



Namibia Agricultural Union Annual Report 2017-2018

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Namibia Agricultural Union

Tel: +264 (0)61 237838 • Fax: +264 (0)61 220193

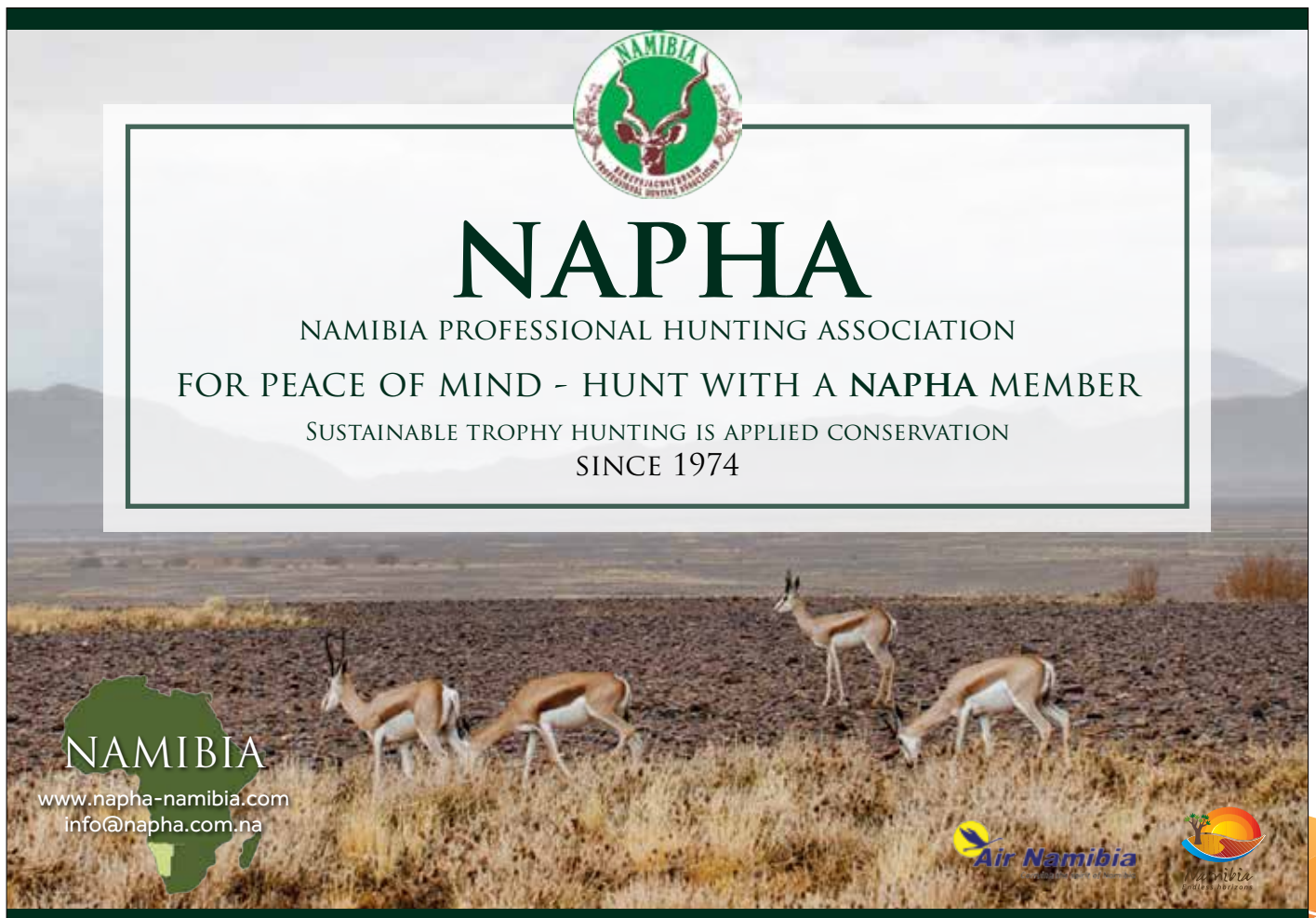
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President's review 2018

Thank you for the opportunity to give an overview of the most important issues and challenges of the past year.

First of all I would like to welcome our new Executive Manager, Mr Roelie Venter, to the agricultural family. We are convinced that he has the qualifications, background and ability to promote our interests. We look forward to a successful working relationship.

I again realised that weather patterns in Namibia differ from year to year, are difficult to forecast and that a producer will have to adapt to this. The rainfall patterns this year were very erratic and some parts had far below average rainfall. Producers will have to ensure that they do not overestimate the rangeland capacity.

This rainfall pattern put more pressure on the recovery capacity of rangeland. The production potential changed from below average to average. For this reason, producers will have to apply rangeland management sensibly. The below average production conditions put pressure on production, profitability and the disposable income of producers.

The negative effect of the slowdown of the economy in Namibia continues. Businesses are under pressure and retrenchments are still taking place. This increases unemployment which in turn increases social problems and poverty.

Agriculture's contribution to the Namibian economy is much more than merely the contribution to the GDP. Agriculture is the most important driver of the rural economy and the agricultural export industry currently employs approximately 31 000 employees on a full-time basis, while Namibia earned approximately N\$5,9 billion in 2017 from sales of agricultural products outside the country's borders. Without a growing agricultural sector, rural businesses will be unable to expand and uncontrolled urbanisation will increase. While import replacement must continue, no economy can grow if exports are limited.

The continued uncertainty in the marketing environment holds certain risks. The recommendations regarding the Small Stock Marketing Scheme submitted

to the Minister of Agriculture last year, have again been discussed with the current Minister of Agriculture, Mr Alpheus !Naruseb. Unfortunately, no progress has been made yet. Furthermore the Ombudsman, Adv Walters, compiled his report and recommendations in June this year. These recommendations are currently with the Minister of Agriculture for consideration.

Producers furthermore expressed much concern about the financial sustainability of Meatco, the national large stock export abattoir. Meatco's proposals to limit the export of weaners are aimed at addressing symptoms rather than a critical evaluation of what the actual reasons for their poor financial performance and incompetence are. The reality is that the ratio of total cattle slaughtered locally versus weaner exports since Independence has remained the same. However, there has been a shift in delivering to local abattoirs rather than to Meatco and 2016 was the first year more cattle were slaughtered at local-market abattoirs than at export abattoirs. This is in shrill contrast with 20 years ago when export abattoirs slaughtered more than 80% of the total slaughtered cattle in Namibia.

The reasons behind this shift should be looked at objectively and honestly. The NAU is in favour of effective value addition where value should be unlocked to the advantage of all participants in the value chain. Producers, however, cannot be limited regarding their marketing options and should not need to pay for the inefficient management of the value chain. Drumming up political support without the prior knowledge of the producers, will cause a breach in confidentiality which will be difficult to restore.

The NAU also had the opportunity to visit His Excellency Dr Hage Geingob, President of the Republic of Namibia, and table a submission reflecting the contribution of agriculture to the economy as well as to give our viewpoints and proposals regarding value addition and employment creation.

A committee has been formed comprising representatives of various ministries and the private sector with the aim to investigate sustainable solutions to problems of value addition and employment creation to the



Mr Ryno van der Merwe, NAU President

advantage of Namibia. The best vehicle to create employment opportunities and alleviate poverty is economic growth. Therefore, the biggest challenge is to stimulate primary production, acknowledge the role of the primary producers and create a policy environment to ensure an optimal and sustainable production environment.

The NAU also visited the Minister of Finance to discuss the principle of value addition and long-standing VAT payments from the Ministry that are in arrears.

Concerning land tax, after the verdicts of the valuation court the NAU decided to get involved in a supporting and administrative capacity in the review application against the procedures followed to draft the valuation rolls as well as the appeal against the verdict of the valuation court. The NAU is still confident and prepared to discuss proposals to adapt the regulations according to which the land values were compiled in order to make adjustments. Despite the pending court case, the Ministry of Land Reform sent out land tax assessments early this year which were supposedly payable by 31 March 2018. The NAU brought an urgent court application against this and was successful. The NAU's viewpoint remains that we are prepared to pay land tax as long as it is reasonable, fair and affordable. The actions of the NAU are to bring this about and not, as certain officials alleged and reported in the media, because commercial farmers do not want to pay land tax.

The second national land conference was postponed in 2017 and rescheduled for October 2018. The reason for this being that more opportunities are to be given for consultations. The objective of the conference is to take stock of the progress made regarding the goals of the land reform programme since Independence. At this stage the NAU is part of planning meetings under the chairmanship of the Office of the Prime Minister.

The NEEEB business equity proposal consists of six elements, one of which is business ownership which has caused the most uncertainty and the greatest concern. After wide consultation with especially the private sector, which included the NAU, President Geingob this year announced that the 25 percent equity stake will not translate into broad-based empowerment as wished and is therefore done away with. Instead Government will rather focus on the acceptance of employee share schemes in order to address poverty.

The NAU this year made various proposals and held talks with ministries and organisations in order to ensure a sustainable production environment. I can assure each member that much time and energy was spent by this office and Executive Council to try and influence or change policies and schools of thought to the benefit of a profitable agricultural sector for everyone in Namibia. Unfortunately, the results of these talks are not necessarily in our favour or are drawn out. However, successful negotiations make it worthwhile for the NAU to keep on trying.

I am aware of the numerous challenges Namibian producers face to produce profitably. However, I am always surprised and amazed at the endurance, willpower, passion and positive attitude with which they accept and approach these challenges. This makes me excited about the future – agriculture will flourish and there will always be producers.

I am grateful for the opportunity the NAU had to consult with President Geingob and his ministers. The NAU and the role of commercial agriculture is acknowledged by Government.

The NAU took note of the number of farm murders committed this year and the brutality involved. Even though the Inspector General of the Police assured us that he will accept responsibility for the safety of each citizen and the incidents were also communicated with State House, we will have to accept responsibility for our own safety. Thus, rural safety is a priority for the NAU and we are acting as facilitator to support the processes. The first phase was to create structures and identify responsible persons and train them. Currently the NAU coordinates all safety agencies in

order to prevent duplication.

The NAU took note with shock and sorrow of the deaths of our former president, Mr Derek Wright as well as the NAU representative on the LRAC, Mr Frank Heger. Our deepest sympathy goes to their families. We are extremely grateful for the valuable input both gave over the years.

With special acknowledgement to:

- His Excellency Dr Hage Geingob, the President of the Republic of Namibia
- His Excellency Dr Sam Nujoma, the Founding President of Namibia
- Right Honourable Prime Minister, Saara Kuugongelwa-Amadhila
- Deputy Prime Minister and Minister of Foreign Affairs, Netumbo Nandi-Ndaitwah
- Honourable Minister of Presidential Affairs, Frans Kapofi/Immanuel Ngatjizeko/Amb Martin Andjaba
- Honourable Minister of the National Planning Commission, Tom Alweendo/Obeth Kandjoze
- Honourable Minister of Land Reform, Utoni Nujoma
- Honourable Minister of Agriculture, Water and Forestry, John Mutorwa/Alpheus !Naruseb
- Honourable Minister of Justice, Albert Kavana/Sackeus Shangala
- Honourable Minister of Labour, Industrial Relations and Employment, Erkki Nghimtina
- Honourable Minister of Finance, Calle Schlettwein
- Honourable Minister of Environment and Tourism, Pohamba Shifeta
- Honourable Minister of Industrialisation, Trade and SME Development, Immanuel Ngatjizeko/Tjekero Tweya
- Honourable Minister of Safety and Security, Maj Gen Charles Namoloh
- Honourable Minister of Urban and Rural Development, Sophia Shaningwa/Dr Peya Mushelenga
- Honourable Minister of Works and Transport, Alpheus !Naruseb/John Mutorwa
- Honourable Minister of Poverty Eradica-

tion and Social Welfare, Bishop Zephania Kameeta

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- Agronomic Board of Namibia
- SWAKARA Board of Namibia
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- Agra
- Namib Mills
- Feedmaster
- Namibia Dairies

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- Komnick & Frank
- Namibia Dairies
- Namibia Breweries
- Polyoak Packaging

Lastly, I would like to thank my fellow Executive Council members and the agricultural family for their contributions to the success of our industry in Namibia. Through your positive involvement we can be assured that we make a difference in our environment and leave a better future for our descendants.

