in this case means an excess of the value of sales over the out of pocket [actual cash spend] costs. The situation that a subsistence farmer may spend more of his assets – or even borrowed money – leads to a difficult situation.
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Government guidance with clear and progressive policies will also be essential. This will need to take the form of coherent, sensible policies and some specific support, including relevant financial assistance and investment in key physical infrastructure. Key priorities for the MoA, including the DABP, will need to centre on facilitating improved access of the private sector to relevant market-related information and advice.

The ‘parastatals’ are well entrenched in the Botswana agricultural sector to the extent that consideration of their future role and effectiveness is unavoidable. Whilst the objectives of many of these institutions are laudable, they continue to be plagued by many of the problems associated with many state-run organisations found in the region. They are typified by high overheads, over-elaborate infrastructure, low operating efficiency, poor marketing skills, and low transparency. Attention increasingly needs to be placed on those ‘parastatals’ deemed to offer greatest potential for change and improved delivery, including ensuring that appropriate pressure is applied to optimise their performance. In this regard, the type and range of marketing activities currently undertaken by BMC and BAMB ‘parastatals’ are deemed to be poor and improvement will have a positive impact on agricultural profitability and resultant expansion.

3. DEVELOPMENT OF THE AGRICULTURAL MARKETING STRATEGY

This AMS has been developed primarily to enable the Department of Agribusiness Promotion (DABP) to better contribute towards realisation of the vision of the Ministry of Agriculture to provide “dynamic leadership in the development of a sustainable, diversified and competitive agriculture”. It has been necessary to be realistic, taking into account the limited resources, both human and financial, at the disposal of DABP into the near future of what can be achieved. Thus, whilst the AMS sets out a number of priority actions which need to be pursued by the DABP over a five year period (2011 – 2016), it must be recognised that real progress towards the objectives as defined in the AMS will ultimately rest on decisions and actions taken by other key stakeholders particularly the private sector producers themselves, the ‘Parastatals’, other government agencies and consumers.

The Agricultural Marketing Strategy was developed over an eleven month period (July 2010 – May 2011). This process, which was led by the Department of Agribusiness Promotion7 {with support from Dr Jim Barnard, an agricultural marketing expert, working on behalf of the Commonwealth Secretariat} was

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7 The Marketing Division of DABP was responsible for overseeing development of the Strategy on a day-to-day basis. Regular, almost daily, meetings were held to ensure that the development of the Strategy remained on course. In addition to numerous meetings with staff from all the major Divisions of MoA in Gaborone (Animal Health, Extension, crops etc.), meetings were also held with most outstation staff of the DABP. An assessment of training needs of DABP staff was also undertaken prior. A two day training programme was organised in February 2011.
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specifically designed to ensure full ownership and commitment to the Strategy by MoA. A detailed situation analysis was also produced by Dr Barnard8.

In order to ensure comprehensive background validated information, it was necessary to seek the views of as many key players as possible with particular interests in the agricultural industry as a whole. A Reference Group, with broad representation from stakeholders involved in particular stages of a number of specific agricultural value chains, was established not only to inform but also to validate the key actions proposed. The Reference Group met twice (November 2010 and April 2011).

Development of the Strategy was therefore informed by desk analysis (including feedback from presentations, papers and case studies) as well as numerous meetings and interviews, both formal and informal, with farmers, traders, and processors. Interviews were held with over fifteen (15) traders of various commodities as well as with a number of supermarket managers9.

Formal meetings were held with at least six Parastatals involving a total of fifteen meetings, as well as with the ‘Hub’ and Farmers Associations. All departments of the Ministry of Agriculture were met, including the relevant division heads. MoA stations outside Gaborone were visited. Cattle market facilities in Gaborone and Selibe Phikwe were visited and one livestock auction attended. Three of the four Botswana Horticultural Markets were also visited.

Whilst the central tenet of the AMS Strategy is that only more market-orientated and cost effective production will deliver greater commercialisation of agriculture in Botswana, development of the AMS has nonetheless been guided by existing realities:

**Local Conditions**

The AMS seeks to build on the momentum that has already been generated in the last two decades in various agricultural sectors. It emphasises the need for a continued push to create a more market-led agricultural industry, based on policies and strategic interventions informed by relevant quality data, sound costings and good market intelligence (e.g. price and standards). By providing support to those sectors where there is profitability for all in the value chain, a transformation of Botswana’s agriculture is envisaged.

In Botswana there is a relatively small population widely dispersed over a large geographical area. Communications are restricted, including by the low usage of the internet. Key market related information is either not freely available or is

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8 See an Agricultural Marketing Strategy for Botswana, Main Report, CFTC/X/BOT29, June 2011. Produced by Dr Jim Barnard on behalf of Commonwealth Secretariat
9 Three formal meetings with farmer groups outside the capital were attended In addition, there was an organised meeting with sixty small animal farmers from across the country. Two meetings of the Producers and Traders were attended, one near Talana farms. Two visits were made to commercial feed lots and commercial operators interviewed independently. A producer training facility operated by the Ministry of Agriculture was visited in North Botswana. A visit was made to a land border post. Visits were also made to several government research establishments and slaughter facilities. The current statusof loading ramps were also observed.
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deliberately withheld, including by the Parastatals. Overall this leads to the existence of sticky, slow and imprecise market(s).

There are production cost problems in Botswana. For example, maize production costs in Botswana are significantly higher (estimated to be in the region of 10%) than those in South Africa - mainly due to the fact that 99% of production inputs other than labour and land are imported.

Whilst there are a number of able and articulate producers, there are few strong farmer groups or representative bodies operating in support of farmers with the exception of the beef associations and the Botswana Horticultural Council. The term ‘co-operative’ has a negative connotation and although this is increasingly being superseded by the term “Agricultural Management Associations or Co-operative”, there is nervousness about collective action, particularly at the farmer level.

Growth in Regional Trade & Competition

The AMS is based on an expectation in the near future of even greater competition with food and agricultural related imports from South Africa and neighbouring countries in SACU. Botswana may be expected to come into line with respect to trade protocols as set out in trade agreements (e.g. tariff regimes established through SACU).

Much agricultural production in Botswana is geared towards markets that are ‘protected’ in some way. This ‘protection’ is achieved through a combination of border closures (e.g. horticultural products), outright import bans (e.g. chicken meat), quantitative restrictions (e.g. grains), guarantees or buying-in programmes (e.g. cattle off-take by BMC and grain purchase by BAMB) and tariffs (e.g. 40% levy on imported UHT milk). Whilst some of the measures currently in place might be justifiable, the lack of analysis and information about the impact on intended beneficiaries is a major shortcoming.

There is an over-concentration of market power in a small number of farms and other enterprises operating in key sections of a number of agricultural value chains. The retail section of the food sector is largely owned and controlled by foreign nationals. Their distribution hubs are located in a foreign country with direct distribution to individual stores in Botswana. Unlike the case in many African countries there are no substantial ‘green markets’ or street vendors. Instead, the multiple stores or “lock up” shop sector accounts for over 80% of retail food sales in towns and larger villages. Production of certain agricultural products is also, similarly, highly concentrated. This is certainly the case for fruit and vegetable production where approximately two-thirds of the country’s output is dominated by a handful of large farms. The import restrictions on chicken meat has led to increased production in Botswana but this is now largely concentrated in the hands of large producers.

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10 A shop that can be closed and locked and the stock stays in place – unless there are refrigeration concerns. This distinguishes it from street stalls.
Botswana Agricultural Marketing Strategy (2011-2016)

Need for Coherence of Government Policies

The AMS has been developed to ensure coherence with current Government development priorities or objectives. The draft Agricultural Policy provides a commitment to promoting the development of marketing and commodity value chains. This will require value chain analysis. Key participants in any agricultural value chain include consumers, retailers and processors. The strength of value chain analysis is that it covers all who are involved from production right through to the ultimate consumer. Farmers should be encouraged to move up the value chain as far as possible to obtain greater financial returns for their businesses, as market participants further up the value chain make higher margins.

The Importance of the Parastatals

The AMS also seeks to influence the operation of the parastatals which have been so important in the last decade in providing state support. These parastatals need a strong impetus from a new direction particularly in pricing, cost control and marketing. The parastatals carry out some useful and important functions to assist smaller suppliers by treating them with greater favour than would a commercial organisation. This generates costs to the relevant parastatals. These costs should be separated in the trading accounts from the straightforward commercial business figures. This will allow outside scrutiny of the efficiency and effectiveness of the parastatal organisations.

