



**Namibia Agricultural Union  
Annual Report  
2019 - 2020**

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# Presidential review



Mr Pieter Gouws, NAU President

It is a special privilege for me to provide the public, our corporate partners as well as the members of the NAU with a brief overview of the events and activities of the NAU over the past year.

My position of Chairperson commenced on the 9th of October 2019 at the peak of one of the most devastating droughts our producers have ever endured to date. However, the 2019 Congress theme "Re-building after the drought" highlighted our persistence and determination in ensuring the success of the agricultural industry, as well as our faith in the Almighty Father, whom we trust will never forsake us.

The rainy season started in late November in the north-eastern and central northern regions and the 2019-20 season concluded with the greater part of the country saved from yet another devastating drought. Nevertheless, the entire Karas, greater part of Hardap and the western parts of Khomas, Erongo and Kunene regions continue to experience critical drought conditions.

In order to motivate our members and to encourage hope and a positive vision as far as humanly possible, the Executive Manager, LPO chairperson, Ds Dries Burger and myself, undertook a journey to the Karas and Keetmanshoop regions to visit the Karasburg RAU and Aroab Farmers Association. It was an emotional experience to receive messages at 4:00 am in the morning regarding the long awaited showers on our journey. However, the rain nevertheless proved to be insufficient to end the drought.

The agronomists in the GTO area reported good rain and while they visualised record harvests, the Hardap dam reached its lowest level ever recorded, with the harvest and survival of the irrigation farmers subsequently affected. This affected the dairy industry to such an extent that Namibia Dairies had to get rid of a large number of cows. Increased transport costs also put pressure on the survival of the dairy producers. Yet darkness turned to light when the Hardap dam received considerable inflow and irrigation could be expected to continue with the available water until March 2021.

With the election results confirmed and the cabinet reshuffle, which led to the fusion of the Ministry of Agriculture with the Ministry of Land Reform with a new minister, we started thinking that 2020 would be a good year. However, our expectations were short-lived when the Covid-19 pandemic effectively brought all activities to a sudden halt. At the same time, the entire agricultural sector had an opportunity to meet with the newly appointed Minister of Agriculture, Honourable Calle Schlettwein, to share his vision, goals and objectives for the ministry. Minister Schlettwein's vision is to grow the GDP with more than 6% inter alia, and the NAU has resolved to support him accordingly.

While the lockdown of the Khomas and Erongo regions posed a number of challenges, a spirit of cooperation and problem solving prevailed between the MAWL and NAU in an effort to keep the agricultural value chain as effective as possible. This serves as a building block for future success in the industry. In addition, with the appointment of the Meat Board of Directors, good rainfall and stable production prices were a good reason to remain positive and motivated. This also gives the agricultural industry the necessary acknowledgement and recognition, as agriculture is at this stage the only industry that is set to bring about economic growth, food security, self-sufficiency and significant employment creation.

It is noteworthy to mention that government will not be able to escape signing the Maputo Declaration. According to the agreement, 10% of the national budget must be awarded to agriculture. Furthermore, growth in GDP can only take place if the government creates a conducive environment where producers have sufficient confidence to focus on investing in the industry and increasing production, rather than being restricted by regulations. With the removal of numerous government regulations that will be omitted and become irrelevant, we will be in a better position to regain pre-2000 production levels. For me there is no doubt that over-regulating the export sector will be the final death blow of such the industry. During 2019 the NAU made a number of presentations to financial institutions to bargain for relief for the

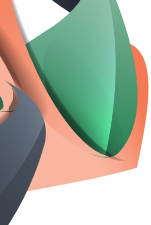
financial predicament of the agricultural producers. We expected that since agriculture is the bedrock of our economy, a speedy workable solution would be found. Unfortunately, the global Covid-19 pandemic caused the Bank of Namibia to change the regulations so that they could not attend to our proposals. I am concerned that it may be too late.

Furthermore, the NAU and LPO took part in the Meat Board of Namibia's two-day dialogue to promote the recovery of the livestock sector and generate growth in the sector. All participants agreed that increased production within the real value chain is of critical importance and confirmed that regulating any aspects in the value chain of the livestock sector would be fatal. In addition, there is great concern regarding land use patterns that have changed, which is marked by an increase in large tracts of unproductive hectares of commercial farming land that limit production levels.

Regenerative agriculture is the new hope of producers and an important piece of the "tools" needed to equip farmers to enable them to repair fragile grazing areas and ensure sustainable production. This is currently done under the capable leadership of Colin Nott and is still in its early stages. I trust that producers will engage seriously in this very important initiative.

With regard to the other agricultural industries, the Swakara, hunting, tourism and dairy industries were disastrously affected by the Covid-19 pandemic. The negative impact on agriculture was further compounded by the fact that numerous producers had invested in hunting and tourism as an additional source of income of diversification. The continued uncertainty regarding when normalisation would set in also plays a big role in investment initiatives.

Poultry (chicken and eggs) is in a growth phase, with numerous new entries to the marketplace, while accelerated turnover makes it a relatively fast cash generator. Pork production indicators show a stable upward production trend, while the charcoal industry's contribu-



tion to the export market has increased drastically and created thousands of employment opportunities in the sector.

The Dare-to-Care initiative has slowed down and the use of vouchers have ground to a halt. Producers either had sufficient rain, or the drought stricken producers' cash flows were under such pressure that they could not buy any vouchers. After negotiations with participating partners an increased subsidy was implemented, but was only applicable to specific parts of the country.

The NAU's main focus is to help producers create opportunities to produce in an environment where land security, personal safety, crime prevention and stimulating economic growth is guaranteed. When these critical aspects are in place, agriculture will not only allow the rural economy, but also the national economy to experience growth – through employment generation, adding value and investing capital in the industry and the country. At the same time, I am aware of the challenges that the farming community, which is getting older, is facing and I want to ensure readers that the Executive Council intends to fulfil their responsibility to realise the aforementioned aims and objectives. Where there is a lack of knowledge and wisdom, external resources will be utilised. We thank everybody who is willing to help, especially all EC-members who spend much time and energy on organised agriculture. Thank you for your valuable input.

At the same time, I would also like to thank the NECFU management for its excellent cooperation. The office faced very challenging times with lockdowns and had to be innovative to cope. Thank you for going the extra mile to serve our members. More specifically, the Executive Manager, Mr Roelie Venter who handled both NAU and LPO under a watchful eye during these trying times, I thank you for your energy and enthusiasm. It is indeed both contagious, inspirational and motivating.

For our members who contributed directly or indirectly towards the development of the organisation and agriculture, I thank you sincerely. Our farmers and members are the foundation of the organisation's success and existence and while not all producers are members, they also reap the benefits of the organisation. It is therefore my wish that in time all agricultural producers in Namibia will realise the value of organised agriculture and become members of our organisation.

To my wife, family and fellow workers who enabled me to serve, thank you for taking the reins and holding the fort. Last but not least – to my Creator, I thank you for your everlasting strength, mercy and the abundant blessings you have bestowed upon us.

### Special acknowledgements to:

- His Excellency, the President of the Republic of Namibia, Dr Hage Geingob
- His Excellency, the Founding President of Namibia, Dr Sam Nujoma
- Right Honourable Prime Minister, Saara Kuugongelwa-Amadhila
- Honourable Deputy Prime Minister and Minister of International Relations & Cooperation, Netumbo Nandi-Ndaitwah
- Honourable Minister of the Presidency, Amb Martin Andjaba/Christine/Hoebes
- Honourable Minister of the National Planning Commission, Obeth Kandjoze
- Honourable Minister of Land Reform, Utoni Nujoma/Calle Schlettwein
- Honourable Minister of Agriculture, Water & Land Reform, Alpheus!Naruseb/Calle Schlettwein
- Honourable Minister of Justice, Sackeus Shangala/Yvonne Dausab
- Honourable Minister of Labour, Industrial Relations & Employment Creation, Erki Nghimtina/Utoni Nujoma
- Honourable Minister of Finance, Calle Schlettwein/lipumbu Shiimi
- Honourable Minister of Environment and Tourism, Pohamba Shifeta
- Honourable Minister of Industrialisation & Trade, Tjekero Tweya/Lucia lipumbu
- Honourable Minister of Home Affairs, Immigration, Safety & Security, Maj-Gnl Charles Namoloh/Frans Kapofi
- Honourable Minister of Urban & Rural Development, Dr Peya Mushelenga/Erastus Utoni

- Honourable Minister of Works and Transport, John Mutorwa
- Meat Board of Namibia
- Agronomic Board of Namibia
- Swakara Board of Namibia
- Meatco

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### Corporate members:

- Agra
- Kaap Agri Namibia
- Feedmaster
- FNB Namibia
- Namib Mills
- AgriBank
- Namib Poultry Industry (NPI)
- Namibia Charcoal Association (NCA)
- Bank Windhoek
- Nutrifeads

**Mr Pieter Gouws**





# OVERVIEW of the Namibian commercial agricultural sector

The drought started in 2013 and ended in 2019, negatively affecting producer prices and causing deterioration in rangeland conditions and water availability. These detrimental drought conditions resulted in a drop in primary production and increased herd liquidation to reduce financial losses, causing a surge in the marketing of cows, which influenced the production capacity of the livestock industry negatively. At the beginning of 2020, Namibia received good rains in the cattle producing areas, whereas the south continued to battle the drought and its adverse effects. The good rains received broke the spell of drought and marked the beginning of a restocking phase in the livestock sub-sector. However, farmers entered the restocking phase with negative cash flows, because the income received from the sale of livestock during the drought period had been reused to maintain remaining livestock on farms. In 2019 (June) the agricultural debt stood at N\$7.1 billion compared to N\$6.3 billion in June of 2018 (representing a 13.1% increase in overall debt levels).

Considering the extent of the debt incurred by the farming industry, it is anticipated that the post-drought recovery will take 3 to 5 years and that it will be a challenging period for farmers. This was furthermore compounded by the fact that the post-drought recovery challenge was negatively affected by the Covid-19 pandemic, which caused uncertainties that influenced investment in the agriculture sector adversely.

## Production value of different agricultural enterprises

Table 1, contains production value estimates of various agricultural enterprises defined as the annual output from primary produce marketed in the formal market at actual nominal producer prices. The agriculture production value in 2019 decreased by 5.1% compared to the 2018 production value. This was driven by the poor performance in the agronomy, Swakara, livestock and dairy sectors. The agronomy and Swakara sectors showed negative trajectories in 2018, while 2019 did not look any better. The agronomy sector's pro-

Table 1: Estimated Namibian agricultural production values

	2018	2019	Increase/Decrease (2018-2019) %
Cattle	3,634,577,453	3,260,958,117	-10.3
Sheep	874,125,973	720,958,702	-17.5
Goats	147,241,813	135,853,328	-7.7
Agronomy	318,816,518	156,222,103	-51.0
Dairy	131,017,621	122,219,978	-6.7
Pigs	117,246,384	120,404,381	2.7
Grapes	673,833,000	810,000,000	20.2
Poultry	908,641,667	1,054,426,589	16.0
Fresh Produce (Veg and Fruit)	221,566,093	240,274,807	8.4
Charcoal	306,720,000	342,847,080	11.8
Swakara	30,720,027	22,925,616	-25.4
<b>Total</b>	<b>7,364,506,548</b>	<b>6,987,090,701</b>	

Source: NAU

duction value dropped by more than 50% year-on-year (YOY) due to low production volumes resulting from delayed rains, late planting and production losses. The Swakara sector's estimated production value fell by 25.4% YOY, in response to a decline in both prices and the quantity marketed.

The sheep sector experienced a downswing in the producer price paid, as well as a drop in the total number of sheep marketed in 2019, causing the production value to decrease by 17.5% YOY. The cattle sector recorded a decrease in production value of about 4.2% YOY, which is attributable to a fall in the weaner price in 2019. The total milk produced in the dairy sector in 2019 amounted to two million litres less than that of 2018. This was compounded by the fact that there was no raw milk price increase over the past three years, triggering a production value drop of 6.7% YOY.

The charcoal and poultry sectors continued on a positive trend, signifying strong growth over the past two years. Likewise, the production values of charcoal and poultry increased by 11.8% and 16.0% YOY, respectively. Charcoal played a significant role in helping farmers survive the ongoing drought. The pork and grape sectors experienced negative production values in 2018, but both made a comeback in 2019 displaying increases of around 2.7% and 20.2% YOY respectively. The rise in pig production value resulted from a growth in production, whereas that of grapes were the result of improved market prices.

## Market statistics

Comparing 2018 to 2019 (see Figure 1, below), the majority of cattle producers liquidated their stock in 2019, leading to a 1.6% increase in cattle marketed. Furthermore, among the liquidated stocks, a large number of cows were marketed, which compromised the reproduction capacity of the country as well as post-drought rebuilding initiatives. Overall, Namibia exported 318 880 live cattle in 2018 and 289 580 live head of cattle in 2019 (mainly to South Africa and Angola), indicating a 9.2% decrease in live cattle exports. Export abattoirs received a throughput of 75 755 head of cattle in 2018, whereas in 2019, export abattoirs procured 129 735 cattle, demonstrating a 71.3% increase in the number of animals slaughtered at export abattoirs. In addition, Meatco received 116 121 units of cattle in 2019, which was 76.1% more than the 2018 slaughter figures. In 2018, the B and C class abattoirs' throughput was estimated to be around 80 000 and 56 663 cattle in 2019, indicating a major decrease of 29.2%.

Since the suspension of the Small Stock Marketing Scheme, it was envisaged that the live export of sheep would increase by a large margin. However, sheep exports grew by a negligible percentage of 0.2%, i.e. it increased from 455 510 head of sheep in 2018 to 456 255 head of sheep in 2019. South Africa obtained 456 004 live sheep in 2019 of which 61.3% were slaughter sheep, 26.3% too-lean-too-small and 12.3% fat-tailed sheep. Further, sheep export abattoirs acquired 154 038 sheep in 2019, sig-

nifying a 19.4% drop in throughput, while in 2018 export abattoirs received 191 029 head of sheep. Band C class abattoirs secured 129 828 head of sheep in 2019, which is 25.5% less than that which was received in 2018 (see Figure 1).

A total of approximately 310 483 cattle (excl. Nguni) were auctioned in 2018 and about 316 518 cattle (excl. Nguni) were auctioned off in 2019, indicating a 1.9% increase. The marketing of cattle at auctions improved by 46.0%, i.e. producers auctioned off 43 966 head of in cattle 2018 and 64 185 in 2019. The drought and lack of grazing resulted in an undesirable effect on the body condition of animals that led to large numbers of cattle being auctioned off in 2019 that were medium (36.5%) and lean (46.0%). It is worth noting that producers auctioned off 14 030 lean cattle in 2018 and 29 537 in 2019, signifying a 110.5% increase in the marketing of lean cattle (see Figure 2). Furthermore, Meatco slaughtered 68 765 cattle in 2019 and 28 722 in 2018, displaying a 139.4% increase in the cattle slaughtered at Meatco. The estimated figure of cattle slaughtered in 2019 was 80 015 (including fat cattle auctioned and slaughtered at Meatco), which is 98.9% more than the cattle slaughtered in 2018.

## Marketing review for 2020

Livestock producers have moved into a herd rebuilding phase. Consequently, the number of cattle, sheep and goats marketed in the first half of 2020 were reduced by 49.6%, 55.5% and 54.3% respectively in comparison to the same period in 2019. The quantity of pigs slaughtered also decreased by 7.9% during the same period by comparison.

During the first six months of 2020, Namibia exported 75 301 live cattle and export abattoirs received a throughput of 30 435 head of cattle while both live exports and slaughtering at export abattoirs decreased by a percentage slightly above 50 in comparison to 2019 (January-June) figures. In 2019 (January-June), sheep export abattoirs secured approximately 119 022 head of sheep, but in 2020 (January-June) sheep export abattoirs acquired a lower quantity of about 22 924 sheep, illustrating a drastic drop of 80.7%.

