



farmers food future

Annual Report
2021-2022

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NAU

PRESIDENTIAL REVIEW

The year in question is at first glance a very positive one and this is mainly thanks to the mild rain that fell over almost the entire country, with the exception of “lean spots” here and there thanks to the Blessing Hand of our Heavenly Father, the farmers of this beautiful land are placed on a totally different trajectory with pasture in abundance.

However, if one looks in more depth at 2022, one sees that the year was very exciting with many challenges but with certain good initiatives and positive results and growth.

Despite the fact that livestock herds have practically halved due to the prolonged drought, the Gross Domestic Product (GDP) of livestock grew by 5.7% in the first quarter of 2022. This can mainly be attributed to the good prices at export abattoirs as well as auctions. Fewer animals with better condition scores and higher kilogram prices were the outcome that farmers were waiting for to deal a blow to the financial drought. However, the ongoing “three-day” war between Ukraine and Russia cut the relief short and increased the cost squeeze of all producers to such an extent that the positive impact of high producer prices was quickly neutralized. Phosphate and fuel prices have skyrocketed with an accompanying increase in production costs. Furthermore, grain and sunflower shortages have caused food prices to rise at unprecedented rates with negative impact on the inflation rate. Meanwhile, China and the USA are also grinning at each other and world peace as we knew it balances on a knife’s edge.

Let’s talk much more about the things closer to home, where we can make a difference and have an impact; as with the great locust plague that has ravaged the deep South since November 2021 and expanded to the central south and southwest and only leveled off by the end of May 2022. Once again the private sector, corporate partners, the public through the Channel 7 Radio Station and drought aid strengthened the government’s hand and made an enormous contribution with, among other things, grasshopper purchases, fuel and labor costs. Consensus and cooperation lead to good results.

It was not only the locusts that visited the beautiful south, but also the Executive Manager, Roelie Venter, LPO chairman Thinus Pretorius and myself had the privilege of visiting the southern regions, starting at Hartebeestloop, then Koës BV, Karasburg BV, Ariamsvlei BV management, Helmeringhausen BV and Hardap BV to discuss the small livestock value chain study on the one hand as well as the NLU activities on the other and simply meet members on their home ground and talk first-hand about regional matters. Notable was the large number of young farmers, new entrants to the farming sector, which probably due to the negative impact of Covid on the economy, made the younger generation enter farming earlier. Many of this new younger generation of farmers have had exposure to the corporate sector and their needs and expectations of farmers’ association actions will direct innovative thinking and challenges to the existing order. This led to the establishment of a young farmer committee where nominations must come from each region in order to get all young farmers enthusiastic and participating in organized agriculture at the end of the day. Personally, I have high expectations of this action and look forward with excitement to new dynamics.

The annual winter schools of the Keetmanshoop and Karas regions that took place this year at Aus and Karasburg respectively, were also both organized by young farmers, and these men can pat them-



NAU President: Pieter Gouws

selves on the back with two outstanding organized events. Notable was the positive, excited spirit and need of members to socialize after the 2-year restrictions lifted in July.

What has not been raised is the Russians’ search for uranium and its exploitation which will most certainly not lead to any long-term benefit for Namibia, the Stampriet Aquifer which extends into Botswana and Kuruman in the RSA, or farming communities locally, but rather to serious negative effects. We gratefully acknowledge Minister Schlettwein who put a moratorium on some of the drilling activities after being fully and practically informed by Dr Roy Miller and Tanja Dahl (NLU) who spent a lot of time and did thorough research regarding this aspect and still do.

The up to five-year outstanding land tax assessments reached all landowners in June and to our dismay, these long-awaited assessments were incorrectly calculated! The NLU immediately entered into discussion with the valuer-general, Rudolph Nanuseb, and members were continuously informed regarding correct calculation formulas, payment procedures and processes to follow. The NLU’s position is and has always been that we are prepared to pay land tax in order to achieve land reform sensibly and peacefully, provided it is fair, affordable and just and this principle will be constantly evaluated.

The increasing inability of several officials in various ministries to be effective and productive goes beyond the intrigue with land tax assessments. The increasing inability of the police to get crime under control as well as justice to effectively apply convictions and punishments to repeat offenders, once again forces the private sector, public and producers to make rural security and crime fighting their own responsibility. Where regional forums have developed good links with respective Nampol commanders and crime prevention actions are dynamic, success stories emerge. Furthermore, the NLU, together with NUST (Technical University of Namibia), undertook a study to determine the economic impact of cattle theft, game poaching, criminality and human-animal conflict on the limitation to the contribution of Agriculture to the GDP.

The high level of integrity and transparency, well-structured and effective office staff and the Executive Board, have resulted in constant growth in NLU membership – we have grown from 2247 members in 2018 to 2863 members in 2022 and it is indeed ‘ a success story. The kan-toor also had to make several adjustments over the course of the year, but each change resulted in increased effectiveness and service delivery to our members ... a big word of thanks to a very loyal, hard-working staff.

One of the biggest advantages we have in Namibia is the government's "open door" policy and good discussion opportunities we have with our honorable line minister as well as other relevant ministries. It truly remains a privilege and we are happy to acknowledge the ministries.

In my introduction, I referred to the wars and aggression that prevail worldwide, including our neighboring country the RSA. We in Namibia experience peace and stability. Without peace, you can have any wonderful quality, but it will do you no good. It remains inexplicable to me that people refer to organizations and institutions in our neighboring country and then expect us to launch similar actions here!? The results speak for themselves and are certainly not what we experience here in Namibia. If this has led to success, then why does everyone want to make Namibia their home?

Along with health and peace, we have the two main ingredients to use every opportunity our Heavenly Father offers us to develop this country into a model state. This is what the respective affiliates are doing and more detail about the record maize harvest, growth in the poultry industry, export market development in cattle and sheep markets, effective control of charcoal production and wildfire fighting and so on is provided in respective contributions and communications.

Aspects that receive attention, but are either still in their infancy or are a lower priority, concern the Agricultural Chamber, which has indeed been established and has already met a few times, but first

needs to sort out the red tape of administrative arrangements. The Ministry of Agriculture (MAWLR), with the support of the GIZ (Gesellschaft für Internationale Zusammenarbeit), started with regional meetings, in order to develop the National/ Namibian Drought policy.

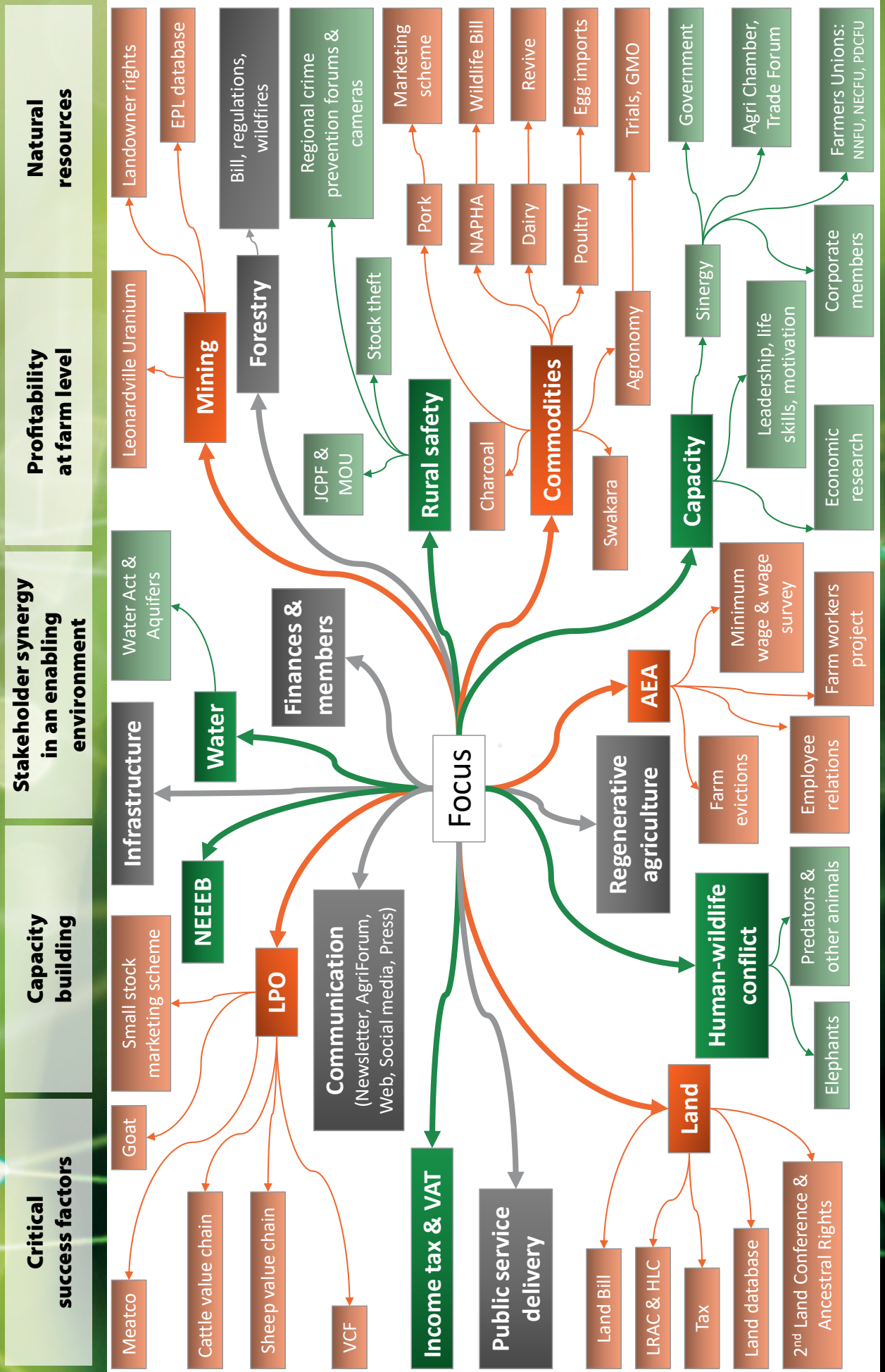
While our Veterinary Cordon Fence (VKH) - which guarantees our animal health status and allows us as the only country in Africa to export to the EU, UK and USA - is under siege by extreme elements, the RSA is fighting a fierce battle to prevent the spread of foot-and-mouth disease (FMD) in their feedlots and herds. This is a situation that can be very difficult to manage because a traceability system and livestock movement control by means of permits could not yet be implemented in our neighboring country. The outcome of this situation is still unknown at the time of writing, but the market distortion is palpable with the restriction of any cattle movement in and to the RSA. Even though our NamLITS and Fanmeat system is not without its problems, it is a precious and extremely powerful piece of equipment that enables us to serve premium markets.

I close with the wonderful prospect that a third LaNina rain year is predicted and while other parts of the world are not all excited about it, we can look forward to it with excitement and revival agriculture can gain an ever stronger foothold so that we can restore our pastures and get in a climax condition to buffer us against the inevitable drought years that will rear their head again somewhere. Until then, let's make every negative a positive by growing our vertical relationship with our Creator and crossing every minus.

The graphic features a central logo for NLU and NAU with the text "The farmer's voice since 1946" and "Die boer se stem sedert 1946". It includes two photos: a woman in a blue cap working in a field on the left, and a man in a blue jacket shouting with his hands to his face on the right. Below the logo is a red banner with white text: "A big thank you to NAU Corporate Members – your confidence in the ability of organised agriculture to create a better tomorrow is well-founded and highly appreciated:". The bottom section displays logos for various partners: agra (A BETTER LIFE), Bank Windhoek, AGRIBANK OF NAMIBIA, CYMOT (SINCE 1948), FNB (First National Bank), Feedmaster (Your Quality Solution), KAAP AGRI, namibmills (FEEDING THE NATION), CAON (Charcoal Association of Namibia), NAMIB POULTRY (BECAUSE YOU DESERVE BETTER), and NUTRI FEEDS.

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NAU Vision: To support and promote a conducive environment for sustainable agriculture



YOUNG FARMERS

YOUNG FARMERS FORM OWN COMMITTEE

13 September 2022 was a milestone for the NAU as 13 young farmers (all under the age of 40 years) met to discuss their challenges and opportunities in the agricultural sector. Young farmers were nominated by various regions to form a young farmers forum under the NAU.

The NAU President introduced the staff members of the NAU and shared information on each employee's duties. Ds Dries Burger then elaborated on the topic "Your identity determines your life path". In his humorous manner, he provided examples of how most of us claim we are too busy to shoulder (additional) responsibilities, but that it is our duty to contribute by adding value and not just sitting idly on the side complaining.

Roelie Venter, NAU Executive Manager, then provided a run-down of the NAU's many activities and wide involvement. Attendees were then asked to introduce themselves and to provide feedback and comments on various topics, such as:

- What motivates a young farmer
- What are the needs and priority of young farmers
- What holds young farmers back
- What gets young farmers excited



- The functions of a young farmer

Interesting feedback was derived from the above exercise. The farmers were eager to listen and learn and a highly successful day was concluded with contagious energy and enthusiasm.

In the meantime, two meetings were conducted, chaired by the NAU President. The main aim is to attract more young farmers and facilitate smooth generational handover on farms. The NAU is excited and looks forward to welcoming more young farmers onboard.



OVERVIEW

Economic overview of the Namibian commercial

Continued investment of producers in their farming enterprises led to a growth in production and improvement in the marketing of livestock in 2021, and a further anticipated increase in 2022. In addition, better-performing producers' prices in 2021 resulted in positive revenue for most agricultural branches and improved loan repayability of agricultural loans, left the agricultural debt at N\$7 140 billion as at June 2021, indicating a decline of about 8.3% compared to 2020. Namibia received good rains, thus enhancing vegetation cover and improved grain production.

Estimated production value of different enterprises

International bans due to Covid-19 negatively affected the **Swakara** sub-sector, thus resulting in a revenue loss of 87.9% in 2020 compared to 2019. The impact was immense, such that the average production value declined from an estimated N\$37 million between 2016 and 2019, to N\$2.8 million in 2020 and N\$6.8 million in 2021.

A high demand for **cattle, sheep and goats** pushed producer prices upwards, thereby increasing the production value for cattle, sheep and goats by 12.3%, 22.5%, and 26.3%, respectively.

Local **pork** production has been stable since the implementation of the pork scheme, and additionally the 2021 pork ceiling price grew on average to N\$37.9/kg from N\$34.8/kg, demonstrating an 8.8% increase in price, therefore resulting in positive returns.