Recognition of Inter-sector Linkages

The AMS recognises that, whilst it is necessary make reference to a number of specific sectors (e.g. livestock) and sub-sectors (e.g. beef), they are not entirely discrete and do not operate in isolation; there are some significant interrelations between them which cannot be overlooked. In particular the Strategy emphasises the need to understand the direct relationship between developments in the cereal and the livestock sectors. This is best illustrated by the current imposition of a quantitative restriction on use of domestic grains by feed millers (i.e. the government requirement that feed millers purchase maize from local sources on 70/30 basis). This intervention is estimated to add about 275 pula per tonne to the price of animal feed. With the production of maize in Botswana so small and with BAMB buying at a discount of 15% below import parity, given the burden imposed, the real value of such a policy may therefore be questionable unless the margins taken by BAMB can be reduced. Thus the AMS emphasises the need to better understand the differential impact of pricing policies across a number of different sectors as a fundamental priority for DABP.

Vulnerability of Small-Scale and Subsistence Farmers

The AMS recognises the need for special sensitivity to be given to small farmers and subsistence farmers who are just beginning to produce a surplus. Subsistence farmers can suffer the hardest in the absence of a market driven approach and without the information required to be successful, as they tend to be more isolated, and lower in education. They will have a greater need for training and assistance and help in marketing from the extension staff of the MoA. Lifting more of these farmers
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out of poverty is an important social gain. There is also an important economic gain as some of these will go on to become successful commercial farmers.

4. OBJECTIVES OF THE AGRICULTURAL MARKETING STRATEGY

The objective of the AMS is to improve the competitiveness and diversification of Botswana’s agricultural sector by means of increases in farmer incomes, irrespective of scale of operation. This is to be achieved by the pursuit of interventions and actions that both support and reinforce the drive for profitable agricultural production based on a sound assessment of what can be economically grown and successfully marketed and sold for a profit in Botswana.

This objective is consistent with the key government priorities as set out in both national-level and sector-specific development policies and strategies. In particular, the draft Agricultural Policy of the Ministry of Agriculture seeks, amongst other things, to deliver:

- Improved employment creation in the rural economy including agriculture (Objective 5).
- The development of marketing and commodity value chains (Objective 6)
- Improved food security (objective 1)

The AMS represents an important contribution towards realisation of these development priorities and outcomes. Whilst recognising that there is no single ‘magic bullet’ to take full advantage of the excellent agricultural marketing opportunities in Botswana, the AMS has identified a number of specific actions to be taken to support the development of proper agricultural markets, which take in produce from a wide range of agricultural producers and also deliver enhanced returns greater than would have otherwise been obtainable. These include interventions to explore options for value addition, as well as diversification.

The Strategy will embed the importance of development of, and consideration of, access to markets within the MoA. This is not to detract from the need for increased productivity at farm level. More training on marketing related issues, particularly for agricultural extension workers and for staff at the MoA, is also evidently needed.

A number of important regulatory changes are also taking place and which are likely to have a direct or indirect impact on the agricultural sector. There include current

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\[1\] For example, whilst Botswana has a great opportunity to produce more food increased production per se does not necessarily lead to enhanced livelihoods nor does it guarantee food security. The Government of Botswana is considering embarking on a number of large-scale agricultural development projects. An important one is the ‘Zambezi Project’ centred round the North West of Botswana where there is access to water for irrigating very extensive areas of land. Bringing into production such a large area of land could potentially have effects on the agricultural and food markets in Botswana. The potential effects of this development on the agricultural and food markets in Botswana will need to be carefully investigated.

\[2\] The NDP has highlighted the need “to transform education and extension services to be more responsive to markets” (more market driven than supply driven). Yet, there is evidence that training received by Government extension staff remains overwhelmingly production-led with little consideration for what happens to the improved agricultural output ex-farm, including where it will be sold, how it will be sold and who will buy; and whether the production will be profitable.
proposals for the commercialisation of the BMC. There is also a newly-formed Monopoly/Competition Commission. The lack of policy coherence with respect to Genetically Modified (GM) foods is also significant.

The AMS is intended to deliver a number of clear outcomes:

- Improved and more useful agricultural data and statistics on the costs, profitability and current market prices of agricultural production in the context of Botswana and the international climate.
- Stronger understanding by producers of the influence of the consumer on the agricultural value chain. This will help stimulate the effective demand for more Botswana agricultural products.
- Greater efficiency and effectiveness of the Parastatals. This is expected to lead to improved physical infrastructure for the marketing of agricultural products as well as improved trade opportunities, both domestically and internationally. By improving the contribution and reducing the off take from the value chain of the parastatals will improve the available profits to farmers.
- A better operating environment, including regulatory framework, for all key stakeholders involved in agricultural value chains leading to greater opportunities for enterprise diversification, including through value addition.
- Market driven and well informed policy making by the MoA.
- A more defined role for the MoA and in particular the DABP as well as other government agencies in possible interventions in the value chain.
- The MoA and DABP embed a culture of considering the commercial implications of their actions.
- Government action to improve the distribution system and infrastructure for agricultural development.
- Improved profits for farmers and producers of all sizes from the subsistence farmers with a surplus to sell through to large commercial farms. These profits will enable the farmers to re-invest and improve their production.

5. **JUSTIFICATION FOR THE STRATEGY**

Improved marketing\(^13\) is critical to the commercialisation of the agricultural sector in any country. Commercial agriculture needs marketing like any other industry. This is

\(^{13}\) Marketing remains a concept with many definitions. However, it can be thought of as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. In businesses this becomes the commercial processes involved in promoting and selling and distributing a product or service.

Fundamental to the concept of marketing is an understanding of the customer’s needs and finding ways of providing products and services that meet their demands. Marketing activity needs to incorporate these demands to communicate value and benefits, in order to build strong customer relationships and create value for customers and for producers. It is important that the marketing approach is applied throughout the entire integrated system. It therefore generates the strategy which underlies all areas of the process from sales techniques and business communication, to business development; at all times remembering to keep the customer’s needs central to all decisions.
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particularly critical in Botswana which urgently requires greater commercialisation of its agriculture. Good marketing can substantially enhance the price an agricultural producer obtains. It is also vital to effective cost management and increased sales (turnover). Agricultural marketing can help deliver the following:

- Improve the economic sustainability of the farm and agro-processing sector as a whole by raising the prices obtained for products by the full range of techniques including emphasising quality, precisely meeting customer demands and by branding.
- Improve the competitiveness of private sector businesses
- Improve the public administration role in providing a positive framework for the agricultural sector to attract investment particularly the information on which marketing decisions can be taken.
- Increase the proportion of national income provided by the agricultural sector.
- Increase the amount of farm income available for reinvestment in non-enterprise expenditure, including improved ability to meet food and welfare needs (e.g. education, health)
- Increase customer satisfaction by better meeting their needs, including through improved quality
- Create better business to customer relations by encouraging the producers and processors to be more orientated towards the needs of their customers.

The Agricultural Marketing Strategy (AMS) is focused on supporting those farmers who, to varying degrees, depend on the exchange and sale of agricultural produce on markets for all, or at least part, of their incomes as well as the subsistence farmers who believe that their livelihoods would be better enhanced by participation in formal agricultural markets.

The prospects for supporting already established commercial (i.e. professional or full-time farmers who earn most of their income from farming and it occupies the majority of their working time) are deemed to be fairly strong and there is already a good base on which to build. Indeed, there are a number of highly successful commercial farmers operating in Botswana particularly in the poultry, beef, arable and horticulture sectors, and there is scope for commercial farmer involvement in other sectors with potential growth opportunities such as small animals.

Enabling more farmers to make the transition from part-time agriculture to commercial farming, in a manner that generates realistic incomes to allow the farming family a reasonable standard of living is a significant challenge. Attempts to support this category of farmer are particularly difficult and should not be underestimated; many of these farmers are largely invisible to local institutions, including relevant government support services, as they do not carry out the normal systems of recording transactions.\(^\text{14}\)

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\(^\text{14}\) The risks of failure and financial loss by those moving into commercial farming with little or nothing raise a difficult issue. The consequences of a loss resulting from a failure can be catastrophic in a family with little or no food. Careful consideration therefore has to be given to the potential requirement for providing a ‘buffer’ in this situation.
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Notwithstanding the challenges highlighted above, for all categories of farmers in Botswana who are linked to markets to some degree, there are clear benefits to be derived from implementing the Agricultural Marketing Strategy.

6. PRIORITY SECTORS

There is much scope for improved commercialisation of agricultural products from a number of sectors that are of importance to the agricultural industry in Botswana. The opportunities for providing extra income by “adding value” in the food chain in particular are significant and potentially available. Whilst these opportunities are too diverse to examine in detail, a number of sectors have been identified by the key stakeholders\(^{15}\) to be the priority focus for the AMS.

