

THE MAHANGU MARKETING INTELLIGENCE UNIT

The Mahangu marketing intelligence unit or MMIU, as it is known, is a Government of Namibia funded body to monitor and facilitate the marketing of the staple crop of the Northern Regions, mahangu. It has been in operation for the last 16 months and is situated in Oshakati. The Namibian Agronomic Board is tasked by the Directorate of Planning of the Ministry of Agriculture, Water and Rural Development to physically administer the activities of this intelligence unit. The Manager of the Namibian Agronomic Board is the chairman of the steering committee for the MMIU. This steering committee represents a broad cross section of the mahangu producers, NGO officials and Government representatives and serves as an important policy forming instrument for the Ministry. The steering committee meets three to four times a year in Oshakati. Its main function is to merge the activities of the MMIU secretariat to the changing need of mahangu marketing.

The MMIU secretariat consists of a leader, an assistant leader and a secretary. Its offices are situated in the building of the Namibia Development Trust in the Oshakati main road. The unit maintains constant communication with the Regional Governors, traditional leaders, local Co-operatives, Non Governmental Organisations, emerging mahangu processors and mahangu producers on village level. As the market for mahangu is mostly informal and on village level, formal communication methods are not always sufficient and personal contacts are of an utmost importance. Due to the sheer number of mahangu producers, who are more than 120 000 in number, and the vastness of the area to be covered, it is not an easy task to maintain this contact at all times and this fact has given rise to criticism from all sides to the activities of the unit. Consequently, an outside consultancy has been appointed by the ministry to redefine the tasks and the future activities of the Mahangu Marketing Intelligence Unit. The findings of this consultancy are expected to be published towards the end of 1997 and will help the steering committee to redefine the role and function of the MMIU. In the latter half of the reporting period the activities of the MMIU have concentrated more and more on the explanations of market distortions and the phasing - in of a liberalised market for agricultural products in Namibia. Due to Government drought aid measures, the mahangu market has not always been market orientated at all and unrealistic price expectations have been created by producers. It is difficult to counteract these market uncertainties and it can be stated that mainly due to the untiring efforts of the team, a new market realisation has been created and is this gradually accepted by the producers.

The secretariat of the Namibian Agronomic Board is directly involved in the management of the office of the MMIU. Financial management of the unit is seated in the Board's offices in Windhoek. The manager of the Board tries to visit the Oshakati office once a month and furthermore keeps close contact with the team leader in Oshakati. The secretariat manages the steering committee meetings and acts as a link between the Directorate of Planning and the MMIU.

The involvement of the Namibian Agronomic Board through the Mahangu Marketing Intelligence Unit in the process of the commercialisation of mahangu trade is seen as an important development task. The economic well-being of the rural population of the

Northern crop growing areas will to a great extent depend on the market possibilities that can be created for their produce.

Markets are mostly informal and on village or household level only. Traditionally, especially mahangu is seen as a crop that is not really sold but either given or lent to needy neighbours or friends. As in the past survival often solely depended on the availability of mahangu, it is treated traditionally with great respect and is seen not as a commodity to be traded lightly. It has to be seen whether these traditionally rooted perceptions should and can be overcome by modern and westernised commercial thinking. In times of real need mahangu will still be the backbone of survival in the Northern areas of Namibia and should also in the future be treated with the respect it deserves.

A partial solution to bridge the discrepancy between traditional values and modern marketing philosophy is the creation of a mahangu processing industry. The processing of mahangu on household level is a strenuous and time consuming task. Especially in the villages and towns, where everybody in the household is either a breadwinner or goes to school, it is very difficult to find the time and energy to prepare mahangu in the traditional way. Therefore, although mahangu is still the preferred staple food, townspeople are switching more and more to more convenient staple food, which is readily available in the shops, such as bread, pasta and rice.

Mahangu, however, can be processed in an acceptable manner. The technology is available, mostly from Zimbabwe and a market exists, if the price of commercially produced mahangu meal is in line with the price of comparable staple foods, such as maize meal.

The MMIU took the initiative to convince some businessmen in the North to start processing mahangu. One mill is operational already with an output of about 1 200 kg of mahangu flour per hour and three other mills are either on order or in the process of erection. Especially the team leader of the MMIU, Mr. P. Iipinge, took the lead in this development which can be economically feasible if it is properly managed with an acceptable flour quality.

In conclusion, it will become more and more important not only to stimulate agricultural production in the Northern crop producing areas, but also to facilitate and develop marketing actions, which are in line with standards set down by international bodies but also benefit the rural community. The MMIU can play an even greater part in marketing development in the future.

Regional and International Trade Relations

The Agricultural Trade Forum:

The Agricultural Trade Forum (ATF) operates as an association not for gain since November 2003. This forum has established itself during the last year to address all trade issues of the agricultural sector. The agricultural sector of Namibia has decided to use the ATF as the single desk to address trade issues in relations with and inputs to the line Ministries of Agriculture, Water and Forestry and the Ministry of Trade and Industry. In the year under review, the budget of the trade advisor has been financed by the Marketing Boards, while the operational budget of the ATF is financed by member contributions. Currently the ATF has 12 paid up members, including the NNFU and NAU as producer representatives.

Activities of the Agricultural Trade Forum:

The regular activities of the ATF included attendance at trade meetings, preparation of trade policy briefs and general support to the trade negotiations that are conducted by the Ministry of Agriculture, Water and Rural Development and the Ministry of Trade and Industry. Six ordinary ATF meetings were held during the year with briefing papers for the members of the ATF and discussions of relevant trade issues. Requests by the agricultural sector regarding trade issues were partly resolved and feed back was given to members on these issues.

The Agricultural Trade Forum successfully held four public dialogue meetings on trade issues during the year. These breakfast meetings were generally attended by more than 40 participants, including Members of Parliament and the Diplomatic Corps as well as officials from Ministries and members of the business community. These meetings are sponsored by the Friedrich Ebert Stiftung.

The Southern African Customs Union (SACU):

The “2002 “ SACU agreement is still in a process of implementation. This period between the two agreements, the 1069 and the 2002 SACU Agreements, makes the negotiation process extremely complex and a functioning secretariat with the necessary powers as conferred on it in the 2002 agreement will greatly be benefiting trade between the SACU member countries: Botswana, Lesotho, Namibia South Africa and Swaziland. The SACU Agreement remains the most important trade agreement for Namibia. As a custom union, the member countries are compelled by a common external tariff and the tariff sharing formula to liberalise trade between themselves. This is not always readily achievable, as the different level of development of member countries and the advantage of the South African production and processing industries have to be addressed in an equitable way and without large barriers to trade. Favourable terms of trade for development of the primary and secondary agricultural industry in Namibia still exist and should be maintained as long as possible.

Sectoral development strategies for the wheat and dairy sector have been discussed at SACU level and the agricultural sector has been spearheading the development of an annex to article 41 of the 2002 SACU agreement to address “unfair trade practices” in intra SACU trade. This will give the new SACU Agreement one of the instruments to address the different levels of development inside the SACU.

The trade negotiations with the European Union (the Economic Partnership Agreement [EPA] negotiation process):

The re-negotiation of the Cotonou Agreement, that is important for the export of meat and table grapes to the European Union, started on 10 July 2004 in Windhoek for the 7 SADC EPA member countries, Angola, Botswana, Lesotho, Mozambique, Namibia, Tanzania and Swaziland. The ATF and Namibian Manufacturers Association, on behalf of all their members, at this occasion, issued a press release, raising Namibia’s concerns regarding the process and the composition of the SADC - EPA. Reports and comments on this press release were noted from countries as far as New Zealand. Technical discussions between the SADC - EPA and the European Commission, negotiating on behalf of the European Union, have started in the end of 2004 and are continuing.

The SACU Free Trade Agreement negotiations:

The SACU, under the leadership of South Africa, negotiates Free Trade Agreements with the USA, and the European Free Trade Area (EFTA). Negotiations between the SACU and the Mercosur group of South American countries have been temporarily finalised with the signing of a preferential trade agreement in November 2004. For these negotiations, which are important to the agricultural sector of Namibia, harmonised negotiation positions have to be prepared by all SACU member countries. This contributes to the coherence of the SACU agricultural policy but can also water down the ambitions of Namibian agricultural trade interests.

