

ANNUAL REPORT



2016/2017

No. 30 | 01 April 2016 - 31 March 2017



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CORPORATE PHILOSOPHY





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CHAIRPERSON'S
REPORT

On behalf of the Board, it is a pleasure to table the annual report for the financial year ending 31 March 2017 to our stakeholders.

Despite a delay in the onset of the 2016/2017 rainfall season and the generally poor rainfall performance experienced earlier in the season, rainfall conditions improved significantly later, resulting in good and above normal rainfall received across large parts of the country. Productive rainfall was only realized as from end of November to early December 2016, as opposed to a normal start to the season in early November. Some parts of the country, especially the north central, northwest and southeast, were affected by poor rainfall during the first part of the season, which stretched to early February 2017.

The primary mechanisms to create an environment conducive for local production and marketing in the sub-sector are regulatory closed-border periods for imported grains, and the horticultural market share promotion (MSP) scheme. All formally marketed grains were purchased by commercial millers and the Agro-Marketing and Trade Agency (AMTA) for the National Strategic Food Reserves re-stocking. Under the MSP scheme traders were only permitted to import horticultural produce when 44% of local purchases had been fulfilled.

During the period under review, the country imported

121 000 metric tonnes (MT) of wheat, 110 000 MT of white maize and 5 500 MT of pearl millet. These imports were due to the fact that most households that were able to harvest in 2015 reportedly depleted their food stocks and had to depend on the retail market and Government's Drought Relief Food Programme to access food up to the 2016 harvest.

I would like to congratulate the winners of the Board awards as mentioned in the annual report, and I hope that many other producers will feel encouraged to redouble their efforts and also become winners in future.

“ I would like to congratulate the winners of the Board awards as mentioned in the Annual Report, and I hope that many other producers will feel encouraged to redouble their efforts and also become winners in future. ”

Furthermore, I would like to thank the Honourable Minister of Agriculture, Water and Forestry and staff of the Ministry for their assistance and cooperation. The secretariat delivered proper and efficient operational management to the Board. In this regard, the Chief Executive Officer and all his staff need to be complimented for the role they played. Finally, I would like to express my sincere appreciation to all the Board members and the members of the Commodity Advisory Committees for their commitment and contribution to the industry.



SIRKKA IILEKA
Chairperson



Ms Sirkka Iileka
Chairperson

“ Productive rainfall was only realized as from end of November to early December 2016 as opposed to a normal start of the season in early November. Some parts of the country especially the north central, northwest and southeast were affected by poor rainfall performance in the first part of the season stretching to early February 2017. ”



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CEO'S
REPORT

This year, 2016/2017, was a time of consolidation for the Namibian Agronomic Board (NAB). After a period of three (3) years, the Board and its members are thoroughly experienced and well-versed about the organisation. The current chairperson, Ms. Sirkka Iileka, in her role for two (2) years, gained considerable experience, especially with regards to progress made with the collaborative relationship between the NAB and AMTA.

The appointment of a new permanent secretary, Mr. Percy Misika, at the line ministry, the Ministry of Agriculture, Water and Forestry (MAWF), was noteworthy and welcomed. Mr. Misika served and represented the MAWF at the highest levels for most of his life before a distinguished career at FAO.

The national harvests of rain-fed grains, white maize and mahangu, were, after the previous years' disastrous drought, fairly satisfactory, with the exception of the 'maize triangle' which, regrettably, was afflicted by another drought. Maize under irrigation also performed satisfactorily, under the circumstances. It is noteworthy that the total white maize formally marketed at 43, 940 tonnes was an improvement on the previous year's 38, 900 tonnes but considerably less than the 69, 433 tonnes formally marketed in 2014/2015. The white maize harvest for 2017/2018 looks more promising than that of the previous year. According to data of the MAWF, the national mahangu harvest was very good at 57, 600 tonnes, of which a record 1, 584 tonnes were formally marketed.

The price of maize grains, and subsequently, maize meal, was very high in Namibia during the period under review. This was a direct result of low national harvests in South Africa which led to high import parity prices.

Wheat is a winter crop and produced solely under irrigation in Namibia. For the reporting period, wheat saw a reduction in hectares planted, approximately

12%, to accommodate for the planting of more lucerne. At the same time, the market required larger quantities of wheat for pasta production mainly of which roughly half is currently exported. The percentage import substitution for wheat has shrunk to 7,5%.

Horticultural fresh produce production has been relatively constant. The Namibian Market Share Promotion (MSP) initiative which compels importing traders to buy a minimum percentage of local fresh produce in real monetary terms, successfully attained the 44% stipulated. Specially controlled products such as potatoes (accounts for 32% of Namibian horticultural consumption by weight) and onions (accounts for 8% of total Namibian horticultural production by weight) saw a marked decline in local production for export in large part due to a struggling Angolan economy.

The seasonality of Namibian production plus the fact that Namibia has insufficient potato washing facilities, serve to keep the import levels of washed potatoes unreasonably high. Onions must be imported between December and March of every year, when the cultivation of onions is uncertain and risky. The Namibian Agronomic Board intends to investigate the feasibility of longer term storage to accommodate this particularly unfavourable period for onion production. The intention is for other local vegetables, namely the 'top ten', to be treated as specially controlled products as soon as the teething problems affecting potatoes and onions are satisfactorily resolved.

Legal drafts to effect decisive amendments to the Agronomic Industry Act were submitted to the Ministry of Agriculture, Water and Forestry. These amendments will change the status and functions of the Board considerably even though many of the changes required were already implemented via an agent agreement with AMTA.

It makes me proud to say that our board meetings and



Christof Brock
Chief Executive Officer

various other commodity and advisory committees have functioned efficiently and effectively under the exemplary leadership of our chairperson and other board-members chairing advisory committees.

I hereby thank all Namibian producers, processors and traders of agronomic produce, the Honourable Minister of Agriculture, Water and Forestry and his team, the chairperson, vice-chairperson and members of the Board, and my colleagues in the Board's secretariat for their enthusiastic and sage support for the agronomic industry as a whole, for the Namibian Agronomic Board, and for me, in particular. With the certainty of further such support, I confidently look forward to the challenges of the coming year.

Christof Brock
Chief Executive Officer: Namibian Agronomic Board



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BOARD AND
SECRETARIAT





Standing from left: Michael Iyambo (Advisor); Akawa Amufufu (National Mahangu Manager)' Ian Collard (member); Barbara Snyders-Bock (Financial Manager); Leon Nel (Advisor); Christof Brock(CEO); Gernot Eggert (Advisor); Wilhelmina Handunge (member); Elizabeth Hilger (member) Tarcisius Shingundu (member); Anotinette Venter (White Maize & Wheat Administrtive Manager); Nico van der Merwe (Member).

Sitting from left: Marry Shikukutu (member) Veripi Kandenge (member) Sirkka Iileka (Chairperson); Andre Compion (Vice Chairperson); Loide Homateni (member) Edward Mataba (member).