Livestock Sector

Botswana has a significant cattle herd producing mainly beef and some milk for sale. Beef production is by far the most significant sub-sector of the Botswana agricultural economy, accounting for about 80% of its output by value. The need for greater commercialisation of the beef sector has consistently been articulated in a number of national policies and strategies. In particular, the Botswana Excellence Strategy (2008) highlights the priority to be given to deregulation and commercialisation of the livestock sector. The importance of beef production to the small producer cannot be underestimated – approximately 80% of cattle in private feedlots are deemed to come from traditional (small-scale) producers. At the same time Botswana beef, the country’s only significant agricultural export has been sold internationally for much less than the price that it should actually command. There is thus a strong need to strengthen the marketing efforts of the BMC particularly with respect to understanding what the various consumers in different countries will pay for and emphasis placed on maximising the yield from all the five quarters of a beef animal.

BMC has changed its buying policy and introduced new methods of purchasing and acquiring livestock including purchase of younger animals and subsequent feedlotting. The low prices on offer to cattle farmers led to a steady farmer reluctance to supply BMC over recent years. Whilst there are signs that recent changes (e.g. feedlot contracts with a number of private farms) have led to positive results and increased throughput. The future marketing of BMC will be critical to raise the prices that BMC obtains for its beef and to ensure diversified markets.

Apart from cattle production, other livestock sub-sectors of potential significance include the small ruminants (goats and sheep) as well as piggery. The small-ruminant sub-sector is, potentially, a major growth sector (market prices are substantially above that for beef) but the relevant infrastructure remains under-developed and potential new markets for producers have not been adequately exploited. There is a need to carry out market research and understand the specific market issues – such as the peak demand at Ramadan. There is at least one farm trialling the potential of

\(^{15}\) Specifically by the Reference Group.
a range of larger, exotic, goat breeds utilising feed from local range or pastures. Significantly, though, no market study has been undertaken to establish the demand for goat meat from larger breeds on the domestic market.

There is a potentially significant market for dairy products in Botswana. The current Foot and Mouth Disease outbreak in South Africa and the subsequent reduction in supplies have highlighted the reliance of Botswana on South African raw milk. However, in spite of direct government support (by way of 40% levy on imported UHT milk), the dairy sub-sector is facing a crisis, with many dairy farmers facing financial ruin. The opportunity for adding value within the dairy sub-sector is similarly limited by the availability of cheaper imports of dairy products (e.g. yoghurts) as well as the limitations imposed by the absence of essential skills (especially relating to hygiene, fodder production and husbandry) needed for this pursuing certain forms of diversification. The dairy sub-sector in Botswana is dominated by the three UHT processing plants in Gaborone which will need to diversify to a wider product range if the sector is to develop a strong processing capacity.

The Botswana poultry sector is in some ways one of the great marketing successes for Botswana in recent years. The sector is currently vibrant and healthy and there are 10 large producers of poultry\(^\text{16}\). From being a minority supplier to the Botswana market the local industry now supplies nearly all the non-specialist chicken to the Botswana market. This has been done despite the higher prices of feedstuffs\(^\text{17}\) in Botswana compared with those prevailing in South Africa. The industry has enjoyed significant GoB support - which has placed a ban on all imports of commodity chicken meat. As a result Botswana consumers have had to pay approximately 150% higher than the import parity price.

There is a likelihood that the restriction on the importation of mainstream chicken products is likely to come under pressure from the supra-national bodies regulating trade. Such a change would greatly affect the industry and it would be prudent for any changes to the existing regime to be introduced slowly to allow time to adapt to the change.

The non-tariff barriers (NTBs) on feed as applied in Botswana put the chicken industry at a comparative disadvantage to South Africa. Thus part of the additional cost to consumers of chicken meat is passed onto to the grain industry. Pricing figures supplied by BAMB do not suggest that this money is passed on to farmers but is retained in that part of the value chain operated by BAMB.

\(^{16}\) For example there is an association of poultry farmers, the Botswana Poultry Producers Association (BPA. It does not engage in any trading activities. The Botswana Poultry Association was formed in 1996 to create a liaison structure between producers as a whole and the government), and has approximately 100 members. The main poultry producers include Tsawna Pride\(^\text{15}\), Goodwill Chicken, DikokoTsa Botswana, Molepp Poultry, Bobbies’s Chicken, Oistins, Richmark Poultry, Medina Chickens, Chicken Zone, and Motherwell Chickens. A small number of these dominate the supply to supermarkets.

\(^{17}\) These higher prices are in part caused by the quantitative import restrictions on the importation of coarse grains for animal feeding leading to a substantial premium for animal feedstuffs in Botswana.
Horticulture and Fruit Sector

The commercial horticultural industry in Botswana has grown significantly in the last decade and continues to grow. The principal products involved are fruit (e.g. watermelons) and vegetables (e.g. potatoes, onions, tomatoes, butternut, carrots and cabbage), although there are plans afoot to explore flower production in the vicinity of the Zambezi River. Currently no processing of horticultural products takes place in Botswana.

Whilst the Botswana horticultural industry is quite unusual in Botswana terms in that it is largely able to compete on a price basis with identical products from South Africa, and also benefits from some government protection by way of border closures, the industry remains vulnerable. Unlike several other sectors, the prices of domestic horticultural produce have witnessed a significant level of stability. However, many traders and retailers continue to exhibit a preference for supplies from South Africa on account of the logistics (e.g. access to single mixed loads) and the long-established relations that have been built up with producers in that country including regarding reliability of supply. The importance of consumer perception regarding the perceived higher quality of horticultural produce from South Africa relative to domestically sourced produce should also not be underestimated. The latter has implications for the effectiveness of the current system for instigating a border closure which, apart from being initiated by lobbying by producers, is wholly based on estimates of domestic production and demand without taking into account quality considerations. These estimates of production and demand are limited in their accuracy.

For the small-holder producer of horticultural products, the challenges are considerable. A lack of marketing skills and information lends them more susceptible to the aggressive buying practices of traders and the retailers. They are also faced with the challenge of selling into the Botswana Horticultural Market (in Gaborone), including lack of cash payment option at the gate by the BHM.

Cereals Sector

In Botswana cereals are not produced on the scale that might be possible. They produce lower margins than the more specialised crops and animals. However cereals\(^\text{18}\) are the base of much agricultural production. They are an essential component of human diet and are the base on which much animal production is based.

Cereals are core to the food base of subsistence non nomadic farmers. They yield large quantities of carbohydrates and protein for the least inputs and can be grown on small scale plots. Grains alone are sufficient for a limited survival diet for subsistence farmers. They can be “gardened“ by small farmers with hand weeding taking a significant role. Also in the light low plant population crops are less susceptible to fungus attacks. Harvesting can be carried out by hand. This makes

\(^{18}\) The range of crops grown are: Sorghum, Millet, White Maize, Yellow Maize, Sunflower, Groundnuts, Tswana Cowpeas, Black-Eye Beans, White Haricots, Jugo Beans, Tepary Beans, China Peas
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cereals a useful entry point for farmers who are far from markets to which they can supply short shelf life products.

The internal trade for grains is dominated by the requirement that milled grains must contain a stated proportion of Botswana grown grains – Stat. Instrument No.66 of 2004 states that "any applicant for (an) import permit for maize meal, rice, maize or animal feed for poultry and livestock shall be required to purchase at least 70 percent of the requirements locally and the remainder can be imported".

Cereals are different from other sectors in the effect of increasing the scale of a farming operation upon the needs and profitability of the sector. When scaled up however a completely different approach has to be taken. The use of herbicides, fungicides and insecticides becomes important and almost essential. Mechanised cultivation and harvesting is essential and complex expensive post harvest storage systems are essential. Thus whilst cereals can be grown on a small scale with virtually no capital investment, the capital investment in large scale production is very large - widely calculated to be around 10,000 pula a hectare.

There is considerable opportunity to expand the production of cereals particularly in the North of Botswana. ISPAAD has been designed to assist small producers with support for physical operations.

The industry is dominated by BAMB who are the main market price setters. There are no other agencies reporting prices. It is only by approaching individual buyers that prices can be obtained. For all practical purposes the prices of South Africa – SAFEX- plus transport can be used.

BAMB predict that it is possible for small farmers to yield 40 bags/ha. This is about one tonne per hectare – still a remarkably low yield. The buying practices of BAMB, although subject to comment, greatly assist the small producers.

The costs of production among Botswana farmers are higher than those in South Africa. The high cost of production is mainly due to the fact that specialist production inputs, other than land and labour, are imported mainly from South Africa. Approximate calculations by the consultancy suggest that the additional costs of importing the specialist inputs may be somewhat offset by the lower cost of land in Botswana.