The live sheep export component of the sheep market did not perform any better, because when comparing the first half of 2019 to that of 2020, live sheep exports decreased by 52.0%, i.e. the number of live sheep exported in 2019 (January-June) was 296 137 and in 2020 (January-June) 142 067. Since farmers are in the process of rebuilding their stocks, it is anticipated that there will be less livestock available for marketing in 2020.

## Inflation of agricultural expenses vs prices

The agricultural sector is faced with many challenges and rising production costs is one of them. The production cost index record-

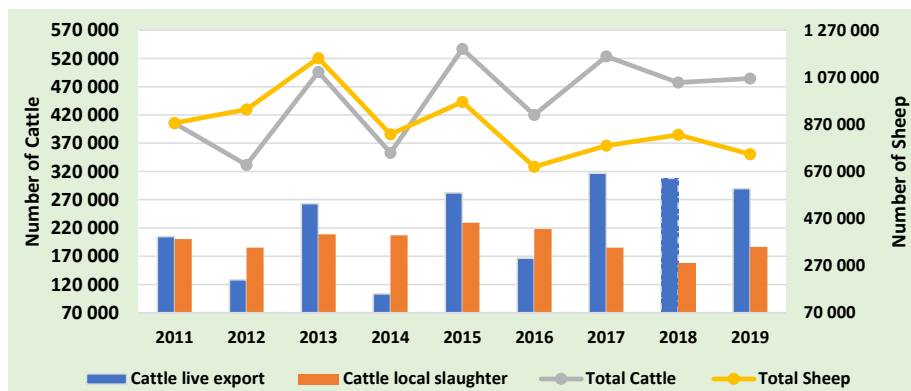


Figure 1: Annual marketing volumes  
Source: Meat Board, compiled by NAU

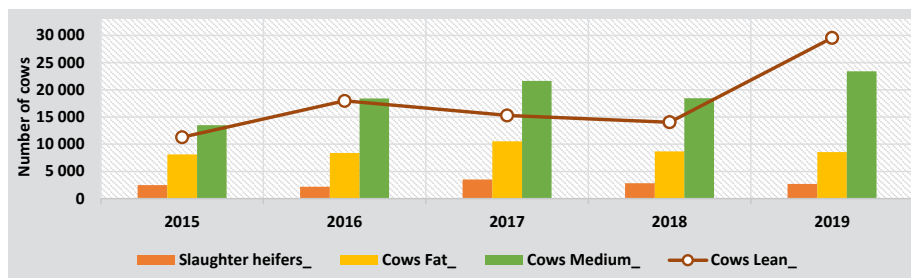


Figure 2: Cattle auctioned  
Source: LABTA, compiled by NAU

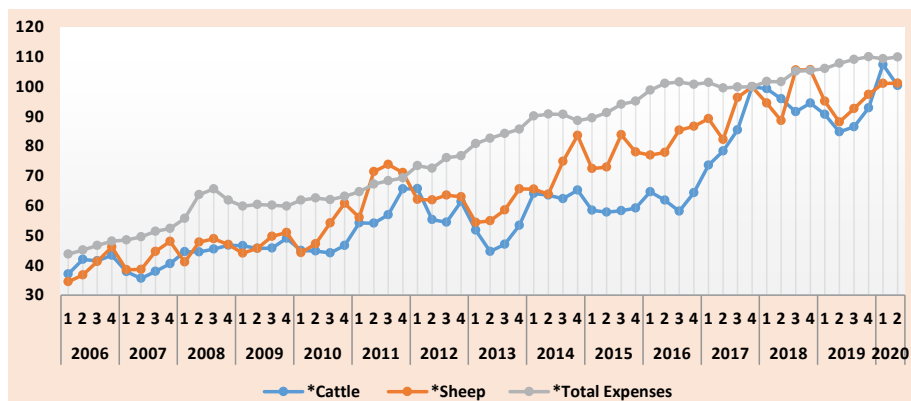


Figure 3: Cattle/sheep income and on-farm expenses. Source: NAU

ed a 105.4 basis point in the 4th quarter (Q4) of 2018, which then increased to 110.1 basis point in Q4-2019 (see Figure 3). This means the annual agri-inflation rate improved by 4.4% year-on-year (YOY), which was driven by an increase in feed costs (11.1% YOY) and medicinal expenses (21.6% YOY).

The total weighted cattle price, which is the weighted average of weaner and slaughter prices, declined by 1.7% YOY in Q4-2019, which was caused by a drastic drop in the weaner price in the first half of 2019. Comparing Q4-2018 to Q4-2019, the weaner price decreased by 6.8% YOY and the slaughter price by a negligible percentage point of about 0.1% YOY. The foot-and-mouth disease outbreak in South Africa at the beginning of 2019 did not only depress the weaner price, but also affected sheep prices in Q1-&-Q2-2019. However, sheep prices began to recover in Q3-&-Q4-2019 due to an increase in demand for sheep. Nevertheless, the 2018 sheep prices remained slightly higher in comparison to 2019 as the 2019 prices decreased by 7.8% YOY.

## Agri-inflation and price view for 2020

Livestock prices improved considerably in the first quarter (first three months) of 2020, but began to decrease in Q2-2020, while agri-inflation continued to increase (see Figure 3). Looking at Q2-2019 to Q2-2020, the agri-inflation rate increased by 2% (YOY). The escalation was caused by a 11.1% (YOY) increase in capital expenditure, a 17.8% (YOY), an increase in vehicle repairs, a 6.9% (YOY) increase in maintenance and fixed improvements, as well as a surge in the exchange rate. On a year-to-year basis (i.e. from Q2-2019 to Q2-2020), cattle prices improved by 18.4%, which was driven by the weaner price increment of about 38.1% YOY that resulted from the effects of the foot-and-mouth disease outbreak in South Africa in 2019. Nevertheless, a 24-month (i.e. from Q2-2018 to Q2-2020) period overview of cattle prices demonstrate that cattle prices increased by 4.6%. The weaner price dropped by a margin of 0.4% and the slaughter price grew by 7.4% over the past 24 months. Sheep

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## Overview continued ...

prices increased by more than 14.8% YOY from Q2-2019 to Q2-2020, because of increased demand in the marketplace.

Producers continue to pay more for input in the production of livestock than they receive on the market for livestock sold. As a result, for the past 14 years, producers had to improve productivity and efficiency by 2.7% per annum for cattle and 0.6% per annum for sheep to break even.

### Profitability of different production systems

Different cattle production systems raise different types of cattle for marketing. A cattle production system entails producing livestock (e.g. slaughtering oxen, heifers and cows) ready for slaughter at abattoirs. A weaner production system consists of breeding cows whose sole purpose is to produce marketable weaner calves weaned at 7 to 8 months. In a weaner-ox production system, producers buy weaners weighing about 220 kg at auctions. They are then raised extensively under natural grazing conditions until they are ready for slaughter at about 472 kg live weight. This system has no cow herd.

At the start of 2019, the outbreak of foot-and-mouth disease in South Africa suppressed the weaner price and the profitability of weaner production. On the other hand, Meatco maintained a higher and more stable slaughter price, which improved the profitability of oxen producers (see Figure 4). Throughout the years, the lamb production system had a more robust long-term price growth and a short cash flow cycle, meaning that profits are consistent. (Note that the different production systems analysis was done using June 2019 producer price and farm level assumptions. Also, the net surplus per annum is calculated hereunder for an average cattle farm of 7 500 ha and a sheep farm of 11 000 ha).

As circumstances and patterns in the agricultural sector change, so does profit. The cyclical variation in prices and other market determinants sometimes occur more rapidly and unexpectedly than it is possible to change the production system. Changing from one production system to another is time consuming and costly. As such, it is important to adopt a flexible farming approach, build-up capital reserves and diversify income streams to promote sustainable cash flows during challenging times. An additional analysis conducted in 2019 that compares a 5 000 ha cattle farm to a 7 500 ha cattle farm, demonstrated that pro-

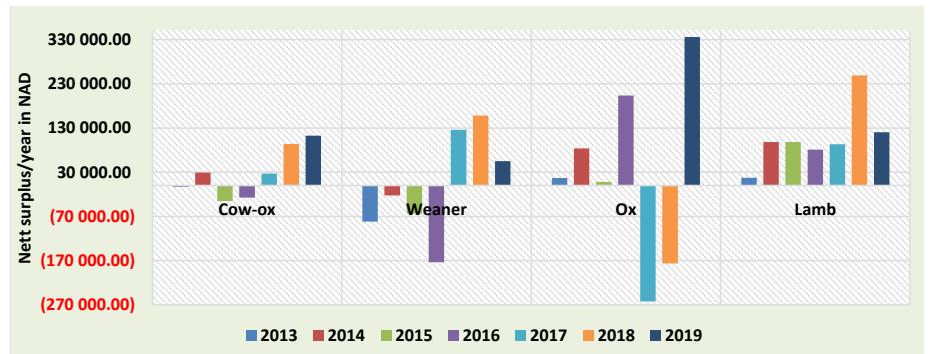


Figure 4: Profitability of different production system – 7 500 ha/11 000 ha  
Source: NAU

ducers involved in cow-ox and weaner production systems farming on a 5 000 ha farm, experienced more financial pressure than those on 7 500 ha farms. All cattle production systems on 7 500 ha realised positive margins, while farms of 5 000 ha with only ox production systems showed positive profitability. In the end, all producers strive to optimise production and income, but the hectares under production determine whether producers achieve acceptable profit margins or not.

### Post-drought recovery

Farmers are in dire need of financial support as they rebuild their herds post-drought. At the start of 2020, farmers started farming operations with approximately 50% of own herd. According to the cash flow models developed by the NAU that considered a 5 000 ha cattle farm and a 7 300 ha sheep farm, farming with half the remaining herds without fully utilising the whole farm and identifying alternative income streams such as charcoal production, tourism, etc., foresee that producers can expect to experience serious cash flow problems and possible financial ruin (see Figure 5A). Furthermore, diversification can only go so far as to cover operational costs, as some diversification options require taking on additional loans, leaving producers in debt. Farmers are currently in dire need of sustainable and well-structured financial assistance and/or refinancing options to enable them to rebuild their herds and to supply raw material to the rest of the value chain.

The re-financing options that were investigated include payment holiday for three years, as well as the consolidation of short- and long-term loans at reduced rates. A payment holiday loan is easier to execute (see Figure 5B) as it allows producers to re-build their herds and recover cash flow. It also enables producers to meet financial commitments earlier. The consolidation of short- and long-term loans at a rate of 4% with an extension of five years to the loan term, could also be a viable option.

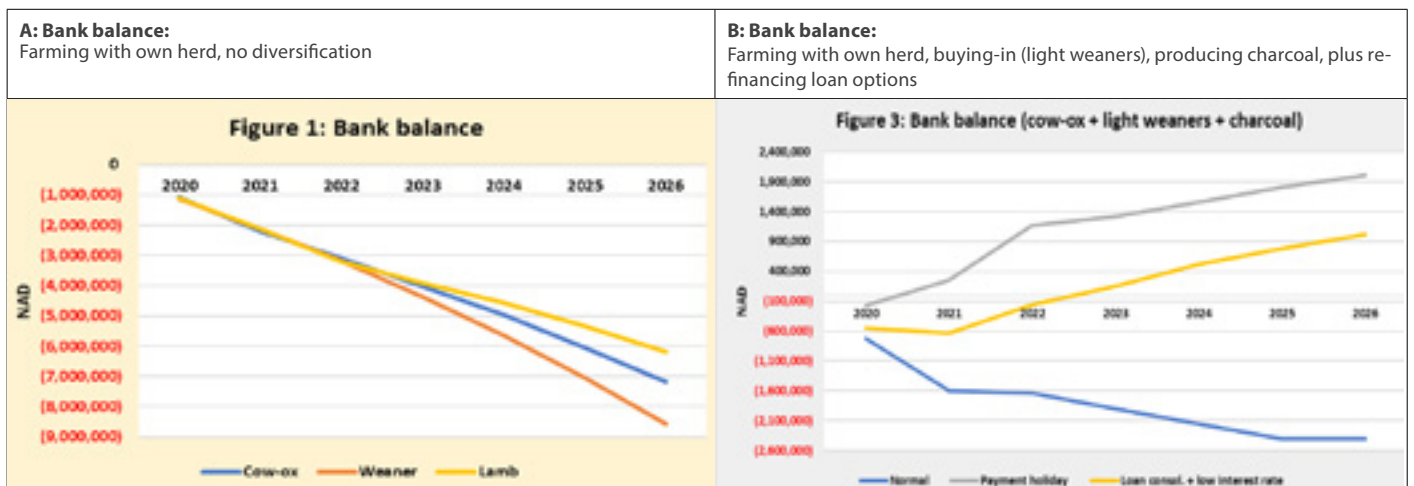


Figure 5: Cash flow model outcome  
Source: NAU



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# ORGANISATIONAL MATTERS

## Affiliations

On 30 June 2020, 67 Farmers Associations were affiliated at the NAU

## Management:

### Executive Council

Mr PS Gouws	- President
Mr AM Pretorius	- Livestock Producers Association
Mr GH Eggert	- Agronomic Producers Association
Mr K Adriaanse	- Dairy Producers Association
Mr HHT Förtsch	- Agricultural Employers Association
Mr R Werner	- Poultry Producers Association
Ms J Meyer	- Swakara Forum
Ms T Dahl	- NAPHA
Mr S Pienaar	- Kaap Agri Namibia
Mr E Erni	- South Western region
Mr K van der Merwe	- Karasburg region
Mr J van Rooyen	- Keetmanshoop region
Mr P J van Wyk	- Mariental region
Mr K-E von Kühne	- Gobabis region
Mr E Hoff	- Windhoek region
Mr M Hilbert	- Okahandja region
Mr G Kahl	- Otjiwarongo region
Mr A van Niekerk	- Outjo region
Mr P Stoman	- Grootfontein/Tsumeb/Otavi region

## Management Council:

The Management Council mainly handles personnel matters and other matters referred by the Executive Council. Management Council members are as follows:



Mr PS Gouws (President)



Mr AM Pretorius



Mr HHT Förtsch



Mr M Hilbert

**"Fanatic about genetic improvement"**

*Brahman*

The economically efficient Brahman is characterised by a large hump, larger skin area and a smooth glossy hair-coat, can withstand hot, humid and dry weather conditions. No wonder more than 70% of all slaughter cattle in Namibia are Brahman or Brahman-cross cattle. The advantages of Brahman's cross-breeding are unequalled. Hence Brahman genetics are present in most synthetic breeds in Namibia. Every farmer will benefit from the use of Brahman genetics in his herd, regardless of which breed is farmed with. Brahman bought from registered members of the Namibian Brahman Breeders Society ensures peace of mind. The Society and its members are fanatic about reliable genetics and good record keeping. Ensure optimal beef production ... Choose calving ease, good milk production, heavy weaning weights, longevity and adaptability.

**Namibia Brahman Breeders Society • brahman@iway.na • 061 240 573 • www.brahman.iway.na**

# CONGRESS 2019

The 73rd NAU congress was held on 9 October 2019 with the theme "Re-build after the drought". No points of discussion were presented at the congress.

During the Agricultural Outlook Conference of October 8, 2019 held with the theme "Re-build after the drought" the following mandate was given to the congress:

The main ideas for repair after the drought are summarised as follows:

- Rangeland recovery
- Re-stocking of herds
- Financial recovery

These activities require coordinated cooperation among role players, including (inter alia) the government, financial sector, trade and production.

- The implementation of a national rangeland policy and strategy is critical to the repair of rangeland after the drought
- Diversification must be implemented to speed up re-building
- Re-building of herds must be executed within the framework of the principles of the national rangeland policy and strategy, and
- The financial sector must recognise the financial pressure experienced by producers by creating mechanisms to assist producers with financial recovery after the drought in cooperation with all stakeholders.