The **charcoal** sector's production value increased by 10.1%.

Good rains resulted in improved **grain and horticulture production** which, together with better prices, drove the production revenue up by 34.5% and 10.0% respectively.

For the year 2021, **grape** production dropped

by 13.6% hence decreasing the revenue received by producers by 24.5%.

For three years in a row the **dairy** sector continued to show a negative revenue trend, with 2021 recording a 12.3% decline in production value.

The estimated production value of **poultry** (including broilers and eggs) stood at N\$1.2 billion in 2021, displaying an increase of about 13.4%. The increase resulted from a growth in the sales of broilers, whilst the egg sub-sector's contribution dropped by 19.3% from the previous year. The drop was caused by an influx of imported eggs, which caused egg producers to decrease production by about 20%, negatively affecting output.

NAU agri-inflation figures of agricultural expenses vs prices

The global, regional, and domestic markets saw drastic increases in input prices. Comparing 2020 to 2021, urea (46) and mono-ammonium phosphate (MAP) prices in South Africa demonstrated an increase of about 55.8% and 53.7%, respectively. Domestically, urea increased by 123.0% from N\$6.8/kg in 2020 to N\$15.2/kg in 2021, while monocalcium phosphate (P21) advanced with 64.1% – N\$10.1/kg (2020) compared to N\$16.6/kg (2021).

In terms of yellow maize and soybeans, prices in South Africa grew by 17.2% (N\$ 2.9/kg in 2020 and N\$ 3.4/kg in 2021) and 9.4% (N\$ 7.2/kg in 2020 and N\$ 7.8/kg in 2021), respectively. In Namibia, yellow maize prices showed a growth of only about 13.5%, with prices being N\$4.1/kg in 2020 and N\$4.6/kg in 2021. These increases together with surges in fuel prices and other factors pushed the agri-inflation upward.

The NAU production cost index recorded 113.4 basis points in the 4th quarter (Q4) of 2020, and 125.7 basis points in Q4-2021. This means the agri-inflation jumped from 3.1% (YOY) in Q4-2020 to 10.8% in Q4-2021 (see **Figure 1**). The surge resulted largely from costs associated with fuel (30.5%), feed (17.3%), and maintenance and fixed improvements (11.6%). The Namibian dollar depreciated against foreign currencies, adding to the price of imports.

Sheep producer prices increased by 4.1% (YOY) in 2021, while cattle prices advanced by more than 12.3% from Q4-2020 to Q4-

Table 1: Estimated Production Value in NAD (in millions)

	2016	2017	2018	2019	2020	2021	% Increase/Decrease (2020-2021)
Cattle	2,241.1	3,346.0	3,634.6	3,282.1	2,198.7	2,468.7	12.3
Sheep	593.9	828.0	874.1	733.3	424.8	520.2	22.5
Goats	123.0	144.5	147.2	136.1	116.7	147.4	26.3
Agronomy	267.2	398.1	318.8	162.7	406.6	547.0	34.5
Dairy	143.1	141.8	142.5	132.0	106.8	93.7	-12.3
Pigs	114.3	121.0	117.2	120.4	117.5	127.4	8.5
Grapes	770.0	819.8	673.8	810.0	1,130.6	853.6	-24.5
Poultry	536.0	850.7	908.6	1,054.4	1,060.4	1,202.5	13.4
Fresh produce (vegetables and fruit)	174.2	210.8	217.2	234.3	312.5	343.8	10.0
Charcoal	168.0	184.8	306.7	342.8	381.5	420.0	10.1
Swakara	48.9	45.5	30.7	22.9	2.8	6.8	146.7
Total	5,179.6	7,091.1	7,371.6	7,031.1	6,2589.0	6,731.1	7.5

Source: NAU

agricultural sector

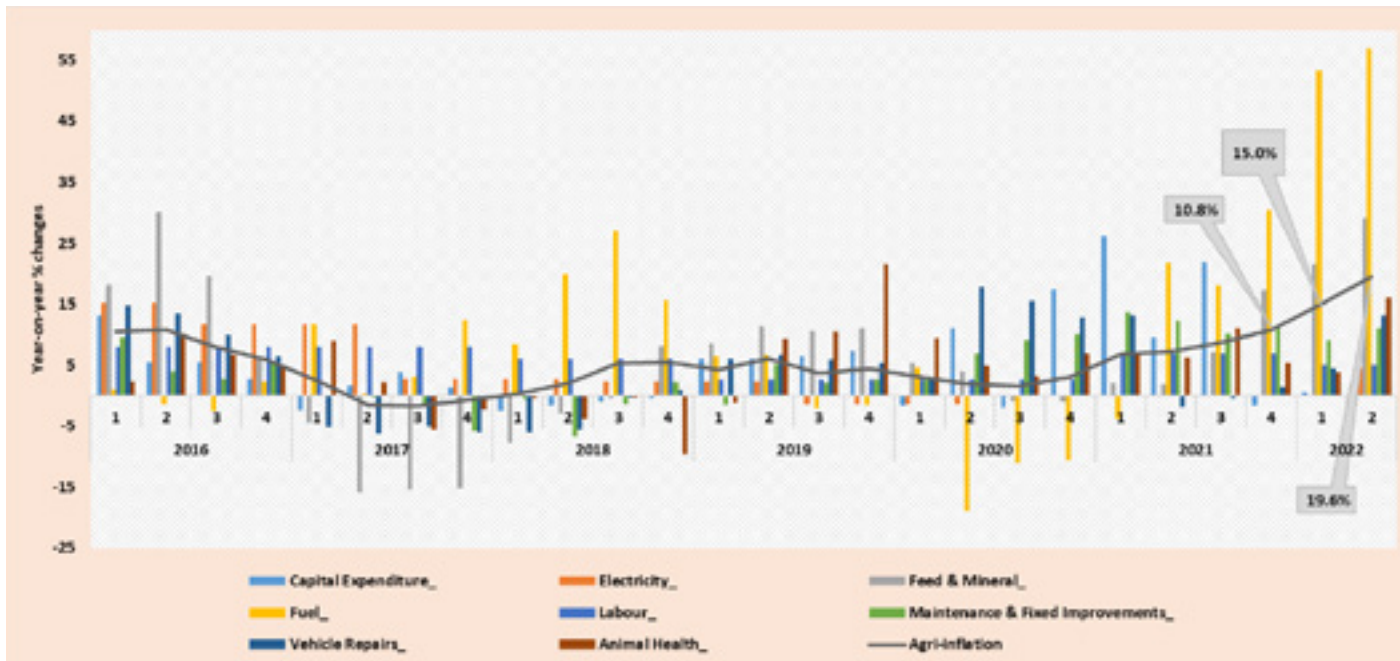


Figure 1: NAU Agri-inflation. Source: NAU

2021 (see Figure 2). The positive developments in the price of cattle were realised by a 26.2% (YOY) rise in slaughter prices, and a 3.3% (YOY) growth in the price of weaners especially in Q4-2021.

NAU agricultural production cost inflation and prices: overview for 2022 (January-June)

The cumulative effects on input prices, including the war between Russia and Ukraine placed a further cost burden on Namibia's livestock farming, such that the first half of 2022 recorded the highest agri-inflation since 2016 (see Figure 1, above). The agri-inflation inevitably climbed to a record level of 17.3% in 2022 (Jan-Jun) as compared to the same period during 2021. This was driven by fuel (55.2%), feed (25.4%) and cost of maintenance and fixed improvements (11.1%).

Comparing 2021 (Jan-Jun) prices to 2022 (Jan-Jun) prices, sheep prices increased by 8.5% and cattle prices by more than 6.5%. The increase in cattle prices was the result of a 16.9% increase in oxen prices and a 3.6% reduction in the price of weaners. In 2022 (Jan-Jun) the average weaner price as percentage of slaughter price went below the long-term average 64% to 63.1%.

Namibian livestock marketed

The number of cattle marketed diminished by

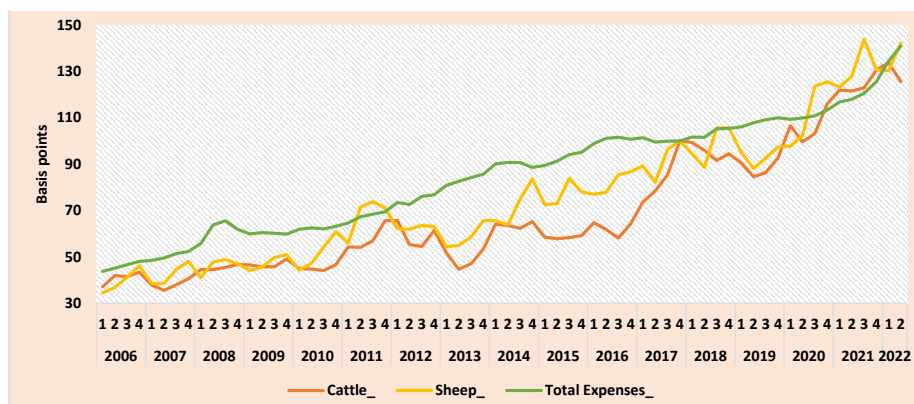


Figure 2: Cattle/Sheep Income & Total Expenses. Source: NAU

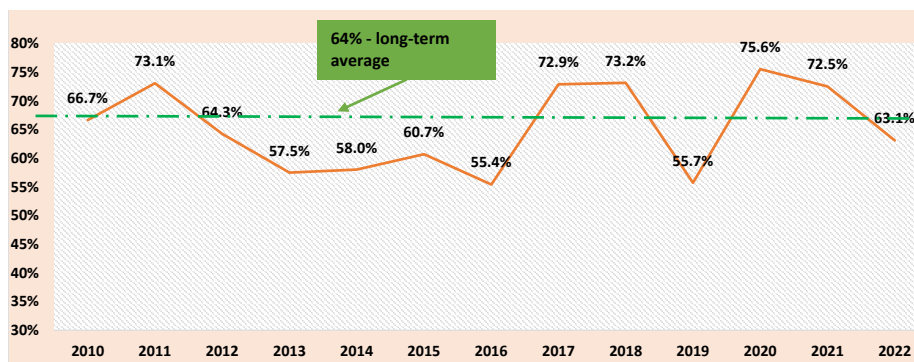


Figure 3: Weaner Price as a % of Slaughter Price. Source: NAU

9.9%, largely due to a reduction in the export of live cattle in 2021. In contrast, the marketing of sheep improved slightly by 5.2%, and goat marketing grew by 27.6%.

Namibia exported 158 679 live cattle in 2020 and 136 711 (95.6% were weaners) in 2021, showing a decline of about 13.8%. Export abattoirs slaughtered 50 447 heads of cattle in

... Economic overview

2020, and 56 519 cattle in 2021, showing an increase of 12.0%. B&C-class abattoirs procured estimated cattle numbers of around 41 315 in 2020 and 32 504 in 2021 (see **Figure 4**). The auctioning of cattle dropped by 24.0% (238 976 cattle were auctioned in 2020 and 181 661 in 2021). The number of weaners on auctions decreased further in 2021 by 23.0%, namely from 162 852 weaners in 2020 to 125 426 weaners in 2021 (see **Figure 5**). Auctions had a significant reduction in the number of fat, medium and lean cows, as they reduced by 17.7%, 52.6% and 47.8%, respectively.

Sheep local slaughter was estimated to be 146 131 in 2020, but reduced to 107 209 sheep in 2021, displaying a decrease of 26.6%. The export of live sheep improved by 25.6% – 227 583 live sheep in 2020 and 285 792 in 2021 (see **Figure 6**). Farmers auctioned 77 207 sheep in 2021, of which 38.1% were Dorper sheep and 61.9% were fat-tailed sheep. The annual sheep auction figure was 26.4% less than that of 2020.

Throughput of goats to local abattoirs reduced by 2.1% (6 643 goats were slaughtered in 2020 and 6 501 goats in 2021). The export of live goats increased by 30.0% (81 301 goats exported in 2020 and 105 720 in 2021). The number of goats marketed at auctions decreased by 2.5% (64 990 goats in 2020 and 63 371 in 2021).

Namibian livestock marketing Jan-June 2022 compared to previous year

The number of cattle exported live were 57 683 cattle in 2021 (Jan-Jun) and 67 262 cattle in 2022 (Jan-Jun), showing a growth of 16.6% of which above 90% were weaners. Export abattoirs received 24 400 heads of cattle in the first 6 months of 2021, and 39 127 cattle in 2022 (Jan-Jun), thus throughput increased by 60.5%. The supply of cattle to B&C-class abattoirs dropped with 19.9% in 2022 (Jan-Jun), from a figure of 18 933 cattle in 2021. Fewer cattle (88 128) were auctioned during 2022 (Jan-Jun) compared to last year during