A serious challenge in Botswana is lower yields of maize in Botswana. South Africa producers obtain yields of about 4 T/ha while Botswana farmers reach an average of 2 T/Ha. However, exceptional cases are those farmers in the Pandamatenga area who do reach about the same or more tonnage yield per hectare as do the South African farmers. This is due to good rainfall (600mm) and good soils in those areas. In these areas of high rainfall, maize does not grow well. Maize does grow very well in the Southern regions where rainfall is lower.

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19BAMB data and personal communication in South Africa.
7. PRIMACY OF THE ROLE OF THE PARASTATALS

There have been attempts to create formal agricultural markets in Botswana in the past but these are evidently not working well. The ‘Parastatals’ are clearly an essential element of the agricultural marketing system in Botswana. They are key players in the value chain for a number of agricultural products of particular importance to small farmers and could have a significant positive effect on small farmer livelihoods.

The limitations of the Parastatals are, however, evident across a number of sectors, including one of the most important of all - the beef sector, where the BMC has a monopoly over the export of beef20 from the country.

*Botswana Meat Commission (BMC)*

BMC has a significant role in assisting the commercialisation of agriculture by providing a clear and transparent market for live beef. The beef market is open and available to farmers of all sizes. Unfortunately, BMC has had a very poor record on marketing. This is typified by the weakness of the ECCO corned beef against competition from Namibia/South Africa (e.g. the Namibian Texan products dominate the retail shelf space)

BMC is recognised as producing good quality products, which are also halal. It should therefore take better advantage of its place in the market. Meetings with wholesale meat purchasers in the UK indicate that the meat can be sold at up to £3.00 a kilo more (30pula a kilo) than is currently being obtained. This could increase the income to BMC by over 100 million pula a year. This could increase farmer’s income and provide the money for investment in upgrading the capital equipment within the company.

There needs to be an immediate emphasis on improving the marketing of the beef products of BMC. This will require an examination of the sales and marketing operation in the UK with outsourcing and reallocation of roles. In addition new international distributors both distant and regional should be found in order to widen the sales base, with the goal of no market taking more than a 25% share of the sales.

*Botswana Agricultural Marketing Board (BAMB)*

BAMB is owned by Government but conducts its marketing independently. BAMB offers pre-harvest contracts to farmers guaranteeing a minimum price for crops, allowing small farmers to effectively sell forward which is an opportunity not normally available to a small farmer.

The buying prices for grains change on a monthly basis. BAMB uses the SAFEX pricing as a base. The pricing method takes the SAFEX price, adds transport costs and from that figure is subtracted 17% (2% for loss). This price is offered forward to the expected harvest date and is in effect offering farmers a forward contract with the risks and benefits normally associated with such contracts. BAMB is usually the

20 The monopoly arises from the right of BMC to have a say in the start up of any other business exporting beef.
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farmers’ last resort to sell their grain produce. This is because they find that the market generally pays them more than BAMB and farmers only go to BAMB when the market prices fall to less than that of BAMB as a result of market changes. They know that BAMB is a safety net and will buy their products regardless of issues of quality or quantity.

BAMB fixes the margin between buying and selling prices upon some undefined “fair” system. The declared producer prices on its website have not been updated since September 2009. The margins that it takes between buyer and seller are excessive and exceed industry norms for this type of trading and should be examined.

**Botswana Horticultural Market (BHM)**

The Ministry of Agriculture is a Board Member of the BHM. BHM (Gaborone) was established to encourage horticultural production through the provision of a central marketing facility. There are two similar but smaller buildings in Labotse and Francistown which are not operating. A fourth market, located in Shakawe, North-West District, is also not operational with farmers preferring to take their produce elsewhere, including to Maun.

The Gaborone market has substantial cold rooms and is the largest in Botswana with a floor space of 9800 sq.mt but it is currently underutilised. The main constraints on its use are poor quality of some supplied produce and lack of support from buyers.

BHM has a clear and significant role in the commercialisation of agriculture in Botswana. However, the BHM urgently needs to improve its efficiency of operation by reducing unnecessary staff, allowing tenants to occupy surplus buildings, consider paying for small quantities supplied by small famers in cash on arrival and widening its appeal to buyers by strong promotion. The provision of a market where a farmer can sell his/her produce at a fair price is an essential forward step.

**National Food Technology Research Centre (NFTRC)**

NFTRC is an essential organisation in order to encourage value addition and enhance incomes of farmers and producers. The current funding of NFTRC is sufficient for it to become a major player in the value chain and it has good development and food testing facilities. However, there appears to be little appreciation of the importance of focusing on local market needs.

NFTRC could help develop some of the existing technologies and food processing systems from across the World, particularly the simpler and cost efficient methods, and devising methods to adapt them to the local situation in Botswana and to the local market. If NFTRC are to take their essential place in the commercialisation of agriculture in Botswana it will be essential for them to meet the more limited goals of providing opportunities for added value.

**Local Enterprise Authority (LEA)**

LEA was established in 2004 and provides a range of business advisory and training to micro, small and medium sized enterprises (MSMEs). The majority of LEA clients are in the agriculture sector and it has focussed its interventions on the leather,
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horticulture, dairy and piggery sub-sectors. LEA is also a member of the Technical Committee of the Ministry of Agriculture which seeks to co-ordinate efforts between government agencies and parastatals operating in the agricultural sector.

LEA has an important role to play in the commercialisation of the agricultural sector by promoting value chain analyses as well as by emphasising the need for the collection and sharing of more reliable data on which more realistic business plans are developed. It also has a key role in raising the commercial acumen of MSMEs operating in the agricultural sector through the training and advisory services it provides and which may subsequently be identified as warranting financial support from CEDA. More collaborative training programmes involving BCA are also needed to strengthen LEA advisory services in the four sub-sectors identified for support.

Citizens Enterprise Development Authority (CEDA)

CEDA specializes in the provision of loans to farmers at a fixed concessionary rate (currently 7%) per annum. CEDA works in close cooperation with LEA.

CEDA has an important role in the commercialisation of the agricultural sector by meeting the financial, including working capital, needs of farmers and others agricultural-related services. In addition to finance for the acquisition of production-related inputs there is a need for finance to support processing activities including acquisition of relevant packaging materials. CEDA also has a role to play in the development of strong viable associations and cooperatives by ensuring that they are adequately supported and operate in a more financially sustainable manner.

8. CRITICAL ROLE OF MINISTRY OF AGRICULTURE

The MoA is a key player in the agricultural sector and is involved in the provision of marketing information, the conduct of market research and market intelligence, the development of marketing networks, the provision of advisory services and the provisioning of marketing infrastructure. Two sections of MoA are particularly important to promoting a more market-led approach within the Botswana agricultural sector -these are the Department of Agricultural Extension Services and the Department of Agribusiness Promotions (DABP).

Department of Extension Services (DES)

The Extension Service Department of the MoA is essentially a facilitating and co-ordinating department; the extension officers are directly employed by the Crop Production and Animal Production Departments, who have staff working in the field numbering approximately 270 and 240 respectively. This compares with a total complement on the MoA staff of 8,000. The extension staff have mostly been trained at BCA by way of courses which are mainly theoretical and with an estimated practical content of only 5%. This has led to substantial limitations in the capacity of the extension staff to deliver effective practical advice and help to real farmers, particularly in the context of marketing.

The Extension Service Department is responsible for five training centres in Maun, Francistown, Mahalapye, Gaborone and a Southern training centre. The training provided in these centres is very limited. Little consideration is given to the marketing of the produce that farmers have been encouraged to generate. There is a
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clear need to develop and encourage a more market-led approach through the extension services. For example, meetings with horticultural traders revealed several market gaps/opportunities.  

Department of Agribusiness Promotion (DABP)
The DABP was founded in 2008 and consists of four main divisions: Division of Agricultural Marketing; Agricultural Trade Division; Division of Farm Management; and Division of Agricultural Cooperative. The objective of DABP is to promote a more commercial, diversified, sustainable and competitive agriculture sector through business skills transfer, market access negotiations and promotion of agricultural cooperatives and associations.

Some of the key market-related activities currently being undertaken by DABP include:

- Border Closures. The DABP is an important representative of the National Horticultural Producers and Traders Committee of Botswana which initiates border closures. DABP is also responsible for producing estimates of consumption of horticultural products.
- Provision of market information. DABP has produced a monthly price bulletin since 2009.
- Import Permit Records. DABP maintains a record of import permits issued
- Agricultural Cooperatives. DABP provides a service to examine the validity of the constitutions of Co-operatives.