I also would like to thank our previous Executive Manager, Mr Sakkie Coetzee, and our previous Manager: Finance, Ms Elsabé Steenkamp, who both retired towards the end of last year. Thank you for your input to ensure sustainability in agriculture as well as to manage our office administration effectively.

My thanks also go to our new Executive Manager, Mr Roelie Venter, and his staff for their incredible contributions during the past year. I also would like to welcome all new members who joined the NAU during the year.



RYNO VAN DER MERWE
PRESIDENT: NAU

OVERVIEW OF THE COMMERCIAL NAMIBIAN AGRICULTURAL SECTOR

Production value of different enterprises

Table 1 contains the estimated production value of various agricultural enterprises. It is defined as the annual output from primary producers based on the formal marketing at actual nominal producer prices. Agriculture contributed significantly more in terms of production value in 2017 due to the general production environment improving in 2017. The cattle industry, in particular, experienced strong growth due to both a rise in producer prices and record marketing volumes in 2017. The growth in sheep and goats was primarily driven by higher producer prices, as marketing volumes remained flat.

Crop farming also reflected a significant spike in production value as improved rainfall in 2017 led to a recovery in particularly dry-land white maize harvests. The dairy industry was one of the weaker performers with a decline in litres marketed to Namibia Dairies while prices remained unchanged which led to a slight decline in production value for 2017. It must further be noted that some of the figures for 2017 are still an estimate.

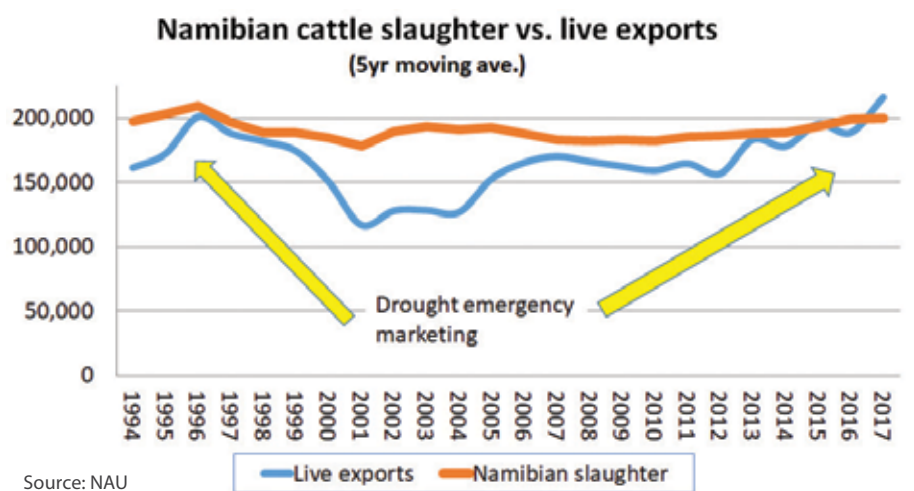
Table 1: Estimated Namibian agriculture production value

	2016	2017
Cattle	2 047 200 946	3 403 613 974
Sheep	577 977 003	705 464 949
Goats	109 518 022	130 665 020
Agronomy	267 208 677	408 181 874
Dairy	142 723 955	141 838 062
Pigs	114 268 583	124 245 405
Grapes	770 000 000	818 537 625
Poultry	735 965 000	850 653 292
Fresh produce (veg and fruit)	150 000 000	210 832 000
Swakara		
Sub total	4 714 862 186	6 794 032 201
Charcoal	168 000 000	184 800 000
Trophy hunting	540 000 000	540 000 000
Total	5 422 862 186	7 518 832 201

Source: NAU

Market statistics

For the past 28 years since Independence, an estimated 68% of the total cattle (live weight) were slaughtered in Namibia, while 32% was



Source: NAU

exported live on the hoof, mainly to South Africa. During the period 2010-2017, this figure stayed the same, at 66% as in the past. Furthermore, since Independence the relationship between the 5-year moving average of cattle slaughtered locally, and the number of weaners exported live remained constant at about 200 000 head slaughtered locally, while approximately 200 000 were exported live.

The low feeding cost in South African feedlots fuelled a spike in weaner prices, which outpaced the rise in the local slaughter price. This led to a significant increase in the weaner price as a percentage of slaughter price, same as in 2006 and 2011. A record number of 313 000 weaners were exported in 2017. In comparison, the average number of weaners exported during the previous four years (2014-2017) is 208 000. The increase in live exports during 2017 was mainly due to the export restrictions during 2016 and the resultant drop of 30% in the market price, which resulted in a significant number of the 2016 calf crop only being marketed during 2017. Export abattoirs on the other hand experienced their weakest annual slaughter number for the past 12 years, as only 84 000 cattle were slaughtered at Meatco and Brukarros. This was however offset by an estimated 100 000 head of cattle slaughtered at local B and C grade abattoirs. This figure is estimated from the number of local hides processed at local tanneries.

While cattle marketing remained robust over the years, sheep marketing is an industry of concern as the negativity surrounding the

Small Stock Marketing Scheme led to a dramatic decline in the number of sheep marketed in Namibia over the past 12 years. Sheep production declined from 1.2 million per annum to 700 000 in 2017, which translates into a 40% decline. More employment opportunities have been lost in the primary sector than have been created by the abattoirs.

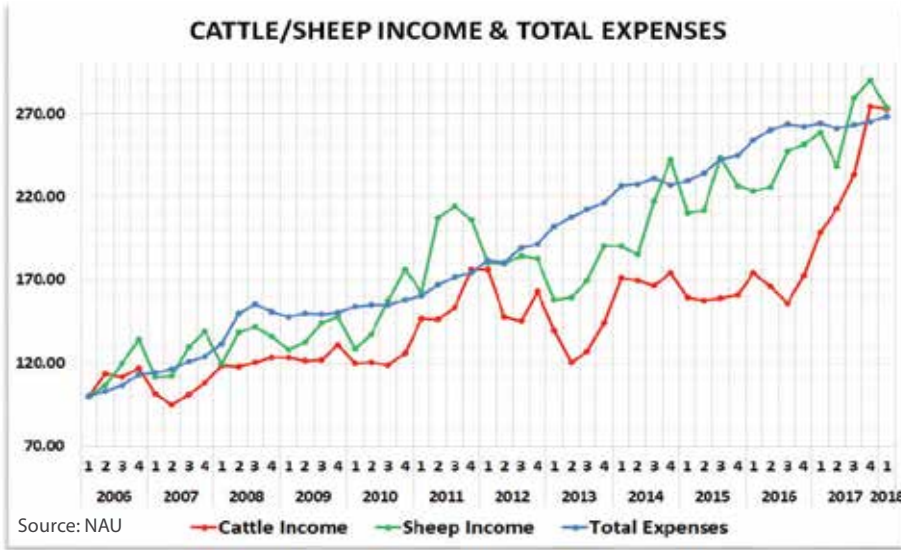
National debt (agri)

The total national agricultural debt increased steadily from 2012 to 2015. National debt however decreased significantly in 2016, due to a decrease in the total net debt at commercial banks as well as at AgriBank. The fact that 2016 was the third dry year in Namibia since 2013, probably resulted in farmers repaying debt thanks to their drought-induced excessive marketing during this period.

This trend however reversed in 2017 as national debt increased by a total of 22.5% YoY, driven mostly by an increase in debt at commercial banks. This is expected as improved rainfall will lead to re-stocking and the associated rise in debt.

Production cost index

The cattle industry, to the great relief of producers, staged a major comeback in the past 12 months with respect to the cost-price squeeze, which has eased significantly since the 1st quarter of 2017. This was driven by both a rise in cattle prices, while agri-inflation eased due to lowered fuel prices, a stronger local currency as well as a bumper harvest in South Africa which drove down lick and feed



of an 84% increase in the weaner price, while the slaughter price increased by 30% (figure 2).

Sheep prices increased by 15% YoY, but the more robust long-term growth profile meant sheep also posted an impressive 189.97% growth over the 12 years of monitoring.

In conclusion, even though the cost-price squeeze improved for both cattle and sheep during 2017, the effect thereof is still significant and highlights the need to improve consistently on productivity and efficiency. Over the past 12 years, cattle and sheep producers had to improve their productivity and efficiency with 6.15% (cattle) and 1.58% (sheep) per annum to maintain margins.

costs. The annual agri inflation rate decreased from 7.09% in the 4th quarter of 2016, to only 1.35% in the 4th quarter of 2017.

Cattle prices increased by a staggering 59% YoY in the 4th quarter of 2017, while agricultur-

al production input increased by only 1.35%. For the entire 12 years of monitoring (figure 1), the cattle price increased by 174.15%, while agricultural production input increased by 165.96%. The growth in the total weighted cattle price over the past 12 months consists

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ORGANISATIONAL MATTERS

Affiliations

On 30 June 2018, sixty-nine (69) farmers associations were affiliated to the NAU.

Management

The Executive Council

Mr R van der Merwe	– President
Mr P Gouws	– Livestock Producers Organisation
Mr D de Klerk/G Eggert	– Agronomic Producers Association
Mr J Engelbrecht/K Adriaanse	– Dairy Producers Association
Mr H Förtsch	– Agricultural Employers Association
Mr R Werner	– Poultry Producers Association
Mr W Visser/Ms J Meyer	– Swakara Industry Forum
Mr F Heger	– NAPHA
Mr J Visagie	– Agra
Mr W Kruger	– Kaap Agri
Mr E Erni	– Southwestern region
Mr J Adriaanse/K van der Merwe	– Karasburg region
Mr JC de Klerk	– Keetmanshoop region
Mr H Visagie/J van Wyk	– Mariental region
Mr K von Kühne	– Gobabis region
Mr L de Jager/T le Roux	– Windhoek region
Mr B Coetzer/M Hilbert	– Okahandja region
Mr T Pretorius	– Otjiwarongo region
Mr A van Niekerk	– Outjo region
Mr P Stoman/D Mouton	– Grootfontein-Tsumeb-Otavi region



Mr R van der Merwe



Mr PS Gouws



Mr HHT Förtsch



Mr JC de Klerk

The Management Council

The Management Council mainly attends to staff matters and matters referred to them by the Executive Council. The Management Council comprises:

- Mr R van der Merwe (NAU President)
- Mr P Gouws
- Mr H Förtsch
- Mr JC de Klerk

Executive Manager

On 15 January 2018 Mr Roelie Venter commenced duties as Executive Manager at the NAU after Mr Sakkie Coetzee had retired on 30 November 2017.



Mr Venter is well known in agriculture in Namibia and obtained a BSc Agric Hon degree at the Free State University in 1995 after obtaining a BSc Agric (animal and pasture science and agri-economics) in 1993. He also has a master's degree in business leadership (MBL) which he obtained from Unisa in 2001.

He started his agricultural career in 1994 as agricultural extension officer and after moving to Namibia he worked at the NAU as Manager: Commodities as from 1995. From June 2002 – March 2010 he was involved at Ohlthaver & List (Namibia Dairies and O & L Farming).