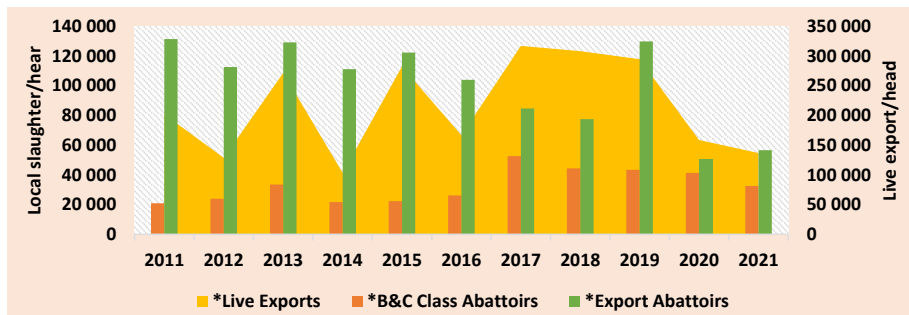


Figure 4: Annual cattle marketed. Source: Meat Board/NAU

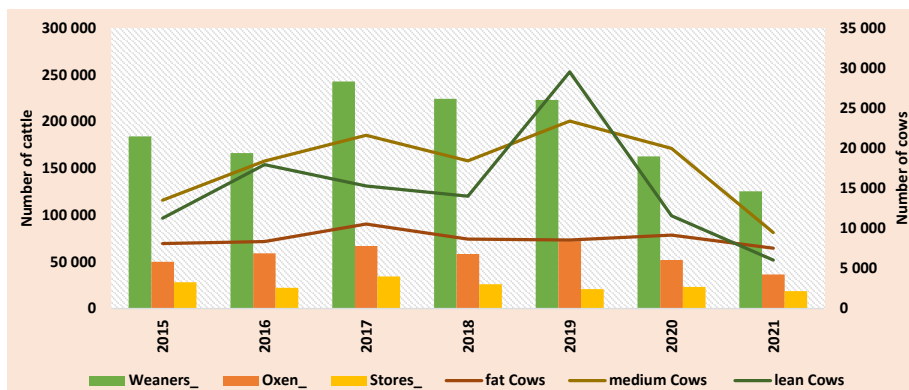


Figure 5: Annual cattle marketed at auctions. Source: LABTA/NAU

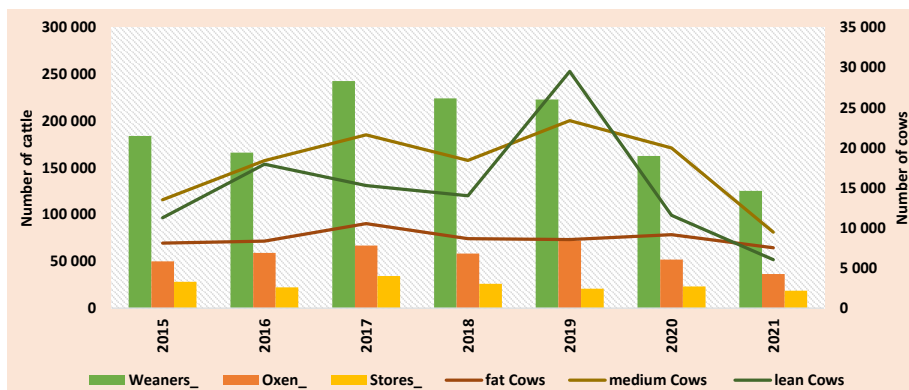


Figure 6: Annual sheep marketed. Source: Meat Board/NAU

the same period (91 302), showing a decrease of 3.5%. Slaughter cattle offered at auctions declined by 22.1% (20 702 in 2021 versus 16 120 in 2022). Meanwhile the marketing of weaners increased by 9 percent (59 635 in 2021 versus 65 097 in 2022), and that of cows dropped by 18.7%, from 14 935 cows to 12 138.

The local abattoirs secured approximately 58 025 animals in the first half of 2022. Between the first half of 2021 and that of 2022, sheep exports grew by 57.9%, that is, 170 375 live sheep were exported in 2021 and 268 970 in 2022.

AEA

AGRICULTURAL EMPLOYERS' ASSOCIATION OF NAMIBIA

MANAGEMENT COMMITTEE

Chairperson	Mrs. C. Stoman
Vice-Chairman	Mr. C. Knye
Central	Mr. H.H.T. Förtsch
North	Mrs. M. Otto
South	Mr. W. Kruger

MOTIONS

Several motions were tabled at various meetings. A motion of recovery was tabled for everyone in the larger agricultural community who had been ill due to the Covid-19 pandemic, followed by a motion of condolence to all families for the lives lost. Thereafter a motion of thanks to all the health workers who were working under great pressure. A motion of special thanks was addressed to the entire country's farmers, and individuals from the private sector, who offered assistance and mobilized actions to support others. In addition, all those who were negatively affected by veld fires and suffered damage were wished fortitude and stamina.

FINANCIAL POSITION

The management, as in the past, managed the funds of the Association with meticulous discipline so that the 2021/2022 financial year ended with large savings totalling N\$100 189, compared to the budgeted figure. Management further obtained approval from the NAU executive management for the reserves of the AEA to be allowed to grow annually by investing the year's NAU-surplus until the reserves are again approximately equal to one year's AEA budget. Thereafter, the AEA reserves should grow annually with the interest earnings on investments and keep pace with inflation.

LABOUR DOCUMENTATION

The sale of labour documents to members as well as non-members is still very popular and indicates that employers are striving to apply the correct administrative systems. The AEA management resolved that the various labour documents will be evaluated and updated where necessary. The printers who produce the hard copies have indicated that there will be large price increases in printing costs due to global economic instability, but the AEA Management will continue striving to keep the labour documents affordable for members.

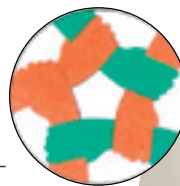
REPRESENTATION OF BOARD MEMBERS IN SEVERAL BODIES

The AEA enjoys input and has representation in various bodies, councils, and forums.

NLU Executive Council	Mr. H.H.T. Förtsch
Namibia Agricultural Labour Forum (NALF)	Mrs C. Stoman, Mr. H.H.T. Förtsch, and Mr. C. Knye
Namibia Employers' Federation (NEF)	Mr D. van Vuuren
Project Advisory Committee for Child Labour (PACC - ILO)	Mr D. van Vuuren
Ad-hoc Committee to handle Farm Evictions	Mr D. van Vuuren

NAU FARM WORKERS' PROJECT

During August 2021, the AEA conducted a survey among members regarding Covid-19 in the agricultural community in order to also report to the High Level Committee on the well-being of farm workers during the course of the pandemic. There were 278 participants from all regions representing 14% of our membership. Only 125 farm workers were ill with Covid-19 and all recovered with no consequences. Based on the total workforce of participants, this means an infection rate of 5% and a recovery rate of 100% among farm workers. The 2022 AEA Wage Questionnaire again contains a section on the Farm Workers' Project to obtain up-to-date information about it and to monitor progress.



Chairperson: Christine Stoman

INTERNAL LIAISON Liaison meetings

Meetings of regional agricultural unions and farmers' associations were attended by the management members during this period. Regular contact was made with members through the weekly electronic NAU Newsletter, the AgriForum, radio talks as well as the NAU website.



Minimum wage

Adjustment of the minimum wage for farm workers was initiated by the AEA and negotiations were successfully concluded between the four parties to the agreement: the AEA (commercial farmers), NECFU (emerging commercial farmers), NNFU (communal farmers) and NAFWU (union representing the farm workers). According to the new agreement officially signed on 09 November 2021, the previous minimum wage of 2017 was increased by 18% from 1 January 2022. The basic wage of a farm worker consists of



AGRICULTURAL EMPLOYERS' ASSOCIATION OF NAMIBIA

a cash wage as well as rations. The minimum cash wage has increased to N\$5.40 per hour or N\$1 053 per month for workers who work 45 hours per week. For those who receive a food allowance instead of free rations, their allowance increased to N\$600 per month. The total value of the minimum basic wage of farm workers was thus N\$1 653 per month as from 1 January 2022. The parties also formally applied to the Ministry of Labour to publish this joint agreement in the Gazette in terms of section 71 of the Labour Act, thus extending it to the entire agricultural sector of Namibia.

Child Labour

The Labour Act stipulates that school leavers under the age of 18 may be employed, provided that they do not perform dangerous work. The AEA recommends that dangerous work not be expected of youngsters and has defined it, inter alia, as follows:

- the use of power devices such as saws, welding machines and drills
- driving vehicles
- repair work on high places such as windmills, roofs or cleaning the gutters of buildings
- handling heavy feed bags (40-50 kg)
- the handling of toxic chemicals and dangerous livestock medications and vaccines; and
- chopping wood and making charcoal in the charcoal industry.

AEA Secretariat

The AEA's service, regarding advice to members on general labour practices and application of the Labour Act, is aimed at promoting fair labour practices and thereby ensuring that labour relations in the commercial agricultural sector remain healthy. Liaison with members on labour matters took place daily by telephone, email or through personal visits of members to the AEA office. The AEA also strives to help members resolve labour disputes as quickly as possible.

Training

(a) Training of farm workers

The Verre Suide Farmers' Association has developed a very useful training model to empower farm workers during short weekend courses offered by knowledgeable farmers. The AEA recommends that this initiative also be considered and implemented by other farmers' associations.



(b) Preschool training for farm children

The AEA believes that training must take place in the pre-school phase and that this is the key to eradicating rural poverty. The AEA endorses any action to promote early childhood development (ECD) in rural areas and is very grateful for the actions of Namibia Media Holdings during the reporting period when they published and distributed weekly publications in various languages to reach all corners of the country.

(c) NTA (National Training Authority)

Mr. Hendrik Botha represents the AEA in the NTA's agricultural management committee and reports on their activities. The said committee undertook a needs assessment by means of surveys among role players and it is reported that the NTA will now finally give consideration to shorter agricultural courses as a result.

Health

The AEA's actions revolved mainly around the dissemination of information to members around the Covid-19 issue. A document on self-care of Covid-19 patients on farms was compiled by the AEA and distributed to members via the Newsletter. A request from a member to make the Covid-19 vaccination compulsory for farm workers as well as for farmers attending meetings was investigated and considered by the AEA. The general feeling is that the time is not yet ripe to make it compulsory. The official position of the AEA at this stage is against compulsory vaccination of workers and farmers, but members are encouraged to motivate their workers regarding vaccination due to the benefits it may have for the country's health status and economy.

EXTERNAL LIAISON

Ministry of Labour and Social Welfare

The Ministry of Labour held roadshow meetings in all the regions to obtain input for the proposed new national minimum wage. The AEA attended the final meeting in Windhoek during which the chairperson made a full presentation on behalf of the AEA. This presentation, which requested that agriculture be exempted from the national minimum wage, as farm workers already have their own unique minimum remuneration package, was followed up with a written submission to the Ministry's wage commission.

Social Security Commission (SSC)

(a) MSD Fund:

The AEA raised several complaints from members with the SSC throughout the year, and most of these problems were resolved in good spirit. A senior official of the SSC in Windhoek visited the NAU office in December 2021 to inform the AEA about their new actions to improve electronic communication with employers. This information was communicated in detail to all members in the NAU Newsletter.

(b) Employee Compensation Fund (ECF):

Some members lodged complaints with the AEA office about poor communication by the SSC with employers regarding the annual wage returns and ECF assessments which then led to unnecessary penalties on their accounts. Each of these cases was taken up by the AEA with the SSC and in all the cases the problems were resolved and the fines waived.

(c) National Pension Fund (NPF):

There has been no progress in finalizing the National Pension Fund for the past three years and the issue is still in the hands of the Ministry of Labour.

Namibia Employers' Federation (NEF)

During 2020, the Namibia Employers' Federation (NEF) succeeded in an urgent court application in which the constitutionality of controversial labour regulations by the Ministry of Labour was challenged. However, the Ministry of Labour has appealed against this High Court ruling and the appeal case is now scheduled for July 2022. However, the advocates demanded imme-

diate full payment of their bill which put the NEF's finances under tremendous pressure. Although the NEF should succeed with the appeal case and the government will then have to pay the full legal costs, it remains a great challenge for the NEF to bear the legal costs in the meantime.

AEA CONGRESS 2021

During 2020 no AEA congress could take place while the 2021 Congress held on 8 June was limited to only 50 delegates due to the Covid measures. Ds. Dirk Louw opened the congress with Scripture reading and prayer. Mr. Piet Gouws, President of the NAU, was the opening speaker and, among other things, mentioned that labour is the highest cost driver on a farm and amounts to an average of 22% of the expenses. Dr. Christo Burger as guest speaker presented private medical cover for farm workers. There was also a panel discussion on the topic "Success with Farm Labour" during which three farmers gave presentations: Malcolm Campbell (south), Birgit Horsthemke (central) and Gerd Wölbling (north), after which they answered questions from the audience. The congress concluded with a vote of thanks by Christoph Knye. Agra was specially thanked for their faithful annual sponsorship of the AEA Congress.



Delegates from around 45 farmers' associations under the NAU banner who participated in the annual AEA congress.



Helmeringhausen wins prize for best participation


This year's prize from the Agricultural Employers' Association (AEA) to the farmers' association with the highest percentage of participation in the wage survey went to Helmeringhausen. Out of the 31 members, 30 sent in their completed wage returns (97%). In the photo are from left Hellmut Förtsch (AEA), Wilko Braun (Cymot) who sponsored the prize (high-pressure tire pump) and Johan van Rooyen (regional representative for Helmeringhausen).

In total, 346 wage returns were received nationwide, which according to the AEA are disappointing. The purpose of the wage survey every two years is to obtain market-related data on compensation packages of farm workers. This is then used by farmers for fair compensation to their workers. Other reliable data about farm workers is also contained in the wage report.

GENERAL

The past year has once again been marked by stability and peace on the labour front on commercial farms, with very few labour

disputes. The Agricultural Employers' Association is pleased to consistently experience good co-operation from members with interactive participation at all levels.



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SAUMA **STAMPRIET AQUIFER URANIUM MINING ASSOCIATION**

The Stampriet Aquifer Uranium Mining Association (SAUMA) continues to raise awareness on concerns of pollution resulting from the planned uranium mining in the drinking-water aquifer of the Stampriet Artesian Basin (SAB).

The SAB is a water-controlled area. The underground water is also the only source of permanent, good quality drinking water in this south-eastern part of the country. Humans, animals, agriculture, tourism, etc. are entirely dependent on this water source for their survival. If mining were to be permitted in the SAB, international perceptions will adversely impact Namibia's image

as a healthy tourism destination, meat exporter and the like.

SAUMA is convinced that no mining activities – let alone uranium extraction – should be allowed in the fresh artesian water. Mineral exploration and planned mining activities in the SAB must be stopped BEFORE pollution occurs. Ideally, this would be stopped by legislation.

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APA

AGRONOMY PRODUCERS' ASSOCIATION

GENERAL OVERVIEW

Agronomic production under irrigation and rainfed conditions is adapting from year to year to climatic and economic changes. Stable, or increasing, hectares under production are indicators of favourable changes. Unfortunately, the statistics below are proof of the fact that Namibia is not sufficiently diversified in terms of grain crops planted. Intensive efforts into research and extension are necessary to change this scenario.

During October, November and December of 2021 Namibia received far below average rainfall in most agronomic production areas, contradictory to forecasts. Germination was a problem for most of the early planted maize. Late rains did not support groundnut farmers in planting timeously, resulting in only 50% of groundnuts being planted. Good rains came at the end of January 2022, enabling producers to plant most of the planned hectares of white maize in time.

The 2021 marketing season went smoothly due to the established conducive market-

ing environment between producers and millers as well as the protection afforded to both producers and millers. The marketing mechanisms implemented by the Namibia Agronomic Board safeguard primary production and guarantee that millers enjoy a competitive advantage on processed maize meal products. The borders were closed for import of white maize as of 14 May 2021 and opened again on 22 December 2021.