Zoo-sanitary and phytosanitary issues:

Exports of agricultural commodities are more and more restricted by animal health and welfare regulations as well as plant protection measures by the importing countries. In the animal sector, regulations imposed by the European Union on traceability and animal welfare concerns have an effect on the cost of production by small-scale and commercial farmers. Stringent plant protection regulations by the USA have, up to now, prohibited the export of table grapes to this country. Although an exporting country, in principle, has to comply with animal health and food safety regulations by the importing country, these measures places a heavy burden on Namibian primary and secondary producers of agricultural exports and constant negotiations are necessary to address these issues that can be described as technical barriers to trade.

A word of thanks:

Excellent relationships were maintained between the ATF and the Ministry of Agriculture, Water and Forestry as well as with the Ministry of Trade and Industry, as the lead Ministry in all trade related issues. Here, grateful thanks are extended to the Director of International Trade in the Ministry of Trade and Industry, Ms. A. Mwanyangapo, and the Deputy Director, Mr. W. Nekwiyu, for taking on board the concerns and aspirations of agricultural trade in international negotiations. A special word of thanks is extended to Mr. B. Rothkegel, Director of Planning in the Ministry of Agriculture, Water and Forestry and to the chief agricultural negotiator, Mr. Anton Faul. Without their constant attention to the needs of the agronomic industry in a liberalised trade environment, further development of the important agricultural sector of Namibia will not be possible.

J.A.H. Hoffmann,
Trade Advisor,
Agricultural Trade Forum.

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Conclusion:

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1. CHAIRMAN'S REPORT

The Agronomic Board faced many challenges during the past year. I would like to mention a few.

During the year under review, the rains were late, but producers who could plant early enough made a reasonable harvest. Profits this year were exceptional because the maize prize almost doubled. This was due to a relatively small maize harvest in South Africa which pushed the price up to import parity. The rand depreciated during the year which supported the price even more. Although this was bad news for consumers, it made grain production profitable again. In the long run, this sharp variation in prices is not beneficial for the industry as a whole and a mechanism should be found to support more stable prices.

With the initial financial support from the government, the National Horticultural Development Initiative (NHDI) got off the ground. Its aim is to substitute the imports from South Africa with local products. A feasibility study on cold storage facilities and on the provision of a central market is also under way. In future, the NHDI would like to finance itself through levies collected on local production and on imports.

Another project which is keenly supported by the Agronomic Board is the Green Scheme. The idea behind this project is that the government supports commercial irrigation schemes by way of subsidies and soft loans. The scheme has to support and educate a number of small irrigation farmers, who then learn to become commercial farmers. The NHDI could play a vital role in assisting with production planning and the marketing of horticultural products.

The Agronomic Board has an important role to play in these projects in the future, which could result in self-sufficiency in maize, wheat, fruit and vegetable production.

The Agronomic Board also manages various other projects in communal areas, like the promotion of mahangu production (through the MMIU), the processing of indigenous fruits (through the IPTT), the Integrated Grain Storage (CRISP), the wild silk industry, cotton (Cotton Task Team), EU Micro-projects and tractor training (through the ARP), to name a few.

The USA donated 20 000 tons of wheat to Namibia. The Namibian government wanted the Agronomic Board to monetise this. The first two shipments (ca 10 000 tons) arrived during this financial year, and the monetisation process was handled effectively and transparently.

I would like to thank the Honourable Minister of Agriculture, Water and Rural Development for creating a conducive environment and my fellow Board members for guiding and assisting the secretariat to fulfill its tasks.

Georg Sievers
Chairman

2. CEO'S REPORT

As hinted at in the previous annual report the incorporation of the horticulture/fresh produce leg of the agronomic industry into the responsibilities and activities of the Board has finally successfully taken place (note the emphasis on the cover page of this report). Fresh products were gazetted as "controlled crops" in terms of the Board's legislation during August 2002 together with its agreed levy structure. Although in a pilot phase of three years, this has brought about a doubling of the Board's staff and annual budget. The Board now has six regional offices (from Katima Mulilo to Mariental), which have created a number of synergies with the Board's grain and project support sector in the regions.

Indicators for progress so far include a database that shows that during the reporting period, import substitution for fresh produce increased from a low 9% to 14% (signifying a 50% increase in marketed Namibian fresh produce). All producers who planned ahead were able to sell their produce, however, there are still some unfortunate cases of temporary overproduction due to lack of planning, despite of advice received from the Board's area marketing facilitators. This caused marketing bottlenecks. The great challenge now is to facilitate the construction and management of a central Windhoek fresh produce market floor with satellite market floors in the main production areas.

Together with the MAWRD and other stakeholders, the Board is in the process of working out the policy and implementation details of the so-called Green Scheme which will potentially bring some 17 000 ha of new irrigation land under crop cultivation, mainly along the northern perennial rivers over the next five years. If successfully implemented, this will bring great opportunities and some challenges to the Namibian agronomic industry and will potentially make Namibia self-sufficient in all grains and fresh produce that are economically viable under Namibian climatic conditions. Export niche markets will have to be developed pro-actively (see also point 8.10).

The dry-land maize harvest (May – July 2002) was moderate while the import parity price from the Republic of South Africa was higher than the formula floor price, at an attractive average of N\$ 1 735.35 plus transport differential. The dry-land harvest for the coming year (May – July 2003) looks quite bleak while the formula floor price (agreed on back in December 2001 – based on the October SAFEX future price for the following July looks uniquely attractive to the producer. With the RSA Safex price having fallen by some R1 000 per ton (below production costs) over the last quarter of the reporting period, the Board will have a tough task defending this potentially huge price difference between the two countries – both against consumer perceptions as well as against potential smugglers through our borders from the RSA. The Board is likely to review this floor price formula (based on only one month in one year) to a price based on a longer period, to avoid a similarly explosive situation. This attractive maize price has continued to promote maize production under irrigation (some 25 000 tons are expected) and its rotation crop: wheat.

The mahangu harvest was also very disappointing and there is already talk of further drought relief efforts later in the year.

As far as regional and international trade relations are concerned, the Agricultural Trade Forum (ATF) has emerged as the acknowledged voice of the agricultural private sector and organised agriculture, of which the Board is a driving force.

Looking back at the project management activities, there were the following highlights:

- Grain Storage in Caprivi: three community stores (120 tons each) and a central grain store in Katima Mulilo (1 000 tons) were completed and are now awaiting a good harvest in Caprivi.
- The US government pledged to donate 20 000 tons of wheat to Namibia, half of that total has already been successfully landed and monetised by the Board. The other half will follow shortly. Of the proceeds 70% (some N\$ 30 mil) have been earmarked for AIDS projects under the Ministry of Health, while 30% will go for agricultural projects, the largest of which is meant to uplift communal area agricultural productivity through the provision of mainly draught animal agronomic implements.
- The Board is managing the Mahangu Marketing Intelligence Unit and is involved with the various task teams for mahangu & Sorghum, cotton, useful indigenous plants, wild wilk and others.

I wish to thank all Namibian producers, processors, the Honourable Minister of Agriculture, Water & Rural Development and his team, the Board members and my colleagues in the Board's secretariat for the enthusiastic support given to the agronomic industry as a whole and to me in particular in my crucial second year with the Namibian Agronomic Board.

I am looking forward to an even more dynamic and challenging new year.

Christof Brock
CEO

3. THE NAMIBIAN AGRONOMIC BOARD

The Namibian Agronomic Board is a statutory body constituted on 1 April 1985 in terms of the Agronomic Industry Proclamation, AG11 and AG12 of 1985, which was replaced by the Agronomic Industry Act (Act 20 of 1992). In terms of this Act, the fourteen Board members are appointed by the Minister of the Ministry of Agriculture, Water and Rural Development (MAWRD) from government and from various sectors of the agronomic industry. Advisors are appointed by the Board. Board members are appointed in terms of the following sections of the Act:

- Nine communal and commercial producers of controlled products (white maize wheat and horticulture): Section 4(1)(a);
- A processor of controlled crops: Section 4(1)(b);
- A trader in controlled crops: Section 4(1)(c);
- A controlled crop marketing agent: Section 4(1)(d);
- A representative of the consumers of white maize and wheat: Section 4(1)(e);
- An official employed in the Public Service: Section 4(1)(f);
- Three advisors (non-voting, appointed by the Board): Section 4(4).