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21 For example, all producers currently focus on green peppers, although the traders and buyers estimate that there is a market for red and yellow peppers at about 10% of the green pepper market – comment made during the Second Reference Group meeting by a large horticultural trader.
22 This division is responsible for analysing, formulating and implementing agricultural marketing policies and regulations. This includes among other things, providing marketing information, developing marketing networks and channels, and conducting market research and intelligence.
23 This division is responsible for analysing, formulating and implementing agricultural marketing policies and regulations. This includes among other things, providing marketing information, developing marketing networks and channels, and conducting market research and intelligence.
24 Division of Cooperatives is responsible for analysing, formulating, and implementing agricultural cooperative policies. These include registering, auditing and inspecting agricultural cooperatives and to monitoring performance of these entities.
25 A Discussion Paper on Border Closures was produced by Dr Jim Barnard in January 2011.
26 Some suggestions for improving the Bulletin were provided to DABP by Dr Jim Barnard including the following:
   a) Clear labeling of UoM
   Consistent UoM in order to provide standard presentation if appropriate in line with international standards
   b) Provide price data in the following format: Min<Mean<Max
   c) Provide information on % change in price compared to previous months
   d) Include an average price for the whole of Botswana (consider if data is sufficient to provide a weighted average)
   e) Provide a price for comparison to South Africa
   f) Include retail and wholesale prices where appropriate
   g) Each month feature a product (possibly one in season) and provide price trends for the previous 12 months
27 However, there is little activity by DABP in the key area of functionality of the Co-operatives. Also little or no information is held by DABP on the real and useful function of co-operatives.
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The Agricultural Marketing Strategy has identified a key role for DABP in taking forward a number of interventions that directly, or indirectly, seek to:

a) Deliver more open and improved access to markets for low value raw primary products
b) Encourage producers to add value to their raw products
c) Provide training and offer support for facilities for the above.

9. STRATEGY IMPLEMENTATION

The Agricultural Marketing Strategy is to be implemented over a five year period (2011 – 2016).

The AMS has identified twelve (12) intervention areas in which DABP is expected to play a significant role to enhance both the ex-farm value of produce by improved marketing and also includes options for added value and diversification. Three of the twelve intervention areas are considered as top priorities – as identified by senior management in MoA and based on consideration of the importance of the sectors and their assessment of the current implementation capacity of the DABP.

The twelve intervention areas are set out in Table 1 together with priority actions to be pursued and the milestones agreed with DABP to be used to monitor progress with implementation.

*Improved Farm Production Costings (High Priority)*

There is a need to create a more-market-led industry based on policies and strategic interventions informed by relevant quality data, sound costings and good market intelligence (e.g. price and standards. Effective and real costings of farm production are also essential to assessing the economics and potential viability of most enterprises. These are virtually entirely lacking in Botswana. All agricultural marketing systems require these as a first point of reference when considering a new enterprise or combination of enterprises.

Therefore, as an initial step, the DABP will:

- Establish base costings for the top twenty agricultural products in various sectors and assess the base costings against real farm figures to refine the costings.
- Obtain production figures for the twenty products from as many commercial and small scale farmers as possible.
- Obtain consumption figures for the top twenty products from the sources of import figures and home production.

*Press for a more positive image for Botswana Agricultural Produce (High Priority)*

Botswana consumers are relatively sophisticated in their buying habits. This has been developed as a result of a national provision of a range of well-stocked supermarkets and other stores. However, it is clear from observation and
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consultations that the population of Botswana have a low opinion of the agricultural products that come from their own country.

It seems that in the past, the quality of agricultural products from Botswana may have been substandard. However, the quality of products has significantly improved recently, and is now equal to or superior to the products from other countries particularly South Africa. Despite this, the feeling that the Botswana products are inferior to products from abroad, (particularly from South Africa) seems to have remained in the minds of the general population. This has had an extremely detrimental effect on the buying habits of the Botswana population, with regard to purchasing products from Botswana.

DABP will encourage a better image for a range of local agricultural products by:

• Promoting trade and agricultural shows at which Botswana is represented
• Promoting the use of Information Registers - highlighting potential opportunities for high value products, export opportunities, value addition and niche products.
• Considering the merit of applying for a bar code specifically for Botswana and examine the possibility of enforceable country of origin marking.

Improved Data Capture and Handling (Top Priority)

There is little data and information available on the agricultural and food sector in Botswana. What information that has been collected and collated is often ‘solely owned’ by the agencies which carried out the work and is therefore often not shared outside the relevant agency. As a consequence, even though they may have a common objective, data recorded by different parties may be replicated or may differ due to a lack of coordinated information systems. To add to the problems, agencies’ computerization, networking facilities and capabilities are at differing stages of development and are often incompatible. Inevitably, duplication of the limited data collecting activities has occurred even within the MoA. Last but not least, poor or non-existent dissemination occurs due to the ‘sole proprietor’ mentality among agencies. There is currently a large number of field-based staff and it is important that the capacities of these staff are fully utilised.

DABP will work to improve its data collection and handling possibilities by:

• Undertaking a review of the potential role that could be played by “out-station staff”, including extension services, and assessment of their ability to collect relevant data on as economic a basis as possible.
• Working to link the resources available across the government and in particular the MoA to capture and process and disseminate relevant agricultural data.
• Developing a relationship with CSO to share data capture, processing and dissemination with particular reference to the CSO price survey.
• Considering the use of TV promotion more effectively including the use of a moving script (“strap line”) on BTV with price and market data.
• Improving the Import Permit Recording System. There is a need to move from the existing manual based system to a simple computerised based system for recording and keeping track of import permits.
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**BCA support for market orientated training {High Priority}**

The BCA, a constituent institution of University of Botswana (UB), is the principal training establishment for agricultural training in Botswana. It is dominant in its position in training extension workers.

BCA should take a strong place in the commercialisation of agriculture and develop a curriculum that will carry out suitable training in marketing to extend their current successful activities. Extending the marketing training offered by BCA to external students, including mature students, would be a particularly helpful.

DABP will encourage and support BCA to develop a curriculum that will carry out suitable training in marketing to extend their current successful activities by:

- Ensuring that this training is made more widely available and promoted to areas of the agricultural industry in need of capacity building.
- Encouraging the extension services to make use of these courses on a part-time basis.

**Value Addition to Farm Products {Top Priority}**

Value addition is a route for farmers to improve their incomes. This can be done by strategies to emphasise or enhance the quality and value of agricultural products, thereby raising the product above the basic ‘commodity’ level. This can include projects to raise the quality of production to meet market needs and ensure consistency, the formation or development of collaborative groups to market quality products, consumer quality assurance schemes, production of speciality foods, establishing farmers’ markets, regional or local branding of foodstuffs, and other similar strategies. This will narrow the margins in the value chain between the producer and the consumer. For those producers that are interested and have the skills to diversify into value addition, new opportunities should be freely available and development encouraged.

Farmers can be encouraged to move up the value chain nearer the consumer as far as possible to obtain greater yield for their businesses. Participants further up the value chain frequently make higher margins, and make better return on capital invested.

This will require significant improvement of skills and capacity building within the DABP to assist those farmers and producers who would like to undertake value addition. It is important that this extends to those who meet and advise farmers, and any strategy needs to be further promoted through the mass media.

DABP will raise the skills and knowledge of key staff in DABP, including extension services, to better advise and assist those farmers and producers that would like to undertake value addition.

DABP will encourage the development of added-value products where this is informed by clear commercial benefit in the value chain for Botswana farmers by:

- Working more closely with NFTRC to explore new niche market opportunities to develop and promote them with a register available to potential investors.
Botswana Agricultural Marketing Strategy (2011-2016)

- Working with NFTRC to develop a pragmatic approach to adapting existing systems of value addition to the local situation in Botswana.
- Promoting local produce through the mass media.
- Examining the options for the production of speciality high value produce (particularly fruit and vegetables) and linking this to export to provide a large enough customer base to justify the investment.

More Effective Infrastructure Interventions {Top Priority}

GoB has made some significant and potentially valuable physical infrastructural interventions in the value chain. These interventions have had varying degrees of success. The DABP will have a role in selecting suitable market interventions. When making an intervention the DABP should consider the effects on the value chain as a whole. In order to do this DABP will require significant investment in capacity building. This investment will achieve gains by the MoA, making substantial savings on difficult projects. The agricultural industry will gain by better, more effective and well targeted interventions.

Physical interventions should be thoroughly investigated prior to investment with a ruthless economic, practical and commercial approach and measured against this agricultural marketing strategy. When an intervention has been made, the management of the new operation must embrace pro-active marketing of their facility and tight control on costs.

