

Investment Opportunity

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Horticulture Value Chain

Investment Brief



Prepared by
AgriEn

Submit Your Expression of Interest!

We invite interested partners, technology suppliers, and off-takers to submit an expression of interest to be linked with these exciting opportunities. Join us in transforming the Horticulture value chain for farmers under THRIVE 2030 and realize significant impact and returns!

Please submit your expression of interest to :

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You can also visit our website at www.agriennetwork.com for more information

Investment & Partnership Opportunity: Zambian Horticulture Value Chain Unlock the Potential of the Horticulture Sector!

Location: Mungwi, Manyinga, Mufumbwe and Chibombo

Target reach: 3,376+ farmers

We invite expressions of interest from potential partners, technology suppliers, and off-takers to collaborate in strengthening and expanding Zambia's vibrant horticulture value chain, specifically focusing on Tomatoes, Onions, and Cabbages in **Mungwi (Twikatane), Manyinga, and Mufumbwe, as well as Butternut and Sweetcorn in Keembe (Chibombo District)**. We're strategically targeting high-potential production hubs in these regions. This investment is expected to directly impact **3,376 farmers** across these regions, through direct engagement and support, thereby driving sustainable agricultural growth and unlocking inclusive investment returns.

Value Chain Overview.

The vegetable value chain, particularly for tomatoes, onions, and cabbages, is highly significant in Zambia due to increasing demand driven by population growth in urban centers like Mungwi district and Kasama town. These crops are crucial for household food security and provide regular cash flow due to their shorter production cycles. Smallholder farmers are the primary producers, with an average cultivation of at least 0.5 limas of vegetables per household. In Mufumbwe, smallholder farmers produce 8-12 tons of tomatoes per hectare, primarily for local markets. In Twikatane, the average scale of production is 3.5 hectares per producer group, translating to at least 350 tons per location for 10 producer groups, with each producing at least 10 tons per hectare. Most farmers grow these crops during the rainy season, but irrigation allows for year-round cultivation, ensuring a steady supply.

In Keembe, butternut and sweetcorn have been identified and prioritized as primary value chains, with a focus on engaging 1,000 targeted beneficiaries organized in Producer Groups for market-oriented farm production.

The market for horticultural products extends beyond local demand to major urban markets in Lusaka (Soweto, Mandevu, Matero, 10 Miles, Chaisa), Kabwe (Makululu, Kasanda, Njanji), and cross-border markets like Kasumbalesa/DRC, which exhibits a huge, insatiable demand for fresh produce.

Current Landscape: Bridging the Gaps for Profitability

The Zambian horticulture value chain faces several interconnected challenges that, when addressed strategically, unlock substantial investment potential:

Limited Access to Finance

- Inadequate finances hinder farmers' ability to Limited Access to Quality Inputs & Finance
- Inadequate Finances: Farmers struggle to afford essential inputs like quality seeds, fertilizers, and pesticides, which are crucial for optimal crop growth.
- Financial Barriers: Many small-scale farmers lack access to formal credit or loans due to insufficient collateral, like land title deeds. The high cost of inputs and limitations in government support programs also make it difficult for them to purchase the necessary supplies.

Low Production

- **Suboptimal Seed Use:** The use of low-quality, often recycled, seed varieties leads to poor germination rates and inconsistent crop quality, especially for high-yield crops like tomatoes and onions.
- **Input Shortages & Travel:** Agro-dealers in rural areas frequently run out of stock, forcing farmers to travel long distances (e.g., over 50km to Chibombo CDB, Lusaka, or Kabwe) to purchase inputs.
- **Input access:** Low productivity is widespread and is a direct result of minimal investment in high-quality inputs and modern farming technologies.
- **Lack of Knowledge:** Many farmers lack proper knowledge of plant protection, including how to effectively manage vegetable diseases and pests, which contributes to significant crop losses.
- **Inefficient Irrigation:** Labor-intensive bucket irrigation methods are common, and there is limited adoption of more efficient irrigation technologies, which can hinder productivity and water conservation.

Marketing Gaps

- Poor rural infrastructure, including roads, makes it difficult and costly to transport produce to markets.
- Farmers have limited access to market information, leaving them with little bargaining power against middlemen.
- Dominance by middlemen who purchase produce at low farm-gate prices, capturing most of the profit.

Post-Harvest and Processing Issues

- Significant post-harvest losses occur due to a lack of proper storage facilities.
- Limited access to processing technology and equipment for value addition.
- Farmers have minimal capacity to process their produce, limiting potential income.
- Weak linkages between small-scale farmers and commercial agro-processors.

The case for Butternuts in Keembe

Specifically, for butternut and sweetcorn in Keembe, while these have been prioritized as primary value chains for targeted beneficiaries, farmers currently fail to meet the production levels required by the market, indicating a significant opportunity for investment in improving productivity.