3.1 Vision, mission and objectives of the Board

The Board was established in 1985 with the objective to promote the agronomic industry as a whole, especially to facilitate the production, processing and marketing of horticultural products and grains like white maize and wheat, as well as to control the import and export of these crops and the products derived therefrom as stipulated in Section 9 of the Agronomic Industry Act.

The vision of the Namibian Agronomic Board is to be a leading promoter of a vibrant agronomic industry.

The mission of the Namibian Agronomic Board is to develop and promote a sustainable and diverse Namibian agronomic industry through management, facilitation, advice and regulation.

3.2 Composition of the Namibian Agronomic Board

Voting members appointed by the Minister of MAWRD:

Mr Jochen von Maltzahn	Commercial producers' representative (Chairperson)*
Rev Ananias Iita	Communal producers' representative (Deputy Chairperson)
Mr Jan Engelbrecht	Commercial producers' representative
Mr Gernot Eggert	Commercial producers' representative
Mr Anton Faul	Government representative
Ms Rebecca Iitembu	Traders' representative
Dr Otto Kapia	Communal producers' representative
Mr Ricky Lilami	Communal producers' representative
Ms Erika Ramakhutla	Consumer representative
Mr Georg Sievers	Commercial producers' representative*
Mr Quinton van Rooyen	Processors' representative

Non-voting members appointed/invited by the Board:

Mr Tileinge Andima	Appointed advisor
Mr Moses Hamutumua	Appointed advisor
Mr Phil van Schalkwyk	Appointed advisor
Mr Gert Coetzee	Observer: Invited as Chairperson of the NGPA
Mr Arnold Klein	Observer: Invited as Chairperson of the NHTT
Mr Vilho Nghipondoka	Observer: Invited as Deputy Chairperson of the NHTT

* After a period of seven years, Mr JP von Maltzahn resigned as Chairperson of the Board and Mr Georg Sievers was elected as Chairperson for the period 1 August 2002 until 31 July 2003.

3.3 Composition of the Advisory Committee:

Mr Georg Sievers	Commercial Producers' representative (Chairperson)
Rev Ananias Iita	Communal Producers' representative (Deputy Chairperson)
Mr Gernot Eggert	Commercial Producers' representative
Mr Anton Faul	Government representative
Mr Quinton van Rooyen	Processors' representative
Mr Phil van Schalkwyk	Appointed Advisor
Mr Arnold Klein	Observer
Mr Gert Coetzee	Observer

3.4 Meetings held by the Board and the Advisory Committee

During the 2002/2003 financial year, three advisory committee meetings and three Board meetings were held.

3.5 Secretariat of the Namibian Agronomic Board

The activities of the Board are funded by grain producer and processor levies as well as horticultural producer and import levies. The Board furthermore supplements its income from contractual services rendered to MAWRD projects and secretarial services rendered to the Namibian Grain Processors' Association (NGPA).

The Board employs a secretariat of 18 persons plus a senior technical advisor (on a contract basis) dealing with regional and international trade issues:

Mr Christof Brock	CEO
Mr Staal Burger	Manager: Horticulture
Ms Antoinette Venter	Administrative Manager
Ms Barbara Snyders	Financial Manager
Mr Jurgen Hoffmann	Senior Technical Advisor
Ms Annie Zapke	Project Administrator
Mr Ludwig Araëb	Inspector
Mr Jap van Wyk	Horticulture Facilitator: Central Region
Mr Asie Dreyer	Horticulture Facilitator: Karstland
Mr Jaco van Wyk	Horticulture Facilitator: Southern Region
Ms Clara Mbukusa	Horticulture Facilitator: Caprivi Region
Mr Johny Shivute	Horticulture Facilitator: Kavango Region
Ms Teresia Amakali	Horticulture Facilitator: NCRs
Mr Jesse Goliath	Junior Accountant Clerk
Ms Janine Pieterse	Junior Accountant Clerk
Ms Helouise Plezens	Administrative Assistant: Horticulture
Ms Moresia Carlos	Secretary/typist
Mr Johannes Gurubeb	Messenger/Office Assistant
Ms Lydia Keramin	Cleaner/Office Assistant

4. REGISTRATION OF GRAIN PRODUCERS AND PROCESSORS

In terms of General Notice No 33 of 1986 and section 10(j) of the Agronomic Industry Act, processors and producers who annually produce, market or process more than five tons of one or more controlled agronomic crops, shall, upon application, register with the Board.

Horticulture producers are not fully registered with the Board at this point in time. The secretariat has, however, compiled a detailed list of horticulture producers, products produced locally and Namibian markets.

During the 2002/2003 production season, a total number of 204 commercial white maize and wheat producers were registered with the Board.

During the same year, the following grain processors registered with the Board:

Onawa Maize Mills
M.K. Special Feeling Oshini
Oshikango Milling CC
Olympic Maize Mills

A total number of 35 millers were registered with the Agronomic Board of which:

- 25 are white maize millers
- 2 are wheat millers
- 5 are yellow maize millers
- 3 processors mill both yellow maize and white maize
- 1 processor mills both white maize and mahangu

The Namibian Grain Processors Association came into existence on 26 March 2003 consisting of 13 members (see point 8.8).

5. CONTROLLED CROPS

5.1 White maize

White maize is the largest commercial crop produced in this country. Dry-land white maize is mainly produced in the maize triangle situated between Tsumeb, Otavi and Grootfontein, in the Summerdown and the Omaheke areas, as well as in the Caprivi Region.

Irrigation schemes nowadays contribute to the domestic white maize production. The irrigation schemes are the Hardap Irrigation Project (near Mariental), the Naute Project (near Keetmanshoop), Etunda in the NCRs, the Katima Farm (near Katima Mulilo) the flood plains in the Caprivi, and irrigation schemes in the Kavango ie Musese, Shitemo, Shadikongoro and Mashare. An increasing amount of white maize under irrigation is also produced in the Stampriet, Tsumeb, Grootfontein, Kombat and Otavi areas. White maize is also planted along the Orange River in the far south.

The white maize marketing season normally commences on 1 May and ends on 31 August each year after the domestic production has been milled.

During the period under review, the following hectares were planted and tonnages marketed:

Hectares planted and marketed crop: Dry-land and irrigation

Table 1.

Marketing Period	Hectares planted: Irrigation	Hectares planted: Dry-land	Total hectares planted	Marketed crop: Irrigation	Marketed crop: Dry-land	Total marketed crop
May to August 2002	2 700 ha	7 718.9 ha	10 418.9 ha	11 013 ton	8 128.1 ton	19 141 ton
October to December 2002	713 ha	-	713 ha	4 150 ton	-	4 150 ton

Since communal producers are not registered with the Namibian Agronomic Board, it is difficult to determine accurately the communal hectares planted by small-scale producers in the Caprivi and the Kavango.

White maize: Hectares planted, marketed production, producer prices, imports and exports

Table 2.

Year	Hectares planted excluding the NCAs (ha)	Marketed produc- (including the officially marketed maize in the NCAs (tons)	Producer price (N\$)	Imports (tons)	Exports (tons)
1990/91	16 550	26 938	440.96	25 932	—
1991/92	33 618	35 000	464.00	25 000	—
1992/93	45 849	7 700	493.09	53 762	—
1993/94	23 210	12 509	636.73	86 181	—
1994/95	32 022	38 500	701.43	50 340	—
1995/96	12 034	5 361	760.00	113 759	—
1996/97	13 383	10 058	700.00 1	125 178	—
1997/98	13 100	37 007	850.00 2	52 732	2 592
1998/99	14 547	10 926	894.00 3	92 128	1 973
1999/00	15 230	11 510	1 007.00 3	66 777	5 445
2000/01	12 000	35 000	846.00 3	62 958	5 230
2001/02	7 857	22 810	1 118.06 4	80 268	—
2002/03	11 131	23 291	2 044.00 4	171 989	—

The import and export figures are based on figures obtained from permits issued.