The establishment of the Chamber of Agriculture as decided in 2018, could serve as vehicle to reach the above objectives and congress resolved as follows:

To promote the urgent establishment of the Chamber of Agriculture for the inclusive participation of all role players in the agricultural sector to develop joint agricultural policies and strategies, as well as to foster a favourable policy environment to support producers in the post-drought recovery process.

## Two winners rewarded for community work



## Awards

The following awards were presented during the official opening:

### Community Project of the Year

The trophy for the Community Project of the Year was presented to Marianne Seifart of Dordabis FA and Henriette le Grange of Summerdown FA by Mr Christo du Plessis of Feedmaster.

### Agricultural Woman of the Year

The trophy for Agricultural Woman of the Year was presented to Ms Sonia Eberhardt of Grünau FA by Ms Ndapewa Neshila of Agra.

### Media Personality of the Year

The trophy for the Media House of the Year was presented to Channel 7 by Ms Ndapewa Neshila of Agra.

## Jan Visagie honoured with highest award

Veteran agricultural leader Jan Visagie (right) from Aranos receives the AgriStar, the highest award of the Namibia Agricultural Union (NAU) for extraordinary contributions to organised agriculture, from NAU president Ryno van der Merwe (middle). Left is Jan's very supportive wife, Ria. The awarding of this trophy is very important and is very carefully considered by the NAU. It is thus not awarded every year. Jan achieved the distinction of becoming the first master conservation farmer in the Mariental region at the young age of 29 years. He has also been involved in various agricultural areas over the past 46 years. In his younger days he served for eight years as deputy secretary of the Lower Nossob Farmers' Union and for the same period as chairman and on the management of the Karakul Producers' Union. He further served on the general council and executive council of the South West Africa Agricultural Union (SWAAU), the NU's predecessor. In his 22 years as a Land Bank assessor, he evaluated 141 farms. His thirty years' service as a member of the Agra Board of Directors ended in 2017. Finally, Jan also made valuable contributions as a committee member regarding the contentious sheep scheme with its export restrictions.

### AgriStar

Mr Jan Visagie of Onder Nossob FA received an AgriStar. The award was presented by the president of the NAU, Mr Ryno van der Merwe.

### Long Service awards

A certificate of acknowledgement for long service for serving on the Executive Council was presented to Mr JC de Klerk by the chairperson of the Livestock Producers Organisation (LPO), Mr Piet Gouws.



Two live wire women, Henriette le Grange (left) of Summerdown and Marianne Seifart (right) of Dordabis shared this year's Feedmaster NAU award for the community project of the year that they are seen here accepting from Christo du Plessis, marketing manager of Feedmaster. Henriette was rewarded for the zeal with which she conducted the project, Namibia Farmer's Drought Aid. By the beginning of October she had managed to collect N\$2,6 million through various activities to provide aid to farmers and animals in need. To date 25 370 bales of lucerne and more than 7 600 bags of feed have been distributed among about 550 farmers throughout the country. Do visit the Facebook page under the project name for more information or to participate in auctions of products that are regularly donated. Simultaneously, Marianne was honoured for community contributions since she chose in 2016 to serve on the Dordabis Development committee. This led to her collecting building material and money, amongst other things by organising a spring festival, to undertake renovations at the community hall. She further started a needlework group and a gardening project as part of her selfless work of uplifting the community. The Seifart's personally paid for the repairs to pumping equipment on behalf of the community.

Another certificate of acknowledgement for long service was presented to Mrs Hulda Mootu for 40 years of loyal and dedicated service to the NAU by Mr Roelie Venter, Executive Manager of the NAU.

### Corporate membership certificates

The NAU invited businesses who deal with the agricultural sector to become corporate members of the NAU. Besides strengthening the finances of the NAU, corporate membership strengthens organised agriculture by providing an extra voice from these businesses. On the part of the NAU, the entity offers publicity and other advantages to such businesses. The president of the NAU presented a corporate membership certificate to Nutri Feeds



It is very seldom that an employee achieves 40 years' service at the same place of employment – an achievement for which stalwart Hulda Mootu was honoured at the recent NAU congress. She received her long service certificate from Roelie Venter, executive manager of the NAU. Hulda started work at the NAU at the age of 23 and is still loyally at her post.

J C de Klerk from Koës received a certificate from the NAU for his service between 2015 and 2019 on the executive council. He was also the deputy chairman of the APO and helped to further the



sheep marketing issue up to the point where a grace period of one year without export restrictions was announced during the economic conference held at the end of July last year. Johan van Rooyen succeeded JC as the representative of the Keetmanshoop regional agricultural union on the executive council of the NAU.



### South also produces agricultural woman of the year

Sonia Eberhard, go-to secretary of the Grünau Farmers' Union since 2016, was crowned as the Agra-NAU agricultural woman of the year. Here she received her award from Carel Jordaan of Agra. Apart from her close association with NAU-matters she is also a Van Rooi stud breeder and looks after her own Boer goat herd. She has been a delegate on behalf of her Farmers' Union to tackle the countrywide issues of grazing management and to provide input under the auspices of the Joint Crime Prevention forum regarding the inception of a rural security plan. Sonia also handles the administration of the Grünau neighbourhood watch and liaises with the Keetmanshoop police. She is at her post in her community regarding outreach activities for the elderly, organising annual independence celebrations and this

year also the very successful winter school in the deep south for which the Grünau Farmers' Union was the host. Her farmers' union chairman, Kobus van der Merwe was fulsome in his praise for her efficiency. Sonia is the wife of Hans, a farmers' union member of many years standing and chairman until recently – a position he has also occupied in the past.



The NAU nominated Kanaal 7 as the media house of the year for the extra effort they put in to support the Dare to Care stock feed subsidy fund under the auspices of the NAU. Carel Jordaan, general manager of stock auctions at Agra (sponsor of the prize) hands over the award to Stefan Saayman (left), general manager of Kanaal 7 and Ina van Tonder (right), agricultural journalist. Kanaal 7 provided incredible free advertising for the fund. They further donated an amount of N\$150 000 – the income from a once-off telethon and money that sender committees in towns donated from their share of income from the Kanaal 7 radiothon.

### Fifteenth corporative member introduced



Francois Jones (right) of Nutri Feeds received the NAU certificate for silver corporative membership from Ryno van der Merwe who recently stepped down as NAU president. This brings the number of corporative members to 15. The NAU recently introduced corporative membership to allow it to fulfil its duties in organised agriculture after the government suspended its subsidy of N\$5,7 million to agricultural unions. In exchange for membership corporative members receive free access to statistics and information from the NAU as well as exposure on NAU media platforms. The options are N\$80 000 (gold), N\$50 000 (platinum) and N\$30 000 (silver) per annum. Prospective members can contact the NAU for more information.



# AGRIMARK



Agrimark is for people who share a love of the land, people who plant and dig, dream and do. On the farm, in the home and in the outdoors, we're for the enthusiasts and the experts, for the people who love rolling up their sleeves and getting their hands dirty. Whether you're a farmer, a farmer-in-training or a farmer at heart, from the country or from the city, Agrimark is for you, your friends and your family (even your fur family). It's a place where a good, honest day's work is respected, where wholesome down-to-earth values are honoured and upheld, and where people like us - mens-mense - meet.



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# MATTERS HANDLED BY THE EXECUTIVE/MANAGEMENT COUNCIL

## Vision of Honourable Minister of Agriculture

In his motivation of the Ministry's budget in June 2020, the honourable Minister of Agriculture, Water and Land Reform said "Agriculture surely offers the best opportunities to recover the economy [and] create productivity [as well as] decent jobs and [furthermore ensures] food self-sufficiency."

He further noted that "the Covid-19 pandemic and the erosion of multilateralism coupled with populism have, however, brought about a situation wherein we cannot any longer rely on secure supplies of basic commodities from elsewhere. Export bans for essential medicines and medical equipment, closure of borders for food imports and other essential commodities are common cause. We have entered an era of 'every country for themselves' and hence we must pursue a policy aimed towards self-sufficiency. [While] in the past we could utilise revenue from exported surplus to procure and compensate for production shortfalls, we must now utilise those proceeds to boost local production. Agriculture is our best chance, water and land [being] our advantage."

The Namibia Agricultural Union supports the minister's ambitious vision and will thus offer its support on a practical level for these aims and objectives with the following specific goals in mind:

- That the gross domestic product (GDP) of primary agriculture in Namibia should be doubled in real terms by 2030
- Namibia becomes food self-sufficient by 2030, and
- Takes cognisance of the fact that while growth is important to the economy and sustainability, it should go hand-in-hand with employment creation in the sector.

## The NAU Executive Council strategic plan

During November 2019 the Executive Council of the NAU held a planning session to determine its main priorities to be implemented over the next three years. The mission of the NAU was subsequently identified to support and promote a policy friendly production environment for sustainable agriculture with concerted focus on the following main points:

### **Capacity building to inspire and motivate:**

This would include leadership development, life skills and technical development among NAU members, farmworkers and the NAU secretariat.

### **Creating synergy among interested parties within a supportive policy environment:**

NAU members, fellow producers and the remaining agricultural value chain need to foster intense cooperation with government to implement its vision for accelerated growth in the agricultural industry.

**Profitability at farm level:** Growth in agriculture starts on the farm, while profitability of primary agricultural production attracts investment. This is a prerequisite for economic growth.

**Natural resources:** Repairing natural rangeland, the implementation of the national drought strategy as well as water management is the foundation of competing production.

## Action taken to mitigate the impact of Covid-19

On November 17 of 2019, the first corona virus case was diagnosed in China. This virus spread rapidly throughout the world. Consequently, from February 2020, the world was brought to a standstill as governments announced lockdowns, businesses closed down and people stayed at home. In Namibia the first lockdown was announced by President Geingob from March 28 until April 17, 2020, extended to May 5, 2020. However, government announced that the agricultural value chain formed part of essential services and that these critical services should therefore continue. During this time, the NAU had two staff members at the office during the lockdown while the other staff members worked from their homes. These conditions caused NAU member meetings to be postponed, as well as the cancellation of the AEA congress that was initially scheduled to take place in June 2020.

The initial lockdown period also caused a number of logistical challenges regarding the transportation of agricultural inputs and products. In this regard the NAU was in constant daily contact with the Ministry of Agriculture and would thus like to express its sincere gratitude towards the Honourable Minister of Agriculture as well as the Executive Director of the ministry and senior management cadres who were continuously available – even over weekends – to assist with resolving logistical bottlenecks that occurred. We thank you sincerely for your dedication and commitment.

The Covid-19 pandemic had an immediate negative effect on the trophy hunting and agricultural tourism sectors, as well as the Swakara and dairy industries. The trophy

hunting industry had 100% booking cancellations overnight and by June 2020 it was evident that there were no prospects for any improvement in the situation. The closure of the brewery and the accompanying shortage of brewer's grain (a by-product of brewing), which is used as an important component in the rations of milk cows, also caused a decrease in production. Swakara pelts, which were scheduled to be sold at the April 2020 auction in Copenhagen, Denmark, could not be exported. The wood and charcoal industry were not declared as essential and/or critical services. To this end, the NAU supported the Namibia Charcoal Association with numerous efforts to get approval for the industry to restart its activities. However, all the converging events nevertheless put producers under immediate and immense cash flow pressure.

During the lockdown, the Minister of Agriculture, Water and Land Reform was informed by the NAU and NECFU of the agricultural crisis, with the main priority being that trade in essential agricultural products and input should continue with the least interference. Furthermore, it was requested that the BID 2 regulation of the Bank of Namibia be urgently reviewed to enable commercial banks to implement payment holidays, while the Ministry of Finance was requested to provide subsidies for interest.

Within days after the lockdown was announced, the Minister of Finance declared an economic stimulus package whereby the government would provide guarantees to AgriBank to incur loans in the open market. The Bank of Namibia also decreased the repo rate aggressively with more than 2.5 percentage points, which caused an effective decrease in the interest rates of approximately 25%. This supported cash flow in the industry as well as post-drought production recovery.

## Impact of cross-border trade on agricultural products

During May 2020, the Ministry of Health announced new regulations, which had the potential to influence cross-border trade of agricultural products negatively. During an investigation the NAU conducted with numerous stakeholders in the agricultural value chain, it was found that approximately 920 trucks crossed the border on a monthly basis for the import and export of agricultural products. Effective cross-border movement for agricultural products thus have a critical effect on domestic food supply.

Industry stakeholders immediately put forward a proposal to the Minister of Agriculture

## EXECUTIVE/MANAGEMENT COUNCIL continued ...

to inform him of the effects of the new regulations on cross-border transportation of agricultural products and input. The government was encouraged to find a balance between the necessity of preventing the spread of the virus, the preservation of economic activities and employment opportunities, as well as the continuous supply of food by the agricultural value chain to the Namibian population. The export of livestock to neighbouring countries was also temporarily affected as truck drivers were quarantined when returning from neighbouring countries. The new challenge was subsequently communicated to different ministries and the implementation of a relief system at the borders was implemented to resolve the problem.

### **DROUGHT 2019** **Implementation of the 2019 drought disaster action plan**

At the beginning of 2019 the NAU, its affiliated commodity organisations and other agricultural unions compiled a drought disaster action plan and resolved to continuously communicate the most critical issues affecting agriculture to the Minister of Agriculture, Water and Forestry. The action plan included the unlimited emergency marketing of livestock, as well as the implementation of marketing incentives by the government, creating price stability in the marketplace, promoting the use of bush feed for drought survival and financial support mechanisms by the banks for producers.

In August 2019 the Executive Council pro-actively identified priority activities needed to promote post-drought recovery. These initiatives included re-financing of debt arrears as well as the significance of monthly cash flow forecasts by producers and timeous communication thereof to their banks. The main focus was on positive alternative thinking and effective management on farms, as well as the importance of implementing a long-term National Drought Strategy for Namibia.

### **Cash flow models anticipating the future**

To highlight the serious challenges of faced by producers in recovering after drought, the NAU developed cash flow models for the next 10 years under specific circumstances. For example, it has become clear that a producer with long-term debt will not be able to meet his or her cash flow responsibilities with only 50% of the cattle herd remaining after the drought cycle if no effort is made to exploit alternative income sources. It is of utmost importance to use the available rangeland fully after the rain in conjunction with generating a supplementary income from other sources such as charcoal, tourism, etc., to assist with the overhead expenditure of the farm. This information was shared with AgriBank as

well as commercial banks and we have subsequently requested that payment holidays and/or decreased interest rates are urgently considered. The availability of cheaper funding for producers from abroad was also investigated with regular information updates on the subject provided to members on a continuous basis.

### **The NAU in dialogue with President Geingob**

In November 2019 the NAU was invited by President Geingob to participate in a dialogue to promote and stimulate economic growth in the agricultural sector. One of the issues discussed with President Geingob, was that everybody should be aware that the current drought was the most devastating in human memory. As such post-drought recovery was a huge challenge in the sector, which is marked by ongoing cash flow shortages that are likely to extend into the future. Consequently, there is an urgent need to develop an inclusive plan that supports all producers in re-building their herds, while managing their cash flow effectively at the same time. However, the cooperation of the entire sector is necessary to identify and implement the most effective solutions. To this end, the NAU believes that if all stakeholders plan, evaluate and consult each other when making decisions, amicable and effective solutions can be found. The NAU is eager to participate in such planning initiatives and suggests that a high-level advisory committee, consisting of all industry stakeholders be constituted to find sustainable solutions for all the issues plaguing the agricultural sector.