Lungameni Lucas
(MD: AMTA)

Manjo Krige
(Temporary Horticulture Specialist)

Kaarina Amutenya
(Member)

Mr Karl Likuwa
(Member)



5

ESTABLISHMENT &
COMPOSITION OF
NAMIBIAN AGRONOMIC
BOARD (NAB)



The Establishment and Composition of the Namibian Agronomic Board (NAB)

1.1 Establishment and Governance

The Namibian Agronomic Board (NAB) was established on 1 April, 1985, as a statutory body in terms of the Agronomic Industry Proclamation AG 11 and 12 of 1985. This proclamation was later replaced by the Agronomic Industry Act, Act 20 of 1992 and lately partly governed by the State-Owned Enterprises Governance Act, Act 149 of 2006.

The Ministry of Public Enterprises (MoPE) was established in 2010 and acts as the overseeing body of state-owned enterprises, consequently, the NAB reports to the Minister of Agriculture, Water and Forestry (MAWF) and to the MoPE with regards to corporate governance.

1.2 Appointed members of the Board

The members of the Board as appointed by the Honourable Minister, John Mutorwa, in terms of section 4(1) of the Agronomic Industry Act, in 2014, to serve for a period of three (3) years until May 2017, are:



Ms Sirkka Iileka
Chairperson



Mr André Compion
Deputy Chairperson



Ms Kaarina Amutenya



Mr Ian Collard



Ms Wilhelmina Handunge



Ms Elizabeth Hilger



Ms Loide Homateni



Mr J Veripi Kandenge



Mr Karl Likuwa



Mr Edward Mataba



Ms Mary Shikukutu



Mr Tarcisius Shingundu



Mr Nico van der Merwe

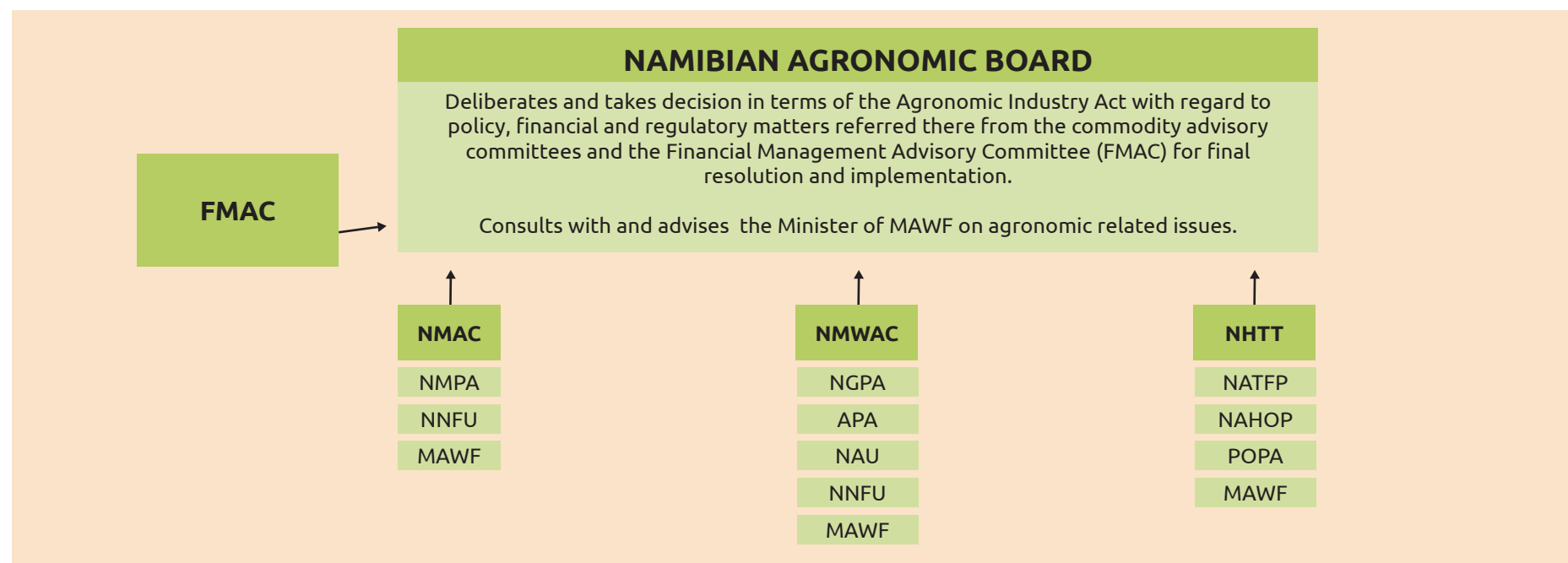


1.3 Composition and Advisory Structure of the Board

In terms of the Agronomic Industry Act, the Board deliberates and takes decisions with regards to policies, regulatory and financial matters referred from the Financial Management Advisory Committee (FMAC) and the commodity advisory committees. The chairperson of the Board serves ex officio on all the advisory committees.



The Board held three (3) scheduled meetings on:	14 July 2016	29 November 2016	28 March 2017
and, held two (2) extra-ordinary meetings on:	26 April 2016	05 October 2016	



ADVISORY COMMITTEES:

FMAC: Financial Management Advisory Committee

COMMODITY ADVISORY COMMITTEES:

NMAC: National Mahangu Advisory Committee

NMWAC: National Maize and Wheat Advisory Committee

NHTT: National Horticulture Task Team

EXTERNAL ORGANISATIONS REPRESENTED IN THE COMMODITY ADVISORY COMMITTEES:

APA:	Agronomy Producers Association
MAWF:	Ministry of Agriculture Water and Forestry
NAU:	Namibia Agricultural Union
NAHOP:	Namibia Association of Horticulture Producers
NATFP:	Namibia Association of Traders in Fresh Produce
NGPA:	Namibia Grain Processors Association
NMPA:	Namibia Mahangu Processors Association
NNFU:	Namibia National Farmers Union

1.4 Advisory Committees of the Board

The Agronomic Industry Act, in section 12 (1) (a), makes provision for advisory committees to advise the Board in any of its duties:

1.4.1 Financial Management Advisory Committee (FMAC):

The FMAC advises the Board on matters relating to financial reporting processes, internal financial control audits, financial risks and financial matters referred from commodity advisory committees. The FMAC furthermore advises the Board on human capital and corporate governance matters.