- 1 Indicating the floor price as approved by the Minister of Agriculture, Water and Rural Development
- 2 Indicating the full cost import parity guideline price for white maize delivered at Otavi
- 3 Indicating a Saffex derived guideline price for white maize delivered at Otavi
- 4 Indicating the average Saffex-derived guideline price for the three months May until July 2001 delivered at Otavi

A total amount of 23 554 tons of white maize meal was exported from Namibia to Angola.

For this marketing period, the following formula was used to determine the white maize guideline price:

- The average Safex price for WM1 for June (N\$ 1 754.11), July (N\$ 1 697.09) and August (N\$ 1 735.35) = N\$ 1 728.85
- Minus: Inward railage from point of sale ie Bloemhof (RSA) to Randfontein (RSA): N\$64.00.
- Plus: Outward railage official retail (in bulk) transport to various milling centres in Namibia):

Otavi	N\$380.00
Grootfontein	N\$388.00
Windhoek	N\$285.00
Oshakati	N\$509.00
Katima Mulilo	N\$360.00

5.2 Wheat

Wheat is planted under irrigation in the winter ie planted during June/July for harvesting during November/early December of each year.

Wheat is produced at the Naute Project of the Namibia Development Corporation (NDC) near Keetmanshoop, the Hardap Irrigation Project near Mariental, the Shadi Irrigation project in the Kavango and in small quantities in the Otavi and Kombat areas.

During the year under review, 1 646 hectares of wheat were planted and a total crop of 10 289.39 tons were marketed.

Wheat: Hectares planted, marketed production, producer prices, import and exports

Table 3.

Year	Hectares planted	Marketed production tons	Producer price N\$	Grain imports	Wheaten products imports	Wheaten products exports
1990/91	1 000	4 293	563.86	27 963	-	-
1991/92	1 000	5 750	587.45	27 000	-	-
1992/93	500	3 116	670.92	34 478	-	-
1993/94	900	4 762	708.06	45 966	-	-
1994/95	960	6 000	708.06	50 329	-	-
1995/96	500	2 668	771.05	65 732	695	2 121
1996/97	1 000	3 516	895.00	25 310	-	2 325
1997/98	977	5 038	1 070.00	50 632	3 789	2 484
1998/99	388	2 896	1 070.00	61 392	6 569	8 893
1999/00	608	3 429	1 251.00	47 485	5 906	4 667
2000/01	765	6 119	1 408.61	49 317	5 563	5 230
2001/02	1 012	6 846	1 974.00	41 695	3 124	13 962
2002/03	1 646	10 289	1 850.00	64 748	-	20 196

Import and export figures are based on figures from permits issued

1 Indicating an average Saffex-derived price for wheat delivered from Hardap

Master Agronomist

The Agronomic Board normally invites nominations for the Master Agronomist from various groups such as crop estimators, farmers associations etc. Nominees who were willing to partake in the competition completed a questionnaire from which the finalists were selected. The Board, in co-operation with the NAU, conducted face-to-face interviews on short-listed candidates farms. Interview covered a wide variety of categories. The candidate with the highest overall rate was selected as the Master Agronomist.

Three finalists were visited and evaluated. Mr Ralf Hoffmann of Oros Farm was elected as the Master Agronomist for 2002. At the same event, Mr Marcus Prickett was awarded a floating trophy for the Best Crop Estimator of 2002 for the second consecutive year.

5.3 National Horticulture Development Initiative (NHDI)

On 8 August 2002, the Honourable Minister HK Angula, Minister of MAWRD, signed a declaration to make fruit and vegetables controlled products under the Agronomic Industry Act. This was published in the Government Gazette, no. 146, of 30 August 2002. The National Horticulture Development Initiative (NHDI) was a direct result of the recommendations of the DECOSA report, entitled "Consultancy on the Prospects of Domestic Import Substitution in Various Agricultural Commodities, June 2001". According to this report, Namibia imported approximately N\$270 million worth of horticultural products annually mainly from South Africa, while local production is in the order of only N\$30 million per annum. A huge potential to increased local production does exist.

The National Horticulture Task Team, appointed by the Minister of MAWRD and consisting of members from the marketing sector, producers, processors, consumers, MAWRD, NNFU, NAU and NNCI, was constituted to oversee the activities of the NHDI. The Namibian Agronomic Board was appointed the executive institution.

The purpose of this initiative is to:

- Increase local horticultural production, making Namibia more self-reliant in terms of food supply.
- Study opportunities for import substitution.
- Counter the outflow of capital which should
 - Create employment for a large number of Namibians.
 - Stimulate the economy.

To realise these objectives in practice, the NHTT appointed a national horticulture coordinator (NHC), an administrative assistant and six area horticulture marketing facilitators (AHMF's) to:

- Facilitate all market related issues.

- Identify limiting aspects regarding horticultural production.
- Facilitate extension and training aspects.
- Facilitate transportation aspects.
- Address financing issues where possible.
- Gather information in respect of the annual demand for fruit and vegetables in Namibia.
- Gather information regarding the level of production and supply.
- Compile a data base of all the information for planning and policy purposes.

The manager for the NNDI, Mr Staal Burger, began on 1 May 2002, while the six area horticulture marketing facilitators and the administrative assistant started on 1 August 2002. The AHMF's are Ms Clara Mbukusa (Caprivi), Johny Shivute (Kavango), Teresia Amakali (NCA), Asie Dreyer (Karst Area), JAP van Wyk (Central Area) and Jaco van Wyk (Southern Area) and the administrative assistant is Ms Helouise Plezens.

Activities

Since the appointment of the personnel, the following activities have been conducted.

- (a) The development of a database regarding supply and demand for horticultural produce in Namibia is of utmost importance to keep the producers and traders informed about volumes of produce available. The main activity of the AHMF's has been to gather production and marketing information from the producers and to keep it updated. Together with the information received from the border regarding imports of horticultural products, an electronic database is being compiled with the assistance of Agritel Pty Ltd, a private company involved in the electronic marketing systems of the South African fresh produce markets. Eventually an Internet web page will be available where any interested party can access information that will be updated on a daily basis.
- (b) Tenders for developing different models for practical training of emerging horticulture farmers have been submitted. The "core model" for training emerging farmers, proposed by the consultants, has been accepted. Mr Patrick Liebenberg, horticultural producer from the Karst Area, conducted the first course during August 2003. Twelve students attended the training.

Follow-up visits to these farmers will be the final stage, before a report is tabled to evaluate the success of this type of training.

- (c) Consultants investigated the causes for breakdowns of pumping units provided by, either government, NGOs or other donor agencies in the communal areas. Apparently the lack of maintenance is the main reason why equipment, especially pumping units, is no longer in operation at some of these development schemes.
- (d) A tender for the feasibility into cold storage infrastructure for horticulture production in Namibia has been awarded. The terms of reference of this consultancy have been changed to include marketing infrastructures as well as cold storage facilities. All stakeholders were consulted and visits have been conducted to some of the fresh produce markets in South Africa. The consultants proposed the development of a central market in the Windhoek area, with secondary or district markets in decentralised areas such as Rundu, Oshakati, Tsumeb and Mariental, while collection points in the production areas, especially in the communal areas could be developed. This development will include an electronic information system as well as a transportation network. The proposals of the consultants were discussed at a national conference during July 2003, together with the proposals for the "Green Scheme". The NHTT and the Cabinet have accepted the proposals. The second phase of this consultancy will cover the feasibility and business plan, taking into consideration the opinions of the producers and wholesalers as discussed at a meeting with these role-players on 3 December 2003. A final report on the Marketing and Cold Storage Infrastructure Development is expected by April 2004.

Financial arrangements

The Minister of MAWRD has declared all horticultural products to be controlled products and thus subjected to a 1,2 % levy when traded as stated in Government Gazette 2802 of 30 August 2003. All importers are thus paying levies at the border posts and producers are paying levies to the AHMF's on all produce sold. A private company has been employed to collect the levies at the borders. The income derived from the levies is being utilised to cover all expenses of the NHDI. However, 40% of the levies collected from the producers in the commercial areas and 80% of the levies collected from producers in the communal areas are channelled back to the producers. The Area Horticulture Committees, consisting of producers in the respective areas, may utilize these funds to organise themselves, arrange "Farmer Days" and to reimburse producers for attending meetings.

Funds required for special projects, such as consultancies, and the organising of conferences or visits to other markets are being provided by government as a trust

fund for developing the horticulture sector of Namibia. The NAB is responsible for the efficient administration of these trust funds.