Stakeholder relations are key to ensure sustainability of the industry and growth across the value chain, therefore the APA extends its gratitude towards the Namibia Agronomic Board (NAB), the Namibian Grain Processors' Association (NGPA) and the Ministry of Agriculture, Water and Land Reform (MAWLR) for coordinated and constructive efforts to sustain the agronomic industry.

PERFORMANCE (APRIL 2021 – MARCH 2022) White Maize

White maize is one of Namibia's staple crops.



Chairperson: Gerhard Engelbrecht

The total domestic demand for white maize stood at 162 249 tons for 2021, which is equivalent to an average domestic demand of 13 521 tons per month. White maize is currently produced under rainfed conditions and under irrigation, in six production areas namely Zambezi, Kavango, North Central, Karst (Maize Triangle), Central and South (Hardap). The biggest volume of white maize under rainfed conditions was planted in the Karst area (9 783 ha), followed by the Zambezi (8 901 ha) and the Central (3 372 ha) areas. The Kavango region (1 845 ha) had the most hectares under irrigation, followed by the Karst area (1 219 ha), the Central (1 116

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ha), the South (404 ha) and the North Central areas (52 ha).

Producers marketed 90 895 tons of white maize between 1 April 2021 and 31 March 2022 of which 54% (49 299 tons) were harvested from rainfed areas and 46% (41 598 tons) of maize originated from irrigated areas. The marketing of white maize in 2021 (90 895 tons of maize) improved significantly by 27% as opposed to the 66 642 tons of white maize marketed in 2020, thus reaching record levels in the history of Namibia's maize production.

Wheat

Wheat is a cereal grain crop mainly produced under irrigation. The total domestic demand for wheat stood at 123 305 tons in 2021, equivalent to an average monthly domestic demand of 10 275 tons. Wheat is planted during winter (May to the end of July) and harvested from October to December of each year. Wheat is currently produced in five production areas, i.e. Kavango, North Central, Karst, Central/East, and the South.

For the 2021 marketing season, production reached 18 489 tons of wheat produced on a total of 3 416 hectares. Wheat marketing increased by 38% in 2021 as 11 498 tons of wheat was marketed in 2020 and 18 489 tons

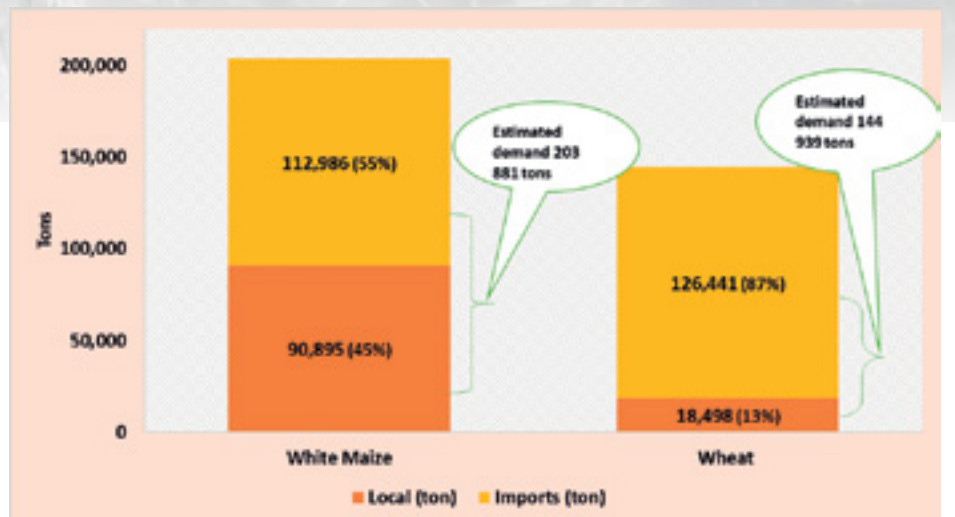


Figure 1: Grain imports and local purchases in tons for 2021/2022. Source: Namibia Agronomic Board

in 2021. Figure 1 below demonstrates a comparison between white maize and wheat, imports and local tonnage for 2021.

Groundnuts

Groundnut planting over the past 10 years reflected a stable market and predetermined price prior to each marketing season. During 2021 producers planted 550 hectares and approximately 550 tons of groundnuts were harvested. With the expectation of an

improved yield, producers are confident that hectares will increase.

STRATEGIC PLANNING

Key functions were identified to focus on the sustainability of the agronomic sector. These functions will be continuous agenda points for the APA to focus on. Developments under each key point during the period under review are indicated as follows:

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AGRONOMY PRODUCERS' ASSOCIATION



Marketing Environment

The APA continuously engages other stakeholders to maintain a conducive and fair market environment for both producers and millers with the support of instruments such as Marketing Agreements.

Affecting Policy Environment

The NAB, in conjunction with other stakeholders in the industry, drafted the **National Drought Support Programme for Surplus Rainfed Grain Production**. The policy was submitted to the Ministry for incorporation into the National Drought Policy. The APA in co-operation with the NAB will maintain the initiative's momentum to ensure its finalisation for future implementation.

Research / Information

The NAB has commenced with trials of sesame seeds in various production zones.

PROJECT FUNDING BY THE NAMIBIA AGRONOMIC BOARD

Project funding is the government's support made available to all organisations within the agricultural sector based on applications for projects that benefit the broad agricultural community, and specifically the agronomic industry. Detailed draft budgets outlining all planned activities were submitted to NAB for approval during 2021. After approval, the

APA received N\$796 142.74 (2019-2020) and N\$857 092.94 (2020-2021).

GENETICALLY MODIFIED MAIZE (GMO)

The APA supported a producer with his application to the Ministry of Environment, Forestry and Tourism for a Strategic Environmental Assessment (SEA) and thereafter to the Bio-Safety Council for the necessary permits to allow cultivation of selected GM maize strains in Namibia. If the application is successful, the step-by-step process will be outlined to all producers.

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DPA

DAIRY PRODUCERS' ASSOCIATION

The estimated production values of raw milk equalled N\$ 132.0 million (2019), N\$ 106.8 million (2020) and N\$ 93.7 million (2021), indicating negative revenues for three years in a row (Figure 1). The negative trends were a result of reduced volumes caused by, but not limited to, drought and herd liquidation, and an unchanged milk producer price since 2016, averaging N\$ 6.1 per litre (Figure 2).



Chairperson: Dirk van Wyk

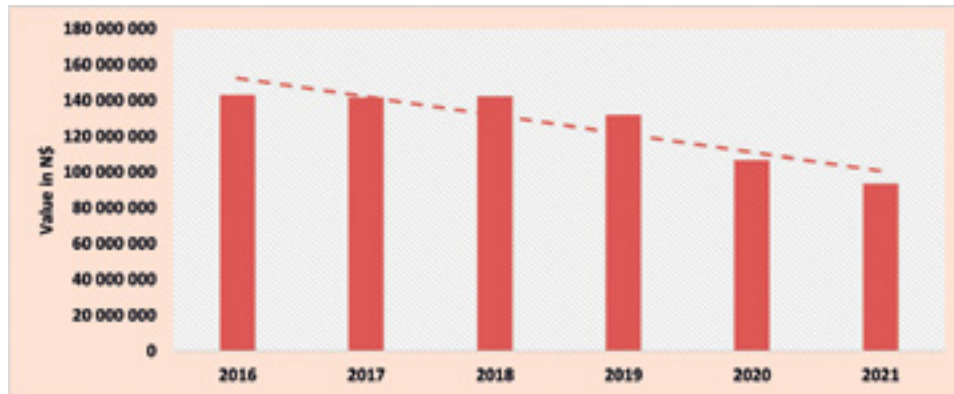


Figure 1: Estimated dairy production value
Source: NAU

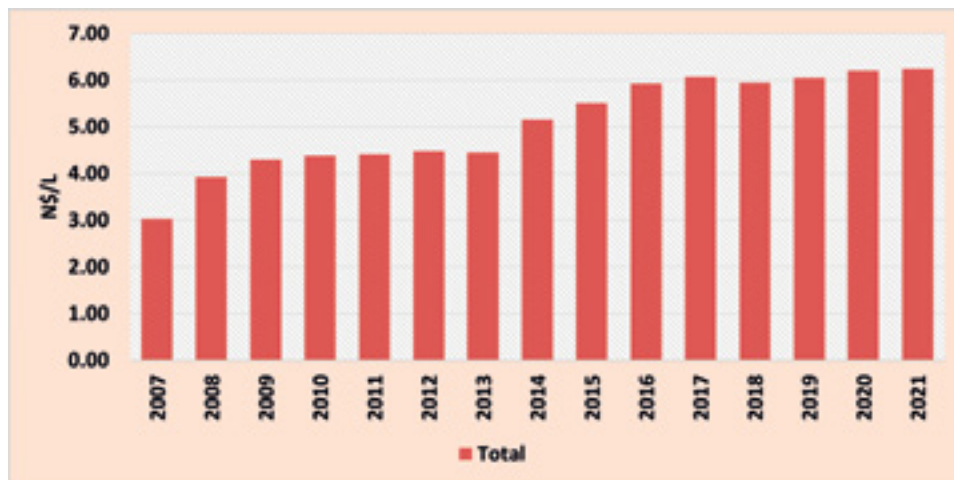


Figure 2: Milk producer price
Source: NAU

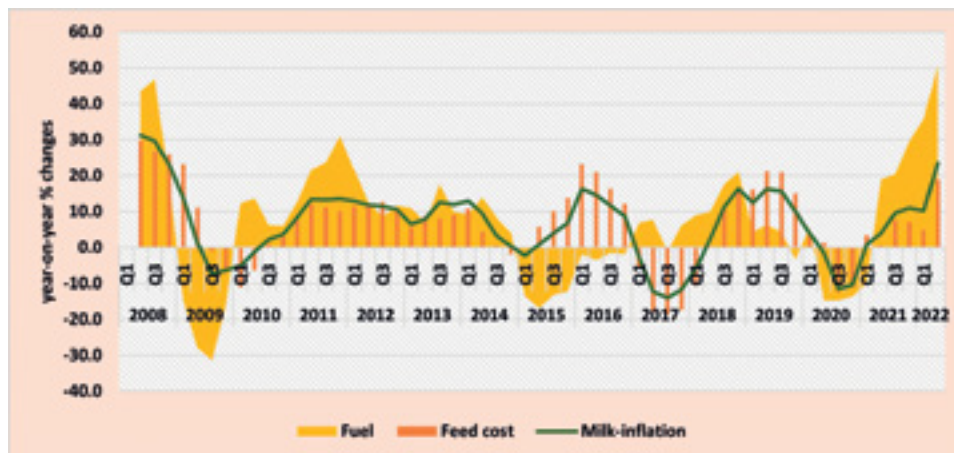


Figure 3: Milk-inflation
Source: NAU

The N\$6.1 per litre fell short of producers' break-even margin estimated at N\$7.70 per litre in 2020, making the business unsustainable. Fast-increasing input costs associated with constant producer prices, squeezed dairy producers' profit margin, leading to some farmers ceasing operations in 2021. More than 50% of production cost is feed, therefore, drastic increases in inputs such as fertilizer and fuel prices on the international, regional as well as domestic front had a huge impact on the cost of production of raw milk. Comparing Q2-2021 to Q2-2022, feed cost increased by 18.9%, whereas fuel prices increased by a massive 50.6% (YOY) (Figure 3). These increases drove total expenses upwards by 23.5% (YOY), which is the highest in over 10 years (Figure 3).

In addition, the domestic dairy sector is small, thereby making it difficult to operate in an unregulated space. The infant industry protection (IIP) implemented from 2003 to 2011 was the first supportive measure for the local dairy sector. Thereafter came the quantitative measure limited to UHT, yoghurt, fresh and Extended Shelf Life (ESL) milk employed between September 2013 and August 2014. To date, the sector has been operating without protection and shouldering huge challenges.

The valuable contribution of the dairy sector cannot go unrecognised, despite a reduction in the number of producers (currently standing at 11). These producers have more than 100 employees supporting a significant number of over 500 dependents, and by so doing also provide significant support to the rural economies they operate in. The existence of the dairy sector is vital, and all role players acknowledge this.

Stakeholders such as the Government and Meat Board made good progress with drafting a document submitted to Cabinet for the inclusion of dairy under the Meat Industry Act. The industry now awaits a favourable outcome soon.

PERFORMANCE 2021 and 2022 (Jan-Jun)

Production of raw milk decreased significantly by 37.8% from the 24.1 million litres produced in 2016 to 15.0 million litres produced in 2021. Raw milk volumes of 17.2 million litres supplied in 2020, declined by 12.9%, when compared to the 2021 volumes.

Due to the good rains received, the production of milk for the first six months of 2022, improved by 8.5%, compared to 2021 (January-June). Volumes produced were 7.1 million litres in 2021 (January-June) and 7.8 million litres in 2022 (January-June). The sector could therefore expect an increased performance for 2022.

There was no price increase for the period under review.

Dairy's champions

Dirk van Wyk, chairman of the Dairy Producers' Association (DPA), was crowned this year's producer of the year. Here he receives his certificate from Leonie Prinsloo, managing director of Namibia Dairies. A cash prize of N\$10,000 from Namibia Dairies and the DPA exchange trophy is up for grabs for the winner. Dirk also won Namibia Dairies' prize for the most accurate forecast for monthly delivery, one of the criteria to determine the winner of the annual competition for dairy producers. Butterfat content, presence of E.coli and counts for bacteria and somatic cells are also taken into account. Dirk farms on the farm Mombolo 80 km north-east of Gobabis in the heartland of the east's dairy region. His extensive dairy herd consists of 70 Simmentaler and Brahman cross cows that produce between 17,000 and 22,000 litres of milk per month.



MILK QUOTA

During a members' meeting held in August 2021, the processor requested further adjustment from 800 000 litres per month (decided on in July 2020) to 600 000 litres per month agreed on by producers.

STAKEHOLDER ENGAGEMENTS

Due to the good relationship established between the DPA and the City of Windhoek, the process of issuing fitness certificates to the DPA producers was smooth.

Stakeholders in the dairy sector tried to explore the draft bill on the Import and Export of Dairy Products, but after deliberation with Ministry officials decided to pursue the route of including dairy under the Meat Industry Act to ensure a lasting solution for the sector. As a result, DPA approached the Meat Board for a possible inclusion of the dairy sector under the Meat Industry Act. The Meat Board agreed and drove the process with the Ministry. As it stands, a cabinet submission followed and the industry awaits a favourable outcome.