- **Post-Harvest Losses & Inadequate Infrastructure:** Poor rural roads increase transport costs and lead to significant post-harvest losses. Inadequate storage facilities, especially cold storage, contribute to spoilage and quality degradation. For example, in Keembe, a private cold storage facility (MKP Farms Ltd) exists but faces challenges due to electricity load-shedding. The average distance to market in Twikatane is 34.5 kilometers.
- **Weak Market Linkages & Price Volatility:** Smallholder farmers often have low bargaining power, making them price-takers. They struggle to meet strict regular supply schedules and minimum quality standards required by formal off-takers like chain stores (e.g., MKP Farms Ltd, FreshMark, ShopRite, Choppies). This is evidenced by farmers only supplying 23% of targeted contract quantities to aggregators like MKP Farms Ltd (e.g., for tomatoes, only 24MT supplied against a 60MT target quarterly). Absence of regular market information dissemination leads to uncoordinated production and market gluts, causing price fluctuations, especially for perishable products.
- **Insufficient Processing Capacity & Value Addition:** The absence of local processing industries for horticulture products restricts value addition and market diversification, limiting farmers to selling raw produce.
- **Extension & Capacity Gaps:** High extension officer to farmer ratios (e.g., 1:2000 in some areas of Chibombo, compared to a recommended 1:400) limit technical support. Farmers also lack business management skills, leading to poor record-keeping and pricing decisions.

Be the Solution

We invite visionary investors and partners to capitalize on these identified gaps, fostering a holistic and profitable approach across the horticulture value chain:

1) Sustainable Input Supply & Mechanization Solutions:

- **Invest in:** Localized supply chains for certified vegetable seeds, fertilizers, and environmentally friendly plant protection products.
- **Promote adoption of modern, efficient irrigation systems** (e.g., drip irrigation, solar-powered pumps) and other farm mechanization to enhance productivity and reduce labor intensity.

This is an opportunity for: Agri-Input Innovators & Suppliers to become pivotal providers of high-quality inputs and sustainable farming technologies.

2) **Advanced Post-Harvest & Value Addition Infrastructure:**

- **Invest in:** Establishing and upgrading cold storage facilities (including solar-powered options) and bulking/aggregation centers closer to production sites to reduce post-harvest losses and improve product quality.
- **Develop:** Processing units for value addition (e.g., tomato puree, onion powders, dried vegetables, canned products) to increase profitability and tap into higher-value markets.

This is an opportunity for: Agri-Tech & Mechanization Solution Providers to supply cold chain logistics and processing machinery; Food Processors to develop and market value-added horticultural products.

3) **Knowledge Management & Extension Services Enhancement:**

- **Invest in:** Strengthening pluralistic extension service delivery systems, involving government, NGOs, and private sector actors, to provide targeted training in agronomic practices, integrated pest and disease management, and farming-as-a-business skills.
- **Establish:** Farmer Field Schools and demonstration plots for climate-smart agriculture and sustainable pest control.

This is an opportunity for: Business Development Service Providers and Agri-Educations Institutions to offer specialized training and advisory services.

4) **Robust Market Linkages & Digital Solutions:**

- **Facilitate:** Formal business relationships and contract farming arrangements between producer groups and bulk off-takers (e.g., chain stores, public institutions, cross-border traders).
- **Develop:** Digital platforms for real-time market information (prices, buyer demands, quality specifications) to empower farmers in decision-making and negotiation.
- **Establish:** Functional Producer Groups and commodity aggregation centers to enhance collective bargaining power and streamline supply to major markets (e.g., Lusaka, Kabwe, Copperbelt, Kasumbalesa/DRC).

This is an opportunity for: Commodity Traders & Off-Takers including Chain Stores, Cross-border traders; Logistics & Transport Companies (especially those with cold storage vans); Digital Solution & Information Providers.

5) **Accessible Agri-Finance Solutions:**

- **Invest in:** Developing and scaling affordable and tailored financial products (loans, credit, insurance) specifically for horticulture farmers to acquire inputs, technologies, and expand production.
- **Promote:** Savings for Transformation (S4T) initiatives and linkages to financial service providers.

This is an opportunity: Financial Institutions & Impact Investors to deploy capital and design innovative financing models including FINTech products.

Why Partner with us?

This initiative offers a unique opportunity to:

- Tap into a rapidly growing agricultural sector with significant headroom for expansion and profitability, driven by high urban and cross-border demand for fresh vegetables.
- Contribute to sustainable development and tangibly improve livelihoods for 3,376 farming households in Zambia.
- Establish strong, long-term relationships within a robust local value chain with demonstrated growth potential.
- Influence the adoption of modern agricultural practices and technologies, driving efficiency and resilience.
- De-risked Investment: Benefit from AgriEn's deep community engagement, comprehensive needs assessments, and validated value chain data, significantly mitigating market entry risks. The presence of 25 Producer Groups in Keembe (with 1,142 participants) and 10 Producer Groups in Twikatane provides organized producer access.
- Direct Access to Producers: Gain immediate access to a network of 3,376 engaged farmers across key horticulture-producing regions, ready for direct engagement and off-take agreements.
- Strategic Market Facilitation: Leverage our expertise in fostering Business-to-Business (B2B) linkages, including hosting B2B linkage fairs or platforms, connecting you directly with the right partners, government stakeholders, and existing off-takers.
- Sustainable Impact & ESG Alignment: Your investment directly contributes to rural economic development, enhanced food security, women's empowerment (with ~90% women participation in marketing), and climate resilience, aligning perfectly with key Environmental, Social, and Governance (ESG) objectives.
- Scalable Opportunities: Be part of a growing sector with substantial expansion potential, supported by increasing domestic demand and a conducive policy environment.