For example there are four horticultural markets in Botswana owned by the GoB. One is in Gaborone, three outside Gaborone in Francistown and Labotse and Shakawe in the North West District. These are excellent facilities but need the impetus of good management which will almost certainly come from the private sector.

DABP will assist the MoA to examine the effectiveness of existing interventions in the market value chain by:

- Reviewing the current interventions by the MoA in terms of their cost effectiveness and delivery.
- Endeavouring to ensure that interventions to provide infrastructure are effective and both targeted correctly and directed effectively.
- Ensuring that the established routes to market for agricultural products are enhanced, by ensuring that the government sponsored interventions fit correctly into the value chain and are supported by the participants close to the intervention.
- Reviewing options for establishing “green markets” of the type common in the rest of Africa for the selling of fresh produce. These would probably be

---

28 These include “communal” loading ramps for cattle.
29 The BHM has been more problematic to establish. This intervention has failed to link correctly with the upstream and downstream flows of fruit and vegetables. [As well as suffering from waste of resources]. The other horticultural markets and cattle markets have similarly struggled.
30 These are typically state, municipal or town areas leased to sellers. They are well located in towns. These are being used in Europe for the sale of produce direct from farms. At the moment in Botswana there are some people selling from Bakkies. These green markets will become more important as the range of produce from
Botswana Agricultural Marketing Strategy (2011-2016)

state or municipal owned. Consider options for “bulking up” products for transport (e.g. by reviewing the model used in Namibia for small animals)
• Considering the options for additional small stock slaughter facilities.

Improving the Parastatals (High Priority)
Investigation of the activities of the parastatals suggests that they are not operating as they were intended that is to enhance the incomes of farmer producers. In the case of BAMB it is suggested that they are taking excessive margins between their price in purchasing from farms and subsequently selling to users, mostly millers. This is done at the expense of producers and users of grain. BMC has a poor national and international marketing programme leading to substantial loss to the whole value chain. This has resulted in poorer prices to farmers than could have been paid and reduced the availability of money to re-invest in the infrastructure that supports the whole value chain leading to the potentially valuable exports. The recent closure of the system of beef exports as a result of not maintaining the standards required by the EU (from January 2011 to date, May 2011) can be attributed to the failure of the marketing programme to yield the money to maintain an efficient system that complies with the regulations required by the purchasers.

DABP will work with relevant Divisions of the MoA and the ‘Hub’, to guide the marketing policies of the parastatals to become more effective. DABP will also support the BMC and BAMB, along with LEA and CEDA, in becoming more effective in their respective roles in enhancing agricultural value chains by:

• Regularly providing a review of the effectiveness of the marketing of BMC.
• Pressing for release of comparative price data on the commodities handled by the parastatal.
• Establishing a committee to oversee the policy of the pricing of grains by BAMB
• Reviewing the options for the BHM, including:
  ➢ Consider the role of wholesalers and review the options for direct payment on arrival for small producers.
  ➢ Consider the benefits and risks of value addition in the market.
  ➢ Consider restructuring the company and redefine the mandate as well as roles of management, the board and other key stakeholders.
  ➢ Consider the role of ensuring that large farms who dominate certain sectors of production do not use that position to supply low quality produce and effectively force acceptance of it into the market.

Strengthening of DABP (High Priority)
There will be a significant need for training the staff of the DABP to meet these needs. This training can to some extent be delivered from within Botswana, and there are many remote learning courses available on-line that can be done from in

Botswana extends. There is there is the possibility of using the BHM in Gaborone as such a market but it is not well located.
Botswana Agricultural Marketing Strategy (2011-2016)

country. Some of the training may require travel to other locations, such as South Africa, for periods for specialist training.

There is also a need for a personal development programme for the DABP. Staff should be encouraged in the concepts of “self-development”. The Directorate of Public Service Management has only earmarked training for the DABP as an MSc in Agricultural Business Management/Economics and a BSc in Agricultural Economics for the year 2011/12. A wider range of training should be considered and should include specialist courses in marketing.

A significant increase in the training budget will therefore be required. Additionally there are many remote learning courses available on-line that can be implemented from in-country study.

DABP will improve the level of market oriented training received by its own staff and others in the MoA, in particular the extension services, by:

• Establishing a clear training programme for staff in the DABP based upon clearly defined needs.
• Developing a programme of lectures to be held in the MoA on marketing issues.
• Promoting the adoption of modern means of communication, particularly the use of the internet and automated SMS for disseminating market data and information.

Clusters, Agricultural Management Associations or Co-operatives {High Priority}

There is a need for stronger farmer associations, at different levels, in the piggery and other priority sectors. Agricultural Management Associations or Co-operatives have a low success rate and no examples of good success have been identified. Strong and well guided trade associations will also need to be a key reference point for the Ministry of Agriculture. The commercial horticulture, beef (and now the small animal) sectors have a number of established associations.

The absence of organised groups or co-operatives or clusters means that the Botswana producers face the issue of marketing alone with little or no group support. Most are so small that this places a burden on them and often means obtaining a low price.

DABP will continue to promote the formation of successful marketing co-operatives by:

• Promoting the concept of clusters, Agricultural Management Associations or Co-operatives in the mind of the general farming community (e.g. using press releases, rallies and appropriate meetings) to enable small farmers to have access to markets and will liaise with LEA on the development of clusters.
• Continuing to encourage MoA policy to enhance grant support for Agricultural Management Associations or Co-operatives.
• Examining the options for developing the national or local associations such as the BHC, the Beef Association or the Dairy group into National co-operatives.
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- Monitoring Agricultural Management Associations or Co-operatives to ensure good governance and develop a programme of mentoring for existing groups.
- Considering options for the removal of the negative image of co-operatives by promotion, Public Relations, Press Releases or presentations or examples.

Support to Small Farmer Development {High Priority}

In Botswana, as in most African countries, agriculture is typified by producers of very varied types and sizes. There are a large number of subsistence farmers who produce food to feed themselves and their family. These may rise out of poverty if they can produce and sell a surplus of their production.

This category of farmers forms a special case, with special needs. The conventional view is to support these farmers with grants and subsidies. This approach is valid and can produce benefits. However the possibilities for any small subsistence farmer wishing to move into the cash economy by way of sale of surplus produce will be enhanced by the availability of better market information and support that is well targeted to ensure economically sustainable production for an undersupplied home market and ultimately enhance the opportunities for export.

DABP will actively support the development of small farmers with a view to raising the incomes of smaller and subsistence farmers by improving routes to market and marketing in general by:

- Giving consideration to the likely impact of providing tax concessions and other benefits to larger firms and supermarkets to procure poultry from domestic Botswana smallholders.
- Ensuring a smallholder marketing program is properly funded to assist smallholders to develop direct co-operative links to supermarkets though further consideration should be given to the modalities in light of the failed earlier attempts.
- Giving consideration to the likely impact of imposing a levy on imports to be used to develop the small-holder marketing plan.

Reduce Barriers to Trade {High Priority}

There are significant concerns about whether existing trade barriers, including quantitative restrictions and outright import bans, are fostering local Botswana agricultural sectors as they were intended to do when first introduced. It is certain that the dairy producers do not make any gain from the tariff barrier on UHT milk as the price received by producers in Botswana is the same or lower than in South Africa. In the case of chicken price data shows that chicken in Botswana is priced at a figure over 50% higher than in South Africa whereas the price of beef is significantly lower in Gaborone than in neighbouring countries. The “occasional” border closures for horticultural (including fruit) products have certainly advanced the sector in recent years. The operation of these closures however results in significant market disruptions. This system needs urgent review. The operation of the import permit system needs computerising to improve its efficiency and the opportunity for data capture.
Botswana Agricultural Marketing Strategy (2011-2016)

DABP will use baseline information on NTBs (including Import Controls on Fruit and Vegetables) and tariff barriers to pursue a reduction in barriers to trade except where there is a clearly demonstrable need by:

- Formally reviewing all relevant trade barriers on a regular basis, including assessment of clear justification for and determine whether the need justifies the barrier remaining.
- Assessing the effects of NTBs on the market for agricultural produce and the effects of the NTBs upon the intended beneficiaries.
- Working with the appropriate authorities to reduce the application of trade protection measures both domestically and internationally. This reduction to be carried out in a manner to minimise the disruption and effects upon the agricultural value chains.
- Working with the competition authorities to ensure that fair trading exists as far as possible.
- Providing notification on border closures well in advance based upon historic data, with adjustment to allow for current conditions.
- Using computer systems to issue the import permits\(^\text{31}\). This will reduce staff time and allow fast and accurate collection of data. Permits should only be issued for quantities that are actually going to be imported.
- Undertaking an analysis of the effects of the border closures on pricing should be carried out all possible options should be considered.
- Encouraging producers to spread the seasonality of their cropping so as to provide more at earlier and later times and less at the peak season.
- Examining alternative systems successfully operated in other countries.