Namibia Dairies hopes to increase raw milk intake and approached the DPA with a volume incentive scheme. The proposal was based on introducing incentives for increasing monthly volumes on a sliding scale, starting at 50 cents per litre for every additional litre delivered, once 500 000 additional litres have been supplied by the group. The DPA provided recommendations for the proposed volume incentive scheme.



The runners-up of the competition for dairy producers together with representatives of the sponsors. From left are Leonie Prinsloo from Namibia Dairies, Frikkie Duvenhage (second place), Willie van der Schyff (third place) and Greg Macintosh from Poly Oak. Frikkie also won the prize for the lowest bacteria count.

Dairy legend Japie Engelbrecht hands over the trophy (named after himself) for the best milk quality to Franz Homsek, head of Namibia Dairies' agribusiness and the !Aimab Superfarm at the Hardap irrigation scheme, which is this year's winner. The criteria set by Japie are that the winner must be an DPA member, the person attended the previous year's annual meeting, a butterfat content of at least 20% (average is 3.5%) and a bacteria and somatic cell count of 40% each. Other requirements are that the milk must not contain E. coli, antibiotics and water.

LPO

LIVESTOCK PRODUCERS' ORGANISATION

A word by the Chairperson

The heavy hand that Covid has held over the world is slowly but surely starting to lift and although the devastation it caused will be with us for a very long time, things are slowly starting to return to normal. The one thing that has become clear again in a world where industries have been forced to their knees is that agriculture is standing strong while everything around us is collapsing.

Due to Covid restrictions, the LPO held regional meetings for a second year. This was experienced very positively and therefore the LPO management recommended to Congress to amend the LPO constitution to alternate Congress with regional meetings every second year.

The drought was fortunately broken in 2021. Especially in the far south good rain was received. Although certain areas were pestered by locusts, their pasture looks good overall. There is concern about the drastic rise in agri-inputs and the impact that this has on production costs. This will erode the prices that livestock producers receive.

The Small Stock Marketing Scheme (SSMS) has been on hold for three years and farmers are investing and building herds. Producers are increasing production and maintain positive attitudes. However, the Namibian sheep producer is currently dependent on two markets in the sheep industry, and these are the live export to SA and the local Namibian market. The LPO and Hartlief therefore investigated the viability of exporting mutton to bone-in markets. Europe prefers bone-out mutton and for many years it has been a strain for the sheep industry to export meat.

It is vital that the Namibian cattle industry has an export abattoir. Meatco's losses for the last 5 years are astronomical, which are totally unsustainable and call for urgent changes. However, the LPO considers a sustainable Meatco to be a critical pillar in the Namibian cattle industry to ensure stability and growth. We must therefore do everything in our power to ensure sustainability. The LPO's aim is to seek the best markets and prices to the benefit of its members.

In 2020, the LPO in collaboration with the Namib Mills group undertook a cattle value chain study to determine the correct price

cattle producers should be paid for their product. This study was further extended by a private group of producers (Beef Value Chain Forum) who investigated the sustainability of an export abattoir. A company called "Savannah Beef Processors" has since been formed, with shares made available to producers.

During 2020 and 2021, there were many investments in the cattle industry after the drought. Many heifers and tollies were held back and even in 2021 the marketing of cattle was less than the total in 2020 and this shows us that a lot of herd building took place. In 2022 the marketing picked up. Prices are very good for both weaners at auctions and slaughter cattle at export abattoirs.

Policy reforms for the livestock value chain must be addressed to remove production constraints, maintain export quality, promote investments in product diversification and local value addition as well as strengthening the resilience of livestock producers to climate change. It is necessary to improve the global competitiveness of Namibian livestock as lack of economy of scale is one of the biggest challenges for livestock producers and makes them vulnerable.

Namibia's animal health status remains a critically important factor for the livestock industry and various challenges are being experienced in this regard. Namibia is an exporting country of livestock and meat and is largely dependent on export markets (international and Southern Africa). Should one positive case of foot-and-mouth disease be identified for whatever reason in Namibia south of the Veterinary Cordon Fence (VCF), all export markets will be closed overnight and the entire livestock industry (cattle, sheep, goats, etc.) shutdown will arrive with catastrophic economic consequences. Similarly, it is crucial to improve the animal health status north of the VCF, in order to benefit Namibia's entire meat industry. The seemingly uncontrollable outbreak of foot-and-mouth disease in South Africa further increases the risk. Action steps to protect the border will have to be implemented by DVS and the Meat Board of Namibia.

Thinus Pretorius
LPO Chairperson



Chairperson: Thinus Pretorius

Marketing figures for small and large stock

Livestock farming consisting of cattle, sheep, goats and pig production is still the most important agricultural activity in Namibia, accounting for around 76% of the output in the country.

The total marketing of cattle in 2021 decreased by 7.41% (18 552) compared to 2020. Fewer cattle were marketed due to several factors, including farmers holding back their animals as they continue to build herds after years of drought. In the first half of 2022, however, this picture looked more positive with an increase of 20.33% (20 539) compared to the same period in 2021. Slaughtering increased by 25.29% (10 960) and exports increased by 16.61% (9 579).

The total marketing of sheep performed better in 2021 than in 2020 with an increase of 7.06% (26 398) and by June 2022 the marketing had further improved by an impressive 38.02% (88 911). The South African export market is currently the mainstream marketing channel for Namibian sheep with very good prices and an increase in exports of 25.58% (58 207) was seen in 2021 compared to 2020 and 57.87% (98 595) by June 2022 compared to the same period in 2021. However, slaughtering was down in 2021 with 21.77% (31 811) and 15.25% (9 684) in June 2022.

The goat industry had a healthy increase in 2021 with a total marketing of 27.61% (112 221) and a further increase in marketing of 8.49% (55 217) during the first six months of 2022. The increase was brought about by its exports. Local slaughtering for this industry fell drastically by 81.51% in the first six months of 2022.

The positive increase in the livestock sector leaves an optimism that above average rainfall from the La Niña phenomenon and rising meat prices will provide incentives for additional restocking in 2022, after years of drought.

LIVESTOCK PRODUCERS' ORGANISATION

Table 1 indicates the numbers of marketing of large and small stock, together with the percentage change between 2020 and 2021.

Table 1

	2020	2021	% Change
Cattle slaughtered	91,762	95,148	3.69
Cattle exported	158,679	136,711	-13.84
Total marketing	250,411	231,859	-7.41
Sheep slaughtered	146,131	114,320	-21.77
Sheep exported	227,583	285,790	25.58
Total marketing	373,714	400,112	7.06
Goats slaughtered	6,643	6,501	-2.14
Goats exported	81,301	105,720	30.04
Total marketing	87,944	112,221	27.61

Source: Meat Board of Namibia

Table 2 indicates the numbers of large and small stock marketed, together with the percentage change between 2021 and 2022 for the first six months (year-on-year).

Table 2

	2021	2022	% Change
Cattle slaughtered	43,333	54,293	25.29
Cattle exported	57,683	67,262	16.61
Total marketing	101,016	121,555	20.33
Sheep slaughtered	63,505	53,821	-15.25
Sheep exported	170,375	268,970	57.87
Total marketing	233,880	322,791	38.02
Goats slaughtered	4,029	745	-81.51
Goats exported	46,869	54,472	16.22
Total marketing	50,898	55,217	8.49

Source: Meat Board of Namibia

Agricultural cost squeeze

The NAU production cost index recorded 113.4 basis points in the fourth quarter of 2020, and 125.7 basis points against the same period in 2021. This means that agricultural inflation jumped from 3.1% to 10.8% in this period. The increase was largely the result of costs associated with fuel (30.5%) and feed (17.3%) as well as maintenance and fixed improvements (11.6%). The Namibian dollar weakened against foreign currencies, which contributed to the price of imports.

In terms of livestock prices, sheep producer prices rose by 4.1% in 2021, while cattle prices rose by more than 12.3%. The positive developments in the price of cattle were realized by a 26.2% increase in slaughter prices, and a 3.3% growth in the price of weaned calves, especially in quarter 4 of 2021. The annual average price of weaners as a percentage of the slaughter price in 2021 stood at 75.2% but fell to 72.5%, indicating that the profitability of weaners and ox production is close to market equilibrium as the weaner price as a percentage of carcass price has fallen to close to the long-term average of 64%.

Looking at 2022, the agricultural sector already suffered from increases in input costs, and the war between Russia and Ukraine further escalated the burden, resulting in the highest recorded agri-inflation since 2016

in the first half of 2022. The agri-inflation rose to a record level of 17.3% in the first six months of 2022 in contrast to 7.0% recorded in 2021, and it was driven by fuel (55.2%), feed (25.4%) and cost of maintenance and fixed improvements.

Comparing prices from January to June 2021 with prices in 2022 over the same period, sheep prices rose by 8.5% and cattle prices by more than 6.5% following a 16.9% increase in oxen prices and 3.6% reduction in the price of weaners and oxen. During the first six months of 2022, the average weaner price as a percentage of slaughter price moved below the long-term average of 64% to 63.1%.

Recovery and growth of the livestock sector

The LPO supports the vision of the Minister of Agriculture, Water and Land Reform (MAWLR) to grow agriculture's contribution to GDP. To realize this vision and to make sure that in the future the Namibian livestock industry will continue to be one of the biggest contributors to the maintenance of the rural economy, job creation, growth and prosperity, the LPO proposed certain strategic objectives during its regional meetings in October 2020 to enable this growth in the sector. The objectives are evaluated during each management meeting to assess whether the LPO pays enough attention to each one. The objectives were:

- Achieving the best market prices for products of excellent quality
- Investing aggressively to restore the natural rangelands of Namibia
- Establishing confidence in the meat industry
- Ensuring competition between different value chains
- Restoring confidence in export abattoirs
- Maintaining the veterinary status of Namibia

In June 2022, another strategic objective was added, namely *increasing the yield per hectare*. The focus is on commercial livestock production. The objective with this action is that the LPO contributes to increase the productivity of the livestock industry among its members. The most important factor driving yield per hectare of livestock farming remains sustainable stocking per hectare. Production per hectare is dependent on stock availability per hectare.

There are several factors that affect yield per hectare, but for this strategic objective the

focus will be on simple core questions that drive the profitability of livestock farming.

- Pregnancy percentage of female animals
- Number of calves/lambs born
- Number of calves/lambs weaned

A project is being launched by the LPO to obtain the above information. The focus is on commercial producers and not on stud farming and the focus is on cow farming, sheep farming and growth from weaners to oxen. With this information, an attempt is being made to set benchmarks in the industry against which producers can measure themselves.

Small stock matters

Small Stock Marketing Scheme (SSMS)

The SSMS implemented in 2004 with the aim of stimulating local value addition has failed miserably. Production was forced to its knees and the doors of sheep fattening abattoirs closed. This scheme was put on ice for 5 years in 2019 after the government appointed a consultant to investigate it and it was found that the scheme was not a success. In the meantime, production has started to increase, but producers need long-term policy certainty to restore the sheep industry to its maximum potential and the LPO is leaving no stone unturned to get this scheme permanently abolished.

Alternative export markets for sheep

At the request of small livestock producers, the LPO launched an investigation in 2021 into the viability of alternative international export markets for lamb and mutton, both bone-in and boneless. The study was conducted in collaboration with Hartlief to determine whether international value chains for lamb and mutton have the potential to achieve sustainable benefits for local abattoirs for sheep export, and to automatically attract sheep from primary sheep producers in an unregulated market. In summary, the study points out that there are two opportunities, namely to the United Arab Emirates (UAE) as well as China, but there is not yet a path open to these markets. The only opportunity that currently exists to export sheep is to Norway under the current quota.

There is currently a strong drive from Hartlief to establish an export market. They are in the process of upgrading the abattoir at Mariental at considerable cost with the view to obtaining an export certificate soon and have Namibian mutton back on the shelves of European markets by the end of 2022.

Large stock matters Beef Value Chain Forum and Savannah Beef Processors

The LPO undertook a cattle value chain study together with other role players in the industry and this study was completed in 2020. As a result of this study, a private initiative consisting of producers created the “Beef Value Chain Forum” (BVCF) and “Savannah Beef Processors” was registered as a company.

Meatco

The sustainability of the cattle export value chain is of key importance for stability in the cattle industry and therefore it is the responsibility of the LPO to help find a solution for the continued existence of this value chain to ensure that its members as price takers receive a fair price for their product.

During this reporting period, several attempts were made to keep communication channels open with the management and board of Meatco. The LPO took the lead in dusting off the previous agreement that was made in 2011 between the respective agricultural unions, with the proposal to establish a cooperative with members supplying beef to Meatco, and with certain additional conditions along with other role players in the industry to the former Minister of State Enterprises, the Minister of Agriculture as well as the Minister of Finance (who is currently appointed as the Minister for State Enterprises).

The LPO has consistently been meeting with key players to try to find solutions for Meatco and find guarantees that its members who deliver their product to Meatco will receive timely payments. The LPO also discussed with the Minister of Finance that an annual guaranteed capital support for Meatco will be necessary until 2025 to ensure a sustainable future. The late payments from Meatco to its suppliers have a negative impact on the entire value chain and producers’ cash flow is seriously affected by this. Producers thereby lose their confidence in Meatco and redirect their product to either other export abattoirs, local abattoirs or livestock auctions.

During visits to the Ministry of Finance/State Enterprises, the LPO made a request for concrete action to prevent the demise of the entire slaughter cattle industry in Namibia. The LPO also made suggestions on how to lower Meatco’s costs through certain alternative marketing methods.

Due to Covid restrictions, Meatco did not convene annual meetings in 2020 and 2021. Meatco’s management announced on 30

May 2022 that its annual members’ meeting in 2022 had also been postponed due to “circumstances beyond its control”, but that it would take place before 30 September 2022. According to section 14(2) of the Meatco Act 1 of 2001, an annual general meeting of members must be held within five months of the end of each financial year at such date, time and place as the board may determine. Members must be notified two months before the annual meeting. The failure of Meatco to announce and hold the annual meeting on time was therefore outside the law.