The following persons served on the FMAC:

Mr Ian Collard	Chairman
Mr André Compion	Board Member
Mr Karl Likuwa	Board Member
Ms Kaarina Amutenya	Board Member
Mr Niek Tromp	NC Tromp & Co: external auditors
Ms Sirkka Iileka	NAB Chair: ex officio

Four (4) FMAC meetings were held on:	6 June 2016		6 September 2016		2 November 2016		27 February 2017
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1.4.2 Commodity Advisory Committees:

The commodity advisory committees met on the following dates to discuss commodity issues for recommendation to be submitted to the Board:

National Horticulture Task Team (NHTT):

The following Board members and advisors served on the NHTT:

Mr Michael Iyambo	Chairman
Ms Elizabeth Hilger	Board member
Mr Tarsicius Shingundu	Board member
Ms Loide Homateni	Board member
Mr Nico van der Merwe	Board member
Ms Sirkka Iileka	Ex-officio
Mr Leon Nel	Advisor

Three (3) NHTT meetings were held on:	10 May 2016 22 September 2016 21 February 2017
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National Mahangu Advisory Committee (NMAC):

Ms Sirkka Iileka	Chairperson
Ms Kaarina Amutenya	Board member
Mr Karl Likuwa	Board member
Ms Mary Shikukutu	Board member
Ms Wilhelmina Handunge	Board member

Three (3) NMAC meetings were held on:	19 May 2016 24 August 2016 15 February 2017
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National Maize and Wheat Advisory Committee (NMWAC):

Mr André Compion	Chairperson
Mr Ian Collard	Board member
Ms Wilhelmina Handunge	Board member
Mr Edward Mataba	Board member
Ms Sirkka Iileka	Ex-officio
Mr Gernot Eggert	Advisor

Three (3) NMWAC meetings were held on:	23 May 2016 7 September 2016 8 February 2017
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SECRETARIAT
OF THE NAB



The secretariat



2.2 Functions of the Namibian Agronomic Board

In 2014, the NAB had appointed Agro Marketing and Trade Agency (AMTA) as its agent to perform specific duties and to collect respective levies on behalf of the NAB. The secretariat, with the assistance of AMTA, fulfils the following main functions:

Monitoring the grain and horticulture production processes to be able to facilitate the marketing of the controlled agronomic crops;

Regulating the market environment of the controlled agronomic crops;

Promoting domestically produced agronomic crops and fostering and improving the market for all declared crops and products thereof;

Managing the domestic trade environment and facilitating the development of grain and horticultural markets to ensure that its stakeholders are not exposed to unfair trading practices;

Recommend commodity development projects of associations and unions to the Ministry of Agriculture, Water and Forestry for levy funding;

Monitoring AMTA regarding the regulatory framework for controlled crops and their products, recommending crops for gazetting, maintaining quality standards and the monitoring of controlled agronomic crops and their products;

Making recommendations to and advising the Ministry of Agriculture, Water and Forestry (MAWF) on all issues relating to the agronomic industry.



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HORTICULTURE
FRESH PRODUCE



HORTICULTURE FRESH PRODUCE

OVERVIEW OF HORTICULTURE

The horticulture industry in Namibia has gone from strength to strength since the establishment of the National Horticulture Development Initiative (NHDI) in 2002 by the Namibian Agronomic Board (NAB), in partnership with the Ministry of Agriculture, Water and Forestry (MAWF). This led to fresh fruit and vegetables being gazetted as controlled products during 2005, under Section 2 of the Agronomic Industry Act (Act 20 of 1992).

During the 2016/17 financial year, Namibia consumed 71,585 tonnes of horticulture fresh produce in the formal market, worth an estimated N\$ 626 million¹. In congruence with the NHDI objectives, local formal supply of horticulture products marketed increased marginally compared to a drop in imports during the year in review. The statistics (figures 2 and 3), similarly display a decline of 2.5 percent and 8 percent over last year, in the overall tonnage and monetary value for both the local and imported horticulture fresh produce.

As detailed in the Market Share Promotion (MSP) performance in figure 1, the actual market share of local products was 44 percent for the period Quarter 1 of 2016 to Quarter 1 of 2017, favourably in parity to the established MSP threshold. Thus, the overall performance of the horticulture industry during the current review period can be considered satisfactory in reference to MSP performance and owing to the increased local supply of formally traded horticulture fresh produce (both in terms of tonnage and monetary value). However, uncertainties in the Angolan export market led to a noticeable decline in local production of specially controlled high-value products, primarily potatoes and onions, the focal point of distress in the industry.

HORTICULTURE MARKET REGULATIONS

The Namibian Agronomic Board regulates the horticulture industry through the Market Share Promotion (MSP) scheme which was implemented by AMTA as the agent of the NAB. In terms of the MSP, importers of fresh horticulture produce are required to source a minimum percentage of their products from Namibian producers prior to qualifying for an import permit in a given quarter.

The initial MSP threshold was set at 5% in 2005, which increased to, and remained

at 44% during the 2016/17 period. The MSP percentage traders are required to achieve, was established by the NAB through mutual industry consensus based on references from the National Horticulture Task Team (NHTT) meetings which are held three (3) times a year.

According to the Government Gazette of 31 December, 2014, AMTA collects a 1.4% levy on sales from local producers, 5% on horticulture imports and 1.4% from traders as a general purchasing levy.

The objective of the MSP is to create a more dynamic and favourable marketing environment. Traders are encouraged to engage producers through commissioning planting agreements to increase local sourcing. Producers are thereby motivated to increase production according to market demand, as the marketing risk is reduced. Ultimately, by implementing the MSP, investment in the Namibian agriculture sector is stimulated.

IMPACT OF THE MARKET SHARE PROMOTION

Figure 1 shows the trend in monetary values of locally traded horticulture fresh produce versus imports, as well as the fixed MSP threshold versus actual MSP percentages obtained per quarter. It is noteworthy that this figure is a sheer graphical representation of the MSP performance inclusive of trader-to-trader secondary local purchases and concurrent to the import permit data evaluation periods.