Conclusion

Considering the improvements taking place in the relationship between the producers and the local wholesalers, it can be expected that local producers should find it easier to market their produce locally. This will encourage local production. Furthermore, the "Green Scheme Initiative" will encourage production and it is not impossible to achieve the objectives of the NHTT to establish horticultural self-sufficiency in Namibia.

6. NON-CONTROLLED CROPS

Yellow maize:

Yellow maize has deregulated as a controlled crop in 1994 and is therefore no longer a controlled product. Most producers utilised their harvest for stock-feeding purposes or sold part of their harvest to fellow farmers or animal feed manufacturers.

Sunflower:

Sunflowers have been produced in Namibia for many year, but it never established itself as a viable source of income. During the course of 1995, the control over sunflowers was abolished in South Africa and on 1 September 1996, the deregulation of sunflower seed and oil was promulgated in Namibia in Government Gazette No. 1435.

The Namibian Agronomic Board does not hold production and marketing statistics of crops other than controlled crops ie commercially produced white maize and wheat. Since the commercial white maize and wheat producers have to register with the Board in terms of the Act, the Board is in the position to monitor the production and marketing processes of these crops. Producers of all other crops are not registered with the Board (unless they also plant white maize and wheat) and it is impossible for the Board to collect relevant production and marketing data.

As explained above, the following are only estimations.

Other crops: Marketed production for the period 2002/03

Table 4.

Crop	Hectares planted	Marketed production (tons)	Price / Unit (N\$/tons)	Imports (tons)
Yellow maize	1 403	4 579	1 974	61 593
Sunflower	220	170	2 535	No stats available
Cotton	1 079	1 694	3 300	No stats available
Groundnuts	210	118	3 900	No stats available
Lucerne	309	7 425	650	No stats available
Mahangu				
Commercial	85	55	1 150	880
Communal	No statistics	66 000	1 466	No stats available

(***) Based on import permits issued

7. BORDER CONTROL AND INSPECTION SERVICES

In terms of Section 10(n) and (o) of the Agronomic Industry Act, the Namibian Agronomic Board can properly support the local agronomic industry by way of gathering data through monitoring the imports and exports of controlled crops and the products derived therefrom.

The Meat Board of Namibia, in conjunction with the Namibian Agronomic Board, maintains border control over the flow of agronomic products into Namibia especially on the southern and south eastern border posts ie Noordoewer and Ariamsvlei. Border posts such as Hohlweg, Klein Manasse and Oranjemund in the south, TransKalahari in the east, Ngoma, Wenela and Muhembo in the north-east and Oshikango and Mahene in the northern communal areas are still solely controlled by the Directorate of Customs and Excise in the Ministry of Finance for the purpose of importation and exportation of agronomic crops.

The Board implements a 100 % ban on the importation of maize meal for human consumption and wheaten products, and no import permits have been issued for these products.

The Namibian Agronomic Board has considered the issue of imports of small quantities of maize meal and wheaten flour by farmers living in the remote areas near the southern Namibia/RSA borders, During a Board meeting held on 31 October 2002, the Board resolved that up to 50 kg of maize meal and wheaten flour per vehicle (per household) per month may be brought into the country without an import permit. This ruling was for a trial period and is closely monitored by the Board through declaration forms received from the Meat Board Inspectors and Customs and Excise officials at the respective border posts.

On 25 July 2002, the Namibian Agronomic Board designated the following staff members as inspectors:

Mr Christof Brock	Ms Antoinette Venter
Mr Staal Burger	Mr Jap van Wyk
Mr Asie Dreyer	Mr Jaco van Wyk
Ms Clara Mbukusa	Mr Johny Shivute
Ms Teresia Amakali	

8. SUPPORT SERVICES PROVIDED TO THE MAWRD AND OTHER CLIENTS

The Ministry of Agriculture, Water and Rural Development contracted the Namibian Agronomic Board to provide administrative and organisational services on a cost-recovery basis to a number of projects and consultancies and was thus responsible for the recruitment process of suitable consultants, the chairing and organising of Steering Committee and Task Team meetings and the day to day management of the consultancies, projects and funds.

8.1 Mahangu and sorghum issues

Mahangu Marketing Intelligence Unit (MMIU):

The Mahangu Marketing Intelligence Unit (MMIU) was established and funded by the Ministry of Agriculture, Water & Rural Development (MAWRD) on 2 January 1996 with its head office in Oshakati and has been managed by the Namibian Agronomic Board ever since. The Steering Committee, chaired by the Board and composed of the various stakeholders, monitors, guides and directs the MMIU activities (marketing and processing of mahangu).

In August 2001, a branch office was opened in Rundu, servicing the Kavango and Caprivi Regions.

During the 2002/03 financial year, the following persons were employed at the MMIU:

Mr Paully Iipinge:	Project manager
Mr Actofel Kafula:	Assistant manager: Oshakati office
Mr Bonnie Kahare:	Rundu office
Ms Theofilia Shilongo:	Secretary: Oshakati office

Mr Bonnie Kahare, the assistant manager for the Kavango/Caprivi Regions, tendered his resignation in October 2002 and ceased working for the MMIU on 31 March 2003. The two NAB horticulture coordinators in both the Caprivi and Kavango Regions were chosen to take over the MMIU's responsibilities after the resignation after Mr Kahare's resignation.

The main functions of the MMIU are:

- Promoting and facilitating the marketing of mahangu grain and flour.
- Promoting and assisting the emerging mahangu milling industry.
- Giving technical advice with regard to milling equipment and sourcing of spare parts.
- Linking mahangu grain and flour buyers and sellers.
- Gathering and disseminating mahangu market information.

The objective of the MMIU is to promote economic growth and employment resulting from mahangu and other crop production, marketing and processing. The ultimate idea is basically to encourage mahangu production as well as the mahangu grain supply to the local market. The development of the processing industry could result an increase in mahangu production.

The MMIU furthermore continues to support the strengthening of the Small Millers Association of Northern Namibia (SMANN). There are 12 commercial mahangu millers and more than 300 service millers in the NCAs (northern communal areas). The throughput for service millers was estimated to be more than 25,000 tons.

Ad hoc highlights of the MMIU's activities during the 2002/03 reporting year:

A team from France composed of two students and one officer notably from Cirad, and students from the University of Namibia held a number of meetings with the MMIU office regarding the mahangu consumption survey in the urban areas.

The Minister of Agriculture, Water and Rural Development officiated the Champion Mahangu Farmer award held at the Ongwediva Annual Trade Fair during 2002. The Minister handed over a floating trophy to the overall winner, certificates and cash prizes to the regional mahangu farmers who prepared their mahangu fields exceptionally well. The overall winner furthermore received a cash prize, a cultivator, two bags of mahangu seeds and a certificate. Various prizes were awarded to participants. The MMIU organised this event with the sponsorship of Namib Mills and the NNFU.

In order to discuss the MMIU's activities with the Minister of MAWRD, the President of NNFU and the MMIU Manager held a mini meeting with the Minister regarding mahangu industry development in the country. MMIU's future was discussed and the Minister expressed support for the continuation of the unit after the contract ends on 31 March 2004.

Mr Daisuke Uno, a student from Kyoto University of Japan, who was on attachment with Onkani Agriculture Development Centre in the Uuvudhiya constituency in Oshana Region visited the MMIU to learn more about the work of the unit.

Mahangu grain and flour: Market matches

Table 5.

Year	Mahangu production (estimate) (tons)	Mahangu grain marketed matches facilitated (tons)	Average value of mahangu grain traded (N\$/tons)	Total Value of grain market matches facilitated (N\$)	Mahangu flour sales facilitated (tons)	Average flour price market matches facilitated (N\$)	Total value of flour market matches facilitated (N\$)
1996/97	34 629	1 250	850	1 062 500	0	0	0
1997/98	37 090	1 533	932	1 428 756	0	0	0
1998/99	57 200	2 151	1 000	2 151 000	10	2.50/kg	25 000
1999/00	86 000	2 554	1 100	2 809 400	441	2.40/kg	1 058 400
2000/01	96 000	2 875	1 243	3 547 750	1 220	2.63/kg	3 086 600
2001/02	73 300	1 076	1 259	1 354 684	1 243	3 228	4 012 404
2002/03	66 000	2 270	335	3 030 514	3 102	3 258	10 107 640

Mahangu and Sorghum Task Team (MSTT):

Based on recommendations formulated at a mahangu and sorghum workshop held at Mokuti Lodge on 20 and 21 June 2000, Cabinet, in October 2000, approved the establishment of a Mahangu and Sorghum Task Team (MSTT). The first Steering Committee meeting was held on 21 September 2001.