From 2010 to 2015 he undertook various agricultural business consultations and started in April 2015 as National Co-ordinator for the implementation of the Namibia Rangeland Management Policy and Strategy (NRMPS) before becoming Executive Manager of the NAU.



Members of the Executive Council



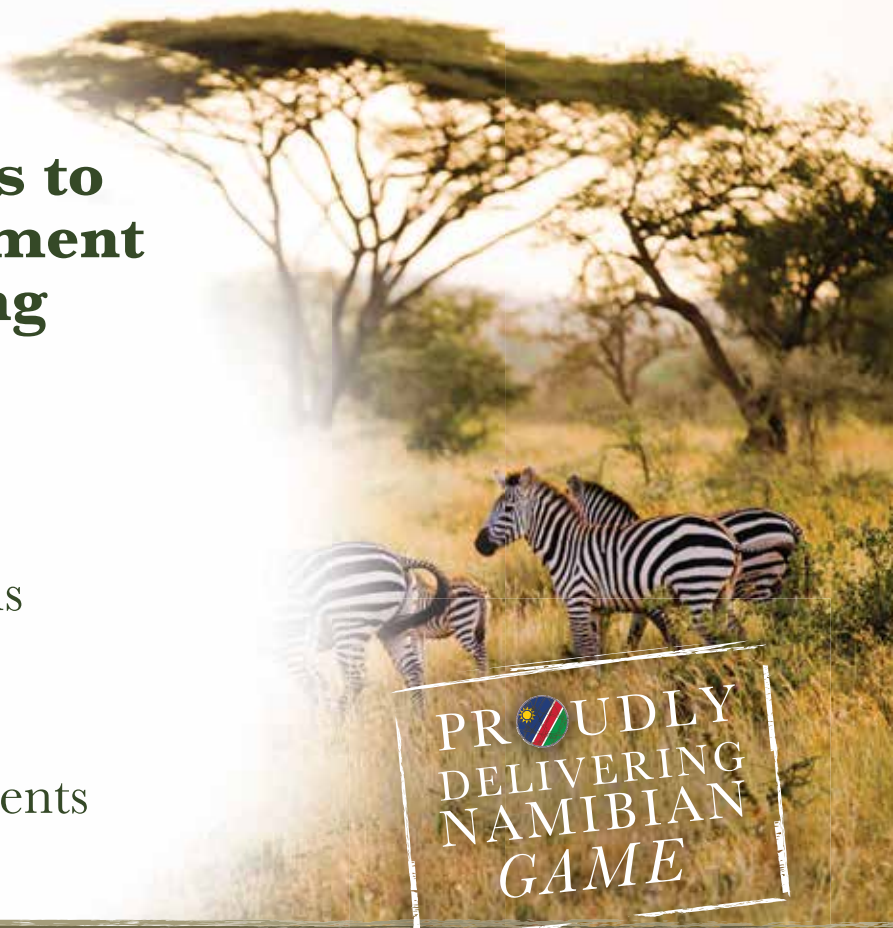
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MATTERS DEALT WITH BY THE EXECUTIVE COUNCIL/MANAGEMENT COUNCIL

NAU planning session

The Executive Council of the Namibia Agricultural Union again committed itself to the development of strategies in support of the 5th National Development Plan (NDP5) as well as the Harambee Prosperity Plan (HPP).

The main objective of the NAU is to create an optimal environment for the stimulation of the agricultural economy, to ensure optimal production and thus create prosperity. To reach these objectives, it is however very important that the role and function of the state and the private sector in economic development are clearly defined and clarified.

The NAU acknowledges that the agricultural economy needs to be regulated to a certain extent, but that these regulations should not be restrictive but should rather play a supportive role in order to give the private sector the opportunity to grow and develop. It is also very important that the strategies of the state and the private sector are harmonised so as to create an optimal environment for economic growth.

For the commercial farming sector certainty about land and land ownership is a primary prerequisite for further investments, one of the corner stones of economic growth.

The NAU also expressed its concern that notwithstanding the high salary bill of the civil service in the current budget, more often than not poor service is rendered to the public.

A further concern of the NAU is the increase in crime which not only influences the agricultural sector negatively, but also other industries such as the tourism sector.

During the NAU planning session the Executive Manager, Mr Sakkie Coetzee who worked at the NAU for the past 15 years, was bidden farewell. The President of the NAU thanked Mr Coetzee for all his input and loyal service and wished him a prosperous future.

Value addition in agriculture

The aim of local value addition is to bring about economic growth as well as create additional employment opportunities. If this

aim may be realised in a specific value chain without affecting other players in the same value chain negatively, local value addition is supported. The total value chain from primary production to the processing to the marketing must all enjoy the advantage of value addition, while various value chains (including across the border) should be allowed to compete with one another to realise the highest possible value from locally produced raw materials.

The **unintended consequence** of the implementation of the value addition policy at all costs has the potential to destroy certain industries. The effect of the Small Stock Marketing Scheme on the Namibian sheep industry, which was implemented in 2004, is a classic example. This caused producers to lose their confidence in the sheep industry and move to other sectors such as cattle and game which are less labour intensive. Sheep production thus has decreased from 1,2 million head per year to 700 000 during 2017 and the contribution of the sheep sector towards the national GDP has decreased





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by more than 40%. Furthermore, **more employment opportunities were lost in the primary sheep sector than were created by abattoirs.**

The NAU has addressed this matter as highest priority with President Geingob, senior cabinet ministers as well as the business community. A public-private task team was established, of which the NAU is also a member, to develop study cases of best practices and to develop lessons learned in the agricultural sector in order to influence future policy trends.

Land reform Valuation rolls

In its verdict on 23 November 2017, the valuation court gave a 40% discount to all land owners who had objected to their land valuations.

The 40% discount which the valuation court granted to the objectors however does not solve the problem of the valuation roll. The problem is that the valuation roll still disregards certain regulations according to which it was drafted, hence the valuation roll does not take the production potential of land into consideration. Furthermore, it also does not address the problem that neighbouring land owners, who form part of two different valuation zones, differ as much as 100%. This causes a complete disproportional distribution of land values appearing within the same zone which makes the valuation roll ridiculous. Against this background the NAU cannot accept the verdict of the valuation court.

The NAU decided to join up with the legal representatives who represented land owners in the valuation court in an attempt to address the core of the problem as described above.

The legal representatives who represented the objectors, decided to appeal to the high court against the decision of the valuation court, as well as to bring a revision application regarding the administrative process which was followed. The objective of the appeal/revision application to the high court is to correct the 2012/2017 provisional valuation rolls in line with the production potential of land, thereby ensuring fair land tax. Land owners were requested to make a financial contribution towards this legal action.

This appeal/revision application to the high court is a confirmation of the NAU's viewpoint since 2013 and the NAU thus decided to support this high court application.

The Minister of Land Reform certified the 2012/2017 valuation roll on 19 October 2017 for the payment of land tax. This certification was done in spite of the appeal/revision application which land owners had brought to the high court due to the controversy of the valuation roll.

Apart from the definition of the valuations as contained in the valuation roll and which led to the appeal/revision application, the valuation roll was further plunged into controversy because only land owners who were represented by legal representatives at the valuation court, received a 40% discount on their land values while land owners who individually objected and represented themselves, did not get any discount on their land values.

A joint application for putting aside the 2017 land tax by land owners who were represented in the valuation court by legal representatives as well as land owners who were represented by the NAU, served before Judge Angula on 21 February 2018. This urgent application was submitted in December 2017, pending the verdict of an appeal/revision application which had been submitted in March 2017 at the high court against the disputed verdict of the valuation court or alternatively the administrative procedures which were followed with the drafting of the 2012/2017 valuation rolls.

The court gave its verdict on 21 February 2018, prohibiting the Ministry of Land Reform to charge land tax until the revision application has been heard in court. The various legal representatives are in the process of preparing for the revision application. This implies that currently no land tax is payable pending the verdict of the revision application.

However, the NAU still commits itself to the payment of land tax as long as it is reasonable, fair and affordable.

Following the court verdict which granted an interdict against the payment of land tax until the revision application has been concluded, the Ministry of Land Reform stopped issuing all land tax assessments and clearance certificates. The implication thereof was that no farm transfers could take place. The Executive Council had an urgent discussion with the Valuer General, Mr Rudolf!Nanuseb in order to solve this problem.

On 18 May 2018 AgriBank obtained an urgent court application against various ministries and organisations in order to continue with agricultural land transactions and on 21 May 2018 the court decided in favour of AgriBank and ordered that all agricultural land transactions must continue.

The Ministry of Land Reform in the meantime decreased the rate against which land tax is levied to 0,4% (previously 0,75%) for Namibians and 1,4% (previously 1,75%) for foreigners.

Second national land conference

a committee under the chairmanship of the Prime Minister prepared for the second national land conference to be held in October 2018. The NAU is also represented on this

committee. It is evident that it is vital for Government that the conference will be successful. Regional consultations were held in the whole country during the last two weeks of July 2018 to get input from the nation. The most important matters discussed are the principle of willing buyer/willing seller, ancestral land claims, the relocation of the veterinary cordon fence and land values and land prices. It is a top priority for the NAU to ensure surety of land ownership and a successful land reform programme.

Agricultural Trade Forum (ATF)

The ATF is the only private institution which is directly involved with the policy creation and acts of the Ministry of Finance and Ministry of Industrialisation, Trade and SME Development. The NAU is also a member of the ATF and thus invited to negotiations. In July 2017 Mr Anton Faul started as new advisor at the ATF. He worked for 12 years at SACU and also at the Directorate of Planning of the Ministry of Agriculture. Currently it is busy with the protection of the dairy industry and also looking into protection for the poultry industry. Various matters to which they are also attending are the export of meat to the USA market, the increase of the Norway meat quota, looking for a market for goat meat in Eastern Africa and also for wheat discount for Namibia.

National Rangeland Management and Policy Strategy

The objective of the NRMPS is to bring about optimum production of livestock, while the national rangeland condition is improved. The NAU is currently implementing a four-year-long project to speed up the implementation of the NRMPS. This project is jointly funded by the Ministry of Agriculture, Water and Forestry as well as the European Union. The project focuses mainly on making Namibian producers aware of principles of good rangeland management. In addition, it focuses on the availability of best practices and the development of incentives on how rangeland conditions may improve over the long term as well as the evaluation of the rangeland condition at national level.

The Project Coordinator, Mr Roelie Venter, resigned at the end of 2017 and has been replaced with Mr Colin Nott who will handle the project implementation until the end of the project in 2019.

The Rangeland Advisory Committee (RAC) which is also the pilot committee of the project, meets regularly. The committee is satisfied with the progress made, but also realises the complexity of the environment in which the project operates.

MATTERS DEALT WITH BY THE EXECUTIVE COUNCIL/MANAGEMENT COUNCIL

NEEEF and commercial agriculture

The NAU was invited to a public workshop presented by the Ombudsman in June 2017 about human rights and racism and the submission of the NAU was mainly about land reform, land tax and NEEEF.

In his State of the Nation address on 11 April 2018, President Geingob announced that Government shall remove the 25% share provision which is part of the New Equitable Economic Empowerment Framework (NEEEF). As President Geingob said: "Let me take this opportunity to put the share pillar of NEEEF into perspective. The 25 percent equity stake will not translate into broad-based empowerment and is done away with". Instead they will rather focus on the acceptance of employee share schemes to address poverty.

According to President Geingob, Cabinet took note of his decision to remove this conflicting condition as most Namibians, especially the previously disadvantaged, do not have sufficient funds to participate in such transactions. As a possible solution Geingob mentioned employee share schemes as an effective policy intervention under NEEEF.