### **Dare-to-Care Drought Fund**

The entire agricultural sector, including the NAU and NECFU as well as the private sector, has decided to join hands under the Dare-to-Care umbrella to subsidise the purchase of feed for all producers in the country. The aim of the fund was to collect N\$10 million, while an independent auditor (SGA) was appointed to audit the fund after its conclusion. In November 2019, the Dare-to-Care Fund realised its goal (N\$10 million) and we would like to thank everyone who contributed towards the fund for their invaluable support. This enabled the fund to subsidise the purchase of more than 170 000 bags feed for producers to support drought survival. Parts of the country received good rains in 2020 while other parts (especially the south, west and north-west of Namibia) again received insufficient rain in 2020. The final phase of the subsidisation was implemented from July 2020, mainly focusing on the aforementioned drought-stricken parts of the country.

### **Exemption of import VAT**

On May 29, 2019 the NAU applied for VAT exemption at the Ministry of Finance for the import of animal feed, hay, lucerne, grass, etc.,

due to the disastrous drought, which was duly granted. The NAU was deeply grateful for this concession, which was approved by the Ministry of Finance for imports of raw feeding products that are subsequently exempt from the VAT levy. The directive approved by the Minister of Finance on July 22, 2019, came into force immediately and is applicable until the government declares that drought is no longer a national disaster in the country.

### **LAND REFORM** **Valuation rolls**

At the time of the finalisation of this Annual Report land tax for 2016-17, 2017-18, 2018-19 and 2019-20 was still outstanding. In 2019 the NAU had already applied for exemption of payment of land tax for 2018-19 with the Minister of Land Reform due to the disastrous drought conditions. Furthermore, the court ruled that the process of the compilation of the 2012-2017 valuation roll is currently invalid and that the outstanding land tax assessments should be based on the 2007-2012 valuation roll. The next step would be that the Ministry of Land Reform should send the outstanding land tax assessments to all landowners. A period of plus minus three months would subsequently be provided for the payment of outstanding land tax and to apply for land tax clearing certificates. The next part of the process would then be to advertise the 2017-2022 valuation roll for land tax rates to be calculated in future.

At least three years (if 2018-19 is exempt) outstanding land tax will have to be paid simultaneously and as soon as the cabinet confirms the rate, assessments will be posted. From the end of 2019 until March 2020, the Ministry of Land Reform visited farms that were sold over the past five years to conduct surveys for the determination of the new valuation roll.

### **Second National Land Conference**

The decisions of the National Land Conference of 2018 are at the office of the Prime Minister who are responsible for their implementation. During the last meeting of the high-level committee, which was held in March 2019, feedback was provided regarding all decisions. Although little progress has been made, the office of the prime minister has referred all the valid points to various committees and organisations to drive the process forward.

### **Improving living conditions of farmworkers**

This project was initiated following President Geingob's request to landowners during the Second National Land Conference in 2018 to overcome inequalities and poverty among farmworkers. During the 2018 Congress, the NAU unanimously resolved to continue participating pro-actively in a successful and sustainable land reform process as well as



to improve the socio-economic conditions of farmworkers.

In August 2019 the first report was compiled and presented to the Ministry of Land Reform to include in their execution of the resolutions of the Second National Land Conference. In the meantime, minimum standards for workers' housing was compiled and distributed to members. In August 2019 the first report was compiled and submitted to the Ministry of Land Reform to be included in the resolutions of the Second National Land Conference. In the interim, minimum standards for worker housing were compiled and distributed among the NAU membership. NAU members were furthermore requested to join the project to improve the living conditions of their workers over a three-year period. In a survey conducted among members, the membership undertook to implement various initiatives in this regard. This includes upgrading houses and ablution facilities as well as the provision of warm water and electricity. Furthermore, members undertook to discuss retirement planning with their workers, which includes opening savings accounts and assistance with the creation of retirement accommodation facilities.

### **Commission of investigation into ancestral land claims**

The NAU representative on the commission, Mr Ryno van der Merwe, with the other commission members travelled for period of seven weeks throughout the length and breadth of the country to listen to the various complaints and ancestral land claims. NBC television did recordings and translators were present to facilitate the process. The definition of ancestral land claims is based on persons or communities who were forcibly removed from their land from 1884 onwards. In December 2019, the commission submitted a provisional report to President Geingob. Corrections had to be made, but there is no plan yet and all claims must be verified with compensation forming part of the claims.

### **The Agricultural Trade Forum (ATF)**

The ATF represents various stakeholders in the Namibian agricultural sector, including producers and processors of the entire agricultural value chain, as well as marketing boards and agricultural unions. Partners include line ministries, manufacturers, research institutes and regional organisations. The NAU is a member of the ATF.

The ATF was established in 1999 by interested parties in the private agricultural sector seeking a platform to address certain trade matters. It became the mouthpiece for trade-related matters for whole value agricultural

products with the participation of producers, processing companies, marketing boards, research organisations and representatives of line ministries. This resulted in the formalisation of the ATF as a registered non-profit company in 2003. The ATF is financed exclusively through membership fees and annual contributions. The Ministry of Trade and Industry includes the ATF at trade agreement meetings.

In September 2019, the NAU attended a SADC (Southern African Development Community), EPA (Economic Partnership Agreement) workshop in Cape Town. Under the SADC EPA the EU provides 100% free market access and full or partial exemption from customs duties on 98.7% of Southern African exports for Namibia, Lesotho, Botswana, Mozambique and eSwatini. According to the agreement the EU will provide development support for sustainable growth, development and poverty alleviation to SADC EPA countries.

However, a trade agreement does not include market access, as the SADC EPA countries still need to work out access to EU markets. While the United Kingdom is part of the SADC EPA agreement and provides a real basis for post-Brexit trade between the UK and the SADC EPA group of countries, a new legal base for preferential trade needs to be drafted.

### **National Rangeland Management Policy and Strategy (NRMPS)**

The EU and MAWF (Ministry of Agriculture) funded project, which initiated the implementation of the national rangeland management policy, came to an end at the end of December 2019 and was subsequently concluded. A number of lessons was learnt from the project related to best practices and proposals from producers, which were subsequently compiled in a booklet entitled "Reviving Namibia's livestock industry", available free of charge at the NAU. It was a positive experience in that producers are now more aware of the significance of reviving rangeland resources, especially after a disastrous drought. As such, a concept plan was developed with the assistance of Mr Colin Nott, who is a rangeland expert. The main focus of the plan is to repair and create a balance between bush and grass on a national level and funding is currently sought to implement the project. In the meantime, the NAU contracted Mr Colin Nott on a temporary basis to make submissions to interested regional agricultural unions on how rangeland must be managed after the good rains in various regions, as well as the implementation of regenerative agriculture in extensive cattle production systems.

Various meetings were held with fellow agricultural unions and everyone agreed that a joint project under the leadership of the three agricultural unions should be established. A draft plan was developed with the assistance of Mr Nott. The focus is to restore balance between bush and grass on a national level.

### **Implementation of Rural Safety Strategy**

On March 5, 2020, NamPol signed an agreement with NECFU and the NAU regarding the implementation of the rural safety plan on a regional level. The Inspector General of the Namibian Police, Lt-Gen Ndeitunga emphasised that agriculture is one of the pillars of the Namibian economy and that it is important that the police protect the farmers and their property. The plan entails the support of the Namibian Police through local Crime Prevention Forums. Regional police commanders are subsequently tasked to handle the implementation of the strategy on behalf of NamPol. The president of the NAU, Mr Piet Gouws, said during the signing of the strategy/plan that theft affects farming activities adversely, as well as the entire economy by destroying employment opportunities among others. This signing of the rural safety plan is considered an important milestone in the fight against crime in rural areas.

Bodies where the NAU and commodity associations are represented

1. Swakara Board
2. Land Reform Advisory Commission (LRAC)
3. Lands Tribunal
4. Namibia Employers Federation (NEF)
5. Namibia Water Resources Management Review (NWRM)
6. National State of Environment Report Task Force
7. Social Security Commission (SSC)
8. Meat Board
9. Namibia Agricultural Labour Forum (NALF)
10. Forestry Council
11. Kunene/Karas/Erongo Regional Resettlement Committees
12. Programme Advisory Committee on Child Labour (PACC)
13. Agricultural Trade Forum (ATF)
14. NUST Council
15. National Planning Commission (NPC)
16. Namibia Training Authority (NTA)
17. Namibia Rangeland Forum
18. Namibia Qualification Authority (NQA)
19. Upper Swakop Basin Management Committee
20. CPP Council
21. Water Council
22. High-level Committee for the implementation of Land Conference Resolutions
23. Ancestral Land Rights and Restitution
24. National Planning Commission

# LIAISON

Liaison with members and role players is still one of the NAU's biggest priorities and is not only aimed at providing information, but also at giving the NAU's input at various forums in order to represent producers' interests. Liaison is done by means of printed and electronic media, radio programmes, text messages to cell phones, visits to and attendance at workshops and other opportunities.

## AgriForum

*AgriForum*, the monthly magazine of the NAU, is published by AgriPublishers with Mrs Marietjie van Staden as editor. *AgriForum* is a very popular publication covering a wide spectrum of agricultural themes. Each NAU member receives a copy of *AgriForum* as part of the benefits of belonging to organised agriculture. In the past *AgriForum* was sent to all members by mail, but because of numerous complaints regarding late- or non-receipt of the publication, *AgriForum* has now been made available to members directly at all Agra and Kaap Agri Namibia branches as well as some other outlets in small towns.

## Radio programmes

The popular programme Landboumikrofoon is broadcast on the Hartklop FM radio station of the NBC every Saturday morning at 06:00 by Ms Hermien Coetzee. Re-broadcasts are on Sunday afternoons at 13:15.

Channel 7 broadcasts two-weekly programmes sponsored by First National Bank. One is broadcast on Wednesday afternoons at 14:10 and the other on Saturday mornings at 06:00 with a re-broadcast on Wednesdays at 20:00.

In addition, the German Service of the NBC, *Funkhaus Namibia*, broadcasts a short programme on Friday afternoons at 16:10, while Hitradio Namibia offers a programme for German farmers on Friday evenings at 19:10 with a re-broadcast on Saturday mornings at 06:50.

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

## Electronic newsletter

The weekly e-mail news 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 can collect a copy of the newsletter at their nearest Agra office.

The newsletter is also sent to all media and interest groups who use it as a source for articles in newspapers.

## NAU website

The NAU website ([www.agrinamibia.com.na](http://www.agrinamibia.com.na)) has been re-designed and is therefore much more interesting. It is very popular and is visited up to 151 195 times per month.

## Liaison with the authority and organisations

The president of the NAU, the Executive Manager and other executive members liaised on various occasions during the year with government authorities, parastatals, NGOs and international organisations. This liaison included:

- His Excellency, the President, Dr Hage Geingob
- Economic Advisors of President Geingob
- The Ministry of Agriculture, Water and Forestry
- The Ministry of Land Reform
- The Ministry of Information and Communication Technology
- The Ministry of Public Enterprises
- The Ministry of Health and Social Services
- The Inspector-General of the Namibian Police
- The Ombudsman
- The European Union
- AgriBank
- Namibia Statistics Agency
- Commissioner of Inland Revenue
- GiZ (Germany Society of International Cooperation)
- Various regional agricultural unions and farmers associations

## Liaison by the secretariat

The secretariat has visited various farmers associations on invitation, but in the light of savings, these visits need to be coordinated with the regional representatives and the president.

Various ministries had been visited and workshops and meetings were attended.

## Liaison by regional representatives

As part of their duties, the regional representatives fostered continuous contact with farmers associations, regional agricultural unions and regional councils.

## The private sector

Meetings were held with corporate members as from the beginning of 2019. Issues discussed were the drought, the Second National Land Conference, growth in agriculture and more.

## Non-governmental organisations, parastatals and other organisations

Various meetings and workshops were attended covering the following subjects:

- Land reform
- National Rangeland Policy and Strategy
- Five-year plan of the Road Fund Administration
- International trade
- Climate change
- Rural development
- Power supply
- Water act
- Crime

## Regional liaison

**SACAU (Southern African Confederation of Agricultural Unions):** The Executive Council of the NAU decided to terminate its membership of SACAU.

**AgriSA:** Urgent matters of mutual interest were communicated with AgriSA.



# LIVESTOCK PRODUCERS ORGANISATION

## A word from the chairperson

The Namibian livestock sector is under tremendous pressure. Regarding climate change, not much can be done, other than to adapt. The year 2019 was a disaster, due to the country-wide drought. However, Namibian livestock producers illustrated their inventiveness during this time by processing bush successfully into roughage. As such, the national large stock herd decreased by only 40% and the core genetics were preserved. Nevertheless, small stock areas of Namibia still experience average to under-average grazing levels, while some areas face their eighth year without any production.

The Namibian livestock producers, however, find themselves in a very unfavourable position regarding the processing/marketing of products as well as lack of sustainable production environments. Producers are furthermore confronted with unsustainable and unpractical ideologies leading to decisions taken in board rooms to the detriment of the industry. The small stock industry decreased drastically

ly in plain sight, with disastrous consequences, because of these decisions.

As such the SOE, Meatco, accumulated enormous losses in spite of continuous deliveries by producers. These losses will eventually be absorbed by the industry, in other words, the producer. Furthermore, we are increasingly confronted with the human-wildlife conflict where the sympathies do not necessarily lie with the livestock producer. Added to this are some other challenges of which crime is the most prominent. The government's expectations of the producer to make a bigger social contribution, to ensure the country's biosecurity, increase production and stay positive are thus rendered unfeasible and completely unrealistic under the circumstances.

The curve ball that hit us in 2020, namely

Covid-19, will perhaps become our Rubicon with a completely new value system emerging. Food security, biosecurity and continuous production has suddenly gained new international attention. The necessity of the producer – the manufacturer of food – has taken on new meaning and value. While we do not know where this will ultimately lead, we know that we will still be here tomorrow to do what needs to be done – supply food to sustain life. We know for sure that we will keep on bargaining for better market conditions, fairer treatment and acknowledgement.

As they say "bring it on" – we will persist.

**Mr Thinus Pretorius**



Chairperson: Thinus Pretorius

## Marketing figures for small and large stock

The seemingly endless drought caused high market pressure on cattle production in 2019. Slaughtering turns at abattoirs were fully booked and the auction figures were high. This can be seen in the increase of 45.26% in slaughter cattle figures. The total marketing in 2019 of sheep figures, which already showed a sharp decrease in 2018 due to the drought and other factors, decreased further in 2019 with 10.30% compared to 2018. At the same time the slaughtering percentage of goats experienced a significant decrease of 45.55%.

**Table 1** below indicates the numbers for marketing of large and small stock (goat and sheep) together with the percentage change between 2018 and 2019.

Table 1

	2018	2019	% Change
Cattle slaughtered	119 143	173 066	45.26
Cattle exported	307 874	289 580	-5.94
<b>Total marketing</b>	<b>427 017</b>	<b>462 646</b>	<b>8.34</b>
Sheep slaughtered	369 429	284 226	-23.06
Sheep exported	456 069	456 255	0.04
<b>Total marketing</b>	<b>825 498</b>	<b>740 481</b>	<b>-10.30</b>
Goat slaughtered	5 157	2 808	-45.55
Goat exported	147 959	143 870	-2.76
<b>Total marketing</b>	<b>153 116</b>	<b>146 678</b>	<b>-4.20</b>

Source: Meat Board of Namibia

## The first half of 2020 indicates the following:

The first quarter of 2020 shows a totally different picture in the marketing of cattle compared to the second quarter in 2020, indicating a sharp decrease of 49.64% in June 2020 in comparison to the same period in 2019. The drought and other factors in the sheep farming industry

continues to decline. This is evident from the total number of sheep marketed that declined by 55.48%. Likewise, goat marketing declined by 54.35%.