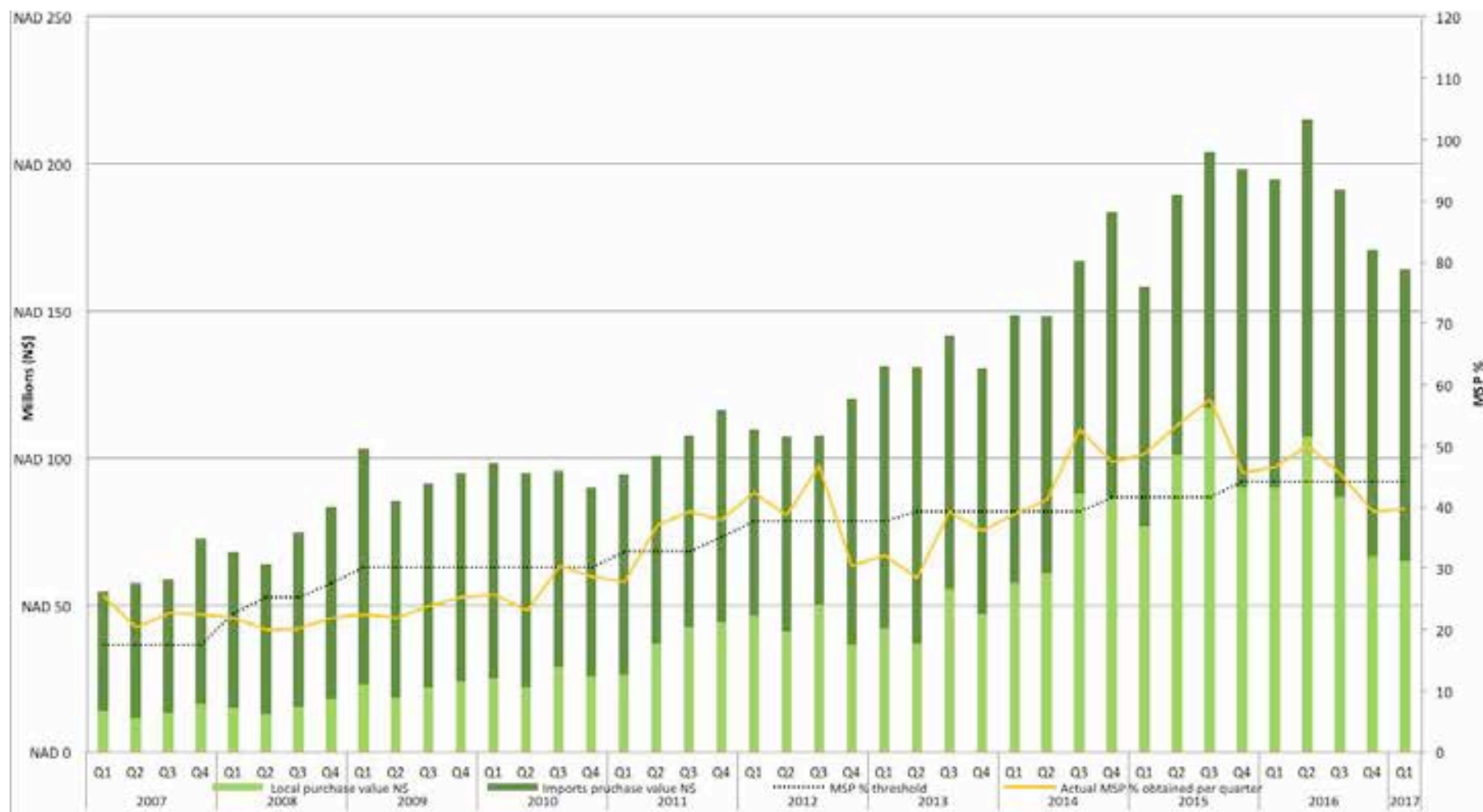
The actual MSP obtained during the period Quarter 1 of 2016 to Quarter 1 of 2017 was 44%, calculated at the monetary value of local horticulture produce traded over a complete permit data evaluation period (December 2016 – February 2017). This, is in parity to the current MSP threshold, and an indication that the establishment of the MSP scheme in 2005 created an enabling environment for substituting the import of horticulture commodities that can be produced locally.

In contrast, the actual MSP obtained during the last two quarters, the fourth of 2016 and the first of 2017, was 5% lower than the actual MSP threshold of 44%. The downward trend is principally due to a decline in domestic production of specially controlled high-value potatoes and onions, both in terms of domestically consumed and export tonnages to an ailing Angolan market.

Calculation is based on the “landed cost” including any taxes, duties, and transport costs payable in respect of a controlled product, but exclude trader to trader secondary sales or re-purchases.



Figure 1: Market Share Promotion (MSP) performance vs domestic formal market purchases and imports (Q1 2007- Q1 2017)

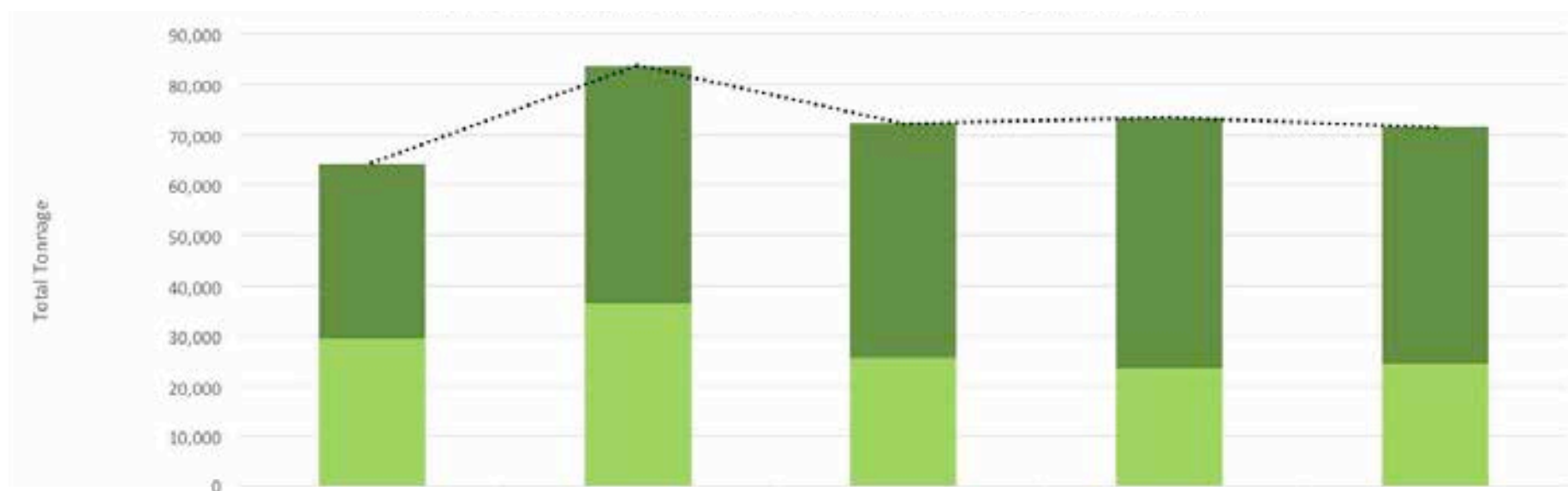


FORMAL MARKET TONNAGE AND VALUE

(all horticulture controlled products)

Figure 2 shows the local formal market purchases against imports in tonnages. During the 2016/2017 financial year, 47,143 tonnes were imported (a 5% decline in imports compared to the previous year), while 24,442 tonnes were locally purchased (a 4% increase in local supply compared to the previous year). These figures show the positive impact of the MSP scheme with regards to import substitution.

Figure 2: Local market purchases vs imports in tonnage (2012-2017)



	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Import Tonnage	34,925	47,347	46,631	49,859	47,143
Local Tonnage	29,411	36,412	25,728	23,579	24,442
Total Tonnage	64,336	83,759	72,359	73,439	71,585



Figure 3 shows the local formal market purchases against imports in monetary values. During the 2016/2017 financial year, the total value for imports was N\$415 million (an 18% decline in imported value compared to the previous year), while the total value for local purchases was N\$211 million (a 22% increase in local supply value compared to the previous year).