**Improved Consumer Representation (High Priority)**

The key stakeholders in the value chain are those who buy the produce. It is their cash which drives the production and the whole value chain. The finance and cash in the value chain from the consumers exceeds that from all other investors and government sources. Consistent with the market-driven approach pursued in the AMS their needs are deemed to take centre stage.

DABP will foster initiatives to provide an improved structure for consumer representation by:

- Examining current initiatives on consumer representation.
- Establishing a list of those bodies on which consumer representation would be useful or essential.
- Supporting the creation of a small properly and formally constituted committee to which all interested parties can lobby, allowing a buy-in from the stakeholders.
- Establish better data collection and analysis systems – see note above on involving the stakeholders. This will not only provide better data on which to

\(^{31}\) The computerisation should be extended to all permit systems operated by the DABP.
base decisions about border closures but will also establish the efficacy of the current system.
## Table 1: Key Intervention Areas with defined DABP Roles, Indicators and Milestones

<table>
<thead>
<tr>
<th>KEY INTERVENTION AREA</th>
<th>DABP ACTIVITY</th>
<th>RESULTS</th>
<th>MILESTONES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Improve Farm Production Costings</td>
<td>i) Establish base farm costings and compare these with real farm (for refinement)</td>
<td>i) Farmers have improved understanding and ability to reduce costs, including production and marketing costs.</td>
<td>MoA publications issued monthly and MoA website updated monthly Relevant data (base costings etc.) for top twenty agricultural products produced by 31 March 2016.</td>
</tr>
<tr>
<td>Indicators:</td>
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<td></td>
</tr>
<tr>
<td>i) Base costings</td>
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<tr>
<td>ii) Production figures</td>
<td>Update MoA website with relevant agricultural production data and other</td>
<td>i) Data on agriculture available freely to users, the public and the international community</td>
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<tr>
<td>iii) Consumption figures</td>
<td>Prepare relevant MoA publications and web-based material.</td>
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</tr>
<tr>
<td>2. Improve Data Capture and Handling</td>
<td>Establish better data collection and analysis systems.</td>
<td>i) Small farmers better informed of market opportunities and pricing.</td>
<td>Review of potential of MoA ‘outstation’ staff to collect relevant data on economic basis undertaken by 31 March 2016.</td>
</tr>
<tr>
<td>Indicators:</td>
<td>Establish better data collection and analysis systems.</td>
<td>i) Import Permit Recording System improved.</td>
<td>Computerisation of existing DABP recording system by and that of Customs by 31 March 2016.</td>
</tr>
<tr>
<td>i) Frequency of MoA publications containing relevant data pertaining to</td>
<td>Establish better data collection and analysis systems.</td>
<td></td>
<td></td>
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<tr>
<td>ii) Speed of MoA response to requests for relevant data and information.</td>
<td>Establish better data collection and analysis systems.</td>
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## Botswana Agricultural Marketing Strategy (2011-2016)

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<tr>
<td>Improve relations with other public sector custodians of relevant data and information (e.g. CSO price survey).</td>
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<td><strong>3. More Positive Image for Botswana Agricultural Produce</strong></td>
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<tr>
<td>Indicators:</td>
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<tr>
<td>i) Number of agricultural trade shows in which Botswana represented.</td>
<td>Promotion of regular and effective trade shows.</td>
<td>i. Trade shows featuring Botswana agricultural produce actively being promoted.</td>
<td>1 National trade show held in 2011 and each year thereafter</td>
</tr>
<tr>
<td>ii) Increase in farm incomes from local sales.</td>
<td>Promotion of Information Registers. Explore value of application for bar code for Botswana.</td>
<td>ii. More Botswana products available to general public in shops and stores in Botswana</td>
<td>Botswana representation at one international trade show in 2012 and each year thereafter.</td>
</tr>
<tr>
<td>iii) Number of adverts in local media (including newspapers and radio) for Botswana produce.</td>
<td>Conduct consumer/attitude surveys. Encourage BEDIA to improve advertising with respect to local food and agricultural produce in trade shows.</td>
<td>iii. Botswana produce is well displayed and promoted.</td>
<td>BEDIA commissions cost/benefit analysis of independent bar code for Botswana by 31 March 2016.</td>
</tr>
<tr>
<td>iv) Changes in consumer attitudes</td>
<td></td>
<td></td>
<td>Consumer survey conducted by 31 March 2016.</td>
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## Botswana Agricultural Marketing Strategy (2011-2016)

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<tbody>
<tr>
<td><strong>4. Strengthen BCA Training</strong></td>
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<tr>
<td>Indicators:</td>
<td></td>
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</tr>
<tr>
<td>i) No. of market-related courses on offer by BCA</td>
<td>Support BCA to develop a curriculum that will deliver suitable training in marketing.</td>
<td>i) Capacity of extension services in the delivery of advice on value addition increased.</td>
<td>BCA marketing training extended to external students, including mature students, by 31 March 2016.</td>
</tr>
<tr>
<td>ii) Simple manuals and guidelines for handling of agricultural produce</td>
<td>Raise the skills and knowledge of DABP staff to better advise farmers and producers interested in value addition.</td>
<td>ii) Relevant training more widely available to agricultural industry.</td>
<td></td>
</tr>
<tr>
<td>iii) No. of extension workers undertaking part-time courses</td>
<td>Promote provision of training more widely and to relevant areas of the agricultural industry.</td>
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<tr>
<td><strong>5. Reducing Barriers to Trade</strong></td>
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<tr>
<td>Indicators:</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>i) Decrease in number and length of border closures</td>
<td>Review all relevant trade barriers on a regular basis, including assessment of clear justification for continuation.</td>
<td>i) Decisions on border closures informed by relevant data and notified in advance.</td>
<td>New Committee on border closures constituted by 31 March 2016.</td>
</tr>
<tr>
<td>ii) Increase in accuracy of Import Permits</td>
<td>Work with competition authorities and other appropriate authorities to ensure fair trading exists as far as possible and to reduce the application of trade protection measures.</td>
<td>ii) Import permits issued mirror quantities actually imported.</td>
<td>Analysis of the effects of border closures on pricing of fruit and vegetables undertaken by 31 March 2016.</td>
</tr>
<tr>
<td>iii) Spread in seasonality of cropping patterns</td>
<td></td>
<td>iii) Quality standards for local products improved</td>
<td></td>
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</tbody>
</table>
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</thead>
<tbody>
<tr>
<td>6. Dedicated support to small farmers</td>
<td>Promote good agricultural practice and good manufacturing practice. Consider more effective use of TV (e.g. “strap line” with price and market data) to promote trade opportunities.</td>
<td>i) Devise programme of assistance to assist smallholders, including potential to develop cooperative links to supermarkets. ii) Explore potential for more cash payments to small farmers to increase access to BHM. iii) Review the role of tax concessions and import duties for the benefit of small farmers.</td>
<td>i) Economic and food security status of subsistence farmers improved. Small Farmer Marketing Programme developed by 31 March 2016. Report on potential niche market opportunities for small-holders produced by 31 March 2016. Review of potential for tax concessions (e.g. supermarkets) to benefit small poultry producers undertaken by 31 March 2016.</td>
</tr>
</tbody>
</table>

Indicators:

i) Decrease in no. of farmers living below poverty line.

ii) Increase in cash payments to small farmers by parastatals.

iii) Small farmer participation in ‘green’ and other markets.
### Botswana Agricultural Marketing Strategy (2011-2016)

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</thead>
<tbody>
<tr>
<td></td>
<td>ii) Increase in producer access to market initiatives (e.g. loading ramps)</td>
<td>Work to ensure that infrastructure interventions are effective and targeted correctly.</td>
<td>Review of Namibia model for bulk transport of small animals undertaken by 31 March 2016.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consider options for additional small stock slaughter facilities.</td>
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</tr>
<tr>
<td>8. Value Addition to Farm Products</td>
<td>Indicators: i) Increase in proportion of final prices accruing to farmers.</td>
<td>ii) New niche markets developed.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii) Number of value-added products from Botswana</td>
<td>ii) Agribusiness have improved access to packaging materials</td>
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<tr>
<td></td>
<td></td>
<td>Encourage NTFRC to develop by adaption of existing food processing processes to Botswana market.</td>
<td>NFTRC research on market opportunities for 2nd grade fruit and vegetables undertaken by 31 March 2016.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Conduct periodic surveys of value added products.</td>
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<tr>
<td></td>
<td></td>
<td>Examine the potential for export of more speciality high value produce (especially fruits and vegetables)</td>
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</tbody>
</table>

Survey of value added products undertaken by 31 March 2012 and annually thereafter.
### Botswana Agricultural Marketing Strategy (2011-2016)

#### KEY INTERVENTION AREA

#### 9. Improving the Parastatals

**Indicators:**

- **i)** Margins between buying and selling prices (e.g. BAMB)
- **ii)** VAT thresholds for small processing firms
- **iii)** Number of functioning markets under aegis of BHM

**DABP Activity:**

- Work with others, including FAO, to encourage the preparation of data on value chains in key sectors.
- Press for release of comparative price data on commodities handled by BAMB.
- Review options for improving performance of BHM.
- Review effectiveness of marketing activities of BMC.