Table 2

	2019	2020	% Change
Cattle slaughtered	90 700	50 774	-44.02
Cattle exported	159 625	75 301	-52.83
<b>Total marketing</b>	<b>250 325</b>	<b>126 075</b>	<b>-49.64</b>
Sheep slaughtered	206 581	81 764	-60.42
Sheep exported	296 137	142 067	-52.03
<b>Total marketing</b>	<b>502 718</b>	<b>223 831</b>	<b>-55.48</b>
Goat slaughtered	1 482	2 029	36.91
Goat exported	64 333	28 018	-56.45
<b>Total marketing</b>	<b>65 815</b>	<b>30 047</b>	<b>-54.35</b>

Source: Meat Board of Namibia

## Production cost index

The production cost index (PCI) of the NAU, which uses 2006 as basis year, determines the price that producers pay for a basket of inputs. The PCI is calculated as the weighed average of relevant products such as feed and minerals, fuel and oil, labour, electricity, maintenance of fixed infrastructure and vehicles, as well as animal health and capital expenditure, which are all used in production. The expectation is that a decrease in the prices of input products, especially labour and fuel has considerable influence on the inflation of PCI on the farm, because of the high weighed average in the expenditure basket.

The PCI recorded a basis point of 105.4 in the 4th quarter of 2018, which had increased to a 110.1 basis point by the 4th quarter in 2019. This means that the annual inflation rate improved by 4.4% on an



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# LIVESTOCK PRODUCERS ORGANISATION continued ...

annual basis. The annual agricultural inflation of quarter 4 of 2019, indicates a decrease in comparison to the 4<sup>th</sup> quarter of 2018 (5.4%). This decrease can be attributed to fuel prices and electricity tariffs that decreased by 1.42% and 1.35% respectively compared to the previous year.

Inflation on farm still increases and remains higher than the income received by producers. The total weighed cattle price, which is the weighed average of weaner and slaughtering prices, decreased by 1.7% in quarter 4 of 2019, caused by a drastic decrease in weaner prices that occurred in the first half of 2019. If the total performance of weaner and slaughtering prices in 2018 is compared to 2019, indications are that average weaner prices decreased by 19.1% during the year, while slaughtering prices increased by 8%. Comparing 2018 to 2019, sheep prices decreased by 5.3%. The outbreak of foot-and-mouth disease in South Africa at the beginning of 2019 influenced both weaner and sheep prices.

If the total costs on the farm increase more than the income received, as set out above, it influences the profit margins of farmers. During the past 13 years of price monitoring, producers had to improve their productivity and efficiency each year by 3.6% for cattle and 0.8% for sheep respectively. This shows that expenses on farms had a significant impact on the profit margins of cattle and sheep producers and it is therefore incumbent on farmers to continuously increase their stocks and to promote sustainable herd productivity.

## Recovery and growth of the livestock sector (colour)

### Re-building after the drought

The LPO conducted a survey among its members to determine how herds decreased from 2012 to 2019. Information was gathered from approximately 480 producers, indicating that sheep, goat and cattle herds decreased on average between 47, 46 and 49% respectively. The averages varied from region to region and in some areas the decrease in herds were as high as 90 and 100%.

Producers were forced to use the cash obtained from reducing herds to feed the remaining herds, resulting in fewer opportunities to save funds for drought recovery and herd building. The LPO subsequently investigated various cash flow scenarios and held numerous consultations with industry stakeholders and development organisations to determine what can be expected and what is necessary for long-term recovery after the disastrous drought that lasted for seven years and more.

### Growth strategies

During this period a growth strategy for the livestock sector was reflected upon under leadership of the Meat Board of Namibia. Subse-

quently, a list of priorities needing urgent attention were formulated for the cattle industry. Stakeholders confirmed the principle that cattle must automatically be drawn into different value chains, mainly based on trust in the value chain and the price paid by the value chain. While export abattoirs have access to the best markets in the world, they nevertheless struggle to compete in the marketplace. If the operational kg cost per carcass decreases, the value chain will draw sufficient cattle to be sustainable. The second important priority is to focus government attention to promoting the best interests of the country. As such, the agricultural sector must receive a bigger share of the national budget – at least 10% as recommended by the Maputo Declaration, which the Namibian government ratified in 2003. Thirdly the promotion of free trade, instead of imposing regulations, has been confirmed as a priority. Consensus was reached that the following matters should receive attention:

- Implementing the national rangeland strategy published last year
- To promote small scale feedlots and not a new national strategy
- Strengthening local producer organisations
- Supporting purposeful research and mentorship, and
- Promoting a healthy balance between local slaughtering and weaner production.

In expectation of the results of independent studies conducted by the Ministry of Agriculture, Water and Land Reform, stakeholders looked at the growth strategy of the sheep industry. The first and most important step to be taken is to ensure policy certainty for primary producers. Without such condition, producers will not invest again in the industry, production will not increase, and new employment opportunities will not be available. The priorities were subsequently identified as follows:

- Kick-starting sheep production by implementing incentives and channelling support to farmers as well as assurances of free trade.
- Contrary to cattle, a Namibian export abattoir for sheep is hardly viable if exported only to South Africa. International markets that offer exchange rate advantages are crucial to enabling abattoirs in an unregulated market to draw sheep into this lucrative value chain.
- Effective leadership in the industry to ensure unity of purpose.
- Finding solutions for the development of underutilised agricultural to increase production.
- Identifying strategies to increase preparedness for future droughts.

### Sheep Marketing Scheme

Following the recommendation of a high-level panel, the cabinet postponed the Small Stock Marketing Scheme on 1 August 2019 for a pe-

riod of one year. This came after the LPO had made various submissions to the Economic Committee appointed by the President. During this period, the Minister of Agriculture, Water and Land Reform (MAWLRF) was ordered to review the scheme properly and to find incentives to discourage the export of live sheep. The MAWLRF appointed a consultant to conduct an in-depth study.

The LPO liaised with various industry stakeholders to explain the impact of the scheme on producers, what the ideal environment should be for production to take place and efforts to re-build the industry where possible. The LPO, producers and other stakeholders in the industry were consulted by the MAWLRF consultant and had an opportunity to share the above issues with him. The MAWLRF ensured the LPO that as soon as the report is completed, it would be shared with all interested parties before any action is taken.

### Producers' integration into the value chain

The LPO management ordered Windhoek Consulting Engineers (WCE) to conduct a feasibility study regarding a large stock abattoir. The main aim of the study was to create a sustainable cattle industry for the next 20 years that should not be regarded as competition for existing entities. The study has been concluded and the LPO is currently busy sharing the results with stakeholders. Producers' trust in export abattoirs, combined with the best prices in the marketplace and control by producers, are central to sustainable future throughput.

### Alternative marketing potentials for red meat

The implementation of the Economic Partnership Agreement (EPA) between the European Union (EU) and the Southern African Development Community (SADC EPA), which was signed and came into force in 2016 is progressing well. Tariff- and quota-free access to European markets are in place, although strict health measures and other non-tariff restrictions affect Namibia's potential to utilise the export opportunities fully. For example, Namibia can only export de-boned meat cuts to the EU. This agreement will be reviewed in 2021. In February 2020 the first talks between the two parties were held in Brussels to discuss the core principles of the review of the EPA. It is expected that the review will aim to unlock better trade opportunities for both parties. Namibia, however, already has quota- and tariff-free access to the EU market and it therefore not clear what the advantages of such a review can hold for the country. Namibia's negotiators will thus have to focus on mostly non-tariff questions and try to gain better and easier trade opportunities as well as focused development aid.

A big uncertainty was removed in 2019 when the SACU negotiators were able to conclude a

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## LIVESTOCK PRODUCERS ORGANISATION continued ...

trade agreement with Britain. Brexit brought about various long-term economic trade uncertainties and Namibia would inter alia lose quota- and tariff-free trade with Britain if there is no agreement in place when Britain withdraws from the EU. Namibia's parliament still needs to ratify the agreement with Britain. The cut-off date for this exercise was in December 2020. Should Namibia ratify the agreement between SACU/Mozambique and Britain by December 2020, trade will continue with Britain under terms similar to existing EPA terms (quota- and tariff-free). Nevertheless, negotiations between EU and Britain has not resulted in any significant progress.

Two alternative markets, which became accessible to Namibia are China and the USA. Large shipments of meat were already shipped to China and the aim of meat exporters is to strengthen these two markets to such an extent that the traditional markets in the EU and Norway form a smaller part of the export basket. There was also negative publicity in the news regarding Namibia's market access to the USA, but it was mostly limited to lobby groups who wanted to protect their own markets.

The big advantage of the Chinese market is the fact that it is not limited to the traditional cuts that are usually exported to Europe and Norway. This the main reason for the big volumes exported during this period by Meatco to China. A request to the government is anticipated in the new year to again utilise the agreement with China and to add non-traditional export cuts as well as "fifth-quarter" products.

An important agreement for Namibia is the SACU-EFTA free trade agreement. Under this agreement Namibia can export meat, especially to Norway. Currently there is a priority quota (GSP) of 1 350 tonnes de-boned beef for Namibia as well as a further tariff-free quota of 250 tonnes (under the free trade agreement). The agreement has been under scrutiny over the past few years under review and it is hoped that the priority quota is made part of the free trade agreement to ensure permanent market access. Negotiations for better access for meat exports to Switzerland were also attempted. The tariffs of these countries are, however, very high and Namibia cannot use the agreement to its full advantage at present. Unfortunately, the Covid-19 pandemic outbreak coupled with global restrictions has suppressed the negotiation process. As a result, little progress was made over the past year regarding the review of the agreement. During the last negotiations, Norway raised objections against the cuts Namibia exports traditionally under its quota to the Norwegian market. Namibia mainly exports high-value beef and fillet steak, putting the Norwegian market under pressure and distorting prices for local producers in Norway who are also

under pressure to sell their products. Norway therefore requested Namibia to "balance" its export basket to prevent the market from declining. This request will be discussed again at the next round of negotiations, which will most probably take place at the end of 2020 or in early 2021.

Regarding the African markets negotiations of the African Continental Free Trade Agreement (AfCFTA) progressed well in 2019-2020 until all negotiations came to a halt due to the Covid-19 outbreak. If everything is in place, trade under AfCFTA should come into force on June 1, 2020. Unfortunately, tariff and regulations of origin occurred. Some circles anticipate that these delays can set back the implementation of the agreement to at least June 2021. Namibia negotiates in this agreement as part of SACU.

### The Quality Assurance System (FANMeat)

The FANMeat scheme is one of the most important pillars of the industry that ensures the maintenance of niche market access, especially in Europe and in countries such as Norway that pay the best prices. To date, the FANMeat scheme only made provision for the assurance of "free-range" meat of which the production was difficult to almost impossible in the past years due to the drought. To make provision for drought conditions as well as to create marketing opportunities, FANMeat developed a definition for "grain fed" to adapt to this standard. Producers can now market their livestock as "grain fed", which can still be exported under the FANMeat scheme. Livestock still meets demands of animal welfare standards to be produced hormone free as well as treatment withdrawal periods. FANMeat feedlot standards are in the final stage of including feedlots in the FANMeat chain.

To monitor compliance with the required standards, FANMeat trained and appointed a FANMeat audit team. The team visits farms and inter alia verifies record-keeping, which is very important for the integrity of the scheme. Producers are subsequently requested to comply with FANMeat standards and cooperate during inspections.

### NamLITS traceability

The NamLITS system was developed to ensure traceability and is applied whenever animals are marketed. NamLITS is especially effective regarding to disease management and control. The NamLITS system is a software-based programme with its functionality continuously improved to make it more accessible and user friendly. Unfortunately, the efficiency of the system depends on the human factor. The current "NamLITS online" is in the process of being expanded to provide better functionality to producers, but there is a certain level of responsibility regarding the accuracy of data on the national traceability system. The Directorate of Veterinary Services (DVS) developed an ear tag quota system for cattle for the reporting period, which is implemented when producers purchase ear tags at the Meat Board. The aim of the new system is to improve the integrity of the NamLITS system.



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## TECHNICAL ADVISORS

Dawid Krause 081 124 9415 Corporate Brand Specialist • Danie de Lange 081 128 8713 South (Hardap)  
Joubert de Wit 081 128 1518 South (Karas) • Richard Peens 081 045 0837 East • Christo van Zyl 081 147 4199 North  
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# LIVESTOCK PRODUCERS ORGANISATION continued ...

## Meatco

Meatco is regulated by virtue of the Meat Corporation Act of Namibia (Act 1 of 2001) and is classified as a commercial public enterprise. The Act on the Management of Public Enterprises (Act no 1 of 2019) was promulgated on May 17, 2019 and came into force on December 16, 2019. According to the act, Meatco now falls under the Ministry of Public Enterprises. The new legislation is part of government's initiative to reform and restructure public enterprises to make them more effective and to enable better monitoring. In effect this means that Meatco must make commercial sense.

In February 2020, Mr Mwilima Mushokabanji was appointed as Chief Executive Manager of Meatco. A new board was appointed for the first time in a while according to the democratic will of Meatco members, with the board's term commencing on May 1, 2020. The new board members are Johnnie Hamman (expert and chairman), Clara Bohitile (expert and vice chairman), Kay-Dieter Rumpf (commercial representative), Usiel Seuakouje Kandjii (communal representative), Mesag Mulunga (representative from the Ministry of Agriculture) and Cloretha Garises (employee representative).



## Animal health and veterinary services (DVS)

An Animal Health Committee, under the banner of the Meat Board, meets on a quarterly basis to discuss subjects related to Namibia's animal health status, international trade and how to manage the financial crisis of the DVS. However, the financial situation of the government has not changed, and budget shortages are still the order of the day, affecting the DVS adversely. As Namibia is a net exporter of livestock and livestock products, the Meat Board supports the DVS to provide necessary guarantees to trade partners for producers to export livestock and livestock products. This support includes the maintenance of border and veterinary fences, as well as upgrading and updating the NamLITS system, completing animal health declaration forms and certifying them, as well as certifying exports through the laboratories. The LPO continues to emphasise that agriculture is the most important sector in Namibia for economic recovery and as such the effective marketing of livestock must continue.

## Exports of livestock to RSA

At the end of 2018 the Namibian Directorate of Veterinary Services had already presented a docket to the Department of Agriculture (DAFF) in South Africa with a request to declare themselves free of bovine tuberculosis (bTB). Bilateral teleconferences were held with the DAFF to discuss easing individual bTB testing requirements. Unfortunately, there is no positive outcome regarding any of these negotiation attempts to date. In the meantime, Namibia has sent an article about bTB in Namibia to the OIE, which was published on the scientific and technical website of the OIE on October 2, 2019. A draft document regarding the historical freedom of bTB in Namibia was compiled and is in the final stages before it is presented to the OIE.

DVS is currently in the process of compiling and sorting data regarding the testing of *Brucella melitensis* since the implementation of the new RSA import requirements came into effect. It is anticipated that they will provide feedback by August 2020 as to whether data justifies further negotiation for exemption by the South African veterinary authorities.

## Kudu rabies project

Due to the increase in kudu rabies outbreaks, the LPO Congress in 2010 found that extensive research was necessary to control the disease and recommended a project to test existing oral vaccines to gain insight into the epidemiology of the disease. The first two phases of the project took

place with the cooperation of Agra ProVision, which included an epidemiology survey, bait studies and proof of principle of oral rabies vaccinations. The experience gained and encouraging results caused the LPO to approve the third phase of the project. This phase will be conducted in cooperation with the Veterinary School of the University of Namibia (UNAM). Kudus will be kept in wildlife bomas that were erected early in 2020 at the Neudamm facilities of UNAM. The LPO approved funding for part of the building construction of the bomas.

The aim of phase three is to determine an effective oral vaccine dose for kudus to stimulate the necessary immune response. Previous phases of the project showed that the oral vaccination is viable. However, information regarding the degree of protection against the rabies virus was unconvincing. Phase three will determine how the dosage is to be adapted to ensure sufficient protection levels. Moreover, with the oral vaccination studies regarding the bait used to dispense the vaccination, needs more investigation to guarantee that it is consumed effectively in the veld.