Rural safety

The NAU noted with shock the farm murders this year and the brutality of these murders. The NAU thus decided to look at rural safety as a matter of urgency and a committee was tasked to draft a plan. This plan consists of two departments, namely first on how to be prepared in your personal situation on the farm and secondly which actions at regional level should take place. Young farmers were identified in regions to act as safety coordinators and they also received training.

The next step with the implementation of the National Safety Strategy was discussed at the beginning of July 2018. The aim of the second phase of the implementation is to determine how this strategy can be effectively implemented in all FAs and RAUs on a continuous basis in order to ensure that everybody knows the actions to be taken in case of a farm attack. As soon as the plan has been finalised, members will be informed accordingly.

Congress 2017

The 71st NAU Congress was held on 11 October 2017 under the theme "The role of the private sector in NDP5".

No congress points were submitted to Congress.

Levy financing of the NAU was, however, discussed in detail:

The Chairperson asked congress delegates whether they think the NAU should continue to exist and that a decision had to be taken that day.

The Chairperson noted that he is aware that farmers always ask what the NAU does for or means to them and gave two examples of what the NAU has achieved, namely the lifting of import restrictions to SA for weaners and the re-opening of the Meatco feedlots. In both cases it was due to the NAU's actions that Government reacted and solutions were found.

The Executive Manager presented a submission of finance options and mentioned that the NAU will close with a surplus and the LPO with a deficit. If the NAU and LPO are pooled together, there will be a deficit of about N\$1 million in the budget.

The LPO Congress recommended an additional member fee of N\$521 besides the normal annual



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5% increase, in lieu of a voluntary levy contribution. Congress accepted the membership fee subject thereto that the increased membership fee will only be calculated at the end of the year after the effect of the under-spending for the 2017/18 financial year has been taken into calculation.

Corporate membership

Congress takes note that the following corporate members have joined under the various options:

- Bank Windhoek, gold
- Namib Mills, gold
- Feedmaster, gold
- Namib Poultry Industry (NPI), gold
- Agra, gold
- Pupkewitz Holdings, gold
- Santam, platinum
- Alexander Forbes, platinum
- KaapAgri, silver
- FNB, silver
- Cymot – silver
- Namibia Charcoal Association, silver

Gold – N\$80 000, platinum – N\$50 000, silver – N\$30 000

Awards

The following awards were presented at the 2017 official opening:

Community Project of the Year

The trophy for the Community Project of the Year was presented to the Witvlei FA for its involvement at the Nossob Primary School, Witvlei. The presentation was done by Mr Dawid Krause of Feedmaster.

AgriStar

Mr Japie Engelbrecht of Omuramba FA was presented with an AgriStar for his involvement in the dairy industry. The presentation was done by the president of the NAU, Mr Ryno van der Merwe.

Long service awards

Certificates for long service on the Executive Council were presented to the following EC members: Mr Jan Adriaanse of the Karas re-

gion; Mr Hannes Visagie of the Mariental region; Mr Lenn de Jager of the Windhoek region; Mr Bossie Coetzer of the Okahandja region and Mr Piet Stoman of the GTO region. The presentations were done by the president of the NAU, Mr Ryno van der Merwe.

Mr Willem Enslin of the Grootfontein Farmers' Association presented a certificate to its treasurer, Ms Lizette Cloete for long service.

NAU president presented Mr Sakkie Coetzee with a long service award. Mr Coetzee started service at the NAU on 2 January 2003 and retired at the end of November 2017. He thanked Mr Coetzee for all his input and loyal service and wished him everything of the best for the future.

The Manager: Finance, Ms Elsabé Steenkamp, retired at the end of September 2017 after serving 44 years at the NAU. During a farewell function with the Executive Council, the President of the NAU, Mr Ryno van der Merwe thanked her for outstanding and loyal service all those years.

Dairy legend honoured with highest award

The respected agricultural leader Japie Engelbrecht, the 2017 receiver of the NAU AgriStar award for extraordinary contributions, achieved this distinction through 17 years of long service as Chairman of the Dairy Producers Association and executive board member under eight NAU presidents. In his 29 years of involvement in organised agriculture he only missed one year as a board member of the Dairy Producers Association.

During the handover Sakkie Coetzee, executive manager of the NAU, said Japie has been a NAU member since 1974 after joining the Dorsland Farmers Association, where he also became a board member and chairman. Japie's positivity was a major driver in preventing the demise of the dairy industry. "In this way he kept members of the association together in a spirit of cooperation. He contributed to harmony and enthusiasm with fellow producers, even in extremely difficult times when disunity was the order of the day. He handled the farmers association meetings on his farm Kroonster in a calm and effective manner."

"Japie also served on various other committees, twice in the committees of the national braai competition hosted by the Dorsland Farmers Association. Later dairy producers started the Omuramba Farmers Association where Japie and Christa pulled their weight as braai team members as well as members of the NAU braai team."

Sakkie added that Japie, as son of the dairy pio-



Japie Engelbrecht and his wife, Christa, from Gobabis receive the NAU's highest award for extraordinary contributions to organised agriculture, the AgriStar, from NAU president Ryno van der Merwe (right). It is a weighty allotment over which the NAU gives careful consideration. Therefore the AgriStar is not necessarily awarded every year. Japie says his contributions were made thanks to the positivity and support of the NAU office. "This has carried me and made what I had to do easier."

neer Koos Engelbrecht, made exceptional contributions from the time when dairy cans were still collected to the sophisticated industry that we have now. "The Engelbrecht family has been involved in the dairy industry for six decades. Furthermore, Japie was involved in difficult negotiations with Werner List of the former Bonmilk and Rietfontein dairies for some leeway for smallscale farmers. With government he spearheaded negotiations over price structure, standards, droughts, marketing and support of the dairy industry. This led to dairy farmers be-

ing able to make a meaningful existence and the industry to be built into a unique model of extensive and intensive milk production. Various articles have been published to this effect, among others in the *Landbouweekblad*. Japie is currently involved in a family initiative to utilise invader bush in making paper – a project with many challenges requiring international research and which could lead to a revolution in making grazing available in a cost-effective manner," concluded Sakkie.

LIAISON

Liaison with members and all role players is still one of the top priorities of the NAU. This liaison is not only to provide information, but also to present the NAU's viewpoints at various forums and to look after the interests of the producers. Liaison is done through printed and electronic media, radio talks, brief messages on cell phones, attendance of workshops and other meetings.

AgriForum

AgriForum, the monthly magazine of the NAU, is published by AgriPublishers under editorship of Mrs Marietjie van Staden. *AgriForum* is still very popular and covers a wide spectrum of agricultural aspects. All NAU members receive the magazine as part of their membership benefits.

Radio programmes

Landboumikrofoon on the Afrikaans service of the NBC is broadcast each Saturday morning at 06:00 by Mrs Hermien Coetzee with a re-broadcast on Sunday afternoon at 13:15. This programme is also very popular.

Thanks to sponsorships by FNB, two programs are broadcast weekly on Channel 7. The one is on Wednesday afternoon at 14:10 and the other on Saturday mornings at 06:00 with a re-broadcast on Wednesdays at 20:00.

A short programme, *Farmer Infos*, is broadcast on Fridays at 16:10 on the German Service of the NBC.

Hitradio Namibia offers an agricultural programme for farmers on Friday evenings at 19:10 with a re-broadcast on Saturday morning at 06:50.

Kosmos Radio broadcasts a short agricultural programme on Friday mornings at 06:00.

Electronic newsletter

The weekly e-mail newsletter is still very popular and provides NAU members with important information. This newsletter is also sent to all Agra offices so that those members who do not have e-mail facilities may collect a copy of the newsletter at their nearest Agra branch. The newsletter is also sent to all media and interest groups who use it as a news source.

NAU website

The NAU website (www.agrinamibia.com.na) has been redesigned and is very popular, totalling on average 162 000 clicks per month.

Liaison with authorities and organisations

The President of the NAU, the Executive

Manager and other executive members liaised at various opportunities during the year with the authorities, parastatals, non-governmental and international organisations. This liaison included –

- His Excellency Dr Hage G Geingob, the President of the Republic of Namibia
- The Minister of Presidential Affairs
- The Minister of Land Reform
- The Minister of Finance
- The Minister of Agriculture, Water and Forestry
- The Minister of Information and Communication Technology
- The Minister of Public Enterprises
- The Economic Advisor of the President, Ms Inge Zamwaani
- The Office of the Attorney General
- The Inspector General of the Namibian Police
- The Ombudsman
- The European Union
- The Roads Authority
- AgriBank
- GIZ

Various regional agricultural unions and farmers associations

Liaison by the secretariat

Various farmers associations were visited by the secretariat on invitation, but due to savings the visits are coordinated with those of the regional representatives and the president. Various ministries were visited and workshops and meetings attended.

Liaison by regional representatives

Regional representatives continuously liaised with farmers associations, regional agricultural unions and regional authorities as part of their duties.

The private sector

The NAU sponsors were again entertained this year by the EC during a barbeque at the NAU office.

Three-monthly meetings were held with corporate members as from the beginning of 2018.

Non-governmental organisations, parastatals and other organisations

Various meetings and workshops were attended about, inter alia, the following subjects:

- Land reform
- National rangeland policy and strategy

- Five-year plan of the Roads Authority
- International trade
- Climate change
- Rural development
- Biosafety regulations
- Power supply
- Crime

Regional liaison

SACAU (Southern African Confederation of Agricultural Unions): SACAU's AGM was held in Cape Town, South Africa, on 24 and 25 May 2017 under the theme "Skilling for agriculture in the future" and was attended by Mr Sakkie Coetzee, the Executive Manager of the NAU. During the conference it was undertaken to support young farmers through the Young Farmer Forum and similar initiatives of national farmers organisations.

During SACAU's AGM Dr Theo de Jager of AgriSA was re-elected president. Dr De Jager is also the chairperson of the Pan African Farmers' Organisation (PAFO) at which five regional organisations such as SACAU are affiliated.

AgriSA: To save funds, AgriSA was not visited and the annual Agricultural Outlook Conference did not take place in 2017.

Bodies on which the NAU and commodities are represented

- Agronomic Board
- SWAKARA Board
- Land Reform Advisory Commission (LRAC)
- Lands Tribunal
- Namibia Employers Federation (NEF)
- Namibia Water Resources Management Review (NWRM)
- National State of Environment Report Task Force
- Social Security Commission (SSC)
- Meat Board
- Namibia Agricultural Labour Forum (NALF)
- Forestry Council
- Kunene/Karas/Erongo Regional Resettlement Committees
- Program Advisory Committee on Child Labour (PACC)
- Agricultural Trade Forum (ATF)
- NUST Council
- Woodland Management Council
- Namibia Training Authority (NTA)
- Namibia Rangeland Forum
- Joint Crime Prevention Forum (JCPF)
- Namibia Qualification Authority (NQA)
- Upper Swakop Basin Management Committee
- CPP Council
- Water Council

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LIVESTOCK PRODUCERS ORGANISATION

Introduction

Production conditions for livestock producers this year differed vastly. Producers in the deep south (Karas and Southwestern region) as well as in the west and northwest (Khomas and Outjo/Kamanjab regions) experienced a drought for the fifth consecutive year. Fellow producers, in empathy, supported the affected producers in the form of among others hay and transport. At the end of the rainy season low rainfall brought some relief to the drought-stricken areas. Generally, the rainfall in the whole country was very erratic. The late rain (middle March to middle April) brought relief to a certain extent. Production conditions improved but producers still need to utilize their rangeland cautiously.

There are still numerous challenges in the livestock sector. To start with, the Small Stock Marketing Scheme has not been abolished. Public utterances are being made that the export of weaners should be limited. The question of Meatco's ownership has not yet been solved and, in addition, Meatco has ended their fiscal year with big financial losses. The budget deficit of Government still limits the activities of the Directorate Veterinary Services. The Abattoir Association of Namibia obtained a directive from the Commissioner of Inland Revenue exempting the abattoirs from VAT on livestock purchases. There were numerous other matters which needed the attention of the LPO during the past year and feedback will be given in detail in the annual report.