International trade agreements Norwegian beef and mutton quota

Despite a significant decrease in beef marketing numbers during the year 2021, compared to the year 2020, Namibian beef exporters were still able to make full use of Namibia’s 50% share (1 600 tons), of the available Norwegian export quota. Since the quota was jointly allocated by Norway to Namibia and Botswana, and Botswana could not fully utilize their 50% share of the 3 200 tonnes, Namibia was also able to supplement that deficit of approximately 700 tonnes additionally. The Norwegian market is an extremely profitable market for Namibia. One of the conditions for using the quota is that all beef exported to Norway must be deboned. Namibia cannot export bone-in beef to Nor-

way. Namibia, along with Botswana and Eswatini, may also export 400 tonnes of mutton annually to Norway on a duty-free basis. Given Namibia’s animal health status, this meat must also be deboned.

The Agricultural Trade Forum is engaged in negotiations and technical work in collaboration with Namibian and Botswana government officials to put a more formal quota-sharing mechanism in place. Discussions are well advanced, and the hope is that a formal memorandum of understanding will be signed later this year or early in 2023 which will provide the legal basis to set up and implement a technical quota-sharing mechanism between the two countries. The main reason for the developments is the need for Namibia and Botswana to ensure that the entire quota of 3 200 tonnes can be fully utilized annually. Any unused quota in such a profitable market is a big loss for the meat industry and creates the impression that the quota is too large and does not need to be increased when renegotiating the SACU-EFTA free trade agreement. Namibia and Botswana have applied for an additional 1 000 tonnes under the current review process of the Free Trade Agreement.

Animal health and veterinary services FANMeat and NamLITS

The Farm Assured Namibian Meat Scheme (FAN Meat) was developed by the Meat Board and the Directorate of Veterinary Services (DVS) and is essential for Namibia to be able to export meat. The NamLITS system is an integral part of the FAN Meat scheme and provides Namibian export markets with assurance regarding the safety, wholesomeness and quality of Namibian export meat. NamLITS is particularly important in terms of disease control. The NamLITS system is based on a software program and its functionality is constantly being improved to make it more accessible and user-friendly.

A NamLITS online function was created as a tool for producers to be able to perform most of the administrative functions themselves in relation to livestock identification, movement of livestock, as well as traceability. However, producers do not always have access to reliable internet facilities or are not familiar enough with computers. That is why the Meat Board came up with the concept of NamLITS cafés. Service providers working with agricultural communities can act as agents of the Meat Board to assist producers. During this reporting period, the first NamLITS online café in Windhoek opened its doors. This NamLITS café is run by a private initiative and is convenient-

LIVESTOCK PRODUCERS' ORGANISATION

ly located in the NAU building. The service is offered at a cost to any livestock producers. Three other NamLITS cafés have since opened elsewhere in the country.

The LPO encourages its members to make use of the NamLITS online system, either by operating it themselves or by using NamLITS cafés. This reduces the administrative burden at state veterinary offices and takes less time, as everything can be done online.

Renaming of the OIE

The OIE began its public transition to the new World Organization for Animal Health (WOAH) branding on 31 May 2022, with accompanying new colours and logo. WOAH is now the official acronym and will serve as the main reference in all platforms, documents and products going forward.

DVS service delivery

The Directorate of Veterinary Services (DVS) is the key to livestock marketing in Namibia. However, the industry has been expressing its concern for some time that the efficiency of some DVS offices presents major challenges. The LPO aims to work closely with

DVS and address problems encountered in the industry.

In this reporting period, sheep exporters' problems were brought forward with a restriction placed on export services by a certain state veterinary office. The LPO facilitated a meeting between the exporters and DVS. There was successful deliberation and temporary solutions were found to continue the export of livestock as smoothly as possible.

Animal Health and FAN Meat Committee (AHFMC)

The AHFMC is a committee of the Meat Board of Namibia and was established to promote the interests of the meat industry in Namibia and elsewhere. The AHFMC creates a formal platform for representatives of the livestock and meat industry as well as other related industries to identify shortcomings, challenges, risks and opportunities related to the maintenance and improvement of the Namibian animal health status and to communicate with the Directorate of Veterinary Services (DVS) to engage in discussion and assist in the maintenance and improvement of the Namibian animal health status. Furthermore, the com-

mittee advises the Council on matters concerning the Farm Assured Namibian Meat Scheme (FAN Meat Scheme), where FAN Meat ensures the safety, health, quality, and traceability of Namibian export meat. The LPO has representation on the committee and all matters of interest to members are placed on the agenda of this committee for discussion.

Animal Health Declarations

According to the Animal Health Act, livestock producers must submit an animal health declaration twice a year as a form of self-audit. The information submitted on these statements is used by DVS to prepare the EIA (WOAH) reports on a biannual basis, as well as for the preparation of census numbers, the compliance of feed and medical registers as well as for audits. The LPO reminds members of the deadlines in a timely manner and emphasizes the importance of submitting them.

Export of livestock to SA

On 1 July 2016, new requirements for the export of livestock from Namibia to South Africa were implemented. The new require-



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ments of SA had a cost and animal welfare implication for the Namibian industry. The requirements included that small livestock that are not exported to registered abattoirs and feedlots must be tested for *Brucella melitensis* and that cattle that are exported to abattoirs and feedlots must be tested for Bovine Tuberculosis (bTB). In order to renegotiate the requirements with SA, DVS must put certain actions in place. However, these actions are lagging, and no progress has been made since 2016.

Special levy for essential veterinary services

Financial constraints within the Ministry of Agriculture, Water and Land Reform (MAWLR) result in insufficient funding for the maintenance of essential veterinary services to maintain the integrity of the current excellent Namibian animal health status, traceability system and the livestock and meat export markets. These essential services include the maintenance and integrity of the NamLITS system, veterinary fencing, residue control, laboratory tests required for exports, farm inspections, export inspection and certification and meat inspection at export abattoirs.

The Meat Board submitted a draft proposal for industry contributions to essential veterinary services to all stakeholders for recommendation and consideration. The basis of the proposal is a levy of 0.23% of the transaction value of a livestock transaction which will be paid on a 50% basis by the seller and buyer. The LPO, with the approval of its members, approved the additional levies with certain conditions. The Meat Board submitted the draft proposal to the Minister of Agriculture for approval. No further feedback is available.

Foot-and-mouth disease

Namibia

An outbreak of foot-and-mouth disease occurred at the end of May 2021 in the Zambezi region as well as in November 2021 in the same region. After these outbreaks were successfully contained by DVS, all livestock restrictions were lifted according to a public notice on 10 February 2022. Vaccination continues in the region.

South Africa

South Africa has had three major outbreaks of foot-and-mouth disease (FMD) since May 2021. The first one started in KwaZulu Natal, then in the free zones of the Limpopo and Northwest provinces. These outbreaks led to the further spread of the disease to six provinces by August 2022.

There has been a ban on the import of cloven hooved and similar fresh products from South Africa for some time, but due to the rap-

id spread and the associated risk this posed to Namibia, DVS is strengthening the measures to prevent the possible spread of foot-and-mouth disease to the free zone of Namibia. The stricter control measures include a ban on the import of any raw meat products from cloven-hoofed animals, including pigs, as well as semen and embryos, grass, fodder, lucerne and silage.

Other preventive measures introduced at border posts between SA and Namibia are thorough disinfection of trucks involved in livestock industries before they enter Namibia, footbaths placed at all entry points, as well as the deployment of additional staff at border posts to strengthen the search and inspection of vehicles for any forbidden material.

The LPO is in constant contact with DVS and the Meat Board to monitor the situation and to offer support where necessary.

Lung sickness (CBPP)

Infectious lung disease (CBPP) has occurred among cattle in four regions of Namibia, namely Kavango West, Ohangwena, Omusati and Oshikoto. The first case was reported in May 2022. The latest case was at a cattle handling facility in Okankolo Constituency of Oshikoto region. This was confirmed on 27 June 2022 by the Windhoek Central Veterinary Laboratory. In terms of the Animal Health Act, Act 1 of 2011, DVS immediately introduced control measures to combat the disease. CBPP poses a risk to Namibia's animal health status if it spreads south of the veterinary cordon fence. The LPO is monitoring the situation.



Kudu rabies project

The kudu rabies project began in 2016 after the LPO Congress gave instructions in 2010 to find a solution to the ongoing rabies pandemic that endangers the kudu population in Namibia.

The first two phases of this project included an epidemiological survey, baiting studies and a proof in principle of oral rabies vaccination. The results of the two phases showed that the

oral vaccination of kudu is indeed possible, but the results regarding the degree of protection against the rabies virus were not convincing. The experience gained from this and the encouraging results that resulted from it led to the LPO giving approval to carry out phase three of the project.

Phase three of the project kicked off in November 2020 and was almost completed during 2021. Different doses and administration methods of an oral rabies vaccine were compared to elicit a measurable immune response in kudu in captivity. This produced positive results and, for the first time ever, measurable antibodies were collected in a ruminant after an oral inoculation. Further analyses by the Friedrich Loeffler Institute (FLI) showed that higher vaccine doses induced higher antibodies as well as rabies specific antibodies. It has therefore been proven that immunity to rabies can be obtained by oral vaccination, but that the degree of protection against the disease depends on the dose of vaccine that the animal ingests.

Phase three also carried out a further investigation on the baits that had already been developed in the previous phases of the project. It was necessary to determine the extent to which kudu in natural veld conditions would eat the bait to ingest sufficient amounts of the oral vaccination. This took place at a B2Gold farm. The bait was hung in trees in strategic places on the farm so that it could be tested in a natural environment. The bait study was very successful and proves that it can be used effectively to attract kudu in a natural environment. However, more targeted studies are needed to determine whether an acceptable vaccination coverage can be achieved through this.

Dr Rainer Hassel, who has acted as project leader since the beginning of the project, has announced that he can no longer be involved in the project due to his other commitments at the veterinary school and animal hospital of UNAM. A successor will therefore have to be identified for the project. The LPO would like to thank CEVA Animal Health in Germany as well as the local veterinary school and the Friedrich-Loeffler-Institute (FLI) in Germany, who respectively provided the vaccine and bait free of charge and who also did the serological tests at no cost.

Waterberg Buffalo

EIA (WOAH) meat export regulations prohibit any buffalo in the commercial farming area except for the Waterberg Plateau Park. The topography of the park is such that buffaloes cannot easily escape from the Park. However, should this happen, the animals are immediately destroyed, and the surrounding farms

LIVESTOCK PRODUCERS' ORGANISATION

are closed to marketing for a period. MEFT has repaired and maintained the fences of the park in recent years and grazing is not under pressure either. Thus, there have been no cases of buffalo breaking out of the Park for an extended period. The LPO management visit the Park every year to familiarize themselves with the condition of the fences.

An LPO representative visited the Park on 13 April 2022 together with representatives of the Ministry (MEFT). The general view of the fence was that it was old, but regularly patrolled and maintained. The Park's grazing is not very good, but there are only 600 to 800 buffalo, and planning is underway to possibly export more buffalo to Zambia.

Resistance to antimicrobials

Antimicrobial resistance (AMR) occurs when bacteria, viruses, fungi and parasites change over time and no longer respond to medicines. This complicates the treatment of infections and increases the risk of disease spread, serious illness and death. To address this growing risk there is therefore a global collaborative effort between various health science professions to achieve optimal health for humans, domestic animals, wildlife, plants and our environment. Several workshops have already taken place in Namibia on this theme and the LPO is represented by Dr Anselm Voigts who is not only a seasoned veterinarian but is also very familiar with farming and the practical aspects of animal health at farm level.

It seems inevitable that the use of antibiotics will be more strictly controlled in future and that this will affect the practical management on farms. DVS was designated in 2019 as the responsible Directorate to drive this matter. Dr Voigts' recommendation is that when the regulations are amended, it is important to make the responsible authorities aware of the practical challenges for the end consumer and that practical solutions must be proactively found. Meetings between DVS and LPO and its members are therefore essential.

FMD impact study and the improvement of animal health status in the NCA

During an LPO strategic planning session in November 2020, various industry players were invited to hold discussions on the long-term plan for maintaining Namibia's animal health status. During this session it was decided to conduct a study to determine the impact on the Namibian economy if the country were to lose its animal health status.

A representative committee was formed from this, and further discussions led to the expansion of the study to also conduct an analysis of the cost-benefit if the animal health status north of the veterinary cordon fence (VCF) could be improved. The committee appointed an independent consultant to complete the study, and funding for the cost of the study was borne by the LPO, Feedmaster, DASCOM and Agra.

The results of the study showed that the integration of the NCA into the current FMD-free zone has significant benefits for the Namibian economy. The 10-year cumulative model showed that this would contribute N\$7.54 billion to GDP together with capital formation of N\$3 billion and a fiscal increase of N\$1.5 billion. Together with this, household income will increase by N\$5.5 billion and this will also have a significant positive effect on employment opportunities.

However, the study also clearly pointed out that the loss of export status at the OIE will have a much greater impact. A 5-year cumulative model shows that N\$12.46 billion will be lost to GDP, a reduction in capital formation of N\$5 billion, a fiscal reduction of N\$2.4 billion and a drop in household income of N\$9.24 billion. More jobs will be lost than will be created.

The results of the study therefore show that the inclusion of the NCA in export markets will have a positive economic impact, but that this must be approached carefully as the negative economic impact will be much greater if Namibia loses its export status for whatever reason.

Livestock Producer of the Year 2022

Karin and Mario Metzger were crowned as Livestock Producers of the Year on 4 October 2022 during the LPO steak braai.



Bush feed project

Delays in the analysis of certain bush samples mean that there is currently no progress with the project.

Impact of livestock and game theft as well as human-wildlife conflict

Game and livestock poaching across the country is increasing and some areas are being hit exceptionally hard. Losses of millions of dollars are being reported while crime prevention actions are further driving up already high production costs. Continuous fear of continued livestock theft, together with action taken to track down perpetrators, also puts emotional stress on producers and can lead to a loss of focus to optimize production. It is therefore not an easy task to put a figure on the economic impact in terms of financial losses suffered by title deed holders. Landowners are constantly stepping up their security with neighbourhood watches patrolling large areas, installing expensive technological devices to check roads, nature reserves and hotspots, additional electric fences etc., but the economic impact caused by criminal elements is rising out of control.

The NAU therefore decided to request assistance from the University of Science and Technology of Namibia (NUST) to conduct an independent analysis to obtain a figure that reflects the total economic impact on title deed farming land across the country. The NAU and other agricultural unions, in collaboration with NUST, kicked off the investigation in August 2022 with questionnaires that were sent to all the members of the respective unions. The members were encouraged on a constant basis and made aware of the importance of participating in the study so that reliable statistics can be provided on losses and costs incurred, which can initiate further action by legislators and law enforcers.