The first phase of the project provided a perfect recipe that was tested on kudus in their natural environment. However, protocols need to be developed for the practical application of oral vaccines on farms in future. This will be done in cooperation with the staff at the Otjikoto Game Reserve (B2 Gold). Although the third phase of the project was expected to commence in March 2020, the Covid pandemic caused a delay in importing vaccines. As soon as borders reopen and flights resume, the project will commence again.

## Livestock Producer of the Year

In 2019 Mr A P van Schalkwyk of the farm Samehaling in the Aroab vicinity received the Livestock Producer of the Year 2019 award. The runner-up was Mr Johnny Hanekom of Farm Sandrucken in the Maltahöhe area. The reward was presented to Mr van Schalkwyk during the annual steak braai of the LPO on October 9, 2019, at the Wanderers Sport Club, Windhoek. Due to Covid the farmers day of Mr van Schalkwyk, which should have been held in 2020, was postponed. The LPO management decided not to proceed with the selection of a livestock producer of the year for 2020. Activities will commence in 2021.



## Bush feed project

The production of bush feed brought temporary relief to numerous farmers during the drought. However, it raised a lot of questions and was fraught with challenges. Although there is great potential for bush feed in Namibia, meticulous and extensive research is necessary to un-

# LIVESTOCK PRODUCERS ORGANISATION continued ...

lock its potential. Research should examine how bush feed can be rendered economically viable, what the optimal levels of various raw materials must be to achieve the desired results, the bush required to support various animals, digestibility and feedlot testing of various bushes, as well as the various ratios and potential growth levels of bush feed. With the aid of experts, the LPO drafted a project proposal while a committee consisting of various experts in the field is currently busy establishing the project. However, the project needs to raise additional funding to ensure successful completion.

## Waterberg buffaloes

During 2019, the large-scale capture of buffaloes started at the Waterberg Plateau Park. The first group of 200 buffaloes were sold/exchanged with the Zambian government and will be followed by a second group of 200, also destined for Zambia. However, it is not enough to ease pressure on grazing in this park that were worse off than the bordering commercial areas. This increases the possibility of disease outbreaks and restricts animal movement in the Otjozondjupa region. Currently there is a joint attempt between the LPO and stakeholders to find alternative habitats for the buffaloes without affecting the health of livestock south of the VCF. If the plan is successful, the LPO will resettle half of the Waterberg buffaloes, which will restore the natural wildlife balance at Waterberg, relieving pressure on environment.

## Human-wildlife conflict

Predators and other problem animals contributed to the already critical situation of producers during 2019 and 2020. The LPO is represented on LCMAN, an organisation for predator conservation and aims to stay updated on significant issues, improve relationships and ensure better insight into human-wildlife conflict situations. The aim of the LPO is to collect statistics regarding the damage caused by predators and other problem animals. Although farmers associations provide regular information updates, it is insufficient and inaccurate at present.

The LPO therefore met with key organisations and individuals with the purpose of finding possible solutions for the human-wildlife conflict. An inter-ministerial committee under the leadership of the Ministry of Environment, Tourism and Forestry (METF) was constituted where various stakeholders will be invited to find solutions to the problem. Likewise, the METF is currently busy with the development of a national elephant management plan that can be used as a guideline to control elephant populations in future. The LPO is of the opinion that elephants and other problem animals are irreconcilable with farming activities. Currently the problems with elephants and other problem species erode the production capacity of livestock

producers, while it is the responsibility of the relevant authorities to control the numbers of such problem animals.

## Game concerns

Game concerns are a permanent LPO management agenda item and are handled on a regional basis. This is done to address the interests of NAU members that are not represented by NAPHA or Wildlife Ranching Namibia.

The Ministry of Industrialisation, Trade and SME Development identified different growth strategies. A steering committee was subsequently established to deal with matters related to the game sector. This includes investigating restrictions and opportunities regarding input provision, production technology, marketing and trade, as well as service provision and prevailing environmental conditions. It represents specific interventions and projects to strengthen the industry. The LPO is a member of the said committee.

The committee launched various activities in 2019 and 2020 to promote game products locally and internationally. These activities included practical guides developed for both abattoirs and game producers that provide venison for export to the EU, as well as presentations at seminars to introduce the potential of Namibian game products to overseas buyers. The Covid-19 pandemic again delayed some of these activities. In November 2019, Namibia regained its export status

for meat of small game, like springbok, to the European Union (EU). Farmers Meat Market is the only abattoir that applied for export status. However, due to the drought and current shortage of small stock, no exports occur.

## LPO Strategic Vision 2030

The LPO's Vision 2030 document that outlines its vision, mission, goals, desired results and actions, serves as a guideline to achieve objectives of the organisation through strategic decision-making processes. During the LPO's annual November planning session, the previous year's action plan is re-evaluated. The most important operational aspects are then identified and included in the following year's activities. Progress is monitored and discussed during LPO management meetings. The action plan is considered a dynamic document that is adapted to needs and changes in the meat industry.

## Management

PS Gouws	NAU President ( <i>ex officio</i> )
AM Pretorius	Chairperson
E Erni	South Western
K van der Merwe	Karasburg
JC de Klerk	Keetmanshoop
J van Wyk	Mariental
H-E von Kühne	Gobabis
E Hoff	Windhoek
M Hilbert	Okahandja
G Kahl	Otjiwarongo
P Stoman	Grootfontein/Tsumeb/Otavi
A van Niekerk	Outjo

## Liaison with the government and other organisations

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

- Ministry of Agriculture, Water & Land Reform
- Ministry of Industrialisation, Trade and SME Development
- Ministry of Public Enterprises
- Ministry of Environment, Tourism and Forestry
- Governors
- Meat Board
- Namibian abattoirs and agents
- Northern Cape abattoirs
- Namibian Auction Houses
- Local butcheries
- AGRA
- Kaap Agri Namibia
- Nakara
- Meatco Tannery
- UNAM School for Veterinary
- Namibian Chamber of Environment
- Media
- Friedrich Loeffler Institute
- NAPHA
- CANAM
- Office of the Ombudsman
- Agricultural Trade Forum
- Namib Mills Group
- Pupkewitz Group
- Swart Grant & Angula (SGA)
- Windhoek Consulting Engineers (WCE)
- Local private veterinarians
- LCMAN
- Red Meat Producers Organisation of SA (RPO)
- SA Feedlot Association
- UNAM Veterinary School
- Producer Study Groups
- First National Bank
- Feedmaster



Chairperson: Hellmut Förtsch

# AGRICULTURAL EMPLOYERS ASSOCIATION OF NAMIBIA

## Management

Chairperson	Mr HHT Förtsch
Vice-chairperson	Mrs C Stoman
Central	Mr C Knye
North	Mrs C Hellinghausen
South	Mr W Kruger

## Financial position

The management handled the funds of the Agricultural Employers Association (AEA) with discipline due diligence and the 2019-2020 financial year ended with a surplus of N\$27 582.00

## Labour documents

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

## Representation of management members on various bodies

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
ILO's 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

## NAU farmworkers project

During the Second National Land Conference in 2018, President Geingob requested landowners to address the living conditions of farmworkers to assist them in overcoming inequalities and poverty. In August 2019, the first feed-back report was drafted and submitted to the Ministry of Land Reform to be included in the execution of the resolutions of the Second National Land Conference. In the meantime, guidelines for the minimum standards for workers' housing were compiled and made available to NAU members.

## AEA liaison

**Internal:** Management committee members attended meetings of the regional agricultural unions and farmers associations. The principal officer visited farmers associations upon invitation. Regular contact was maintained with members through weekly electronic newsletters and radio talk shows, as well as the monthly *AgriForum* magazine and the NAU's webpage [www.agrinamibia.com.na](http://www.agrinamibia.com.na).

**External:** In June 2019, Mr Danie van Vuuren attended a meeting regarding the creation of a Labour Consultation Forum at the Ministry of Labour.

## Minimum wage

The Ministry of Labour hosted a tripartite discussion on October 16, 2019, where a national minimum wage for Namibians was discussed. A draft report from a study conducted by the ILO was shared with stakeholders. The AEA provided input and requested that farmworkers be excluded from this as they had an officially recognised minimum wage for farmworkers. The AEA will not initiate an increase of the minimum wage this year, due to the devastating effects of the drought and the fact that the current inflation rate is relatively low.

## Child labour

Child labour only occurs sporadically and is partly attributed to the poor education standards in Namibia. This situation will be addressed at farmers associations level in collaboration with regional council members while the AEA will address it at ministerial level. The political and economic official of the US embassy visited the AEA office and discussed human rights and child labour in the agricultural sector. They will release a human rights report in 2020, which will include Namibia.

## Namibia Charcoal Association (NCA)

The charcoal and biomass exhibition hosted in 2020 by the Charcoal Association (NCA) and the Namibia Biomass Industry Group (N-Big) was a big success. It was held on August 9, 2019, at the Otjiwa Lodge near Otjiwarongo where 120 participants attended to exhibit charcoal, bush feed and wood products, as well as various technologies and machines. Exhibitors from South Africa, Germany, Austria, Denmark, United Kingdom and USA were in attendance. More than 1 580 visitors were recorded. The day started with the annual general meeting of the NCA, followed by various speakers addressing relevant issues. The NCA introduced its new best practices booklet for charcoal producers, which contains guidelines for harvesting wood and after care, as well as health- and safety measures to be applied. Together with the production of bush feed, which many farmers started this year, charcoal and bush feed production on commercial farms create thousands of new job opportunities.

## AEA secretariat

The AEA provides an advisory service concerning best labour practices while the application of the Labour Act is aimed at promoting fair practices to ensure that labour in the



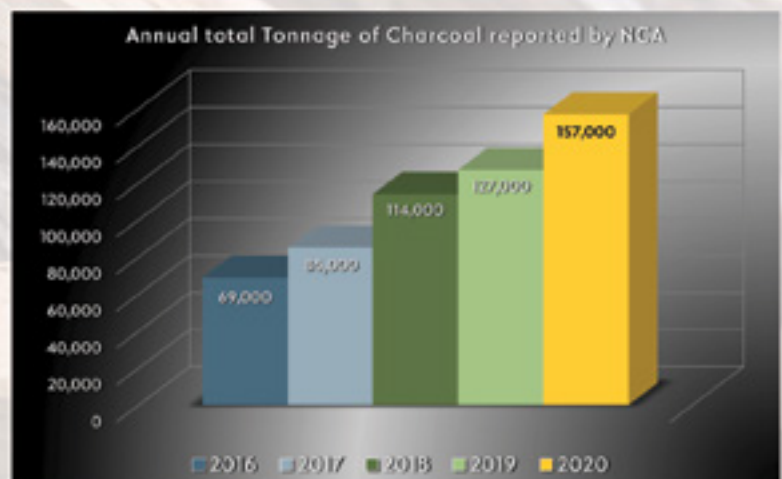
## Growing Namibia's most promising industry

### Charcoal Village, Otjiwarongo

The NCA, just like all other industries, had a challenging 2020, yet still achieved a 30% growth in charcoal exports. Membership also increased by 120 members. Currently the NCA has a total of 1 233 – not all members are active.

The purpose of the NCA is to support the initiatives and operation of stakeholders to contribute to the responsible economic growth of this important sector, taking the environment, the economic impact as well as social aspects of stakeholders into consideration. The NCA provides the following benefits to members:

- **Negotiations with authorities** on regulatory requirements
- Creation of conducive environments for **good relationships** between labourers, producers, processors and international buyers
- Strives to create a network that efficiently delivers a **one-stop service** to stakeholders and customers
- **Provides uniform standards** for charcoal production so that charcoal quality and quantity can be improved/increased
- **Training courses** are provided for charcoal and biochar at the Otjiwarongo Charcoal Village. The NCA also offers on-farm training for charcoal production
- **Technology** updates on kiln developments
- **Producer and processor support** to assist members with payment challenges



- **Close cooperation with ministries** to provide valuable input for natural wood biomass resources in Namibia
- **Develop new markets** for charcoal together with processors
- **Close collaboration with the Department of Forestry** to serve the best interest of members but also the environment, workers and the financial contribution to the Namibian economy.

Among other initiatives, the NCA is actively involved with local communities and provides support to many new producers entering the field of charcoal production.

The NCA looks forward to another record year in an industry that is gaining momentum throughout Namibia, despite the negative impact of COVID-19 on the economy.

## AEA continued ...

commercial sector remains healthy. Liaison with members on labour matters was managed daily via telephone calls, e-mails and personal visits to the AEA office. The AEA strives to help members resolve labour disputes as quickly and amicably as possible.

### Training

**Employees:** Dassies Farmworkers Training is a new initiative to train farmworkers on Farm Dassiesfontein. The training was scheduled to commence between April and June, but due to the outbreak of the corona virus and government's subsequent announcement of a state of emergency, it was postponed to a later stage.

**Employers:** A successful personnel management course on "labour management" (a FSP project document compiled by the Legal Assistance Centre) was offered by Mr Roland Zirzow in four regions to 81 agricultural employers.

### Early childhood development for farmworkers' children

The Amos Meerkat schools are successful in the country, but still need to be promoted among NAU members to encourage participation.

### NTA (National Training Authority)

The management committee of the agricultural sector of the NTA held its first meeting of the year, which was attended by the AEA representative, Mr Hendrik Botha. They raised concerns regarding the fact that while there is a large increase in bush feed manufacturing, the required safety aspects when using equipment and machinery, do not always receive proper attention. The NTA advertised its apprenticeship courses and is looking for agricultural entrepreneurs to take on apprentices for practical training.

### 2020 AEA wage survey

Questionnaires for the 2020 AEA wage survey were distributed to members with the March 2020 copy of *AgriForum* and was made available electronically. New questions were added because of the NAU farmworkers project.

### Health in the commercial agricultural sector

This issue was discussed at meetings and it was noted that there is a decline in the services and availability of medication in rural areas, which is a big concern. A health report of the WHO was discussed, outlining the shocking living conditions of some Namibians. Compared to this, farmworkers on commercial farms were deemed to be better off.



### Social Security Commission (SSC)

**MSD Fund:** The AEA management discussed information regarding the new draft SSC Act and decided to approach the commission on whether they could offer training on farmers association level through the new electronic ITAS tax system, but no feedback was received to date.

**National Pension Fund:** The SSC approached the ILO consultants to assist with finalising the National Pension Fund as a fixed benefit fund. To date no progress was made. The draft proposal is still pending at the Ministry of Labour.

### Namibia Employers Federation (NEF)

Mr Danie van Vuuren was re-elected to the NEF Board and exco for the next year. He was also elected as vice-chairperson of the board. As from January 2020 Mr Daan Strauss was appointed as secretary-general of the NEF to replace Mr Tim Parkhouse who retired at the end of 2019.

### Labour Advisory Council (LAC)

At a meeting with the LAC where the resolutions of the land conference regarding farmworkers were discussed, the LAC was impressed with the NAU project and decided to share details to the Ministry of Labour. The LAC task team completed its assignment regarding amendments to the Labour Act. This will be discussed further and forwarded to the Minister of Labour. If it meets his approval, it will be forwarded to government legislators for drafting and then to cabinet for final approval.

### Namibia Labour Forum (NALF)

No development took place during the year under review.

### AEA Congress 2019

The 2019 AEA Congress was held on 11 June 2019 at the Arebusch Travel Lodge in Wind-

hoek. Mr Ryno van der Merwe, president of the NAU, opened the congress and said that up to now we had never experienced such severe drought conditions, reiterating that he admires farmers who remain positive under the current adverse conditions. Mr Van der Merwe gave his presentation and feedback regarding the farmworkers project of the NAU. He mentioned that we can make a difference with our workers, because they are the heartbeat of our business. There are 68 labour representatives who run the project, with seven regional coordinators under the direction of the AEA. The farmworkers project will be presented to the Executive Council of the NAU as the AEA believes we can foster a positive image of the agricultural industry by mitigating poverty among farmworkers.