Figure 3: Local market purchases vs imports in values (2012-2017)



TOP 20 HORTICULTURE FRESH PRODUCE

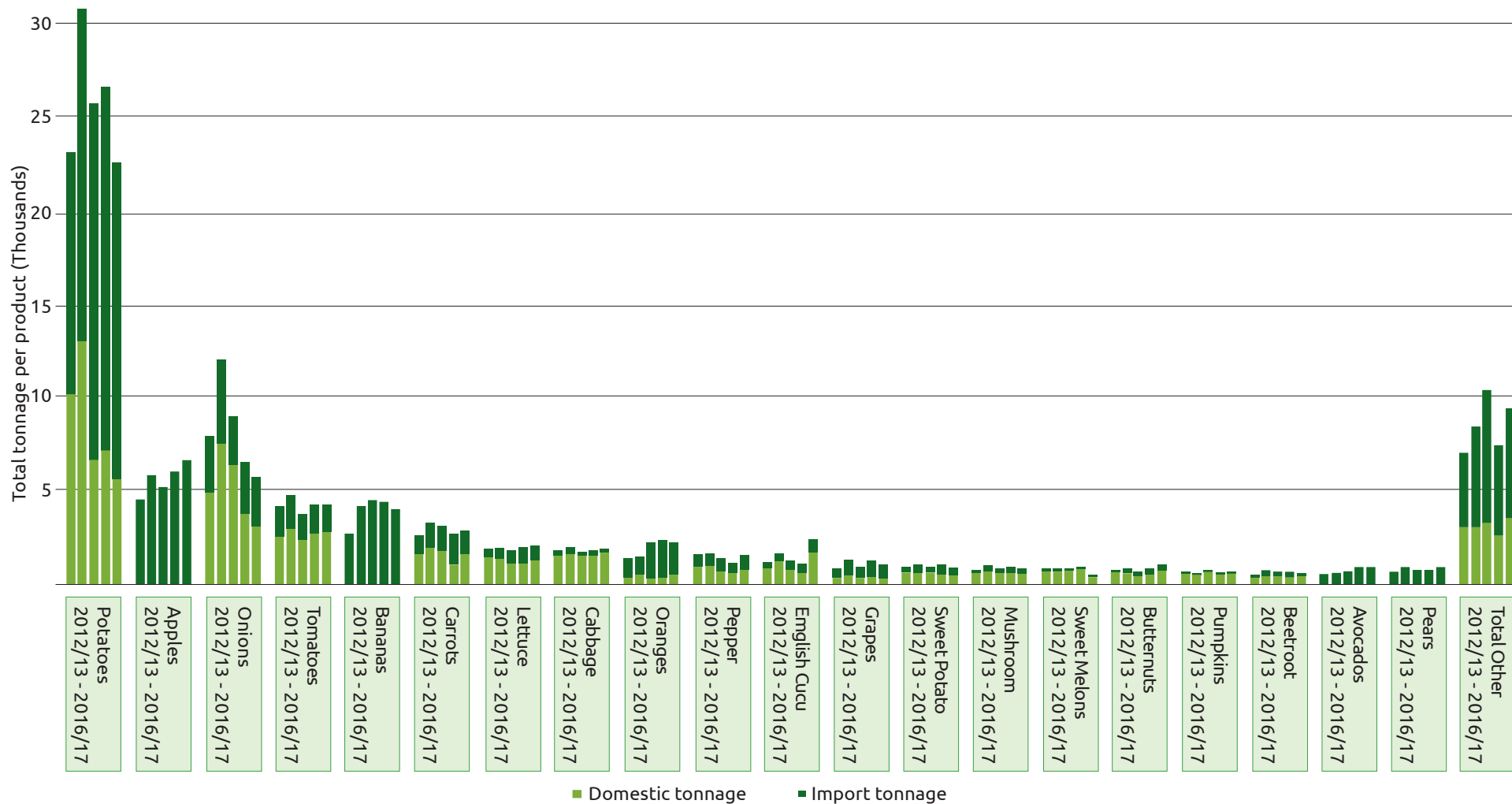
More than 120 different horticulture products are consumed in Namibia and these are traded on the formal and informal markets. **Figure 4** shows the top 20 horticulture fresh produce in tonnages (excluding exports), which were formally traded in the last five financial periods (2012/13 – 2016/17). The graph shows the locally sourced tonnage versus imported tonnage separately.

The products consumed most by Namibians during the 2016/2017 financial period in the formal market are potatoes (32%), apples (9%), onions (8%), tomatoes (6%), bananas (6%), carrots (4%), cucumber (3%), oranges (3%), lettuce (3%), and cabbage (3%).

RANKING	PRODUCT NAME	LOCAL TONNAGE	IMPORT TONNAGE	TOTAL TONNAGE	PERCENT OF TOTAL
1	POTATOES	5,544.45	17,047.96	22,592.41	32
2	APPLES	0.00	6,545.13	6,545.13	9
3	ONIONS	2,983.63	2,676.52	5,660.15	8
4	TOMATOES	2,718.44	1,474.27	4,192.71	6
5	BANANAS	0.00	3,972.63	3,972.63	6
6	CARROTS	1,541.77	1,293.83	2,835.61	4
7	ENGLISH CUCUMBERS	1,604.27	712.62	2,316.89	3
8	ORANGES	401.05	1,742.20	2,143.25	3
9	LETTUCE	1,190.54	812.88	2,003.42	3
10	CABBAGES	1,634.24	160.97	1,795.20	3
11	PEPPERS	645.80	839.14	1,484.94	2
12	BUTTERNUTS	691.02	314.38	1,005.40	1
13	GRAPES	192.26	766.67	958.93	1
14	SWEET POTATOES	321.65	535.02	856.67	1
15	PEARS	0.00	849.45	849.45	1
16	AVOCADOS	0.00	832.58	832.58	1
17	MUSHROOMS	441.69	268.41	710.10	1
18	PUMPKINS	496.17	122.28	618.45	1
19	BEETROOT	308.50	154.17	462.67	1
20	SWEET MELONS	258.13	117.37	375.50	1
	Total Other	3,468.78	5,904.56	9,373.34	13
	Grand Total	24,442.40	47,143.05	71,585.44	100



Figure 4: Top 20 formally traded fresh produce: Domestic vs imported tonnage 2012/2013 - 2016/2017 financial year



SPECIAL CONTROLLED PRODUCT MEASURES

In addition to the MSP rules, certain products such as potatoes, onions, butternut, cabbages, tomatoes, carrots, and green pepper require separate import permit requirements. The objective is to ensure that these products are not imported when Namibia has sufficient quantities available, according to the required market quality. Under the special controlled products scheme, local produce is marketed first before imports are allowed. Among specially controlled products, potatoes and onions are traded in larger quantities in terms of both local purchases and imports, hence the following:

ONIONS

During the 2016/17 financial year, a closed-border period was instituted for the importation of standard included onions from 01 June to 15 December, 2017. **Figure 5** shows the performance of onions in terms of tonnage and value per tonne of domestically produced onions either traded in the formal market or exported, versus imports of onions. Note that the export values are available for the past 4 financial years, only.

Domestic production (domestic consumed tonnage plus export tonnage) declined from 12,800 tonnes in 2015/16 to 11,800 tonnes in 2016/17, of which 2,984 tonnes worth N\$ 21 million were traded in the domestic formal market, and 8,800 tonnes exported primarily to a shrinking Angolan market. The domestic production decline of approximately 8% in onions was largely due to uncertainties and marketing challenges in the export market.