Small and large stock marketing

Numbers of cattle at auctions and abattoirs in general were high and no marketing pressure was experienced. On the contrary, the export abattoirs have slaughtered under capacity. Exports to the RSA resumed their normal trend after adaptations were made to comply with the strict export requirements to the RSA. All cattle (weaners) that are exported are tested for tuberculosis, while sheep and goat are tested for brucellosis (except sheep born from a certified brucellosis-free herd). Table 1 clearly indicates the numbers of marketing of large and small stock (goat and sheep) as well as the percentage change.

Table 1

	2016	2017	% change
Cattle slaughtered	129 290	171 520	33 %
Cattle exported	165 927	313 401	89 %
Total marketing	295 217	484 921	43 %
Sheep slaughtered	390 154	309 969	- 0.21 %
Sheep exported	290 389	393 543	36 %
Total marketing	680 543	703 512	3 %
Goat exported	158 421	139 275	- 12 %

From table 1 it can be derived that the marketing of large stock has increased enormously. Weaner exports increased by 89% in comparison to 2016. This is attributed to the good weaner prices due to the low maize prices in the RSA. The increase in cattle slaughtering can mainly be attributed to a more accurate figure from the Meat Board since taking into account the number of hides from the tannery. Unfortunately, the B and C class abattoirs did not provide complete figures to the Meat Board. It should, however, be kept in mind that weaner prices and figures are cyclic and that the figures will probably change. The low number of sheep marketed is again alarming. This can mainly be attributed to the negative effects of the Small Stock Marketing Scheme which has caused the producers in the south to diversify into other farming avenues. Due to the large number of weaners exported, there is a lot of external pressure to limit the weaner exports. The LPO is following a strategy to inform the politicians, Government officials, banks, other agricultural unions and producers on the importance of not limiting weaner exports. Table 2 compares the average prices of the past year.

Table 2

	2016	2017	% change
Cattle abattoir	29.48	35.30	20 %
Cattle auction	16.72	25.19	51 %
Sheep abattoir	36.93	40.07	8.5 %
Sheep auction	20.91	26.09	25 %
Goat prices	691.31	938.18	36 %

Meat prices increased during the past year. Weaner prices showed a big increase, but unfortunately cattle slaughter prices did not follow the same trend. This is also the reason why so many weaners were exported, because the local weaner buyers could not let the weaners mature to slaughter them locally. The improved prices brought relief to producers, especially those who have a lot of debt, as is later indicated in the production cost index. Despite the good price increases for small stock, the prices in the RSA were still on average N\$5,00/kg higher. Local small stock abattoirs are still uncompetitive and after Farmers Meat Market of Mariental closed its doors, the concern is even greater that the local slaughtering capacity is not adequate to slaughter all the small stock. It is assumed that meat prices will move sideways.

In conclusion it can be mentioned that the LPO is intensively involved to ensure an optimal market for the producer. The LPO raised the problems of the Small Stock Marketing Scheme with the Ombudsman who made a recommendation to the Meat Board that the scheme should be put aside. Furthermore, the LPO is attempting to have Namibia de-



Chairman: PS Gouws

clared tuberculosis and brucellosis free since so far no cattle or sheep have tested positive for these diseases. It is hoped that exports to South Africa may then continue unhindered.

LPO Strategic Vision 2030

The LPO Vision 2030 document containing the vision, mission, objectives, required results and actions serves as guideline to reach the objectives of the organisation by way of strategic decision-taking processes. During the LPO's planning session in November each year the action plan of the previous year is evaluated, and the most important issues of each sector are identified. These are then included in the actions for the following year. Attention is given continuously to these sector issues and progress is monitored and discussed during the LPO management meetings. This action plan is a dynamic document which can be adapted according to the needs and changes in the meat industry.

Animal Health and Veterinary Services (DVS)

The LPO was instrumental in establishing the Animal Health Consultative Forum which is a good platform for communication and addressing problems between the different role players in the meat industry and DVS. Unfortunately, the Permanent Secretary of the Ministry of Agriculture gave written notice at the end of April that the forum did not serve its original purpose for which it was created, and it was thus dissolved. Even though this is a concern, the LPO still has access to the Director of DVS and regular appointments are made with him to discuss problems in the livestock sector. As the livestock status is an important aspect to give the necessary guarantees to trade partners, the Meat Board established an Animal Health Committee to keep consultations going.

The financial situation of Government has not yet improved, and the budgets of all the ministries and directorates have been cut. DVS is also affected by this. The maintenance of

LIVESTOCK PRODUCERS ORGANISATION

the border and veterinary fences is still a concern. The LPO is doing regular inspections of these fences and remains in dialogue with DVS and the Meat Board in an attempt to rectify the state of disrepair. In addition, rural DVS offices often still experience power cuts due to non-payments and thus animal movement permits cannot be printed. This hampers the marketing process. The LPO remains of the opinion that agriculture is the most important sector in Namibia and, in order for the economy to recover, the marketing of livestock must continue unhindered.

Double ear tags for the identification of sheep for export purposes to the RSA

The implementation of the electronic double ear tags for sheep to be exported to the RSA abattoirs is very expensive and time consuming, considering that the tagged sheep are slaughtered the very next day. The LPO is again attempting to convince DVS that this aspect is an over-requirement and that there are cheaper solutions to guarantee the traceability of sheep. The BVS has agreed and is negotiating with their peers in South Africa, also regarding the required testing for diseases as mentioned above.

Kudu rabies project

The kudu rabies project originated from a 2010 congress resolution of the LPO where instructions were given to develop an effective vaccine and vaccination method for the kudu population of Namibia. After the successful conclusion of the first two phases of the project (1 March 2015 to 15 August 2016) consensus was reached to proceed with the project. The bait development study as well as the principle of oral vaccination of kudu was very successful.

In April 2018 a meeting was held between representatives of the LPO, the Friedrich Loeffler Institute (FLI), Agra ProVision and Dr Rainer Hassel, project leader. FLI informed the meeting about the final interpretation of the laboratory results of the first two phases as well as the current and proposed future research activities by FLI in support of the project, including the development of a serological test validated for kudu, the development of a new rabies vaccine construction in the form of a recombinant vaccine with the non-pathogen stem of Newcastle sickness virus as benignity carrier as well as manipulations of vaccine in cooperation with IDT Biologika to improve the oral absorption of vaccine by kudu.

It is planned to, in cooperation with the UNAM School for Veterinary Health, do further studies on kudu which are kept in confinement with bait containing the vaccine. It was proposed that part of the funds for the project which was budgeted for the rental of a facility and staff for the confinement of experimental animals be given to UNAM to assist with the construction of the facilities. In exchange the project can make use of the facilities free of charge.

A study of kudu ecology, biology and demography at farm level must be done. Such studies will help to understand the horizontal transfer of rabies better and will be supportive with the drafting of oral vaccination protocols of bait. These however fall outside the financial means of the project and talks will have to be held on how it can be implemented.

The FLI is in the process of developing oral vaccination for jackals which are still the main source of infection of the kudu. This vaccine study on jackals will be implemented separately from the project at the UNAM School of Veterinary Medical Science with funds which the IDT will provide.



Meatco revises booking and merit point system

To enhance and simplify the producers' access to the market for their livestock, Meatco has simplified its booking and merit point calculation system which goes into effect as of 1 October 2018. The newly updated and more flexible system is implemented on a test basis for six months.

The main changes to the new system, to ease marketing to Meatco, are as follows:

- No Delivery Agreements need to be signed
- The contract premium will be paid weekly with settlement
- The four contract signing periods will increase



to 12 per year

- The merit points will be calculated real-time at each booking instead of over a period
- The merit-point calculation will be based only on the reliability, or subsequently accuracy of the load of cattle delivered.

The new system allows for two types of booking requests:

- Advance Booking Request
- Short-Notice Booking Request

Advance Booking Request

A producer who intends to deliver his/her cattle to a Meatco facility will request a booking one or two months prior to the delivery month. This would consequently result in 12 delivery periods per year.

The main advantage of an advance booking request for the producer means that his/her request will be considered first during the allocation run every month and will receive their booking confirmations approximately one month before delivery.

Short-Notice Booking Request

The Short-Notice Booking Request allows producers to book one day up to one month ahead of the delivery month, depending on quota availability (slaughter space available) at the respective facility.

The difference between the new booking system and the previous delivery agreement is that deliveries are measured according to a specific booking and one booking does not influence another.

Producers will now have their N\$2.50 per kilogram contract premium included in the announced producer price when delivering to the export abattoir.

With the new merit point's calculation system, Meatco wants to distinguish the probability of converting a booking request into a delivery. Therefore, booking preferences will be awarded to the legal entity with the highest merit points, in other words, Meatco will no longer award merit points based on producer numbers, but only on a legal entity registered on the company's database.

The new merit point calculation system is used and measures reliability and accuracy of bookings and deliveries.

LIVESTOCK PRODUCERS ORGANISATION

Alternative marketing opportunities for red meat

The trade under the Economic Partnership Agreement (EPA) between the European Union (EU) and the Southern African Development Countries (SADC) continues. After Namibia had ratified the EPA, all the SADC EPA member countries have in the meantime ratified the agreement. These include Botswana, Lesotho, Namibia, South Africa, Eswatini (previously Swaziland) and Mozambique. Angola did not sign the agreement but can still do so in future. The EU countries are still busy with the process.

The Brexit negotiations continued intensely during 2017 and even though a lot of work was done by the United Kingdom to ease their withdrawal from the EU and to ensure very little disruption, all indications are that it is not an easy process. The envisaged exit date is 31 March 2019 and British legislation will have to be concluded by that time to ensure their withdrawal from the EU. Negotiations with the EU however presented numerous obstacles and it has become clear that Britain will not necessarily get the agreement from the EU which they want. Internally there is large division amongst the British concerning which option the British Government should bargain for with the EU. Regarding the Brexit influence on Namibia as part of SACU, Namibian negotiators are discussing an agreement with the objective to protect existing trade interests. SACU already made quite some progress with this process and the objective is to duplicate the EPA with the United Kingdom. Namibia's interest in these negotiations is of great importance as the country currently exports beef, dates and table grapes to Britain in terms of the tariff and quota-free access of the EPA.

After Namibia received approval to export beef to the United States of America (USA), Meatco exported the first consignment of meat to the USA. According to American export regulations, Namibia may export raw beef (not minced) of specific cuts such as chuck rib, shoulder blade and beef extracts to the USA.

The requirements regarding lumpy skin disease within the trade agreement with China have again been negotiated this year and allowances have been made that meat from a farm where no lumpy skin disease outbreak has occurred, may be exported. The previous restrictions which were applicable were that in case of a lumpy skin disease outbreak, the whole country would not be allowed to export.

During 2017 Namibia, as part of SACU, started with negotiations to re-negotiate the EFTA-SACU free trade agreement which had been implemented since 2009. The objectives of the negotiations are to ensure better market access as well as to upgrade and modernise

the agreement. Negotiations should be concluded by the end of 2018 and Namibia could especially benefit in bigger quotas for beef and mutton in the Norwegian market as well as lower tariffs for meat and table grapes in the Swiss market. It is also attempted to include the current unilateral general system for preference trade (GSP) which Norway has implemented for Namibian meat exports under the free trade agreement to bring about more surety for Namibian exporters.

