Lesotho has placed agriculture on top of its development agenda and had developed a number of development plans to support this objective. With several national plans in place around agricultural development and climate smart agriculture, Hand-in-Hand is working with the government in transforming Lesotho's agriculture into a more productive, resilient, and low-emissions sector. The mains strategies are increasing productivity, enhancing resilience and adaptation, and reducing greenhouse gas emissions from the agriculture sector compared to past trends.

The agricultural sector is significant for Lesotho's economy, contributing 6% to GDP and supporting 75% of total livelihoods. Nevertheless, the country is import dependent, with 20% of the population being food insecure. There are significant challenges the sector faces such as low productivity, climate change, low credit access, and low quality of extension and advisory services.

FAO in coordination with the Ministry of Agriculture has conducted a deep-dive analysis of investment cases to be showcased to the national government, development partners and the private sector. The selection process has been evidence based and largely data driven. Four value chains to guide private investments and develop the agricultural sector has been prioritised: piggery, poultry, fisheries, and seed potatoes. Ten districts are being targeted for the development of these value chains.

Piggery

With low national production and high imports from South Africa, piggery is considered a strategic commodity to supply the national demand of 14,139 metric tons per annum, while local production is estimated at 5,998 metric tons. This implies a need to import over 8,141 metric tons to fill the gap.

Investments are focused on increasing national production of pork to 7,488 metric tons per year, by investing in feed mills and food storage, high quality breeding stock, and establishing an abattoir and processing facility. Investment required is estimated at USD 27.4 million with an NPV of USD 6.5 million and an IRR of 25.9%. 12,070 farmers will be directly benefited with job creation.

Poultry

With a consumption per capita of 10.5Kg poultry meat, more than 90% of consumption in Lesotho is imported. With no abattoirs and processing facilities, no hatcheries, and high feed cost, the poultry sector has potential for investment and growth. Lesotho's demand for chicken is estimated at 21, 902 metric tons per annum. This is far above the local production of 1,902 metric tons. This implies a need to import over 20,000 metric tons to fill the gap.

Investments are focused on of an Integrated Poultry farming business, consisting of feed mill, hatches, broiler houses, abattoir and processing plant and infrastructure development. The investment required is estimated at USD 43 million with an NPV of USD 19.7 million and an IRR of 29.9%. 1,200 farmers will be directly benefited with job creation.

Aquaculture

Lesotho has one of the highest annual growths for aquaculture production globally. Production increased from 8 tons in 2000 to 1, 501 tons in 2021. The 28.31 percent annual growth was one of the highest in the world. With a global demand increasing, Aquaculture is being prioritised to cover fish needs in the region and world of salmon and highland trout.

Investments are focused on the establishment of salmon farms with public and private financing, expand commercial trout operations such as hatchery and grow out system, and development of infrastructure for processing and distribution. The investment required is estimated at USD 53 million with an NPV of USD 32 million and an IRR of 23.8%. 1,100 farmers will be directly benefited with job creation.

Seed potatoes

Potato is a staple food in the population diet, with a national demand estimated at 29,590 metric tons per annum, while production is estimated at 12,250 metric tons, due to lack of improved varieties, inadequate quality control and poor post-harvest handling. This implies a need to import over 18.340 metric tons yearly to fill the gap.

Investments are focused greenhouse propagation facility, upgrading of tissue culture laboratory, machinery and equipment, postharvest infrastructure, handling, grading and cold storage facilities. The investment required is estimated at USD 14 million with an NPV of USD 7 million and an IRR of 24%. 2,250 farmers will be directly benefited with job creation.