Figure 5: Onions formal market value and tonnage (2012/2017)



	2012/13	2013/14	2014/15	2015/16	2016/17
Import Tonnage	-3,036	-4,529	-2,591	-2,939	-2,677
Export Tonnage		8,283	8,477	9,106	8,807
Domestic Tonnage	3,504	5,025	6,337	3,703	2,984
Domestic Value N\$/Ton	NAD 4,458	NAD 5,142	NAD 5,015	NAD 9,133	NAD 7,102
Import Value N\$/Ton	NAD 6,095	NAD 5,448	NAD 7,691	NAD 7,476	NAD 7,822

Axis Title

Domestic Tonnage Export Tonnage Import Tonnage Domestic Value N\$/Ton Import Value N\$/Ton



POTATOES

Figure 6 shows the performance of potatoes in terms of tonnage and the value per tonne of domestically produced potatoes either traded in the formal market or exported, versus imports of potatoes. Note that the export values are available for the last 4 financial years, only.

Domestic production declined substantially from 10,268 tonnes in 2015/16 to 5,893 tonnes in 2016/17, due to a sharp decline in planting for exports to a distressed Angolan market. Namibia imported 17,048 tonnes of mostly washed potatoes during 2016/17, and exported only a mere 349 tonnes of unwashed potatoes. The local market for washed potatoes continue to be an opportunity for producers, coupled with appropriate storage infrastructure to ensure availability during high risk months of above normal temperatures and frost.

Figure 6: Formal market value and tonnage (2012/2017)





8

MAHANGU



1. THE MAHANGU FLOOR PRICE

The Mahangu Price Agreement is made between organised mahangu (pearl millet) producers and organised mahangu millers to safeguard an orderly marketing environment in order to stimulate additional production and marketing of mahangu.

Such an agreement (in terms of principles and formulas, not in terms of absolute value of N\$) will continue indefinitely until either party gives notice to renegotiate the agreement at least two (2) months before the mahangu planting season of any given year (end of October unless otherwise agreed by two [2] signatories to this agreement).

The floor price is based on production costs of mahangu per hectare and adjusted annually by the Namibian Agronomic Board (NAB) with real input costs and inflation, on the 1st of October.

On the 25th of November, 2016, the organised mahangu producers and organised

mahangu millers held a meeting in Tsumeb to negotiate the mahangu price formula where the price formula that was agreed upon on the 2nd of April, 2014, was amended. The mahangu producer floor price for 2017 was set at N\$5,400.00 per tonne (N\$5.40 per kg, N\$97.74 per lata of 18.1 kg). Production costs had increased compared to N\$4,386 per tonne in 2016. As a result of the price formula amendment, the price of mahangu seeds, related labour costs and the cost of equipment maintenance have increased.

2. MAHANGU IMPORTS

During the period under review, there was a slight decrease in the quantity of mahangu imported compared to the 2015/16 period. The quantity of mahangu imported decreased by 9.1% compared to the previous period as a result of local drought relief food distribution. The table below is a summary of mahangu hectares planted, harvested and marketed locally as well as imported mahangu.

Table 1 Summary of mahangu planted, harvested, imported, marketed locally and producer floor price.

Financial Year	Estimated area planted (ha)*	Estimated production (t)*	Production marketed locally (t)**	Quantity locally bought by millers (t)**	Imports (t)**	Floor Price per ton (N\$/t)
2006 – 2007	194,788	44,450	825	No data available	No data available	***N\$ 1,780
2007 – 2008	186,197	35,512	512	No data available	No data available	***N\$ 1,900
2008 – 2009	257,735	37,301	507	507	2,185	***N\$ 1,948
2009 – 2010	264,436	73,272	996	996	3,336	***N\$ 2,699
2010 – 2011	270,018	41,122	1,064	422	1,034	***N\$ 2,668
2011 – 2012	255,456	55,921	975	233	1,860	***N\$ 2,872
2012 – 2013	229,449	24,695	1,040	536	3,863	***N\$ 3,041
2013 – 2014	254,528	44,141	532	358	5,485	N\$ 3,504
2014 – 2015	219,020	28,584	750	264	3,332	N\$ 3,640
2015 – 2016	240,053	22,278	98	37	6,096	N\$ 3,475
2016 – 2017	268,359	57,600	1,584	84	5,541	N\$ 4,386

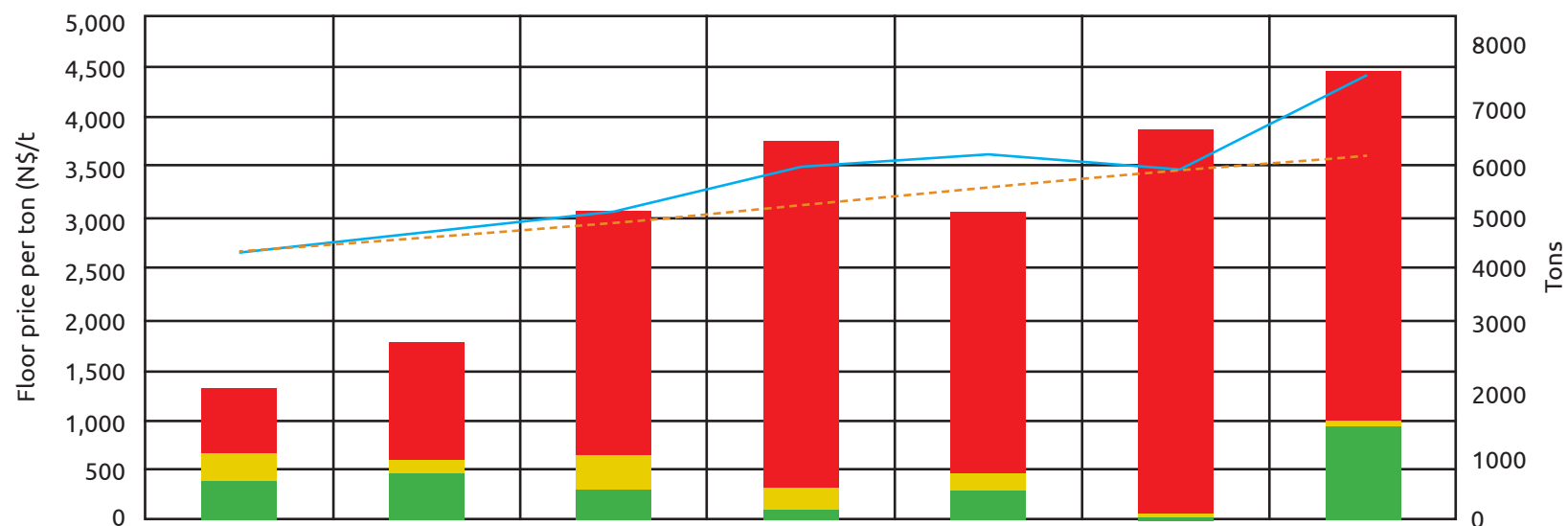
* Information received from the Crop Prospect and Food Security Situation Report, MAWF

** NAB statistics

*** The same producer price as for white maize



Figure 1: Mahangu floor price, imports and local procurement



	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Imports	1,034	1,860	3,863	5,485	3,332	6,096	5,540
Millers	422	233	536	358	264	37	84
NSFR	642	742	504	175	486	61	1,500
Floor price per ton	2,668	2,872	3,041	3,504	3,640	3,475	4,386
Floor price with infl.	2,668.00	2,774.72	2,941.20	3,132.38	3,304.66	3,476.50	3,598.18

Financial Year



9

WHITE MAIZE
& WHEAT



WHITE MAIZE

Unlike the rest of the world that mainly produces corn (yellow maize) for animal fodder, mid- and southern African countries (Namibia included) produce white maize as one of the staple grains for human consumption.