In general, the objectives of the MSTT as far as they pertain to mahangu and sorghum issues, are:

- To bring together the relevant Ministries and other role-players.
- To exchange information and views.
- To create synergies for coordinated holistic approaches.
- To be a "think tank".
- To promote commercial utilisation of mahangu and sorghum.
- To make recommendations to government with regard to policies and strategies.

The MSTT would furthermore be involved in interventions, support services and research with regard to issues such as input supply, genetic materials, seed production and breeding, land cultivation, harvesting, storage, primary processing, secondary processing and by-product utilisation, marketing and consumption.

A post harvest sub-group was established on 21 February 2002 to address issues such as post-harvest losses, on-farm storage, affordable threshing models, crop drying and easy winnowing practises.

With the assistance of Namibian consultants, technical support is available to small-scale mahangu and other commercial and semi-commercial grain millers in the NCAs.

Since 2002, mahangu flour standards have been drawn up and subsequent gazetting is in progress. The Ministry of Higher Education also submitted a document on Preliminary National Standards for various grains written by a South African consultant. The task team (MSTT) decided to use it as an annexure to the existing standards as it is too advanced and more applicable to exporting.

A Mahangu Urban Consumption Survey was conducted by CIRAD – French Cooperation from June to October 2002. The final report was submitted in January 2003. Focus is now on the recommendations made regarding future marketing.

ON-FARM STORAGE: More research needs to be done on condensation for mahangu homestead-based storage in plastic and corrugated bins in collaboration with Caprivi Regional Integrated Storage Project (CRISP), for maize, due to varying climatic conditions within each region.

ON-FARM TECHNOLOGY: The Polytechnic of Namibia conducted a Cultivator Marketing study. The purpose was to determine whether there is a demand for and supply of cultivators within the North Central Division. If this proves to be the case, recommendations will be made to improve the distribution of cultivators. The final report is due soon.

Reports for extension officers on threshing, cleaning and storage of mahangu and brochures on improved methods on primary processing of mahangu were submitted by the Ministry of Higher Education, Training & Employment Creation/NAM/FAO Project: Improved Pearl Millet Post Harvest Technologies for Enhanced Food Security and Rural Income Generation.

8.2 National Horticulture Development Initiative

The National Horticulture Task Team, appointed by the Minister of MAWRD and consisting of members from the marketing sector, producers, processors, consumers, MAWRD, NNFU, NAU and NNCI, was constituted to oversee the activities of the NHDI.

(See point 5.3)

8.3 Cotton task team

The cotton task team, with an overall objective to contribute to the rapid and efficient expansion of cotton production on both commercial and communal farms, was established in 1997 by the Permanent Secretary of the Ministry of Agriculture, Water and Rural Development. The aim of the cotton task team is to ensure that cotton contributes to the growth of farmers' income and to secure rural employment.

In co-operation with MAWRD, the Namibian Development Corporation, the Namibia Agricultural Union, the Namibia National Farmers Union, the cotton Producers Association and the Namibian Agronomic Board together compiled a cotton Development Plan in 1999 to improve the well-being of farming communities by way of diversification to include cotton production.

In order to effectively implement the cotton Development Plan, a cotton coordinator was appointed in November 2000 for a period of 18 months and the appointment was extended for another 18 month period.

The contract for the cotton coordinator has been extended for a further 18 months (bringing the total to 3 years) ending on 30 October 2003. The cotton coordinator implemented the activities under the cotton Promotion Campaign and is a member of the task team.

A donation of cotton seed was received from Zimbabwe, which was distributed during August 2002 to farmers in the Caprivi and Kavango Regions.

EU MICROPROJECTS: A grant contract was signed by the EU, NPC and the Agronomic Board during May 2002 for cotton production and marketing support projects. (Sprayers and packing racks together with a manual in peoples' own languages were distributed to farmers in the Caprivi, the Kavango and north central areas). Under the cotton promotion campaign, many farmers had been addressed in the north central Regions and radio adverts were run from October until December to promote cotton production amongst farmers, coupled with training to farmers within various regions.

A ginnery in Namibia was to have been established during the period under review, but finalisation has not yet been finalised with the Ministry of Trade & Industry and the Ministry of Agriculture, Water and Rural Development.

A "cotton management guide for technicians" was printed and distributed. A "cotton production guide for smallholders", printed in three local languages, was distributed.

The National Agricultural Support Services Project (NASSP) within the MAWRD, funded by the EU, introduced themselves to the cotton task team and indicated their assistance in terms of reviewing the development of cotton.

8.4 Caprivi Region Integrated Storage Project (CRISP)

This pilot project commenced on 1 August 2000 in the Caprivi Region. The purpose of this project is to address the Caprivi Region's grain storage problems and to increase farmers' income from marketing surplus grains through reduced post-harvest losses and marketing costs.

The aims of this project are to:

- Ensure a better storage and marketing system for mainly white maize in the Caprivi Region that is integrated at homestead, community and regional levels.
- Encourage farming households to store at homestead level at least as much grain as they are likely to consume during the year and to do this in a manner that will reduce post-harvest losses.
- Assist communities to build and manage community storage sheds for the purposes of temporary storage until cost-effective transport can be arranged to Katima Mulilo and also to store grain until it may be sold and/or milled within the community.
- Create additional (central) grain storage capacity at Katima Mulilo to cope with bumper harvests once all millers have taken delivery of grain as far as their normal storage and cash-flows allow.

The CRISP project managed to build the following physical storage facilities:

- Homestead level storage:- Various types of storage bins were built as demonstration units on various farms in cooperation with the farmers, the community and AETs. Homestead storage propagation and subsidy will in future be handled by Extension Services. The demand for subsidies for homestead/on-farm storage has been deferred until proper testing for condensation is done with the various storage bins (corrugated iron and plastic bins). The research is on-going.

- Community storage:- Three pilot community stores of 120 ton each, were built during the year under review. These community stores will have various purposes. When not needed for grain storage or storage of other goods, these buildings could be utilised for meetings and other gatherings. A contract for the construction of these community stores has been finalised and signed by the communities of Chinchimani, Sangwali and Muyako. The three-year lease agreement with local co-operatives for community stores will be performance-based and after another 3 years, the ownership may be connected to a lease of 99 years. The three stores were handed over on Thursday, 22 August 2002 in Sangwali and Chinchimane and in Muyako on 23 August 2002.

It is further envisaged that additional community stores be constructed in other areas as soon as the pre-conditions of a maintenance fund, a construction plan and a business plan for such community stores have been complied with.

- Central store:- A site for the 1 000 ton central store has been identified next to the existing Katima store. Construction should be nearly complete by the end of the reporting period.

8.5 Agriservices Reform Programme (ARP)

Tractor Training and Support Services (TTSP):

As part of government's efforts to enhance the private sector by supplying of agricultural goods and services, Cabinet decided in 1995 to commercialise some of the agricultural services rendered to the small-scale farmers in the northern communal areas, including of the NCRs, the Kavango the Caprivi Omaheke and Otjozondjupa Regions. This resulted in most tractors and implements that the Ministry of Agriculture, Water and Rural Development were using, being sold in the private sector to individuals who were trained to take over these services.

Some 40 KR II tractors were auctioned in the northern communal areas. Training was conducted in the Caprivi, Kavango, Oshikoto, Oshana, Ohangwena, Omusati, Kunene and Otjozondjupa Regions. Tractors were auctioned during mid-November and mid-December 2002. Successful trainees who were unable to buy tractors on auction were encouraged to buy on the open market. The final report is expected by June 2003.

The proposed evaluation of the TTSP consultancy has been put on hold and the secretariat is awaiting further initiatives from MAWRD.