Farm Assured Namibian Meat (FANMeat)

The FANMeat system is one of the most important pillars on which the meat industry



relies to ensure access to niche markets, especially in Europe and countries such as Norway which pay the highest prices. It is thus important that producers adhere to the quality control of the FANMeat scheme. This means, inter alia, that no prohibited feed and other prohibited remedies should be used for livestock, that the healing period after treatment should be honoured and that proper record-keeping should be maintained.

The FANMeat committee, on which the LPO is also represented, meets regularly to determine how the system can improve the assurance and guarantees of FANMeat. In addition, attention is paid to ensuring that the whole chain from producer to abattoir is FANMeat assured. Apart from producers complying with FANMeat regulations, the other role players such as transporters, auctioneers and ab-

attoirs will also have to comply with certain standards such as animal welfare. This will be attended to within the next few months.

NamLITS traceability

The NamLITS system was developed to ensure traceability and is applied each time animals are marketed. NamLITS control is important, especially with regard to sickness administration. The NamLITS system is based on a software program and its functionality is continuously improved to make it more accessible and consumer friendly. Unfortunately, the effectiveness of the system is also dependent on the human factor. Therefore, investigations are underway to change the functionality so that producers may get improved direct access to manage their own herd data (registrations, replacements, cancellations, terminations).

Meatco

Meatco is seen as the most important factor in the stabilising of the Namibian meat industry. Unfortunately, producers finally lost confidence in the corporation after the Minister of Agriculture unilaterally appointed a Board of Directors without allowing nominations from the members of Meatco. This year Meatco closed their books with a loss of N\$51,2 million or rather N\$64,4 million (profit before tax) whereas the previous year had shown a profit of N\$22,5 million. The Board of Directors started a reversing strategy and is hopeful that the financial situation will improve.

The LPO had an analysis done of Meatco's financial statements for the past 11 years which shows that the cor-



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LIVESTOCK PRODUCERS ORGANISATION

poration has been on a downwards trend for the past five years. The operational costs and debts increased, yet the turnover of Meatco did not increase. At Meatco's annual general meeting a motion was tabled by Mr H Erasmus expressing the members' deep concern regarding the performance, corporate management practices and accountability of the Meatco Board of Directors.

Meatco must be managed on healthy business principles to be able to survive without interference from the Government. The change of the Meatco business structure as well as the appointment of a capable Board of Directors form part of increasing Meatco's effectiveness and both aspects are driven by the LPO at all levels.

No further steps have been taken to transfer Meatco to the Ministry of Public Enterprises.

Value chain management plan

The 2010 LPO Congress requested an investigation into an optimal value chain management plan and if viable, the execution thereof with all role players in the meat industry.

This resolution was concluded after an investigation showed that producers do not wish to get involved in slaughtering and processing. In the meantime, an opportunity was created for producers to negotiate beef and mutton at the Johannesburg Stock Exchange (JSE). Producers can buy or sell future contracts in order to minimize price risks. The entrenchment of a price risk for producers consists of buying future contracts in an attempt to fix a minimum price.

Due to current uncertainties, the LPO decided to do a feasibility study relating to a large stock abattoir. During the congress feedback will be given about the outcome of this study and decisions to be taken about a future abattoir, processing plant and marketing channel which will be owned by producers.

Waterberg buffalo

Unfortunately buffalo again escaped from the Waterberg Plato Park (WPP) this year and farms were put under quarantine for long periods. This is due to an over-population of buffalo and this problem will continue until the numbers are decreased. The LPO proposed various actions in order to find a solution for the buffalo problem.

Unfortunately, the proposals came to nought. The problem lies with Government who see buffalo as a high value asset and thus would not dispose of buffalo cheaply. Despite various attempts to make an appointment with the Minister of Environment and Tourism (MET), the LPO was unable to meet with him.

Human-wildlife conflict

Introductory to this subject it must be mentioned that the LPO also tried to contact MET to address the human-wildlife conflict. Unfortunately, this was not successful.

Elephants

As elephant conflict is not only restricted to the northwestern parts of Namibia but is now also in the northern parts of the Grootfontein district, the LPO is considering making a report available to the Ombudsman in order to request an investigation into the responsibility of the Ministry of Environment and Tourism.

Predators

All regions report that the occurrence of predators has increased. The LPO is actively obtaining statistics of predator numbers as well as damage caused by predators.

Statistics

Determination of production per ha and farming profit

Each livestock producer should know how his grazing can be effectively converted into meat, because the main objective is to produce maximum livestock while improving the rangeland productivity over the long term. During 2017 the LPO offered a service to calculate the production per ha for producers and to compare this with fellow participants.

Individual producers receive individual figures in terms of the average stocking/ha, live kg produced/ha and the production percentage (expressed as kilogrammes produced as percentage of kilogrammes stocked). These figures are also compared with the average of fellow participants in their region as well as against the average figures for all participants.

During 2017 producers with a total land size of 520 000 ha participated. Of these 356 000 ha were for cattle, 124 000 ha for small stock and 40 000 ha for game respectively.

Production cost index

The events of the past 12 months again led to big fluctuations in agricultural inflation as well as the producers' prices for sheep and cattle. These events include the fluctuations in the exchange rate which were caused by political instability in South Africa. As Namibia imports a lot of its agricultural inputs from South Africa who again import products from overseas, the exchange rate plays an important role in the price of various agricultural inputs, which also influences the agricultural inflation. It is known that South Africa has one of the most unstable monetary units in the world, which leads to great uncertainties and which again weakened with

more than 15% against the American dollar. This pushes the agricultural inflation up. The exchange rate is also of exceptional importance for beef producers as Meatco exports a large percentage of its meat overseas. The better rainfall in both Namibia and South Africa influences both agricultural inflations and producer prices as lick and feed prices have decreased substantially in the past months, while better grazing and a shortage in cattle lead to an increase in producer prices in the first quarter of 2018. The increase in the oil price as well as the weakened rand is however counteracted by the decrease in feed and lick prices which ensured that the agricultural inflation was kept considerably under control over the past 12 months. The sharp increase in especially the cattle prices since the beginning of 2018, led to a notable recovery in the income/expenditure balance.

Even though the cattle and sheep industries in Namibia are still feeling the pinch of input costs over the long term, there was dramatic relief in the first quarter in terms of the production cost index as the agricultural inflation stayed reasonably constant since the first quarter of 2017, while the beef and sheep income rose steeply. The decrease of the annual agricultural inflation of 3.83% in the first quarter of 2017 to 1,54% in the first quarter of 2018 was driven by the strengthening of the rand at the end of 2017 as well as the sharp decrease in the price of lick and feed. The increase of especially beef income was driven by the better rainfall which was experienced in both Namibia and South Africa and has increased the demand for livestock. Sheep income however moved sideways as the continuous drought conditions in the south of Namibia as well as in the Northern Cape in South Africa placed the price under pressure. Even though the beef industry is still worse off in the long term, the dramatic recovery in the past six months has led to a big relief. The small stock industry on the other hand has shown a more stable trend during the past 12 years with income increasing at nearly the same speed as the expenditure.

Measured from the basis year of 2006 (1st quarter 2006 = 100), the large stock income increased to 272.72 basis points in the first quarter of 2018 (only 198.82 in the first quarter of 2017), while the total expenditure increased to 268.02 basis points in the same period. Sheep income increased with 173.96 basis points in the past 12 years, while beef income has risen by 172.72% in the same period. The increase in beef income comprises a weighed increase of 160.14% in the average slaughtering price as well as a 176.24% increase in the weaner price. Measured year on year, the beef income has risen with an impressive 37.17%, with sheep income a lower 5.84%. Expenditure however increased by

LIVESTOCK PRODUCERS ORGANISATION

only 1.54% per annum due to the decrease in lick and feed prices of 4,08%. The high deviation between input and output costs in the large stock industry in the past 12 years, led to an average annual cost increase of 5,33% from the first quarter of 2006 to the first quarter of 2018. The sheep industry on the other hand has shown a more manageable 1.34% in the same period.

Rate of VAT levies by abattoirs

The Abattoir Association of Namibia (AAN) convinced the Commissioner of Inland Revenue (CIR) to issue a directive confirming that when an abattoir purchases live animals, these purchases must be subject to zero-rated VAT. This was unacceptable to the LPO, as the primary producers who are VAT registered will continuously be in a net VAT claim position as producers are obliged to pay input VAT on all production inputs, while no output VAT is received on any livestock sales to abattoirs. This will have serious cash flow implications for primary producers. Furthermore, the LPO is convinced that price fixing is taking place on carcasses and according to VAT legislation, VAT is definitely payable.

The LPO/NAU was intensely involved in negotiations and correspondence with the Commissioner of Inland Revenue, tax advisors plus the Meat Board and abattoirs to prove that the AAN misinterpreted the directive and that VAT on carcasses must be levied at a rate of 15%. The Commissioner of Inland Revenue ordered the Meat Board to obtain a tax expert's interpretation and final recommendation. Some smaller abattoirs (B and C grade) had merely continued with the payment of 15% VAT. In the meantime Meatco, after talks with the Commissioner of Inland Revenue about the interpretation of the directive, decided to recommence paying 15% VAT to producers.

Game matters

Some NAU members, who utilize game as a diversification option such as biltong hunting or game breeding and whose interests are not attended to by either NAPHA or Game Ranching Namibia, expressed a need to have their interests represented somehow. Hence the LPO management decided to place this

matter on the LPO agenda for discussion at regional level. Meanwhile the Ministry of Industrialisation, Trade and SME Development (MITSMED) identified different growth strategies of which game is one of the sectors. From this the Wildlife Products Steering Committee was established. This committee is involved with all aspects of the game industry. The limitations and opportunities regarding input provision, production technology, marketing and trade, employment creation and framework conditions are being investigated. They also propose specific interventions and projects to strengthen the industry. Various actions were launched such as to promote venison locally (Eat Wild Festival, Tourism Expo, Inspiration Tables), training in the harvesting of game (especially hygienic standards), publication of best practices and research (UNAM).

Vision of the meat industry

Regrettably, the joint vision of the meat industry has come to a halt due to various reasons. No further meetings were held. Even though this vision was drafted and signed by the total industry (producers, agents, abattoirs and processors as well as the MAWF under leadership of the Meat Board), specifically the Agriculture Ministry shows no interest in attending meetings even though attempts were made to combine the joint vision with the national development plans of the Ministry.

Liaison with the industry

During LPO management meetings open sessions are scheduled where role players in the meat industry are invited to individually consult with the LPO management. This brings about a dialogue which is more confidential. Talks are mostly positive and further negotiations and possible solutions for problems originate from these meetings.

Management

R van der Merwe	NAU President (<i>ex officio</i>)
P Gouws	Chairman
E Erni	Southwestern
K van der Merwe	Karasburg
JC de Klerk	Keetmanshoop
J van Wyk	Mariental

K von Kühne	Gobabis
T le Roux	Windhoek
M Hilbert	Okahandja
T Pretorius	Otjiwarongo
D Mouton	Grootfontein/Tsumeb/ Otavi
A van Niekerk	Outjo

Liaison with Government and other organisations

During the report period contact was made with the following organisations and persons:

- Ministry of Agriculture, Water and Forestry
 - Minister
 - Directorate of Veterinary Services
 - Directorate of Planning and Business Development
- Ministry of Industrialisation, Trade and SME Development
- Ministry of Environment and Tourism
- Meat Board
- Namibian abattoirs and agents
- AGRA
- Kaap-Agri
- Swavet
- Nakara
- Meatco Tannery
- Feedmaster
- First National Bank
- Agri SA
- AMTA
- Namibian Chamber of Environment
- Media
- Friedrich Loeffler Institute
- NAPHA
- CANAM
- Office of the Ombudsman
- Agricultural Trade Forum
- North Cape abattoirs
- Local abattoirs
- Namib Mills group
- Swart Grant & Angula
- Local private veterinarians
- LCMAN
- SA Department of Veterinary Services
- Red Meat Producers Organisation of SA (RPO)
- SA Red Meat Industry Forum (RMIF)
- SA Feedlot Association

AGRICULTURAL EMPLOYERS' ASSOCIATION

Management

Chairperson	Mrs C Stoman
Vice-chairperson	Mr H Förtsch
Central	Mrs S Heimstädt
North	Mrs C Hellinghausen
South	Mr J Wasserfall

Financial position

The management handled the funds of the association with discipline which resulted in the 2017-2018 financial year ending with a surplus of N\$ 141 525.