During an average-to-good rainy season, there is a correlation between the dry-land and irrigation maize yields. The period under review was once again characterised by a poor rainfall and therefore a poor dry-land yield, as shown in the table below:

Table 1: White maize planted between November 2015 and January 2016 and the harvest of those plantings marketed as from May to August / September 2016 in the main marketing season

Production areas	Dry-land		Irrigation		Total volume marketed (t)
	Planted (ha) Nov 2015 - Jan 2016	Marketed (t) May 2016 - Nov 2016	Planted (ha) Nov 2015 - Jan 2016	Marketed (t) May 2016 - Nov 2016	
Zambezi Region	<i>No accurate info</i>	2 473	0	0	2 473
Central and eastern areas	1 373	3 740	142	2 362	6 102
Hardap Irrigation Project and environs	0	0	887	5 891	5 891
Maize Triangle and environs	4 800	4 239	926	8 812	13 051
Irrigation Projects (Kavango and Omusati Regions)	0	0	3 083	14 501	14 501
Total	6 173	10 452	5 038	31 566	42 018

Table 2: White maize total hectares planted and total volumes marketed

Main harvest: 2016	Dry-land	Irrigation	Total
Total hectares planted: November 2015 - January 2016	6 173	5 038	11 211
Total volumes marketed: May 2016 - November 2016	10 452	31 566	42 018

Note: The white maize production and marketing season do not coincide with the Namibian Agronomic Board financial year and therefore, with the reporting period of this report. Although the harvest resulted from 2016/17 plantings, the hectares indicated above, were reported in the previous Annual Report.

The total hectares planted were 11, 211, both irrigation and dry-land (small-scale communal areas excluded), and a total volume of 42, 018 tonnes were harvested.

From 214 hectares planted as a second harvest, 1, 930 tonnes were marketed outside the main marketing period. This brought the total Namibian harvest for the period under review, to 43, 948 tonnes.



Table 3: Financial year (1 April 2016 - 31 March 2017): White maize production (from previous year's plantings) within the reporting period

Reporting period: Financial year: 1 April 2016 – 31 March 2017	Dry-land	Irrigation	Total
Hectares planted: • 1 April 2016 - 31 March 2017 (excluded dry-land small-scale plantings in the Zambezi) • Second plantings under irrigation	9 895 0	4 405 214	14 514
Marketed production: • 1 April 2016 - 31 March 2017 (included small-scale harvests in the Zambezi) • Excluding second harvest under irrigation	10 452	31 566	42 018

Note: The above hectares planted during November 2016 until January 2017, will result in the harvest that will be marketed and report on in the next financial year and Annual Report,

Table 4: Historic hectares planted for the main harvesting (closed-border) period & second harvest: Financial year

Financial year (1 April until 31 March the following year)	White maize planted (ha): Planted from Nov/Dec until Jan/ Feb the next year		
	Dry-land Main harvest: (ha) *	Irrigation Main harvest: (ha)	Irrigation Second harvest of previous year: (ha)
2005 - 2006	8 223	3 699	660
2006 - 2007	8 664	3 867	815
2007 - 2008	8 750	2 981	337
2008 - 2009	7 476	3 708	116
2009 - 2010	9 697	3 190	139
2010 - 2011	11 139	4 656	45
2011 - 2012	9 914	3 981	-
2012- 2013	10 275	3 881	154
2013 - 2014	9 374	4 421	222
2014 - 2015	8 209	4 168	251
2015- 2016	10 451	4 004	0
2016- 2017	6 173	5 038	214

* Excludes hectares planted on small-scale farms in the Zambezi Region.



Table 5: Historic marketed production within the financial year: Closed-border & second harvesting periods

Financial year (1 April until 31 March the following year)	White maize marketed (t): Harvested and marketed from May until August 2013		
	Dry-land Main harvest (t) *	Irrigation Main harvest (t)	Irrigation (Second harvest of previous year) (t)
2005 - 2006	16 622	22 601	5 142
2006 - 2007	24 931	23 619	4 746
2007 - 2008	14 530	27 605	2 507
2008 - 2009	** 22 954	25 883	1 651
2009 - 2010	23 728	24 103	1 735
2010 - 2011	20 045	27 414	502
2011 - 2012	36 528	26 700	225
2012 - 2013	36 725	35 712	-
2013 - 2014	5 474	33 553	1 556
2014 - 2015	36 244	35 201	2 012
2015 - 2016	6 100	32 800	0
2016 - 2017	10 452	31 566	1 930

*Includes die production of the small-scale farmers in the Zambezi Region

** Includes 1 344 ton WM harvested and exported (not marketed locally)

The white maize marketing period commences on 1 May of each year and concludes when the local harvest is bought and partially milled.

The basis of the white maize price formula is the SAFEX 5-year average (inflation adjusted) with a transport differential calculated ex Bloemhof, landed either at a location south or north of Otjiwarongo. As from the 3rd of May until 30 November 2016, the SAFEX price increased to such an extent that it was higher than the 5-year average, therefore, the alternative price formula became applicable. The basis for this formula is the SAFEX fortnight weighted average (spot price) of the previous two weeks with the transport differential calculated ex Douglas, landed either at a location south or north of Otjiwarongo. This price varied every two weeks. The average of the ex Douglas price was therefore N\$ 5, 304/tonne.



Table 6: Local production, imports, exports, total consumption and prices within the financial year

Financial year	Local marketed production (t)	Grain imports (t)	Grain exports (t)	Meal exports (t)*	Meal exports: Equivalent of grain (t)*	Nett domestic consumption (t)	Floor prices (N\$/t) **
2005–2006	44 365	76 534	4 000	0	0	116 899	1 824.00
2006–2007	53 296	48 247	3 000	0	0	98 543	1 760.00
2007–2008	46 008	60 141	300	610	549	103 934	2 006.16
2008–2009	51 832	111 714	3 150	35 078	31 571	128 825	2 030.93
2009–2010	49 566	83 903	230	13 678	12 311	120 928	2 780.49
2010–2011	47 964	81,111	0	6 309	5 679	123 393	2 614.00
2011–2012	63 228	55 305	72	2 192	1 973	116 488	2 831.37
2012–2013	72 436	105 742	0	11 124	10 012	168 168	2 998.00
2013–2014	36 694	170 234	0	340	306	206 622	3 169.00
2014–2015	69 433	82 527	0	0	0	151 960	3 302.00
2015–2016	38 900	120 650	0	0	0	159 559	* ** 3 948.00
2016–2017	43 940	110 229	0	0	0	154 117	* ** 5 304.00

* Maize meal exported: Exported meal tonnage approximately 10% less than un-milled grain, to conclude a realistic total consumption.

