



Government of Botswana



European Union

## Private Sector Development Programme (PSDP) Botswana

A Government of Botswana initiative supported by the European Union  
and the Centre for the Development of Enterprise

# Summary of the opportunity study for honey and marula products

Presentation to the PSDP Management Committee

Gaborone

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# Marula Food Products

## Wildfoods in Gabane, priority SME

- Analysis of product throughput, cost of production, market demand and price competitiveness
- Focus on reduced number of products within specific ranges
- Assessment of technology enhancements and factory throughput to meet demand
- Formulate to replace sugar and preservatives
- Introduce Baobab into Marula and Melon products to develop trio of ingredients range
- Business and investment plan
- Focus on local and regional Southern Africa market

# Marula Oil Products

## **KYT in Lerala, priority SME**

- Management capacity support required to establish and implement medium term plan based on diverse donor/loan income and trade revenue
- Long term export competitiveness dependent upon increased oil extraction yield and lower raw material cost - requires technology adoption and sharing of market information
- Main focus on export market, yield and quality

## **Macheng in Sojwe, secondary SMEs**

- Support dependent upon sourcing management capacity
- Link supply to Wildfoods and KYT

# Marula Oil Products

## **New Oil Processing Facility between Palapye and Francistown, secondary SME**

- Natural resource mapping of abundant areas, community access and willingness to harvest, and logistics and primary processing centres, and cost analysis
- Investor facilitation to acquire land, construct and equip, process and trade



# Linking Natural Products to Tourism

## New processing and retail centre, Maun, priority SME

- Link Useful Plants Project (Plant Research), VPR&D (Plant domestication), Kalahari Conservation Society (community mobilization), PhytoTrade Africa (SME development and market) to develop cooperation plan
- 20% of 106 CBOs have provided priority species for commercial use - food, cosmetic, medicinal - complete review with all CBOs
- Design priority species map and plan for raw material harvesting, collection and pricing. Link into tourism marketing and route plan
- Develop investor proposal for processing and value addition and retail in Maun, secure investor/management
- Pitch proposal to key tourism lodges to establish distribution network, and launch processing and retail centre

# Cross Cutting Issues

- Board Governance generally poor due to lack of market knowledge and commercial/business experience
- Conflict between short-term Board interests for the community and long-term business interests. Need to review business governance and management models
- Entrepreneur/management capacity weak
- Raw material pricing skewed due to grants subsidizing purchasing, and business long term sustainability questionable due to subsidized operational costs
- Potential for high value low volume local market, but competitive market pricing required for long term export trade

# Honey and Bee Products

## Simplified SWOT analysis

<b>KEY STRENGTHS</b> <ul style="list-style-type: none"> <li>• Excellent training capacity and local level knowledge</li> <li>• Significant local demand for honey incl. hospitality sector</li> <li>• Several areas with high production potential</li> </ul>	<b>KEY WEAKNESSES</b> <ul style="list-style-type: none"> <li>• Tiny production levels</li> <li>• No commercial operation</li> <li>• Very high price for raw honey and comb at local level</li> </ul>
<b>PRINCIPAL OPPORTUNITIES</b> <ul style="list-style-type: none"> <li>• Emergence of potential investor and expansion plan</li> <li>• Link honey production with a) tourism sector and b) entry-level product in formal market</li> <li>• Expand local marketing of comb and liquid honey by best of the Associations</li> </ul>	<b>SERIOUS THREATS</b> <ul style="list-style-type: none"> <li>• Failure to sort out land issues will undermine expansion</li> <li>• Increasing spread of very cheap honey (China) can undermine embryonic industry unless we start soon</li> </ul>

# Honey and Bee Products

## Strategy 1: Overview

- One serious potential commercial operator (Royal Spot) - with two initial target markets: tourism sector (table packs and gifts) and formal (supermarket) market. Key features of strategy include:
  - Providing pollination services to commercial agriculture in Pandamatenga using a mix of own hives and outgrowers (target: 500 beekeepers over 5 years)
  - Processing honey in a purpose-built factory in the area.
  - Distributing finished products to lodges/hotels and to supermarket chains (two different brands)
  - Wintering hives on land (under request) in Pandamatenga area
  - Commitment from entrepreneurs/investors includes all capital input for processing centre, expansion of foraging (nurseries, planting) and training with some equipment supply for lead outgrowers



# Honey and Bee Products

## Strategy 1: Key Actions

- Royal Spot will benefit from partnership support in the following areas:
  - Refining business model to secure supplier benefit (designing outgrower scheme and remuneration systems)
  - Capacity building (technical training, small business development, organisational development) of outgrower beekeepers and their associations
  - Mobilizing finance for provision of equipment to outgrowers
  - Other potential inputs include support for certification processes (longer-term view towards exports to EU), training and BDS in relation to some producers and groups undertaking first stage added value processing

# Honey and Bee Products

## Strategy 2: Overview and key actions

- Capacity in other groups is very varied but there are entry points with more commercially minded beekeepers. They need support and encouragement to expand, focusing on the local market for comb and ‘natural’ honey. Informal market is very large and valuable. Key actions:
  - Business development services to selected groups and individuals
  - Facilitation of access to finance in order to scale up number of hives and access to other equipment - in Serowe, for instance, there is a case for a simple processing facility
  - Coordination with Forest Department to expand foraging via planting hardy indigenous plants
  - Linking best of the groups and individuals to fully commercial packers eg Royal Spot for potential phase 2 expansion in supply

# For More Information

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