Labour documents

The AEA's helpful documents concerning labour matters remain as popular as ever, indicating that employers go to great lengths to implement the correct administrative systems. These documents are sold to members and non-members. Although some document prices need to be adjusted annually, the AEA management strives to keep such prices as low as possible for its members.

regardless regardless whether their dismissal was justified and legal or not. Mr Kassen reiterated that the current labour act unfortunately does not allow early verification of complaints. This can only be determined during a conciliation/arbitration hearing and unfortunately an employer needs to travel to town for the hearing. Ms Sihlahla offered to do presentations or training on labour relations at farmers days. Farmers' associations are welcome to invite her if there is a need.

Minimum wage

Successful wage negotiations were concluded on 9 October 2017 between the AEA, NNFU, NECFU and NaFWU. This meant that the outdated farmworkers' minimum wage of 2014 was increased by 25% as follows: The cash wage was increased to N\$4,62 per hour or N\$900 per month for a worker who works 45 hours per week. For those employers who do not supply free rations, the ration allowance was increased to N\$500 per month. The total



Chairperson: C Stoman

NCA (Namibia Charcoal Association)

As Director of the NCA, Mr Van Vuuren managed the affairs as well as the finances of the association during the past year. These tasks will however be referred to another director in the next year. As requested by the GIZ, Mr Van Vuuren will still manage the finances of the GIZ charcoal projects.

AEA secretariat

The AEA's advisory service concerning best labour practices and labour disputes remains popular, with increasing numbers of telephone calls, emails and personal visits to the AEA office.

Training of farmworkers

The AEA strove to launch a trial project for the training of farm workers at Summerdown with the view to extending the initiative to other regions, but the project stalled due to the lack of interest by knowledgeable farmers to act as trainers.

Preschool training for farm children

The TeRRIFIC curriculum of Character Transformation Namibia which teaches children values, is an important resource. Preschool children should not only be exposed to school-readiness classes, but also to the entrenched values that society relies on.

Thankfully, preschool training has also been included in Government's NDP5 and one of the projects of First Lady Geingos' "One Economy Foundation" is Early Childhood Development.

The management of the Amos Meerat Schools contacted the AEA with the request to get more farmers involved in this initiative. Currently there are only nine active farm schools with

Representation of management members on various bodies

The AEA was represented on numerous bodies, boards and forums:

NAU Executive Council:	Mr H Förtsch
Namibia Labour Forum (NALF):	Mr H Förtsch and Mrs C Stoman
Namibia Employers Federation (NEF):	Mr D van Vuuren
Namibia Agricultural Retirement Fund (NARF)	Principal Officer: Mr D van Vuuren
Project Advisory Committee for Child Labour:	Mr D van Vuuren
HIV/Aids Management Committee of the Ministry of Agriculture:	Mr D van Vuuren
Namibia Charcoal Association (NCA):	Mr D van Vuuren

AEA LIAISON

Internal liaison

Management committee members paid visits to regional agricultural unions and farmers associations during the year. The Principal Officer also attended farmers association meetings. Matters of importance were communicated to members via the weekly electronic newsletter, the *AgriForum* magazine, radio programmes as well as the NAU website.

External liaison

Ministry of Labour and Social Welfare

A courtesy call was paid to the Labour Commissioner, Mr Henri Kassen and his second in command, Ms Sihlahla on 20 September 2017. Discussions centred on the role and function of the Labour Commissioner's office as well as the AEA's role in promoting labour relations on commercial farms. The frustrations of numerous farmers with respect to labour disputes were brought to their attention. Dismissed employees have come into the habit of registering dis-

minimum basic wage for a farmworker thus amounts to N\$1 400 per month. The AEA applied on behalf of the parties to the Ministry of Labour for publication of the agreement in the Government Gazette, thereby ensuring its expansion to the national agricultural sector. The Ministry, however, did not grant this request because the Namibia Farmworkers' Union (NaFWU) does not represent the majority of farmworkers in the industry.

Child labour

According to the 2016 Namibia Statistics Agency (NSA) report, the unemployment figure amongst the youth is 51 725 or 21% of non-school-going children between the ages of 15 to 19 years, with the result that child labour still occurs in Namibia. Street children who beg at certain street corners are viewed as serious cases of child labour. The AEA raised its concern about the poor position of education especially in rural areas to the NEF who in turn published an open letter to the Ministry of Education in the media.

AGRICULTURAL EMPLOYERS' ASSOCIATION

approximately 100 farm children. The Amos Meerat School has also included the TeRRIFIC character development in their curriculum.

NTA (National Training Authority)

During an NTA stakeholders' forum the need for funding of training of illiterate youth in rural areas was expressed. The NAU nominated Mr Hendrik Botha to serve on the agricultural management committee of the NTA to replace Mr Helmuth Stehn who resigned two years ago.

Surveys in the agricultural sector

2018 AEA wage survey

After reflecting on the 2018 wage survey, the AEA decided to determine the monetary value of electricity, firewood and water which farm workers use daily and which form part of the total remuneration package. Power and water comprise a large part of the expenses of workers in other industries.

Health in the commercial agricultural sector

Following a survey done by the AEA, feedback was received from 30 farmers associations regarding health services in rural areas, indicating that these services are not up to standard.

The Government's NDP5 Development Plan increased targets for health services, but at the same time reductions were made in the health budget which have had the opposite effect. The chairman wrote a letter to the Minister of Health in which the AEA expressed its concern about this matter and requested that health services for rural farm workers be prioritised.

Namibia Agricultural Retirement Fund

Namfisa approved the liquidation of the fund and the dissolution of the fund was advertised in the Government Gazette, as procedures demand. Although some members received their pension pay-outs, problems arose, and other members are still awaiting their payments. The Principal Officer of the fund, Mr van Vuuren, lodged an official complaint against Alexander Forbes in this regard.

Social Security Commission (SSC)

As recommended by the consultants, the SSC Board accepted the draft policy for the planned National Pension Fund. However, progress has halted as the Ministry of Labour has declined to approve the draft.

Following complaints from some of our members that they no longer receive their ECF statements and assessments in the mail, the AEA reported this to the SSC. Feedback with contact details of the SSC were given to members via the NAU newsletter.

Namibia Employers Federation (NEF)

Mr Van Vuuren was elected for a further term as board and executive member of the NEF during their AGM. He represents the AEA on this forum and gives important input on behalf of commercial agriculture. Mr Elias Shikongo was endorsed as new president of the NEF after the resignation of Advocate Rukoro.

Labour Advisory Council (LAC)

The Minister of Labour elected a new LAC Board for another term and one of the four seats of the NEF was given to one of the smaller employers' organisations, the NEA. A Code of Conduct for Conciliators and Arbitrators, on which the AEA also gave input, will be discussed and finalised by the LAC.



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Namibia Labour Forum (NALF)

Two meetings were held in 2017 during which mainly the minimum wage for farmworkers was discussed. On the initiative of the AEA, the Namibia Emerging Commercial Farmers' Union (NECFU) is also now involved in this forum as an employers' association.

2017 AEA congress

The 2017 AEA Congress was held on 13 June 2017 with the theme "Labour productivity on farms". The Executive Manager of the NAU, Mr Sakkie Coetzee, was the keynote speaker and said that the AEA is the cornerstone of the NAU. He pointed out that there had been few media reports about labour problems on commercial farms, thanks to the proactive input of the AEA.

The chairperson of the AEA, Ms Christine Stoman, mentioned in her address that those government services which do not function efficiently have a negative effect on farm productivity. She presented long service certificates to Messrs Hellmut Förtsch and Jan Wasserfall.

Mr Sigi Lange of Capacity Trust explained how individuals could manage and control their own thoughts and actions, thereby in-

creasing productivity. Mr Paul van der Merwe focused on the influence of productivity on production while Mr Hellmut Förtsch demonstrated productivity in practice and used his own farm as an example.

In conclusion, Congress requested the AEA management to pay attention to these tasks:

- Management is requested to draft a guideline document about labour productivity on farms and publish same on the AEA website.
- With the new mandate from Congress, management is requested to further negotiate concerning the adoption of the minimum wage.
- The AEA is requested to find out why workers leave farms to work in town or why they seek employment on another farm.
- The AEA should promote the re-instatement of technical curricula at school level.

The following members were unanimously elected to the AEA management committee:

Chairperson: Mr Hellmut Förtsch

Vice-chairperson: Mrs Christine Stoman

South: Mr Jan Wasserfall
 Central: Mrs Sigi Heimstädt
 North: Mrs Charlotte Hellinghausen

Management mandates from Congress

- Labour productivity on farms: User manual
 A draft user manual about labour productivity on farms is in an advanced stage and should be finalised next year. It will then be released electronically as well as on the website of the NAU.
- Minimum wage
 Concluded. See par 7.2
- Turnover of farmworkers
 Research was done by comparing trends from previous wage surveys. It is evident that the average period of service per employer increased from 4 years in 2002 to 6.5 years over the past 10 years. Furthermore, there was a decrease in resignations namely from 15% participating workers in 2010 to 12% in 2016. It thus seems that the request from Congress to investigate the high turnover of farmworkers is not reflective of a general trend on farms.
- Promote technical subjects in schools
 It was noted that complete curriculums already exist for technical subjects which include metalwork and welding; woodwork; bricklaying and plastering; electricity and electronics; motor mechanics; plumbing; hospitality; health and welfare as well as hairdressing. Schools can decide which subject they want to offer. A consultant, who assisted the Ministry to draft the new curriculums, suggested that members could promote these subjects in schools by liaising with the regional directors.

General

The past year was characterised by stability and peace regarding labour on commercial farms with few labour disputes. The AEA enjoyed constant good co-operation from members, with interactive participation at all levels.



AGRONOMIC PRODUCERS ASSOCIATION

General overview

After a good rainy season in 2016/2017 the agronomic situation is again not favourable, especially for dryland agronomists. The 2017 harvest was, despite being under pressure of fall army worm damage, still the biggest national maize harvest. Rain was ideal for maximum production in most areas and the damage of the fall army worm was in most areas not too extensive. With the forecast of average to above average rainfall it was expected that the fall army worm would be a great threat to harvests but unfortunately the lower than average rainfall for the biggest part of the season was a bigger challenge. The following core thoughts which should be taken from this year are:

- **marketing mechanisms** for wheat and especially maize ensure that our national harvests are marketed at prices which are acceptable and known beforehand in terms of minimum values. These regulations are of cardinal importance. Dryland and also irrigation agronomy will not be able to survive in our country without this stabilising support.
- **Weather forecasts** long term and even short term cannot be used by dryland agronomy as basis for crop planning and risk management.

- **Alternative** crops will for most crop farmers be part of planting in order to manage the risk with regard to the improved management of diseases, weeds, insects and drought.
- **Latest technology** regarding crops, cultivars and planting methods must be identified by our producers, tested and implemented where relevant.
- Producers will have to apply **financial discipline and planning** so that years of drought can be bridged without the support of Government.
- Producers will have to **support each other** further in all aspects.

Agronomy remains a challenge and Namibian crop farmers are grateful to accept this challenge.