Mr Craig Deall of Foundations for Farming of Zimbabwe, who is a third generation Zimbabwean and knows how the farmers suffer in times of drought, addressed the congress. He mentioned that some parts of Zimbabwe suffered from drought, but that in eastern Zimbabwe they had floods that wiped out entire communities. He said that while farming is difficult, farmers are the backbone of nations and that as such, farmers should not underestimate their importance, that Africa should feed the world and not otherwise.

Mr Deall mentioned that in times of crises one has to see how to help and empower the poor and recommended that we should do this in Namibia. The Foundation for Farming teaches poor people at grassroots level by providing easy guidelines on how to feed their families from their land. There are three steps to be followed – always be on time, do things according to high standards and don't waste anything (neither time, energy nor anything else). If you follow these three steps, the Lord provides the fourth step, which is happiness. People should thus work for happiness and not for money.

Mr Roland Zirzow gave feedback about his personnel management courses. This involves the management of workers, disciplinary procedures and dispute resolution. He cautions that workers from the streets should not be appointed without a proper interview and relevant reference checks.

# AGRONOMY PRODUCERS ASSOCIATION



Chairperson: Gernot Eggert

## General overview of agronomic sector

Namibian agronomy poses great challenges to producers due to sporadic rainfall patterns that have had a severe impact on dryland production and the Hardap Irrigation Scheme. During 2019-2020 the pattern started off similar to the previous year with little to no rain, but it took a massive turn for the better and although late, good rains were received throughout the various production areas.

The sector also faces other challenges, such as high temperatures, late rains and both strong and light rain showers, which are becoming more and more prevalent. Producers around the world, including Namibia, are forced to learn to adapt to climate change. The most important and biggest challenge for agronomic producers, dryland and irrigation, is to continue to nurture the soil through drought and dry years. The greatest lesson to be learnt from conservation agriculture or minimum tillage is the importance of maintaining soil cover and organic matter in the soil. On the other hand, the sector presents an opportunity for producers to diversify into planting other varieties of crops. Thorough discussions and investment in research in these areas have commenced to determine feasibility.

The industry must continue to ensure that a stable and sustainable price is passed on to the producer timeously as stipulated in the marketing agreement. At the same time the marketing environment for millers must be acceptable, equal and fair. The current protection for both producers and millers is the only support tool to safeguard primary production, as well as to ensure that our millers maintain a competitive advantage with maize meal finished products. It is therefore essential to note that the current relationship between the different stakeholders in the value chain is sustained to safeguard the agronomic industry. To this end, APA expresses its gratitude to the Namibia Agronomic Board (NAB), Ministry of Agriculture Water and Land Reform (MAWLR) as well as the government in general for their coordinated and constructive efforts to render the agronomic industry sustainable.

## Performance: April 2019 to March 2020

### White maize

White maize is one of Namibia's staple food crops for human consumption. The total domestic demand for currently stands at 150 000 tonnes per annum, which is equivalent to an average domestic demand of 12 500 tonnes per month. White maize is currently produced

in six production areas namely, Zambezi, Kavango, North-Central, Karst (maize triangle), Central and South (Hardap). It relies on both rain and irrigation and is mainly cultivated seasonally from October to December and harvested from April to October.

Table 1: Statistics on planted hectares and harvested (April 2019 to December 2020)

White maize	Planted hectares (ha)		Harvested (tonnes)		
	Dryland	Irrigation	Dryland (3%)	Irrigation (97%)	Total
Zambezi	3 000	*	76	*	76
Kavango	*	1 890	*	11 427	11 427
North-Central	*	296	*	1 552	1 552
Karst (maize triangle & vicinity)	7 332	1 895	717	9 822	10 539
Central	1 089	419	94	3 422	3 516
South (Hardap & vicinity)	*	204	*	1 679	1 679
<b>Total</b>	<b>11 421</b>	<b>4 704</b>	<b>887</b>	<b>27 902</b>	<b>28 789</b>

Source: Namibia Agronomic Board

\* equivalent to 0

Table 1 indicates that the biggest area of white maize cultivated under rainfed conditions was planted in the Karst area (7 332 ha), followed by Zambezi (3 000 ha) and Central (1 089 ha). Irrigation in the Karst (1 895 ha) is the biggest, followed by Kavango (1 890 ha), Central (419 ha) North Central (296 ha) and South (Hardap 204 ha).

The 2019-2020 marketing season officially began in May and ended September 2019, however local maize delivery ended December 2019. The projected white maize harvest for 2019-2020 was 30 899 tonnes, however only 28 789 tonnes were marketed with a shortfall of 2 110 tonnes during the period of April to December 2019 (see Table 1 above). The marketed tonnes increased slightly to 28 887 (see figure 1 on the next page) with the intake of local maize in the months of January to March during 2020.

### Wheat

Wheat is a cereal grain crop and only produced under irrigation in Namibia. The total domestic demand for wheat stands at 188 824 tonnes per annum, which is equivalent to an average domestic demand of 9 902 tonnes per month. Wheat is planted during winter time (May to end July) and harvested from October to December each year. It is produced in six production areas namely Zambezi, Kavango, North-Central, Karst (maize triangle), Central and South (Hardap). The official marketing season of wheat starts from November to January each year. For the financial year 2019-2020, local wheat was harvested and marketed during the period April 2019 to March 2020.

For the 2019-2020 marketing season the total hectares planted were 1 011 with a projected harvest of 4 849 tonnes. Only 4 466 tonnes were marketed to millers. Figure 1 depicts a

Table 2: Statistics on planted hectares and harvested (2019-2020)

Wheat	Planted (hectares)	Harvested (tonnes)
Zambezi	*	*
Kavango	583	2 025
North-Central	*	*
Karst (maize triangle & vicinity)	123	206
Central	10	*
South (Hardap & vicinity)	295	2 235
<b>Total</b>	<b>1 011</b>	<b>4 466</b>

Source: Namibia Agronomic Board

\* Equivalent to 0

comparison between white maize and wheat, imports and the tonnage for 2019-2020.

## White maize and wheat 2020-2021: Planted hectares, projection and marketed tonnage (April - June 2020)

The year 2020-2021 started off with low rainfall patterns, but good rains were received over the large dryland production areas later in the year. However, for the south, low rainfall impacted the water levels of the Hardap Dam negatively, which resulted in non-plantation of white maize, hence only wheat is expected from the south for the 2020-2021 marketing season.

The total planted hectares for white maize is 15 095 ha for dryland and 3 241 ha for irrigation, with a projected total harvest of 64 039 tonnes. From April to June 2020, a total of 30 217 tonnes amounting to 47% was marketed, leaving only 33 822 tonnes which is 53% yet to be marketed for the rest of the year as seen in figure 2.

A total of 12 251 tonnes of wheat is projected to be harvested from 2 068 ha planted in the four production areas as indicated in Table 3.

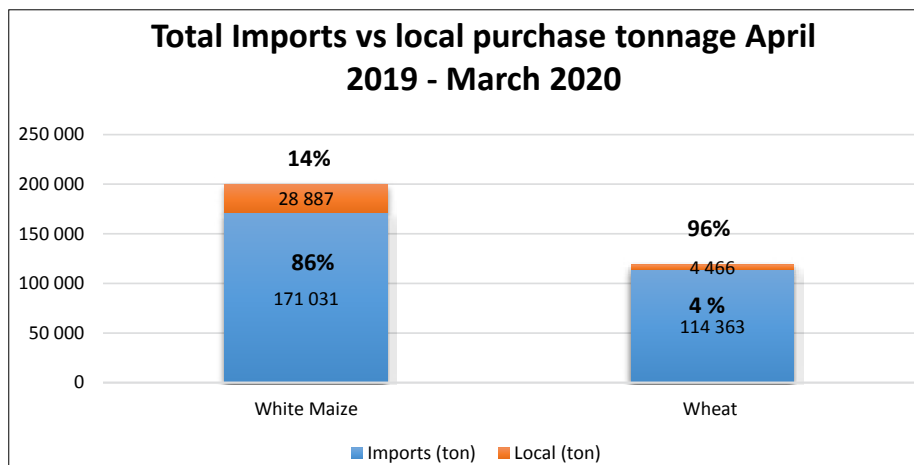


Figure 1: White maize and wheat monthly import vs local tonnage (April 2019 - March 2020)  
Source: Namibia Agronomic Board

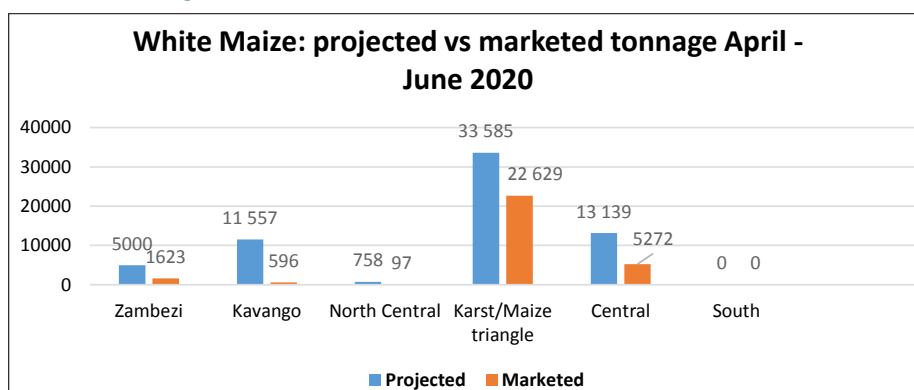


Figure 2: White Maize projected vs marketed tonnage April 2020– March 2020  
Source: Namibia Agronomic Board

Table 3: Statistics on planted hectares and projected harvested (2020-2021)

Wheat	Planted (hectares)	Projected harvest (tonnes)
Zambezi	*	*
Kavango	758	4 366
North-Central	*	*
Karst (maize triangle & vicinity)	80	535
Central	30	150
South (Hardap & vicinity)	1 200	7 200
<b>Total</b>	<b>2 068</b>	<b>12 251</b>

Source: Namibia Agronomic Board

\* Equivalent to 0

### Groundnuts

Over the past nine years, groundnut planting commenced, with a stable market and predetermined price before marketing season. The 2019-2020 planting had to be carefully planned taking into consideration the drought. The year was characterised by low rainfall figures, which had a negative impact on pricing. Regardless of circumstances, producers were keen and took the risk to plant, fortunately normal to above normal crops with good gradings were harvested. About 450 ha were planted and approximately 500 tonnes of groundnuts were harvested. With an expectation of better years ahead, groundnut producers are confident that more hectares will be planted.

### Strategic planning

The following key functions were identified as critical focus tools to drive the sustainability in the agronomic sector. These points are included as agenda points for the APA to attend to on a continuous basis. The following are developments under each key point during the period under review:

### Marketing environment

The NAB resolved to terminate the Agro-Marketing and Trade Agency (AMTA) appointment as one of its agents in 2019. The board finalised the termination with cabinet approval and the process was completed by April 2020.

The functions carried out by AMTA have been returned to the NAB.

AMTA will continue to operate as a commercial entity as classified by the Public Enterprises Governance Act, Act 1 of 2019.

The NAB remains non-commercial and will continue to report to the line Ministry of Agriculture, Water and Land Reform (MAWLR).

### Affecting policy environment

The NAB is currently drafting a national drought support programme for surplus rainfed grain production. Although, surplus rainfed grain producers contribute 50% of the

total production in the country, producers frequently find themselves in an unfortunate financial position and are unable to replant at full capacity after disastrous droughts, hence the policy is a government tool geared towards supporting surplus rainfed grain producers after a drought year.

### Research, information

The NAB has extensively engaged with UNAM, which led to a memorandum of agreement signed to embark on agronomic research, aimed at improving the industry.

Research will focus on different types of seeds, breeding and production.

The NAB is keen to engage seed suppliers.

### Management

GH Eggert	Chairperson (Otavi, Rietfontein, Kombot)
D de Klerk	Vice-chairperson (Hardap)
JJ Blaauw	East
D Kok	Maroelaboom
JN Malan, Mr GP Engelbrecht	Grootfontein
G Sievers	Tsumeb, Abenab

### Financial position

The APA financial position for 2019-2020 closed with a surplus of N\$349 486.

### Project funding by the Namibia Agronomic Board (NAB)

Project funding by the NAB to organisations, financially supported by the government, is based on applications for projects in the agriculture sector that benefit the broader agricultural community and more specifically, the agronomic industry. The APA applies annually to the Namibian Agronomic Board for funding for various projects. This funding is utilised for research, study tours and information sessions among many other relevant activities that are mainly geared towards creating sustainability and growth in the agronomic sector. The remaining funds from the 2017-2018 project funding will be utilised to fund the GMO project with the approval of the NAB. With regards to the 2018-2019 project funding, APA is investigating the possibility of funding trials for alternative crops. The 2019-2020 project funding application is still pending approval by the MAWLR.

### Genetically modified maize (GMO)

Geo Pollution Technologies, on behalf of members of the Agronomic Producers Association (APA), applied for an environmental clearance certificate (ECC) from the Ministry of Environment, Forestry and Tourism (MEFT) for the environmental release of genetically modified maize (GM maize) in Namibia. To apply for the certificate, MEFT requested that a strategic environmental assessment (SEA) and strategic environmental management plan (SEMP) be

## AGRONOMY PRODUCERS ORGANISATION continued ...

prepared and submitted to the Department of Environmental Affairs. SEAs are strategic level, systematic decision supporting processes, aimed at ensuring that environmental and possibly other sustainability aspects are considered effectively in policy, planning and programme development initiatives. This enables decision makers and stakeholders to make informed decisions regarding policies, plans and programmes by providing a strategic framework for the future planning and implementation of such initiatives. The accompanying SEMP provides a framework for improvement to promote the positive impact of such policies, plans and programmes, while simultaneously providing preventative or mitigating action for any potentially negative effects they may have. As part of the SEA process, a public participation process was conducted by Geo Pollution Technologies, which included a public meeting held on the 3<sup>rd</sup> of December 2019 in Grootfontein. Public participation was a compulsory step in the SEA process required to receive input and/or objections from those who will potentially be affected, if in this case, GM maize cultivation is permitted.

The completed SEA and SEMP reports were reviewed by APA in February of 2020. The report was circulated to all parties registered for the SEA process, including the NAB, among many others, before submission to the Department of Environmental Affairs. Environmental clearance for certain projects is required

and administered by the MEFT under the Environmental Management Act 7 of 2007. In turn, the mandate to permit the release of genetically modified organisms (i.e. cultivation of GM maize) is currently with the Bio-Safety Council and is administered under the Bio-Safety Act 6 of 2006. The custodian of the act is the National Commission of Research Science & Technology (NCRST) at the Ministry of Higher Education, Training and Innovation.

As from June 2020, the application for environmental clearance has been under review at the MEFT and no decision has been reached by the ministry as yet. Once an ECC is issued, an application will be lodged with the Bio-Safety Council for the necessary permits to allow the cultivation of selected GM maize strains in Namibia.

### Stakeholder engagements

#### National Agronomy Advisory Committee (NAAC)

The APA is serving as a member of the combined advisory committee consisting of the National White Maize and Wheat Advisory Committee (NMWAC) and the National Mahangu Advisory Committee (NMAC), now known as the National Agronomy Advisory Committee (NAAC), which is administered by the Namibia Agronomic Board (NAB).

Since the amalgamation four meetings have taken place, two each in February and July 2020. Various discussions took place to iden-

tify challenges facing the industry and how the NAB can best service the industry. A key aspect that emanated from the meetings is the establishment of a technical working group (TWG) to look into the development of the national drought support programme for surplus rainfed grain production.

The TWG acknowledged that surplus rainfed producers contribute 50% of total production in the country, therefore it is important to develop a policy geared to support these producers after disastrous years. The producers always find themselves in an unfortunate financial position and are unable to replant at full capacity after a drought year. The policy is currently being drafted by the Namibia Agronomic Board (NAB). We are positive that if the plan is realised, self-sufficiency in Namibia with respect to white maize and mahangu can be achieved within a few years.