Liaison with the industry

Continuous liaison takes place with all role players in government, as well as the wider meat industry. During the past year, the Chairman and LPO management held several discussions with officials at various levels of seniority from the respective line ministries.

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PPAN

PIG PRODUCERS' ASSOCIATION OF NAMIBIA

2022 was a remarkable year in many ways.

Just as our economy started emerging from the Covid crisis, the war between Russia and Ukraine broke out, negatively affecting the world, as both countries are among the largest exporters of maize, wheat and soya. This resulted in record prices for raw material on international markets. Furthermore, inflation, fuel and interest rates continue their upward trend, adding to pressure on the primary producer.

The latest Meat Board figures indicate a 3.4% increase in the number of pigs slaughtered domestically during the first ten months of the year. Over the same period, the average ceiling price was N\$0.92 lower at 37.88 for 2021 versus 36.96 for 2022. Imports of fresh and processed pork have increased from 4 048 tonnes in 2021 to 4 204 in 2022 but this dropped drastically when the borders closed for imports from SA due to a foot-and-mouth-disease outbreak during August. Currently no fresh, frozen or uncooked meat is allowed to enter into Namibia from SA. Hence the imports from SA dropped to 50t per month compared to 301t on average for Jan to Aug 2022. In Sept and Oct there was

a marked increase of imports from Europe with Spain and Germany supplying 69% of the 890 tonnes imported pork as processors tried to make up the shortfall since the locally produced pork only covers 46% of consumption in Namibia. To date there is no indication as to when the borders will reopen for imports from SA, and processors will likely have to continue importing from Europe to cover the requirements for the country.

The ceiling price increased from N\$43.32 in Nov to N\$48.11 in Dec due to a growing demand in SA in preparation for the festive season. This is however short lived, since the price traditionally drops from Jan to Jun. This price increase provides local pork producers with a little relief since feed prices made it impossible to farm profitably for most of 2022.

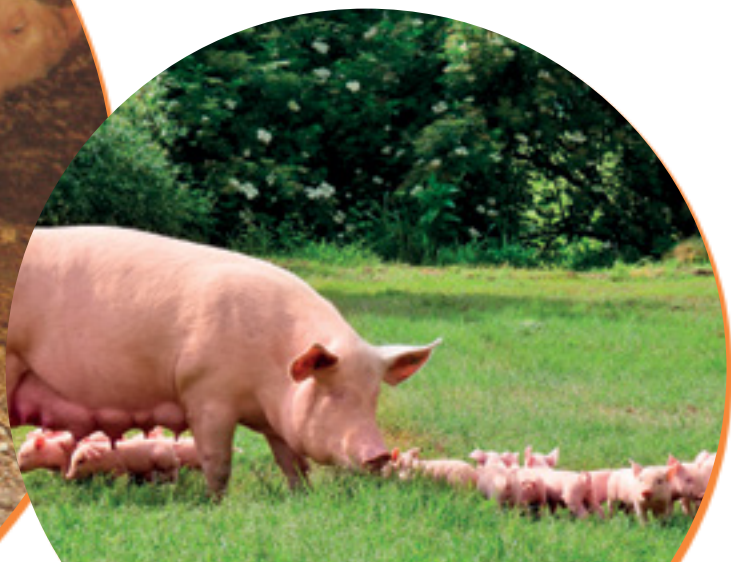
Feed prices hit an all-time high in November with maize trading at N\$5 251 per ton and soya at N\$11 943 per ton on Safex. This impacts the profitability of intensive farming since 72-75% of production costs are spent on fodder. As mentioned, the ceiling price dropping again in Jan, making it nearly impossible to farm at current feed prices. Our hopes are set on ending the Ukraine-Russia



Chairperson: Gideon Goosen

war, good rains and improved production in the fodder producing countries to increase fodder production and decrease prices.

The number of registered members of the PPAN increased from 13 to 18 over the last 12 months and it is gratifying to see the industry expand, one of the goals of the pig marketing scheme. We hope that the growth will continue, so that Namibia can become self-sufficient in pork production.



NAPHA

NAPHA Annual Report – an extract



2022 started with the easing of lockdown restrictions, enabling tourism to Namibia again. Imperative for our tourism hunting sector, the requirements for entry into Namibia were lifted and vaccinated persons no longer needed a negative PCR test to enter the country. This simplified travel for international clients.

2021 AGM

- The 47th Annual General Meeting, (a one-day event) received favourable feedback from attendees. The opening address by Minister Pohamba Shifeta was well received. In excess of 100 people attended the NAPHA AGM, amongst these a few media representatives, donors and sponsors.
- The Gala Dinner and Auction under the “NAPHA Fest” theme was a casual, well-supported event. The funds raised were not disappointing, given the circumstances.
- The term of NAPHA President Danene van der Westhuyzen came to an end. Her position was filled by Axel Cramer. Additional exco members (re)elected were Hagen Denker, Hannes du Plessis and Royston Wright. Harm Woortman continues with his term, ending at the AGM 2022.

Focus points for the Executive Committee were:

- The African Wildlife Stewardship Program
- Research and Press interactions
- NAPHA School of Conservation
- Co-operation with the Ministry of Environment, Forestry and Tourism

NAPHA School of Conservation

The NAPHA School of Conservation broadened its spectrum with a steady stream of a variety of courses offered during 2022:

- First Aid and First Aid Refreshers
- Firearm Familiarization
- Trophy Care
- Age-related Measurement – Official Measuring
- Bow Hunting
- Hunting Guide/Professional Hunting Guide
- Housekeeping
- Re-examination

NAPHA is proud of its newly founded School of Conservation, offering courses to a total of 110 participants this year. Since tourism and hunting are part of a service-based industry, education and training are imperative to the success of this sector.

MEFT Tourism and Hunting Arrivals Statistics

Official figures of the 2021 tourist arrival statistics were released in July 2022.

Total Foreign Arrivals 2017 - 2021	
2017	1,608,018
2018	1,159,762
2019	1,681,336
2020	192,026
2021	270,644 – an increase of 40.9 % compared to the previous year

Conservation Hunters by Nationality in 2019 - 2021

2019		2020		2021	
Nationality	Total	Nationality	Total	Nationality	Total
Germany	1,792	Germany	322	Germany	824
USA	934	USA	121	USA	775
Austria	378	Austria	95	Hungary	146
Hungary	210	France	42	Austria	108
France	196	Denmark	35	France	84
Sweden	189	Namibia	33	Spain	80
Spain	155	Hungary	30	Romania	62
Denmark	103	Sweden	24	Switzerland	45
Russia	86	RSA	21	Czech Republic	43
Australia	70	Czech Republic	21	Denmark	39
Others	888	Other	127	Other	381
Total	5,001	Total	871	Total	2,587

No one knows what the future may hold, but we can all plan ahead. With the re-opening of international borders NAPHA will again participate in trade fairs, strengthening Namibia’s presence in the global hunting sector.

We continue to promote ethical, conservation-based hunting, facing the anti-hunting fraternities and supporting our members, as well as collaborating with the Ministry of Environment, Forestry and Tourism.

CAoN

CHARCOAL ASSOCIATION OF NAMIBIA

The Charcoal Association of Namibia had to change its name from Namibia Charcoal Association (NCA) to Charcoal Association of Namibia (CAoN). The name NCA was unfortunately never registered with Business and Intellectual Property Authority (BIPA) and BIPA introduced new rules whereby new companies could not have their name starting with the word 'Namibia'. This has also given us the opportunity to rebrand our services and start a new marketing campaign.

The Environment, Forestry and Tourism ministries together with CAoN introduced new rules and guidelines for charcoal producers. These guidelines and rules were a huge success as no official fires were reported, originating from charcoal production, for the period May to November 2022. We are grateful that our producers – by tremendous efforts – have implemented the rules and we trust that this will be the same for next year.

Together with the Department of Forestry, four sessions for veld fire awareness were conducted since June 2022. Sessions were held in Grootfontein, Omaruru, Outjo and Otjiwarongo.

Our training services

We have four skilled trainers who conduct training in local languages on farms. The training programme ensures that the new guidelines and rules are implemented on the farms. Our trainers also concentrate on bet-

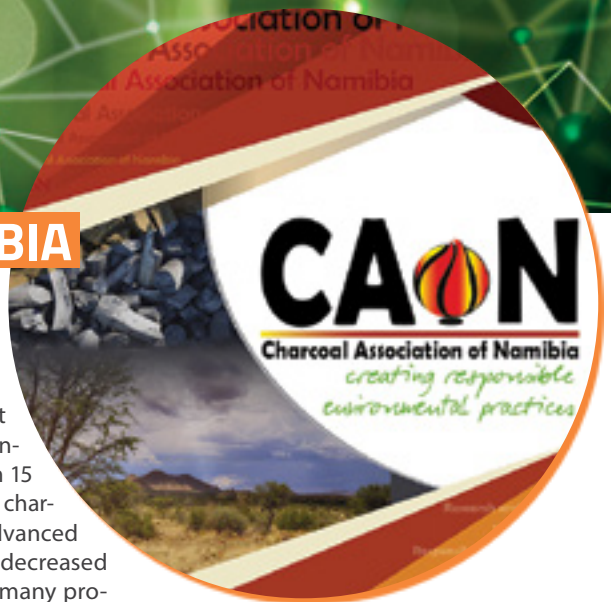
ter harvesting practices, demonstrating to charcoal workers how to properly thin the bush. We create awareness amongst workers that they should concentrate on thinner bush (less than 15 cm) as this gives better-quality charcoal and bigger pieces. The advanced one-day burning method has decreased smoke by 60%. There are still many producers who have not implemented the new method. We can also report that the average fixed carbon using the new method has improved and we now consistently meet the standards as set by the EU. EU standards are as follows:

- Fixed carbon minimum of 75%
- Ash content less than 8%
- Moisture content less than 8%
- Volatiles are calculated based on the minimum of fixed carbon.

For our charcoal briquettes the following standards are applicable:

- Fixed carbon minimum of 60%
- Ash content less than 18%
- Moisture content less than 8%
- Only food-grade binders are allowed, e.g. bentonite is forbidden.

Since we started the new one-day burning technique, CAoN has trained a total of 1 354 workers. To date a total of 94 training sessions have been conducted on farms.



We also conducted four chainsaw training courses over the past year.

Combined with central burning, the conversion factor can be decreased from 5 to 3 tonnes biomass for 1 tonne charcoal. Many producers are still on 5 tonnes.

Our contribution to the environment

As part of a more environmentally friendly industry CAoN introduced smoke harvesting when charcoal is produced. Over the next year more field days will be arranged to entice our producers to use the new technology which is not a costly exercise. The new technology was introduced at our Annual General Meeting and mini-Expo held at Otjiwa Safari Lodge on 2 and 3 September 2022. Harvesting the smoke is done by condensation of the smoke and capturing the pyrolytic acid in a drum. This pyrolytic acid can then be distilled to produce valuable wood vinegar which can be used as fertiliser and



pesticide once it is properly distilled.

Our membership increased

Membership of the CAoN has increased to a total of 1 475 members and 21 Associate Members.

CAoN now has five South African charcoal processors, buyers and agents, who deduct levies from processors which are paid over to CAoN.

Our export markets

During the period from 1 November 2021 until 31 October 2022 the exports of Namibia hardwood charcoal increased by 12%. Shortage of containers hampered exports again this year. The situation has improved compared to last year. Exports are steadily rising as more containers are now available for exporting charcoal.

The exports to the European Union have now increased to 51% of our total exports. Other significant export countries are the United Kingdom and South Africa.

The fastest growing export markets for wood charcoal from Namibia were the United Kingdom, Switzerland and Poland.

The fastest declining markets for

Namibia were the Netherlands, South Africa and Finland. The decrease in exports to South Africa is offset against the increase to Europe and the Middle East.

Conclusion

Although it is getting more difficult for our producers to be profitable, more producers have joined the industry as charcoal is

still the only alternative for many farmers to improve their rangeland and create a good source of income to fund their operations. For many other producers it is a good income source to recover from the drought which ended in 2019. It can take up to 5 years for farmers to recover from a severe drought. Rising fuel prices is the main challenge to keep the production of charcoal profitable.



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**33 Years of Service
to Namibian Charcoal Producers
1989 – 2022**

PPA

POULTRY PRODUCERS' ASSOCIATION

With many challenges ranging from Covid-related lockdowns, soaring feed prices, bird flu issues locally and abroad, poultry farming has not been easy. Challenges always give rise to opportunities and producers are therefore encouraged to remain positive and continue to produce ideas in order to adapt to changes and unforeseen circumstances.

Meat

At the beginning of the year 2021, the reduction of imports allowed per month and the ban of imports from countries affected by Avian Influenza (AI) assisted the local producer industry to reduce their stockpiles. But towards the end of the year 2021 continuing into 2022, local stock increased again. It is suspected that illegal imports are still entering the country with destructive impact on the local market. Moreover, in December 2021, the International Trade Administration Commission (ITAC) implemented provisional antidumping duties against Brazil (265.1%), Spain (85%), Ireland (158.4%), Poland (96.9%) and Denmark (158.4%). These duties lapsed in June 2022, and a notice (Government Gazette of the Republic of South Africa published on 1 August 2022, Vol. 686, No. 47156) was issued declaring the approval of anti-dumping duties after confirming dumping and material injury within SACU. The Minister of Trade, Industry and Competition approved ITAC's recommendation, but went on to suspend the duties for 12 months effective from 01 August 2022. The duties were suspended to protect South African consumers from high food inflation, but as it is known this does not happen and it tends to only benefit importers.

The Namibian poultry sector did not welcome this announcement, as the sector has been battling large quantities of poultry imports, resulting in surplus domestic products.

The industry experienced some growth during 2021 – especially in the informal and small to medium-sized enterprise (SME) sector. For the year 2021, Namib Poultry Industries (NPI), the only commercial supplier of day-old chicks in Namibia, sold around 860,000 day-old chicks to the SME market. Locally, the number of live poultry produced commercially during 2021 amounted to 32,000,000 kg while 1,600,000 kg were produced by the SMEs. These figures indicate the potential of the broiler sector, when getting corresponding support.

Eggs

The egg industry still relies on the importation of day-old chicks and point-of-lay chickens to keep production levels constant. During 2021 the new-layer industry was halted, due to a ban of poultry imports from SA and Europe, imposed due to the widespread occurrence of bird flu. This four-month ban was no big issue for the smaller producers but caused pandemonium amongst the big players, resulting in a flock reduction of about 100 000 layers. This shortage was then felt at the beginning of 2022.