Draft Animal Acceleration Project (DAPAP)

The demand for donkeys and an environmental impact assessment for the introduction of access donkey of the NCRs in the Caprivi and Kavango to be engaged in draft animal power activities were commissioned by MAWRD towards the end of November 2001.

The Ministry of Agriculture, Water and Rural Development (MAWRD) entered into a technical co-operation agreement with the Zimbabwean Agriculture Ministry for a delegation to conduct a donkey survey, which commenced in November 2002. The draft final report is to be submitted in April 2003.

8.6 Wild Silk project: Establishment of the Omaheke Wild Silk Industry

Two species of moths ie *Gonometa rufobrunnea* and *Gonometa postica* have been identified as potentially viable for the production of wild silk in Namibia. In the areas where *Gonometa postica* occurs, there has long been a high incidence of livestock and wildlife mortality due to the ingestion of the cocoons of these moths.

Since 1994, various initiatives by MAWRD have focused on ways in which to address the problem. One of these is the establishment of a wild silk industry in Namibia. Such an initiative could not only create jobs, it could also improve rural livelihoods. Such an industry would also alleviate livestock and wildlife losses.

This project is a joint venture by MAWRD and Oxfam. The Namibian Agronomic Board entered into a contract with MAWRD to manage the Ministry's part of the project funds as to provide secretarial services.

A total of 92 farms were visited and the project was explained to the farmers. All the farmers' associations as well as a number of schools in the project area were visited and informed about the project.

Cocoon counts have been carried out on various farms. The objective was to, in co-operation with the farmers, to implement a workable cocoon collection mechanism. The reported outbreak areas will be investigated and carefully mapped. Harvest teams were established in the Leonardville, Aranos, Gochas and Stampriet areas.

The following activities were carried out from August 2001 until May 2002 and an interim report for Phase II was submitted:

- A cocoon collection system was set up. Information outlining the project's aim was widely distributed via radio and brochures. Information meetings were also held with farmers within the concerned areas.

- A resource survey (or cocoon counts) currently under way on various farms.
- Cocoons have been purchased.
- Technical information has been gathered and collaborative links have been established.
- A financial assessment has been drawn up.

The final Phase II report was submitted during September 2002. This report detailed all the workshop decisions. Final payment was effected to CRIAA SA-DC.

Phase III will focus on financial assessment and a development plan for implementation. The main objectives of Phase III was to create job opportunities and generate income among the rural communities; to improve rural livelihoods, to alleviate livestock and wildlife losses, to utilise an unexploited natural resource, to encourage local processing and to maximise value addition.

A stakeholders' workshop took place on 24 September 2002 to conclude Phase II. Attention was paid to key issues such as Institutional arrangements, financing options, marketing and the way forward – Recommendations were made.

Progress thus far with regard to Phase III for the period November 2002 to March 2003:

The Kalahari Wild Silk Trust has been registered with six registered trustees. There are two late nominations as provision was made for eight trustees. Nominations were made from the following institutions: Namibian Agronomic Board; Ministry of Agriculture, Water & Rural Development; CRIAA SADC; Legal Assistance Centre; Leonardville Town Council; the Namibia Chamber of Commerce & Industry and the Wild Silk Company.

A suitable building was purchased in Leonardville for the degumming plant. It will also be the central buying point. Official occupation was set for end of March 2003.

Degumming equipment has been manufactured and is ready for installation. Silk production is to start by the end of April 2003. Weavery equipment ie six spinning wheels etc. were ordered. Community and farm liaison are ongoing which also involves the Directorate of Women Affairs.

8.7 Indigenous Fruit Task Team (IPTT)

The Minister of Agriculture, Water and Rural Development initiated the promotion of indigenous fruit promotion in April 2000. The aim was to develop a coordinated approach and strategy for economically sustainable production of indigenous fruits in Namibia.

The Indigenous Fruit Task Team (IFTT) was appointed by the Permanent Secretary of MAWRD. This task team drafted and its Terms of Reference, compiled a matrix of fruiting species indigenous to Namibia and assigned consultants to draft a Strategy and Action Plan for the task team.

The aim of the IFTT is to promote sustainable harvesting and processing of indigenous (wild) fruit plants. A wide range of interested stakeholders under the direction of the National Botanical Research Institute.

The Namibian Agronomic Board holds the MAWRD funds in trust for the IFTT to utilise with the consensus of its members.

Special emphasis has been placed on patent rights and commercial agreements.

Phase 1 of the Promoting Indigenous Fruit (PIF) project was completed and the report submitted.

The following aspects were addressed under PIF Phase 1:

- Kalahari melon seed (KMS) was purchased from producers in northern Namibia and 44 tons exported to the United Kingdom. A market was thus established and data was gathered on the logistics of such a business. KMS oil has been included in a Melon Seed Body Butter by THE BODY SHOP INTERNATIONAL and this product is now sold in more than 40 countries. The Body Shop's Diva cosmetics range is the first internationally sold product range to include Marula oil. This oil is obtained from Eudafano Women's Cooperative in Namibia, one of the collaborators in the project. Small juice presses were developed for processing the marula and distributed to rural producers. A solar pasteuriser prototype was developed. This is intended for pasteurisation of omaongo (marula juice) which will enable producers to sell this product when the berries are out of season as well as in season.

A development partner is interested in further research and development of manketti and ximenia oils.

- Inara oil was pressed and packaged for the local market (mainly tourism outlets) in association with the Topnaar Community Foundation.
- There has been some research into development of other products (liqueurs, jams, preserves, nuts) from various indigenous fruit, but results are not yet conclusive.

- The IPTT has succeeded in coordinating activities related to commercialisation of indigenous Namibian plant resources and attracting some funding from donors for its activities.

8.8 Namibian Grain Processors' Association (NGPA)

The Namibian Grain Processors' Association (NGPA) came into existence at its inaugural meeting held on 26 March 2003. The NGPA consists of 13 members and serves as a forum to consult with stakeholders to address issues relevant to the staple food processing industry.

The Namibian Agronomic Board currently renders secretarial support services to the NGPA.

8.9 Donated wheat under the 416B programme

Under the 416B programme, the US Department of Agriculture donates surplus commodities for monetisation in developing or least-developed countries. The proceeds are utilised for the financing of approved aid projects in cooperation with the relevant ministries in these countries.

The Agronomic Board was involved in a project to monetise 20 000 tons of USA donor wheat (GMO-free) as per Cabinet decision (11/21.05.02/008). Cabinet further decided that the Namibian Agronomic Board should be the implementing agency for government as well as the administrator for the monetised funds within the guidelines agreed upon between the Government of Namibia, the US Embassy and the Agronomic Board. The proceedings of this project would be divided as follows: 70% for the financing of HIV-Aids programmes in the Ministry of Health and Social Services and 30% for small agricultural projects in the MAWRD.

The process of monetisation was transparent and overseen by a small management committee consisting of representatives of the US Embassy, MAWRD and the Agronomic Board.

The first consignment of 4 989.20 ton wheat arrived in early January 2003 and the second consignment of 4 973.95 ton in March 2003. The last consignment is expected during the next financial year.

The agricultural projects financed by the 30% proceedings and administered by the Agronomic Board, are:

PUMP: Productivity Upliftment Micro Projects

NSSDP: Namibia Small Stock Development project (to be co-ordinated by the Meat Board of Namibia)

UPDP: Useful plants Development project

8.10 Green Scheme

The Green Scheme is a MAWRD initiative to boost and encourage new agronomic production under irrigation where there are sufficient water resources. It also aims to increase the contribution of agriculture to Namibia's gross domestic product whilst at the same time unlocking employment and equitable investment opportunities.

The focus of this scheme is on proximity to perennial rivers on Namibia's borders, especially in northern Namibia where suitable conditions exist for profitable agricultural production under irrigation.

The Green Scheme aims for the maximum involvement of the private sector, with the government only being involved in creating appropriate conditions for investment. These conditions include amongst others:

- Secured 99-year leases under the Communal land Act of August 2002;
- Government subsidy on Agribank interest rates during initial years;
- Partial government loan guarantees for Agribank loans;
- Investments open to all potential investors/entrepreneurs;
- Technical support by way of extension, engineering, surveying etc;
- Support to aspects of marketing through the Agronomic Board for both grains and fresh produce.