#### Namibia Agronomic Board

The Ministry of Agriculture Water and Land Reform through the minister's office, extended the term of office of the current NAB board members from June 2020. The current board members whose three-year tenure came to an end on July 3, 2020, was extended retrospectively for the period of three months, ending September 3, 2020, or until such a time as the minister appoints a new board. The appointment of new board members will be done in accordance with section 8 of the PEGA (Public Enterprises Governance Act), no. 1 of 2019.

## DAIRY PRODUCERS ASSOCIATION (DPA)

The Namibian dairy industry is of strategic importance to food security, nutrition and local agro-processing. Apart from the potential benefits of food and nutrition, it provides supplementary income and productive employment to numerous families. The period under review has not been one of the easiest. The dairy industry found itself in the middle of a severe crisis caused by external factors such as competition with cheaper imports, increasing fodder costs, recurring droughts, low water levels at the Hardap Dam caused by poor rainfall, as well as accompanying pooreconomic conditions.

The crisis is beyond control of the local industry and as a result, dairy farmers are exiting the industry at an alarming rate. As a result, milk production has decreased and low supply to the processor has reached critical levels. Moreover, unfair import competition places the processor, Namibia Dairies,

in such a weak financial position that the producer price could not be significantly adjusted in line with drastic fodder price hikes. As such producers only received a 10c increase per litre in the period under review.

Over the years the dairy industry has been limping. However, through the collective and collaborative efforts of stakeholders, the sector nevertheless strives to remain relevant and to push for survival. On a positive note, there has been good progress regarding the control of dairy imports and exports through the Dairy Product Substitutes Bill, 2020. This legislation was passed by the National Assembly in March 2020 and thereafter by the National Council with amendments made in June. The DPA is confident that it will be finalised soon.

### Performance (July 2019 - June 2020)

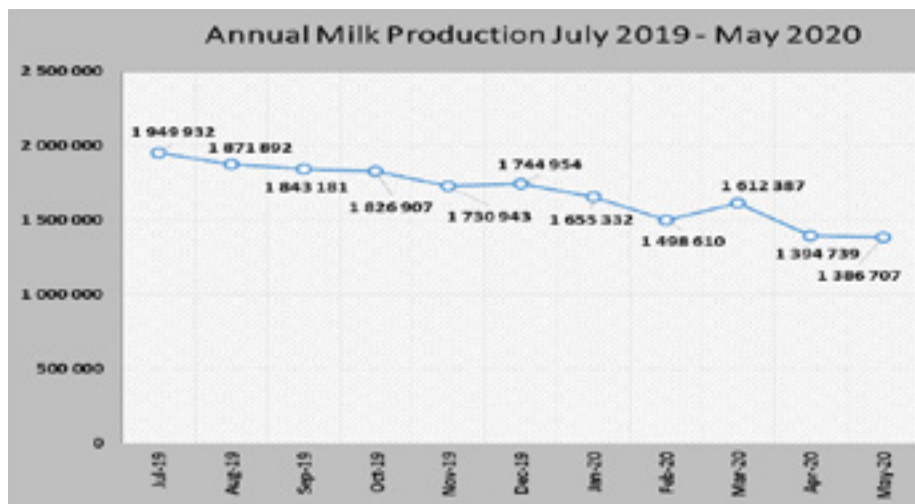
The Hardap Irrigation Scheme currently produces approximately 80% of Namibia's formal milk production. With some rain received at



Chairperson: BF Adriaanse



Figure 1: Annual Milk Production July 2019 – May 2020



the beginning of 2020 the Hardap Dam filled to a minimum capacity of 40%. Fodder planting only took place in April with the harvest expected in October. Subsequently, Hardap producers need to import more fodder for the remaining part of 2020. The dairy sector is cost intensive with 71% of the production costs going to feed, which is significant. Comparing the 2018 4<sup>th</sup> quarter to the 2019 4<sup>th</sup> quarter, feed costs increased by approximately 13%. Overall, total expenses increased by 8.6% YOY, while the farm gate price of raw milk only improved by 3.7% YOY. In this scenario, the total expenses remain higher than the income accrued. As a result of these different aspects, it is inevitable that raw milk volumes decreased (see Figure 1)

### Direct impact of Covid-19 pandemic

Numerous challenges have caused milk production to decline over the past year as indicated in Figure 1, although the drastic decline depicted in the month of April can be attributed directly to the impact of Covid-19. Most dairy farmers have been using brewer's grain, which is a by-product of beer brewing sourced from Namibia Breweries to reduce and control feed costs. However, as a result of the state of emergency declaration due

to the Covid-19 pandemic that prohibited the sale of alcohol, brewer's grain has been scarce and at times unavailable. This contributed to the high feed costs and reduced milk production, forcing farmers to change dairy rations. The overall impact is evident from the 20% decline in milk production. When comparing April 2019 to April 2020, milk production decreased from 1 750 883 to 1 394 739 litres. Further evidence of the decline in dairy production can be seen by comparing May 2019 to May 2020, indicating a 23% production decrease illustrated in Figure 2.

### Management

Mr BF Adriaanse	Mariental (chairperson)
Mr DJJ van Wyk	East (vice-chairperson)
Mr CW Strydom	East
Mr B Britz	Mariental

According to our constitution, the current management still has one more year to lead and confirmed their availability, hence an election for new management will not be necessary.

### Financial position

The DPA financial position for financial year 2019-2020 closed with a surplus of N\$42 145.00.

### Milk price

According to the processor, its financial position did not allow a significant price increase, hence producers only received a 10c per litre increase over the period under review.

### Milk quota

The internal DPA milk quota functioned well, and producers were timeously informed of their individual quotas by Namibia Dairies. The current agreement of one million litres with the national processor will be reviewed in July 2020.

### Stakeholder engagements

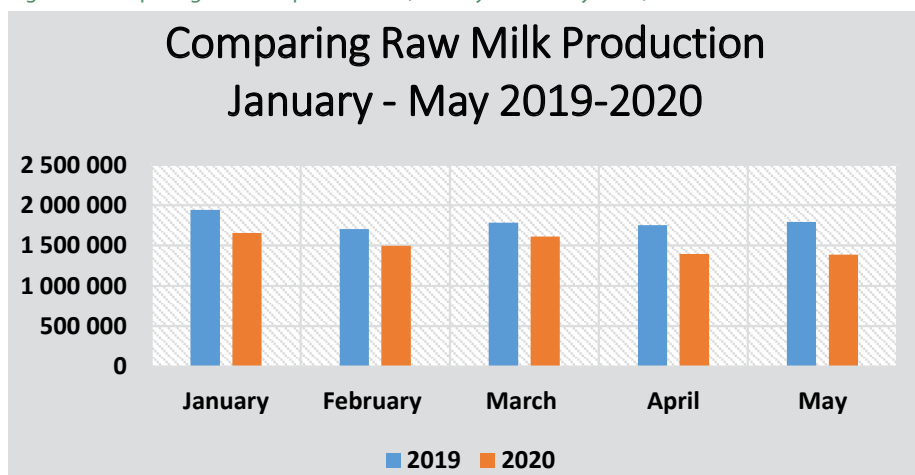
An industry engagement meeting took place on the 13<sup>th</sup> of February 2020, at Xain Quaz in Gobabis. The meeting was attended by producers and Namibia Dairies. The objective was to look at possibilities for reviving the industry, the regulatory environment and the vision of Namibia Dairies. The meeting resolved that an audience be sought with the Honourable Minister of Agriculture, Water and Forestry, now Ministry of Agriculture, Water and Land Reform. The dairy industry thus took the initiative and arranged a meeting with the minister to discuss the dire situation the industry currently faces. The meeting took place on the 20<sup>th</sup> of February 2020 and subsequent dialogue covered the following agenda items:

- The DPA and Namibia Dairies informed the minister about the dire situation of the dairy industry due to the severe drought, the depletion of the Hardap Dam, high feeding costs and declining raw milk production.
- The production costs in the RSA compared to Namibia.
- The import of cheap milk.
- The use of hormones in milking cows in other countries and non-labelling of such information on packaging of such imported products.
- Milk production from by-products (whey) such as Clover Numel.
- Subsidies on dairy products in Namibia vis-a-vis other countries.
- The industry expressed the possible consequences, which could lead to possible cuts in the labour force and closing UHT production if the situation persists.

The dairy industry further submitted the following proposals to the ministry as possible government interventions to save the total collapse of the industry:

**The need for government subsidies (short-term intervention):** N\$2 per litre of raw milk subsidies to registered milk producers is necessary to cover increased fodder costs. The country's major challenge is the high cost of fodder, which affects the competitiveness of final products negatively. Feeding costs vary between 70% and 80% of production costs, which is significant. Subsidies will help producers to keep on producing.

Figure 2: Comparing raw milk production (January 2019 - May 2020)





Namibia's extensive dairy farmer of the year, Christo Lottering (second from left) and his wife, Monica. With them are the NAU's Harald Marggraff and the head of Namibia Dairies, Gunther Ling during the award ceremony to hand over the winner's cheque and trophy. Christo told Agriforum that the honour was due to his dedicated workers and "grace from above." He admitted that he personally kept a strict eye on hygiene and health standards. The dairy makes up about one third of the activities on his farm Volstruiswerf about 140 km north east of Gobabis. A Beef-master herd takes up the rest.

Christo Strydom (second from left) is Namibia's intensive dairy farmer of the year. He is the only surviving intensive dairy producer in eastern Namibia. With him is his wife, Gadi, together with Harald Marggraff (far right) of the NAU and Gunther Ling of Namibia Dairies. This was the second consecutive year that Christo won this award. According to him the key to his success is dedication to rising early every day and spending long hours in the milking stalls. His farm Volmoed Noord is about 90 km north east of Gobabis. He has been milking since he was eleven years old.



Dirk van Wyk and his daughter René with the Japie Engelbrecht trophy for the best milk quality. Japie (second from right), retired producer and former DPU chairman, initiated the trophy. This was the fourth year that it was awarded. On the far right is Hellmut Kries, DeLaval representative in Namibia, who sponsored products to the value of \$7 500 as part of the prize. On the far left is the Namibia Agricultural Union's manager of industries, Harald Marggraff. Dirk also won the award for the lowest bacteria count and second prize for extensive dairy farming. He said the key to his success is "dedication to management". "You need to fol-

low a certain path to give your best", he told *Agriforum*. The farming activities on his farm Mombolo, 80 km north east of Gobabis consist of one third each between dairy production, charcoal production and the sale of weaners.



Pieter van Wyk (middle) shows off the framed certificate for best volume estimation on behalf of Namibia Dairies' |Aimab super farm. On the right is his senior colleague, Gunther Ling, with the winner's cheque. The NAU's manager of industries, Harald Marggraff officiated at the presentation.

**Passing and implementation of the bill to control imported and exported dairy products and approval of the regulations thereof (long-term intervention):** A dire need persists to fast-track passing the Control of the Importation and Exportation of Dairy Products and Dairy Product Substitutes Bill, 2020, as well as to formulate regulations to restore trust among industry stakeholders.

In conclusion, the minister expressed his sentiments regarding the crisis, indicating that there is indeed a need for urgent action. He further indicated that the acute water situation is a government priority among many others and that the cabinet committee on water supply is hard at work to find workable remedies. The minister indicated that the dairy industry appeal to request emergency intervention from the government is well received. He will internalise the appeal after which it will be tabled with the relevant authorities. The minister further stressed that the bill is essential and must be approved. The ministry will furthermore initiate a stakeholder workshop to discuss the bill's accompanying regulations.

During the period under review, the DPA engaged with Feedmaster, the Agricultural Trade Forum (ATF), the Namibian Competition Commission (NaCC) and Namibia Trade Forum (NTF).

### Dairy Producer of the Year

The awards took place during a gala dinner hosted by the chairperson at Kachas Farm in Mariental on July 16, 2019. The winners were as follows:

#### Intensive Dairy Producer of the Year:

First Mr DW Strydom, second Mr CJ Aggenbach, third Mr P Menne

#### The Extensive Dairy Producer of the Year:

First Mr BC Lottering, second Mr DJJ van Wyk, third Mr HC van Niekerk

#### Lowest bacterial count:

Mr DJJ van Wyk

#### Japie Engelbrecht Floating Trophy for the best quality milk:

Mr DJJ van Wyk

The sponsors who made the event possible were Feedmaster, Namibia Dairies, Polyoak Packaging, DeLaval and Kaap Agri Namibia. We extend our sincere gratitude for their continued support to the DPA over the years.

Unfortunately, due to Covid-19 and resulting uncertainty, the DPA management meeting of May 13, 2020, took a decision to not host its awards event in 2020. There were various reasons for the decision, one being to relieve sponsors from their usual loyal support, be it in kind or financially, during such a challenging year. Our sponsors were notified of

the above-mentioned decision and the DPA expressed its sincere gratitude to the various institutions for their continued support to the DPA over the years. Despite the challenges, the DPA remains positive and looks forward to conducting business as usual in 2021 when the pandemic storm has calmed.

### Application for the dairy voluntary local sourcing scheme

The dairy industry has applied to the NaCC for approval of the dairy voluntary local sourcing scheme, which the NTF spearheaded. The NaCC gazette a notice to call for objections or input on the March 16, 2020, which was due

on the 30<sup>th</sup> April 2020. As from June 2, 2020, the NTF indicated that “the NaCC received final reply to the Government Gazette notice of March 16, 2020. The commission is currently assessing all information received and will soon revert to the NTF and other relevant stakeholders with respect to any additional information that may be required because of public submissions that were received.”

### Goodwill project

At a DPA members meeting in July 2016, producers committed themselves to supporting the government’s food bank initiative. However, due to the government project taking too long to get off the ground, producers decided to start their own charity project in the

interim. It was decided to identify organisations in need, in and around the Windhoek area, and to donate 0.5 litres per 1 000 litres of milk produced to such organisations. Namibia Dairies provided a great deal of support to the project by processing the milk at their cost and making it available in one litre UHT packaging units. Donations kicked off in September 2018 and a total of 14 081.87 litres of UHT milk was provided to beneficiaries over a 23-month period. The project was interrupted in December 2019 after Namibia Dairies experienced a serious break in its UHT machines, which resulted in a UHT milk shortage for a while. The UHT problem, the ongoing drought, poor economic conditions and the crisis in the dairy industry, forced management to halt the project until conditions improve.

# POULTRY PRODUCERS ASSOCIATION

### Chairperson’s report

The Poultry Producers Association (PPA) would like to thank all stakeholders in the industry for their cooperation in achieving high levels of local production and growth in the industry, regardless of the predicaments the industry faces. Challenges are not only experienced on an international level, but also locally. The PPA is still battling with the dumping of chicken meat from international chicken production giants such as Brazil, Europe and the USA. However, progress was made during 2019 through collaboration with the Ministry of Trade and Industrialisation and other stakeholders to increase import levies.

We do however need to keep up the good work by promoting biosecurity, which is extremely critical for the poultry industry. It is furthermore important to note that effective communication between stakeholders re-

garding vaccinations and medicine need to be strengthened in the wake of outbreaks of infectious laryngotracheitis (ILT) that is new to Namibia. This caused severe damage to a significant number of commercial farmers and continues to be a problem.

The egg industry experienced a good start in 2019 after recovery from the South African bird flu pandemic when business reverted to what could be termed as normal. However, local feed prices remain a challenge as Southern Africa had under-average rainfall, which caused prices to increase on the stock market.



Chairperson: R Werner

### Estimated statistics for the poultry industry (2019)

Eggs	Total
Average producing chicken (commercial) - lay hens	300 000
Day-old chicken imported - included commercial and SMEs	260 000
Point-of-lay chicken imported from SA (commercial)	5 000
Eggs produced	109 million
Meat	Total
Total live weight produced	27 412.31 tonnes
Day-old chicken sold	548 575





  
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