Management

Chairman (Otavi/Rietfontein/Kombat)	G Eggert
Vice-chairman (Hardap)	D de Klerk
East	J Blaauw
Maroelaboom	D Kok



Chairperson: G Eggert

Grootfontein	K Malan
Tsumeb/Abenab	G Sievers

Financial matters

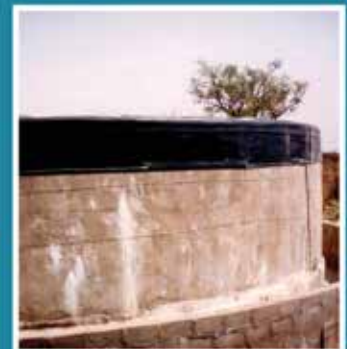
In spite of the phasing out of the levy income from Government, the finances of the APA are positive. The APA closed the 2017/2018 financial year with a surplus of N\$359 871. This positive result was brought about through a voluntary grain marketing fee of agronomists which was paid over by the millers and which only partially covers the APA's expenses. Additionally, the APA receives funds from the Agronomic Board for special agronomy projects such as information days.

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Representation on the Agronomic Board

Chairperson of the Agronomic Board: Mr Michael Iyambo
 Commercial sector: Currently has no representation

Master Agronomist

Mr Ebbe Fischer of Farm Okawatuta in the Hochfeld district was elected the Master Agronomist for 2017. The award was presented to him on 6 April 2017 during the Master Agronomist Day.

Crops

Statistics from AMTA show the following for 2017:

White maize	Planted (hectares)	Harvested (tons)
Zambezi	No accurate information	6 000
Omusati and vicinity	118	300
Maize Triangle and vicinity	9 085	43 350
Central and East	1 973	5 408
Hardap and vicinity	647	5 923
Total	14 300	66 563

2017/2018

Wheat	Planted (hectares)	Expected harvest (tons)
Hardap	463	3643
Maize triangle	89	602
Kavango projects	983	1 914
Omusati projects	60	210
Total	1 595	6 369



The floating trophy for the best agronomist has for the first time found a home in the Hochfeld area. Here the 2016 winner, Georg Sievers (left) from Abenab, hands the trophy to 2017 Master Agronomist of the Year, Ebbe Fischer from Hochfeld. To his right is Ebbe's wife, Heide, and Christof Brock, manager of the Agronomic Board.

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DAIRY PRODUCERS ASSOCIATION

Introduction

The past year was characterised by producers having to decrease milk prices three times. The slow economy has affected all agricultural sectors, with the drought playing a big role. This situation is evident in the poor spending power of the public. The biggest factor at this stage is the large amounts of UHT milk which is being imported from the RSA. The competition amongst processors in South Africa is huge as they compete to put their product on Namibian shelves at the lowest price possible. This is vastly detrimental to the Namibian industry which cannot compete with their cheap milk. Various meetings have been held with the Ministry of Agriculture, Water and Forestry (MAWF) concerning the amendment of legislation on the control of import and export of dairy products. This is a slow process. At this stage there is some progress at the Ministry, but dairy producers will have to wait and see what happens, despite overwhelming input costs. Animal feeds, diesel and electricity have all increased. With growing expenditure and decreasing milk prices, matters look bleak for dairy producers. There might be light in the tunnel if Government addresses this situation by way of the necessary legislation. Namibia Dairies have ensured producers that the milk price decreases will immediately be reversed as soon as the legislation is implemented.

To all producers – keep good faith. We know the agricultural industry. Look at costs on the farm and manage them. Our vision is still to supply Namibia with milk and thus contribute to the economy of the country and employment for the needy.

Management

Mr BF Adriaanse	Mariental (Chairman)
Mr DJJ van Wyk	East (Vice-chairman)
Mr CW Strydom	East
Mr P Strydom	East

Financial position

The financial position of the DPA is stable and the financial year ended with a surplus of N\$72 583.

Milk price

During this reporting period producers had three price decreases of 10 cent each in support of Namibia Dairies. These price decreases came into force in respectively July 2017, April 2018 and July 2018.

Dairy Provider of the Year dinner

The awards to producers were presented during a gala dinner at Xain Quaz near Gobabis on 18 July 2017. The winners were –

Intensive Dairy Provider of the Year

Winner: !Aimab Superfarm
Second: KH Aggenbach
Third: K Adriaanse (Kachas Farming)

Extensive Dairy Provider of the Year

Winner: HC van Niekerk
Second: BC Lottering
Third: DJJ van Wyk

Most accurate forecast

!Aimab Superfarm

Lowest bacteria count

DJJ van Wyk

The Japie Engelbrecht floating trophy for the best quality milk delivered

!Aimab Superfarm

The sponsors who enabled this event were Namibia Dairies, !Aimab Superfarm, Feedmaster, Polyoak Packaging Namibia, Komnik & Franck CC and DeLaval, Bank Windhoek and Namibia Breweries.

Members' meeting 2017

The 2017 members' meeting was held on 19 July 2017 at Xain Quaz Rest Camp, Gobabis, with the theme "Bio-security as standard for good quality in the dairy industry". Mr Anton Faul of the Agricultural Trade Forum (ATF) gave an overview of the dairy industry in a global context and Mr Jompie Burger of Dairy Standards SA gave a presentation about bio-security and milk quality on farms. Feedmaster was the sponsor of the members' meeting.

Quota determination

The quota agreement with Namibia Dairies has been renewed for 2018 – it stays unchanged on one million litres per month. Even though there is still space for members within this framework to build quota, each member is requested to stay closely to the internal DPA quota.

Control over the import and export of milk and dairy products

Various actions took place during the reporting period to finalise the draft legislation which regulates the import and export of milk and dairy products so that it can be forwarded to Parliament. A workshop was held



Chairperson: BF Adriaanse

in Windhoek where all role players in the industry were involved and afterwards smaller working groups finalised the document with the assistance of a legal advisor. The document is currently at the Ministry of Agriculture, Water and Forestry and must be submitted to Cabinet for approval before it can be submitted to Parliament. The draft regulations in support of the legislation have also been completed but still need to be finalised by the Ministry of Agriculture.

Goodwill project

The DPA and Namibia Dairies goodwill project which was approved during a members' meeting on 19 July 2017, started in October 2017. The project is for a period of 12 months. DPA members donate 0,5 litre for every 1 000 litres produced. Namibia Dairies processes and packs the milk in 1 litre UHT boxes and provide it to the NAU office monthly from where it is distributed to the following organisations:

House Maerua, Dagbreek School, Side-by-Side, Moreson School, Dordabis pre-primary school and hostel, Kiddies Kingdom and El-Landri Trust. During December 2017 the said organisations were closed and one-time donations during the festive season were made to the Katutura Old Age Home, Oude Rust old age home, Hope Village, Helping Hands (NG Church Suiderhof) and Meals on Wheels. By 31 May 2018 a total of 8 982 litres milk had been donated.

Municipal services

Namibia Dairies continues to assist DPA members with their annual stable registrations. No further progress was made to accredit Namibia Dairies' annual audits at the Municipality.

Liaison

Liaison took place with the following organisations during the past year:

Agricultural Trade Forum (ATF), Feedmaster, Ministry of Agriculture, Water and Forestry, Municipality of Windhoek, Namibia Dairies, MPO of SA, Dairy Standard SA.

Dairy champions

The Namibia Dairies' !Aimab Superfarm at the Hardap irrigation project walked away with the winning prize for the intensive dairy producer of the year, the N\$20 000 reward and a trophy from the Dairy Producers Association (DPA). !Aimab clinched another two awards – the Japie Engelbrecht floating trophy for the best quality milk delivered during 2017 and the prize for the most accurate monthly estimate of monthly milk production. Günther Ling (left), managing director of Namibia Dairies, and Borney Britz (middle), director of agri-affairs at Namibia Dairies, received the prize from DPA chairman, Japie Engelbrecht. It is the second year that the Japie Engelbrecht floating trophy has been awarded – a contribution of this pioneer dairy producer in the pursuit of quality. The trophy originated with Japie's comparison and measurement of Namibia's milk quality against that of other third world countries over a good many years. "Namibia was far ahead and comparable to the best in the first world," he reckons. The judging criteria he set is that the winner be an DPA member, who attended the previous AGM, a buttermilk content should be 20% (average is 3,5%), and a bacterial count and somatic cell



count of 40% each. More requirements are that the milk be free of E. coli, antibiotics and water.



As a regular winner of the extensive division for milk producers, the Van Niekerks of Gobabis again won this award. Here Madelain and Hennie (left) receive their prize of N\$20 000 from Günther Ling (third from left), managing director of Namibia Dairies, and the trophy of the Dairy Producers Association from Japie Engelbrecht (regs), outgoing chairman of the association.

The runners up



Dirk van Wyk (left) and Christo Lottering, who clinched the third and second places on the extensive producers ranking respectively.

Dairy producers appoints new management



The new management of the Dairy Producers Association is Christo Strydom, Kokkie Adriaanse (chairman), Dirk van Wyk and Pieter Strydom (newly appointed to the management). Pieter and Christo are brothers.



Among the intensive milk producers two Hardap farmers, Willie Aggenbach and Kokkie Adriaanse, won the second and third places respectively.

POULTRY PRODUCERS ASSOCIATION

During 2017, various remarkable changes took place in the poultry industry in Namibia. Despite the year starting off positively with decreased feeding prices which brought production costs for eggs and meat onto a negotiable level, there were still challenges which had to be faced.

The Newcastle sickness outbreak in the four "O-regions" north of the veterinary cordon fence put great pressure on producers. Movement restrictions were put into place by the Directorate of Veterinary Services, meaning that no products could be sold south of the VCF. Even though the outbreak seems to be under control, restrictions are still in place and information remains scarce. No reports of Newcastle sickness in other regions were received.

The biggest challenge for the Namibian poultry industry was when the first outbreak of avian influenza (AI) was confirmed in South Africa. According to international laws no poultry products, thus table eggs, meat, broilers, point-of-laying or parent stock may be exported during an avian Influenza outbreak. Most egg producers obtain their point-of-laying hens from

South Africa and were thus forced to establish a "raising" department at their laying farms in order to raise one-day old chicks from Europe. Namibia Poultry Industry (NPI) had to get a new supplier for older products from Zambia and change the breed from Cobb to Ross. These changes were necessary to prevent extensive egg and meat shortages in Namibia. There are still cases of AI amongst sea birds in the Western Cape, but no other provinces have reported any new outbreaks since October 2017.

Despite these challenges, the producers stayed calm and worked hard to increase bio-security at their industries and to train smaller emerging producers.

Small producers are very vulnerable and need assistance and mentorship by established agri businesses. It is in the interest of poultry producers to work together to recreate the industry and at the same time provide the nation with animal protein which is affordable.

Feedmaster have been running a successful campaign in developing the SME poultry market. They help with the supply of day-



Chairperson: J Roux

old chickens and technical backup. Currently Namibia Poultry Industry hatch and supply about 30 000 day-old chickens per month, which they intend increasing to 100 000 per month within the next years.

All in all it was a challenging year, but the association is looking forward to a bright future for the Namibian poultry sector.



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Technical Advisors

Christo du Plessis 081 122 9223 National Marketing Manager • Dawid Krause 081 124 9415 Corporate Brand Specialist • Danie de Lange 081 128 8713 South (Hardap) • Joubert de Wit 081 128 1518 South (Karas) • Christo van Zyl 081 147 4199 North • Drikus Delpoort 081 125 6400 East • Lourens Swart 081 127 8805 Livestock Services • Frank Kanguatjivi 081 127 3029 North and South • Norbert Neumann 081 232 7027 Central • Markus du Plessis 081 635 4061 SME Development

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