Together with the MAWRD and other stakeholders, the Board is in the process of working out the policy and implementation details of the Green Scheme which potentially will bring some 17,000 ha of new irrigation land under crop cultivation, mainly along the northern perennial rivers over the next five years. If successfully implemented, this will bring great opportunities and some challenges to the Namibian agronomic industry and could make Namibia self-sufficient in all grains and fresh produce that are economically feasible under Namibian climatic conditions. Export niche markets will have to be developed pro-actively (see also point 8.10).

9. REGIONAL AND INTERNATIONAL TRADE RELATIONS

Introduction

The objectives of the Namibian Agronomic Board, as stated in the Agronomic Industry Act, Act 20 of 1992, are to "promote the agronomic industry and to facilitate the production, processing, storage and marketing of controlled products in Namibia."

In the year 2002/2003, the Namibian Agronomic Board was again involved in regional and international trade relations and negotiations. Through its involvement in the Agricultural Trade Forum, an organisation that aims to advance and strengthen the agricultural production and processing sector in order to promote this sector in national, regional and international trade relations in a transparent way, the Namibian Agronomic Board was able to share the costs of representation and background supporting work to the ministries involved in Regional and International Trade relations with the Meat Board of Namibia and other interest groups.

The Agricultural Trade Forum

The Agricultural Trade Forum has emerged as the acknowledged voice of the agricultural private sector and organised agriculture as both the Namibia National Farmers Union and the Namibia Agricultural Union are founder members and participants in its activities.

The importance of the development of the value adding agricultural processing industry in Namibia has been acknowledged by the Agricultural Trade Forum and major food processors and exporters are founder members of this organisation.

High ranking officers of the Ministry of Agriculture, Water and Rural Development as well as representatives of other ministries are members of the Agricultural Trade Forum and use the forum as a source of valuable information. Through this cooperation and with the initiative of the marketing manager of the Meat Board of Namibia and the CEO of the Namibian Agronomic Board, the Agricultural Trade Forum has grown in strength and influence. It is also an instrument to share the costs of trade negotiation participation and preparatory work carried out by the agricultural private sector to strengthen Namibia's position in trade negotiations.

In general Namibia's agricultural sector has not been adversely influenced by the on-going quest for trade liberalisation, a trend that currently prevails worldwide,

mostly to the benefit of larger trading nations in the international agricultural trade sector. However, a few issues must be addressed. For the agronomic sector, the provisions of the new SACU agreement relating to the development of the primary and secondary agricultural sectors in the SACU, requests founded and motivated inputs to the negotiation process.

SACU Free Trade Agreement negotiations

The new element of SACU Free Trade Agreements which have to be negotiated with trade blocs such as Mercosur, EFTA and individual countries such as the USA, require greater coherence of trade policies for all SACU member countries, taking the different levels of development into account. The local processing industry has been shielded from trade diversion and erosion of preferences over the last ten years. This has to be taken into account when adding value to primary agricultural products.

Post-COTONOU Preference Access to the EU Negotiations

Another challenge is the renegotiation of preferential access for agricultural export products to the European Union. Presently, negotiations are held at ministerial level to establish a framework for negotiations and the formation of economic partnership agreements. Further negotiations with the European Union will aim for greater access of Namibian products to the lucrative markets of the European Union, whilst on a preferential basis.

SPS measures

Import tariffs are generally no longer seen as the biggest obstacle for market access for agricultural products to markets of developed countries worldwide. Zoo and phytosanitary (SPS) measures by these countries are making market access more and more difficult and can be seen as technical barriers to trade. Since 1999, Namibia has tried to get a phytosanitary permit that spells out the prerequisite conditions for Namibia, to export fresh table grapes to the USA. To date, this has not been achieved due of the Agricultural Phytosanitary Inspection Services (APHIS) of the USA having failed to finalise the permit conditions for Namibia.

COMESA

Of little consequence to the agricultural trade sector of Namibia is the decision by the Government of Namibia to resign from the Comesa trade block of Central and North African countries. The resignation will come into effect on 1 April 2004. Namibia's agricultural trade with Comesa member countries constituted less than 1% of its total agricultural trade and will have no effect on the agricultural sector of Namibia.

SACU

Of the highest importance for Namibia's agricultural trade is intra-SACU trade and especially the trade with South Africa. Although the SACU member countries are trying to address the agricultural development of all SACU member countries in sectoral strategies, the level of development and economics of scale are in favour of South Africa and it is one of the major tasks of SACU agricultural trade negotiations to try and find a balance between SACU member countries in the agricultural sector. The on-going Free Trade Agreement negotiations require a certain level of harmonisation of trade positions which are not easy to achieve with the different levels of development and different interests of South Africa and the BLNS countries.

CONCLUSION

In conclusion, I would like to extend a sincere word of thanks to the Directorate of Planning of the Ministry of Agriculture, Water and Rural Development, which is responsible for conducting agricultural trade negotiations to the benefit of Namibian agriculture. Mr A Faul in his capacity as Chief: Marketing of this directorate has played a major role in achieving the favourable terms of trade that Namibian agricultural producers and processors are enjoying.

We are also grateful to the Directorate of International Trade of the Ministry of Trade and Industry as the lead ministry in most of the Namibian trade negotiations.

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Regional and international trade negotiations

Namibia is signatory to a number of regional and international trade agreements:

- Southern African Customs Union (SACU)
- Southern African Development Community (SADC)
- Common Market for Eastern and Southern Africa (COMESA)
- EU – ACP Partnership Agreement
- Common Monetary Area
- World Trade Organisation (WTO)

All trade agreements, with the exception of the SACU Agreement, are subject to the provisions of the WTO and specifically the Agreement on Agriculture of the WTO.

The World Trade Organisation administers the decisions of the Marrakech Agreement on Trade; however, the Agreement of Agriculture is presently an open-ended agreement which is still negotiated and which forms therefore not part of the Marrakech Agreement. Furthermore, although still under negotiation, the Agreement on Agriculture of the WTO has agreed upon a set of liberalisation measures for agricultural trade that are implemented by the WTO.

The following regional trade agreements are in their final phases of negotiation and the implementation thereof should start in the year 2000:

- The SADC Trade Agreement
- The Comesa Trade Agreement.
- The re-negotiated SACU Agreement

In all agricultural trade negotiations, as far as the trade in agricultural commodities is concerned, the Namibian Agronomic Board was given the opportunity by the lead Ministries to give input into and to attend trade negotiations. The purpose of this involvement is to align the interests of the agronomic and agricultural sector of Namibia with the objectives of trade liberalisation.

To this effect the secretariat of the Board prepared submissions and gave technical inputs to the Ministry of Agriculture, Water and Rural Development for its trade negotiations in the context of all the above trade agreements.

Through the Ministry of Agriculture and its Directorate of Planning, information was also supplied to the Ministries of Finance and Trade and Industry as the lead Ministries in the trade negotiations.

The direct result of the participation of the Namibian Agronomic Board in the negotiation process is:

Firstly the awareness of the relevant Ministries and negotiators for the concerns of the fragile Namibian agronomic sector.

Secondly, although the purpose of any Free Trade Agreement is the free flow of goods and eventual services between member countries of the relevant agreements certain safety measures have to be maintained. In trade negotiations, the different level of development and resources between member countries has to be addressed and the more vulnerable partners to these agreements have to be protected against the unilateral dominance of the stronger partners. Safeguarding measures in place have to be motivated and defended.

The agronomic industry, and especially producers, can be assured that the present safeguarding measures in place could be maintained and defended throughout the negotiation process.

The Namibian Agronomic Board wants to thank all Ministries and Directorates involved in international and regional trade negotiations for their willingness to consult with the Board as the representative body of producers, processors and consumers of staple food in Namibia, as well as regarding the export and import of other agronomic crops. This attitude is highly valued and contributes to the transparency that is a prerequisite for good relationships between the institutional and private sector.

The Namibian Agronomic Board wishes to extend a special word of gratitude to the following key persons in Namibian trade negotiations for their insight into and constant encouragement to the secretariat of the Board to be part of the negotiation process:

Ms. Paulina Elago, Director of International Trade in the Ministry of Trade and Industry

Mr. B. Rothkegel, Director of the Directorate of Planning in the Ministry of Agriculture, Water and Rural Development and his personnel.

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