**Results:**

- i) Improved incomes to farmers supplying parastatals;
- ii) Reduced cost of grain to buyers from BAMB
- iii) Horticultural markets operating profitably and become sustainable.
- iv) More effective lending and advisory support to small agricultural enterprises

**Milestones:**

- Committee to oversee grain pricing policy of BAMB established by 31 March 2016.
- Recognised format for value chain analyses in Botswana agreed by 31 March 2016.

#### 10. Strengthening DABP

**Indicators:**

- **i)** Training courses attended by DABP staff
- **ii)** Number of value chain analyses undertaken
- **iii)** DABP training budget

**DABP Activity:**

- Undertake review of internal structure and assess uptake of new working practices.
- Train staff in identification of agricultural products (and derivatives)

**Results:**

- i) Policies of MoA and other agencies in clear support of market driven agriculture;
- ii) Improved and enhanced operation and effectiveness of

**Milestones:**

- Revised Management Plan in place by 31 March 2016.
- New Section providing advisory services established in MoA by 31 March 2016.
### Botswana Agricultural Marketing Strategy (2011-2016)

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<tr>
<td>iv) Frequency of staff performance and appraisals</td>
<td>Organise programme of lectures on market-related topics in collaboration with other parts of MoA. Establish clear training programme for DABP staff based on clearly defined needs.</td>
<td>Agricultural Management Associations/ Cooperatives; iii) Increased capacity in agriculture in use of modern means of communication, including internet and sms technology.</td>
<td>Appointment of DABP M&amp;E Officer by 31 March 2012. Measure for better assessing commercial effectiveness of actions in quarterly assessment of DABP developed by 31 March 2016.</td>
</tr>
</tbody>
</table>

### 11. Strengthening Agricultural Management Associations or Cooperatives

**Indicators:**

1. **Growth of farmer clusters on voluntary basis**
2. **Profitability of Associations and Clusters**

**Activities:**

- Monitor Agricultural Management Associations (AMAs) or Cooperatives to ensure good governance and develop programme of mentoring of exiting groups;
- Promote the concept of clusters and AMAs and liaise with LEA on the development of clusters.
- Explore options for strengthening

**Results:**

- Value chains more efficient and operate at lower costs.
- Better prices obtained particularly by small and subsistence farmers

**Milestones:**

- Audit of Cooperatives undertaken by 31 March 2012 and at periodic intervals thereafter.
- Survey of perception of performance of relevant DABP officials amongst AMAs undertaken by 31 March 2016.
### Botswana Agricultural Marketing Strategy (2011-2016)

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<tbody>
<tr>
<td></td>
<td>more national level associations (e.g. Encourage MoA policy to enhance grant support for credible AMAs and Cooperatives.)</td>
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</tr>
<tr>
<td>12. Consumer Representation Indicators:</td>
<td>Initiatives on Consumer representation</td>
<td>i) Increased awareness of the role of consumers in shaping a market. ii) Increased consumer representation in range of agriculture related fora.</td>
<td>i) Mechanism for the representation of consumers at all levels established by 31 March 2016. ii) List of bodies on which consumer representation essential or useful produced by 31 March 2016.</td>
</tr>
<tr>
<td></td>
<td>Consumer representation on relevant bodies</td>
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</tbody>
</table>
10. MONITORING AND EVALUATION:

Progress in the implementation of the Strategy is to be monitored by assessing progress against milestones and by measurement of performance against the attainment of clear results.

Monitoring and evaluating the progress of the AMS will be essential in order that progress continues to be made over the next five years. A strong and effective process that is not excessively demanding on resources has been agreed with DAPB in early 2011. This will produce an effective procedure that will demand and ensure progress without wasting excessive amount of the limited resources.

It has been agreed that a senior DABP officer is to be appointed to review progress against the strategy and timetable. A review is to be conducted at least every three months (or more frequently if the Director of the DABP feels that it is appropriate). The DABP officer appointed will produce a brief and concise report to be submitted directly to the Director of the DABP, who will share the report with other relevant Departments and Units in the MoA. This report will not exceed two pages. Comments on the report will be made by the Director and returned to the appointed officer.

In addition once every year an external consultant familiar with the DABP and the strategy will spend one week reviewing the performance and development of the strategy and report on progress in a report not exceeding five pages.

The DABP Monitoring Officer and consultant are expected to produce their reports based on consideration of the following:

- Achievement of specific actions in accordance with the implementation schedule as set out in the AMS.
- Feedback received from relevant stakeholders including by convening a meeting of the Reference Group at periodic intervals.
- Analysis of information from surveys and other relevant data sources (e.g. Poverty Maps produced by CSO).
11. CONCLUSION

The current approach of the GoB to the commercialisation of agriculture will continue to have limited success unless farmers can themselves obtain sufficient return from the market to provide an income that will allow them to retain sufficient money to reinvest and expand. This is because most farmers, particularly the smaller ones, continue to have limited routes to market for their produce and very few have diversified into adding value resulting in poor price yield from the market.

The aim for the future should be to provide a stable prosperous agricultural industry with profits that can allow the potential for expansion to be realised. This should be done by engaging the power and energy of the private sector. This does not diminish or interfere with opportunity to choose to protect particular infant industries. But it is imperative that such measures should seek to ensure that the benefits of any protection are spread throughout the relevant value chain.

In particular, there are significant concerns about whether existing trade barriers, including quantitative restrictions and outright import bans, are fostering local Botswana agricultural sectors as they were intended to do when first introduced. It is certain that the dairy producers do not make any gain from the tariff barrier on UHT milk as the price received by producers in Botswana is the same or lower than in South Africa. In the case of chicken price data shows that chicken in Botswana is priced at a figure over 50% higher than in South Africa whereas the price of beef is significantly lower in Gaborone than in neighbouring countries. The "occasional" border closures for horticultural and fruit products have certainly advanced the sector in recent years. The operation of these closures however results in significant market disruptions. This system needs urgent review. The operation of the import permit system needs reviewing to improve its efficiency and the opportunity for data capture.

Effective and real costings of farm production are essential to assessing the economics and potential viability of most enterprises. All agricultural marketing systems require these\(^{32}\) as a first point of reference when considering a new enterprise or combination of enterprises. Extensive interviews and investigations with staff in all departments of the MoA, the Central Statistical Office (CSO) and the parastatals show that there is little analysed data on the market flows and costs of production for most agricultural products. This is despite substantial resources being invested into data collection. The absence of sound data and statistics on which to base policy and investment decisions is a great impediment to the Ministry of Agriculture (MoA), to the industry and to investors. It is proposed that base costings and consumption figures for the top 20 agricultural products in various sectors be prepared and measured against real farm based figures.

\(^{32}\) In the UK a well recognised book “Agricultural Costings” by John Nix or its equivalent is essential to the agricultural system. When Farmers become familiar with a farming system they refine beyond the costings in these books.
Investigation of the activities of the parastatals suggests that they are not operating as they were intended that is to enhance the incomes of farmer producers. In the case of BAMB it is suggested that they are taking excessive margins between their price in purchasing from farms and subsequently selling to users, mostly millers. This is done at the expense of producers and users of grain. BMC has a poor national and international marketing programme leading to substantial loss to the whole value chain. This has resulted in poorer prices to farmers than could have been paid and reduced the availability of money to re-invest in the infrastructure that supports the whole value chain leading to the potentially valuable exports. The current closure of the system of exports as a result of not maintaining the standards required by the EU (from January 2011 to date, May 2011) can be attributed to the failure of the marketing programme to yield the money to maintain an efficient system that complies with the regulations required by the purchasers.

The production led approach of the MoA should be modified to become market-led. This will involve considering the market for the crops before the MoA encourages their development. The DABP will have a key role in making this change. It will be able to act with the “Agricultural Hub” in this regard. The AMS will offer a way to guide this new market led approach for all sectors of the whole of agriculture in Botswana. This approach will seek to deliver against key government objectives of improved economic diversification, enhanced rural employment and improved food security, in all contexts.