Producers experienced a fast build-up of egg stockpiles between July and November in 2021 and in 2022, due to an oversupply of imported eggs from Zambia supplying the informal market in Namibia and selling way below the production cost of local producers. After consultation with the importer, the issue was resolved for a short while, sparking investigation into how many eggs are imported into the country.

The egg production industry - when all producers are producing at maximum capacity - is able to satisfy local demand. Producers should be afforded the opportunity



Chairperson: Louis Kleynhans

ty to control the industry, should a shortfall be experienced.

On a positive note, the egg sector anticipates inclusion under the Meat Industry Act, this being the first step towards obtaining industry support.

Feed

Feed prices keep on increasing. Feed is one of the major expenses for intensive poultry farming, amounting to between 60% and in some cases even above 80% of the total input cost. Poultry feed in Namibia is also more expensive compared to our neighbouring countries as Namibia cannot produce all the ingredients for poultry feed. Unfortunately, the constant increase will leave producers with no choice but to increase their prices accordingly.

In summary, there are still many challenges for the sector and this is where the PPA in conjunction with the NAU are the main role players in negotiations with the government and other stakeholders to grow and expand, whilst reducing poverty in Namibia.





POULTRY FOR TODAY AND TOMORROW

www.npi.com.na

At NPI, we are committed to environmentally responsible and sustainable poultry production to ensure a healthy planet and a better future for everyone. Since inception, we have consistently driven innovation to minimise our environmental impact – while never compromising on the health of our chickens or the quality of our products. In recognition of our efforts, Chr. Hansen, a global bioscience company, presented NPI with an award for sustainable poultry production in 2020.

Eco-friendly production

NPI is a leader in the growing ranks of farms and factories that make a meaningful contribution to environmental conservation. We take pride in keeping it green throughout our production process – from organic feeding regimes for our chickens and natural heating in our broiler houses, to chemically-free, organic processing in our state-of-the-art poultry plant.

Powered by the sun

We are committed to playing our part in addressing climate change and creating a sustainable energy future for Namibia. Our Solar Power Plant with a capacity of 2,850 kW covers the electricity needs of the NPI poultry farm and factory. By generating clean, reusable energy on-site, we minimise our carbon footprint and support the Sustainable Development Goals of the United Nations.

Reducing waste

Our policy of 100% utilisation of products ensures that nothing is wasted during our production process. Chicken manure is used to produce fertiliser for a greener ecosystem, while feathers and other leftovers are used in the production of pet food.

At NPI, we believe that **you deserve better** – better chicken, a better planet and a better future.



NAMIB POULTRY

BECAUSE YOU DESERVE BETTER

Regenerative Agriculture

THE REGENERATIVE AGRICULTURE PRODUCTION PROJECT

Livestock productivity in Namibia has declined by 50% over the last 70 years; profitability has declined due to a declining resource base. The 2018/19 national drought brought home the vulnerability of the entire livestock value chain, with many farmers losing all or significant proportions of their livestock. The market was flooded, prices crashed, the quality of products offered to the market declined and cash-strapped livestock owners have since struggled to rebuild their herds.

The root cause of the degradation of rangelands in dry climates throughout the world is largely the same – inappropriate management practices exacerbated by climate change. The solution lies in supporting the adoption of well-managed ruminants, using regenerative rangeland management practices that consider the variability in forage production within and between seasons, and support the application of drivers that regenerate land in dry climates. Namibia's rangeland problems include the loss of perennial grasses, extreme bush thickening, increased bare ground, high runoff from rainfall events and loss of production. But, most importantly, all livestock keepers are increasingly becoming vulnerable to climate change. These same trends are seen throughout the drier parts of Africa in title-deed as well as communal land.

The regenerative movement is a global one with all major economies developing regenerative policies, strategies, goals and incentives committed to a healthier planet, more profitable farms producing healthier foods. The NAU is fully aware of its responsibility to increase awareness and take a lead together with farmers impacting our own value chain. Just as in other countries, farmers are heading this movement with leading global soil scientists explaining what needs to be done to achieve regeneration.

The approaches developed to date regarding cover cropping in the region are well developed; however, the solutions for rangeland management are more elusive and complex. The solutions that are being developed in Namibia by innovative crop and livestock farmers are on the cutting edge of these solutions globally. The NAU therefore decided to document some of these success-

ful regenerative farmers' stories in a booklet entitled *Regenerating Namibia's Livestock Farmers*. Farmers needed to show that they managed to maintain their herds, production, fertility and profitability before, during and after the drought. Farmers reading these stories may well be inspired to develop their own innovations or apply some of the tried and tested methods included in the booklet. This is the start of a long journey of unlearning some of the less favourable habits we have developed, learning what works better and continue learning together to refine the solutions needed for Namibia. Adopting regenerative practices should result in everyone winning – from the farmer to the consumer, to the country as well as the planet.

If successfully upscaled, the entire value chain will become more resilient, more prosperous, produce better quality animals and crops more consistently. The implementation of these practices will also contribute to improved ecosystem services as well as sequester large amounts of carbon – thereby contributing to climate change mitigation.

The NAU wants to assist farmers to transition to regenerative practices, but before starting, farmers need to understand where they are now, and need to establish their current production and profitability per hectare. Business modelling based on real-life success-

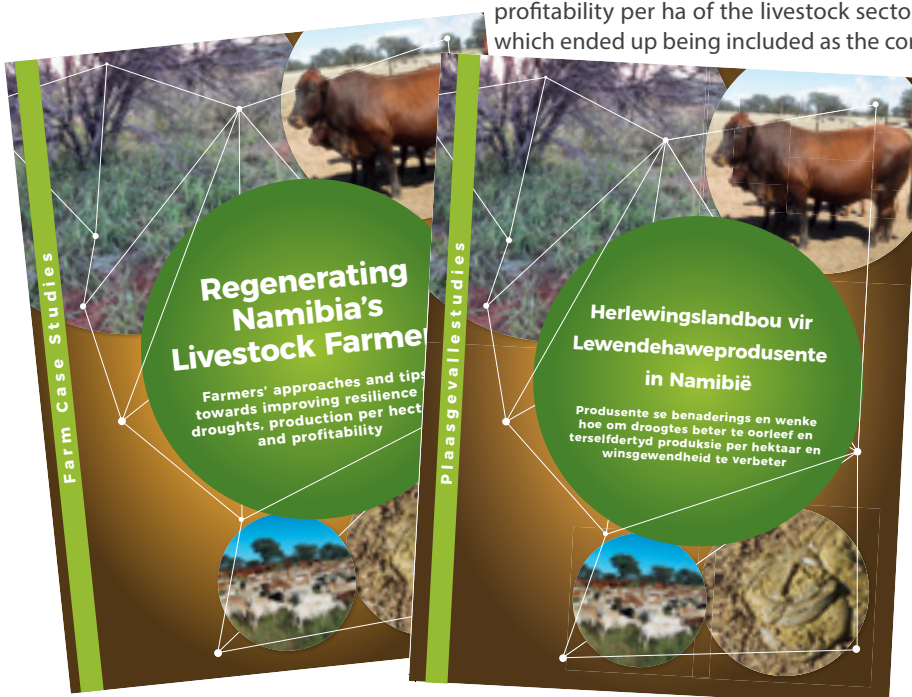


Colin Nott

ful situations will assist interested farmers to make the transition to regenerative practices more successful.

The NAU has established that the increased profitability of these practices motivates farmers to transition to regenerative practices. In addition, however, the NAU and partners will pursue niche markets and carbon markets to increase market prices. Key research topics will also need to be identified and answers to key questions obtained for our conditions.

The Executive Committee of the NAU and its partners has at least a 14-year commitment that has targeted improved production and profitability per ha of the livestock sector, which ended up being included as the cor-



nerstone of the 2012 Namibia Rangeland Policy. From 2015 to 2019 the NAU played a key role in developing the 'Revised Regenerative Rangeland Strategy for Namibia' (Dec 2019). Since 2019 the NAU has continued supporting the Revised Rangeland Strategy, by allocating funds from its own budget and engaging with farmer members and supporting farmers' associations to increase awareness of regenerative rangeland management.

The NAU is committed to increasing producers' long-term production and profitability per ha, with Regenerative Agriculture (RA) being a key strategy to achieve

this. The NAU's definition of regenerative agriculture is:

RA is described as any set of principles, practices and decision-making processes that effectively rebuilds soil and landscape/ecosystem health, increases biodiversity and resilience LEADING TO an increase in farmer profitability per ha OVER THE LONG TERM.

The NAU has set a three-year target of having 400 regeneratively-managed member farms by June 2025.

The NAU has identified 5 key strategies to achieve this and these are: 1) increase aware-

ness amongst farmers to enable them to consider a mind shift, 2) support farmer transition and implementation of regenerative practices, 3) investigate short-term and sustainable funding to provide this support, 4) investigate possible price incentives to further improve profitability and 5) conduct critical research.

The 2022 strategic focus has been to focus on the first two strategies set: 1) Collect and make accessible to farmers, practices that restore the resilience and improve the sustainable production and profitability of live-stock farmers as well as synergies with the crop sector. 2) Develop business models for selected cases that indicate cost and benefits, cash flow and other key financial factors by transitioning to these selected practices.

A farmer-focused booklet of 16 on-farm regenerative case studies has been completed. These regenerative practices have resulted in improved resilience to drought, increased production per ha and improved biodiversity. These case study summaries have been completed and can be found at www.nau.com.na. The information included from each case study includes: the farm history, production and fertility rates, economic and ecological resilience during the 2019 drought. Research staff of the Ministry of Agriculture collected and analysed vegetation parameters and took soil samples on 10 of the 20 farms identified, as well as co-authored the final booklet produced. Environmental remote sensing of treatment and control sites was attempted, but requires refinement before being able to monitor changes at the scales needed.

The second part of the project during 2021 dealt with assisting farmers to assess their current production status and then investigate the need for increased profits by adopting combinations of tried and tested management options. The aim of the case studies and business modelling is to assist livestock farmers using conventional methods to investigate the profitability of transitioning to regenerative, more sustainable and more profitable practices. The approach is applicable to the emerging commercial farmers as well as the communal farmers in Namibia. Plans are underway to collaborate with key partners to expand these practices within Namibia.

To view the case studies visit <https://www.nau.com.na/regenerative-home>



SBN

SWAKARA BOARD OF NAMIBIA

The past two years the industry experienced a steep decline in sales at international pelt auctions. These auctions took place online due to the international travel ban, which resulted in low sales, and as a result, pelt production decreased drastically. Physical auctions resumed in September 2022.

Good mutton prices and favourable grazing conditions in most parts of the Swakara-producing areas have given farmers a good option to utilize meat production after the long drought lasting till 2019. The industry is however concerned that producers switching to mutton will eventually phase out their entire Swakara production system.

A delegation from the Swakara Board was tasked to investigate the possibility of Saga Furs as a potential new marketing partner. The delegation travelled to Helsinki in February 2022 in order to familiarise themselves with the Saga Furs setup and to negotiate a marketing agreement for approval by the Swakara Board and Government of Namibia.

The facilities at Saga Furs were found to be suitable to the industry's needs, and the Saga Furs staff more than capable to facilitate the sale of the sought-after Swakara pelts. The Board is of the opinion that an international marketing partnership with Saga Furs Oyj will be in the best interest of the Swakara industry as Saga Furs is also the only international auction house that is compliant with the certified FURMARK programme.

Subsequently a draft memorandum of commission agreement was negotiated with Saga Fur Oyj, based on the same principles as the previous agreement with Copenhagen Fur.

The Swakara industry hopes to market approximately 13 000 pelts at the first auction in Helsinki, Finland, in March 2023. Challenges are currently being experienced with DVS to negotiate the import and export permit requirements in time with South Africa, Botswana and Finland and these pelts need various isolation periods in Namibia and Europe.

Europe, and particularly Greece, one of the bigger Swakara markets where garments are manufactured, is feeling the effects of sanctions against Russia with a ban on the

export of luxury fur garments and trade in raw skins. Marketing channels via pro-Russia countries escalate cost of sales tremendously. In addition, Ukraine used to be an integral part of the accessory market. China's zero tolerance policy on Covid-19 remains a barrier for the purchasing power of buyers at auctions and travellers alike.



The overall success of the industry over the last decades can largely be attributed to the supply of superior genetic material from the Swakara breeders. It is thus of utmost importance to the industry that the genetic pool that has been built up over generations in Namibia is preserved for that future time when Swakara pelt price levels recover. The Swakara Breeders' Society currently supports its members to keep as much as possible of the genetic material registered and on record at the NSBA. The breeding of Swakara is highly specialized and it is in the interest of the industry to keep registration records and pedigrees as complete as possible.

Further developments on the international front include the FURMARK certification from the International Fur Federation, of which the Swakara Board is also a member. This traceability programme entails that a unique code be affixed to the label of the fur garments to tell the story from farm origin, through the manufacturing process up to the finished product and thereby help promote the Swakara industry, which is very vulnerable to attacks by anti-fur activists. Through this system,



Chairperson: Julene Meyer

customers will be able to find peace of mind with the purchase of fur garments.

The industry is excited about this efficient system because it levels the playing field for all fur producers. Mink, Fox, Karakul, Sable, Nutria, Chinchilla, Wild Furs and Swakara compete on an equal footing and must comply with the same regulations. Swakara's advantage comes to the fore in terms of its sustainability, small carbon footprint and its predator-friendly, eco-friendly systems, complemented by its rich history and the beautiful story of rural upliftment and poverty eradication.

Jyrki Sura, Fur Europe CEO and Furmark Director of the International Fur Federation, visited Namibia as a guest of the Swakara Industry Forum (SIF) during October in Keetmanshoop. He is very satisfied with the production practices in Namibia and mentioned we meet the EU standards required for fur production, humane treatment of animals and all requirements as set out in the EU FurMark Audit for Swakara producers. The next audit is scheduled for 2023.

Stakeholders within the industry are optimistic about the future; however, they believe it will not be an overnight recovery as the market remains under pressure. With the oversupply of mink in the market, the Chinese ongoing Covid regulations, sanctions against Russia and the global economy being on its knees, the road to recovery will be slow and quality will be a driver of price.

We would like to believe that the industry has passed the worst and that we are entering a growth phase in the coming years.

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