

2 Chief executive Officer's report

Very early in the reporting year, there was the simultaneous appointment of Hon. John Mutorwa as Minister of Agriculture, Water and Forestry and Hon. Isak Katali as Deputy Minister.

A serious source of apprehension for the year was the possible outcome of further negotiations regarding the Economic Partnership Agreement (EPA) with the European Union (EU). It is general knowledge that the negotiations were not concluded during the reporting period, but meanwhile, Namibian beef, grapes and fish were allowed to be exported tariff-free and quota-free to the EU. Namibia will have to lobby and negotiate very skilfully during the coming year to conclude the EPA to the mutual benefit of all parties. The NAB, through the Namibian Agricultural Trade Forum (ATF) – a multi-stakeholder focus group for agricultural trade issues, is primed to continue to assist the Ministry of Trade and Industry to achieve what we consider as possible: a win-win outcome at all levels.

For the second year in a row, the **mahangu** harvest was plagued by extensive flooding and poor yields. While National Food Security – which translates as the availability of enough cereals in the country being equal to their availability on shop shelves – was assured at all times, we all have to concede that this does not mean that everybody has the financial resources to buy staple food in the shops. We are, therefore, grateful that the Government, with the assistance of many other stakeholders, made the resources available to assist those directly affected. Although it is a principle policy of the NAB to use its surpluses and reserves for development projects with the potential of long-term multiplier effects for the agronomic industry. The NAB is also poised to contribute N\$50,000 in cash directly to the Government for disaster relief purposes. (In fact, six days into the 2009–2010 reporting period, the NAB had formally resolved to do so.)

The good news was that, on 15 May 2008, mahangu was finally gazetted as a controlled crop/product, meaning that mahangu producers could now also benefit from a supportive marketing mechanism, as white maize and wheat do. This event was duly celebrated at the award ceremony for champion mahangu farmers during the Ongwediva Trade Fair. The Hon. Minister's enthusiastically supportive words for the mahangu sector during this event will be remembered by all those present.

Unlike the mahangu harvest, the **white maize** harvest was good, i.e. 50,488 t during closed border period (approximately 45% of national consumption) was yielded – second only to the harvest of 2004. Within this scenario, irrigation production accounted for just over 50%, which follows a predictable pattern. The dry-land white maize harvest in Caprivi was also above average. It was with pride and pleasure, therefore, that the new NAB award ceremony for the Caprivi Champion Dry-land Maize Farmer of the Year could be celebrated during the now annual Caprivi Show in late July.

By the end of March 2009, it looked as if the maize harvest for the coming year will be satisfyingly similar. However, with the present and anticipated expansion of the Green Scheme, the long-term prognosis should tilt the overall white maize production (and, consequently, the proportion of irrigation maize) upwards. It could take as little as another 5,000 ha of irrigation cultivation a year to reach national maize food self-sufficiency.

All **wheat** in Namibia is grown under irrigation. It is pleasing to report that a record of some 14,500 t were harvested, which contributes almost 20% towards the national average consumption.

As regards **horticultural fresh produce**, the country reached an import substitution level of some 25% during the year under review. This relates to the Namibian Market Share Promotion (MSP), in terms of which importers are required to purchase an escalating minimum percentage of their

turnover within Namibia. This (MSP) is underpinned by the availability of detailed production, marketing and import databases. The increase to 25% reaffirms the steadily upward curve from only 7% when this initiative was started some years ago.

The NAB commissioned a study with PriceWaterHouseCoopers to calculate, scientifically, the level to which import substitution could go in Namibia if the Green Scheme came to fruition and producers synergised to the maximum. The consultants found that an import substitution of around 60% could be achieved. Clearly, therefore, all stakeholders should vigorously aim to double the current import substitution level. The envisaged fresh produce central and regional markets, including cold storage, should help in this process.

With the NAB's decision to create a new award for the Emerging Horticulture Farmer of the Year in the 2009–2010 financial year, it now has the following annual awards:

- ▶▶ 14 smaller awards, comprising 1 Regional Champion Small-scale Farmer and 1 Grand Regional Champion Large-scale Farmer (farms larger than 10 ha) for each of 7 mahangu-producing Regions
- ▶▶ The National Grand Champion Mahangu Farmer
- ▶▶ The National Champion Mahangu Farmer
- ▶▶ The Master Dry-Land Agronomist
- ▶▶ The Master Irrigation Agronomist
- ▶▶ The Caprivi Champion Dry-Land Maize Farmer, and
- ▶▶ The Emerging Horticulture Producer (to be reported on in the next Annual Report).

These awards aim at encouraging Namibian agronomists at all levels to improve the quality and the quantity of their farming. They also provide additional anchors to Trade Fairs or Farmers' Days. Above all, they celebrate achievement.

As indicated in its previous Annual Report, the NAB took a decision in principle to embrace the challenges of wider development systematically by –

- ▶▶ creating its own permanent Development Projects Division, and
- ▶▶ earmarking Board financial reserves, which are in excess of the Board's self-defined strategic reserves, for development purposes.

The Manager for the new Division spent his first full year coordinating two large projects: one for Draught Animal Power (facilitated by the EU and the Regional Poverty Reduction Programme/RPRP) and one for Conservation Agriculture/Tillage (facilitated by the Golden Valley Agricultural Research Trust/GART and the EU–RPRP) and many other smaller, but not less important ones as detailed in the report. The positive synergies with the Ministry's officials need to be specially highlighted at this point. These two projects in particular have received acclaim from many quarters, and should be successfully completed on time during the coming financial year. There are already irons in the fire for additional funds from various sources for a broadening of the Conservation Agriculture/Tillage Project in the years to follow.

Many other, smaller, but not less significant, development projects are being handled by the new Division (details of which are contained later in this report). This high-level split of functions has taken a lot of weight off my shoulders, and allowed me to put much more energy into the NAB's core function – to create a marketing environment that is conducive to growing and processing crops in Namibia.

I wish to thank all the Namibian producers, processors and traders of agronomic produce, the Hon. Minister of Agriculture, Water and Forestry and his team, Members of the Board, and my colleagues in the Board Secretariat for their enthusiastic and wise support to the agronomic industry as a whole, to the NAB, and to me. With the certainty of such further support I look forward to the challenges of the coming year.

CHRISTOF BROCK