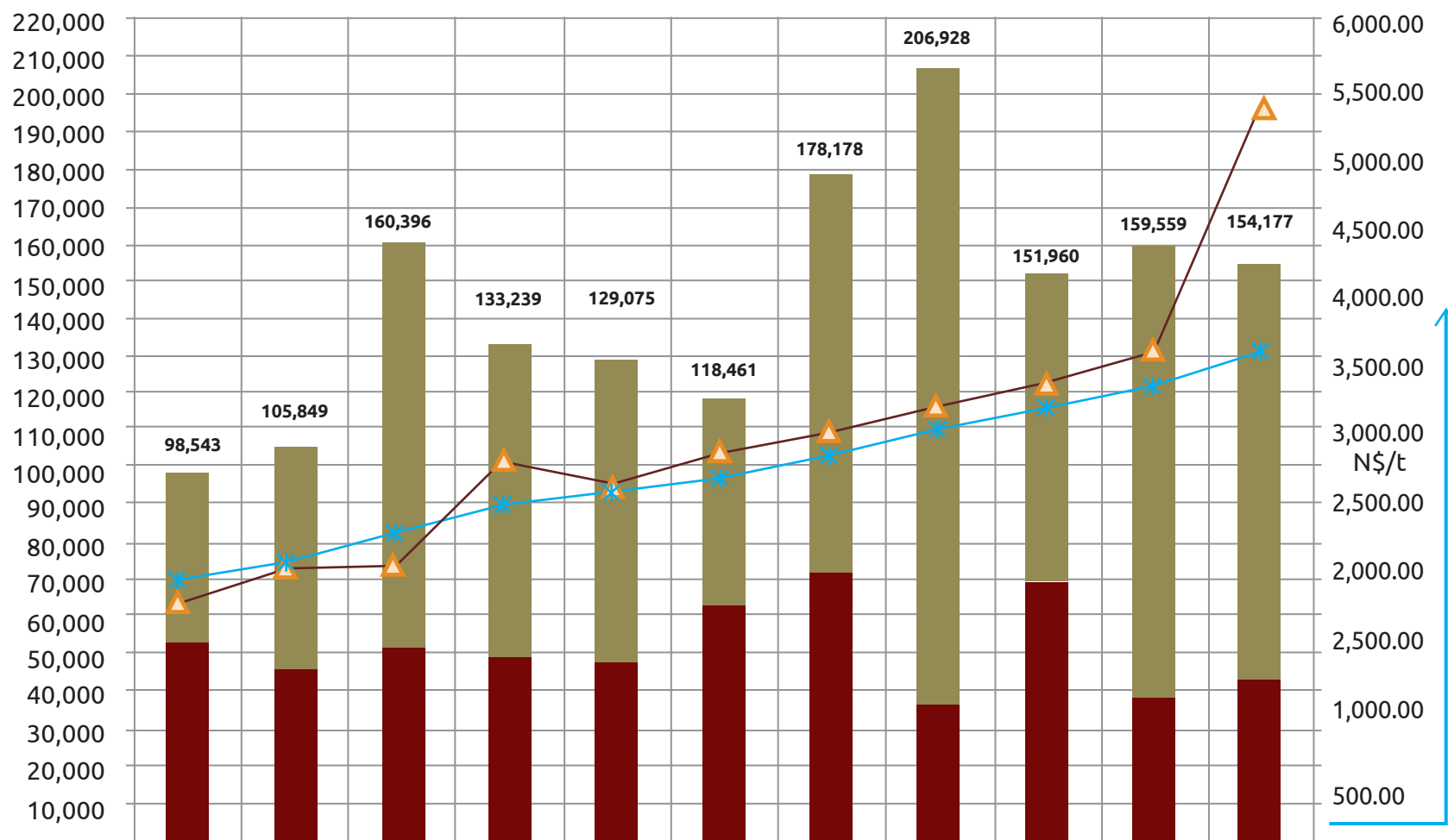
** Prices: Delivered to a mill north of Otjiwarongo

*** Average of the fortnight price.

During the 2016/17 year, the whole of the southern African region experienced severe drought. Namibia's main source of white maize imports is South Africa. Because of the drought, Namibia experienced a higher demand than could be supplied. This raised the SAFEX price considerably. The Namibian maize price for this period reflects the import parity price and actual landed cost.



WHITE MAIZE: LOCAL PRODUCTION, IMPORT/EXPORT; DOMESTIC CONSUMPTION AND ANNUAL PRICE AGAINST INFLATION



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Import (-) Export	45,272	59,841	108,564	83,673	81,111	55,233	105,742	170,234	82,527	120,659	110,229
Local production (t)	53,296	46,008	51,832	49,566	47,964	63,228	72,436	36,694	69,433	38,900	43,948
Domestic consumption (t)	98,543	105,849	160,396	133,239	129,075	118,461	178,178	206,928	151,960	159,559	154,177
Reference price (N\$/t)	1,760.00	2,006.16	2,030.93	2,780.49	2,614.00	2,832.00	2,986.00	3,168.00	3,335.00	3,562.00	5,304.00
Ref price: Infl adjusted with CPI (N\$/t)	1,918.85	2,047.41	2,258.29	2,457.02	2,550.39	2,652.41	2,811.55	2,994.30	3,158.99	3,323.26	3,560.20



WHEAT

Due to the fact that Namibia is a summer rainfall region, wheat, being a winter crop, can only be produced under irrigation. Wheat is planted at the Hardap Irrigation Scheme at Mariental in the south, at government irrigation projects on the banks of the Okavango River, at Etunda, a government project in the Omusati Region and by a few irrigation farmers in Namibia's 'Maize Triangle'. The government irrigation projects are:

- Musese
- Sikondo
- Uvungu-Vungu
- Ndonga Lilena
- Mashare
- Shitemo
- Shadikongoro
- Etunda.

Table 1: Wheat produced and marketed in the 2015-16 financial year

Production areas	Planted (ha) June/July 2016	Marketed (t) Oct 2016 - Feb 2017	Yield ton/ ha Oct 2016 - Feb 2017
Hardap Irrigation Project	700	5 035	7.2
Maize Triangle and Environs	97	628	7.1
Kavango Regions	1071	3 919	4
Omusati	60	240	4
Total	1 928	9 822	



Table2: Hectares planted, local production, producer prices, imports, exports and total consumption

Financial year	Area planted (ha)	Local production marketed (t)	Grain imports (t)**	Flour exports (t)*	Flour exports in equivalent of grain (t)*	Netto domestic consumption (t)	Floor price (N\$/t)
2005–2006	2 435	12 987	73 411	3 065	2 759	83 639	1 851.00
2006–2007	2 136	12 312	58 227	85	77	70 462	1 855.18
2007–2008	2 369	12 163	61 665	4 623	4 161	69 667	3 065.90
2008–2009	2 734	11 626	51 014	5 543	4 989	57 651	3 466.07
2009–2010	1 852	12 448	64 661	500	450	76 659	2 716.35
2010–2011	2 389	11 511	69 519	-	-	81 031	2 699.74
2011 - 2012	2 136	11 930	84 543	11 100	9 990	86 483	3 138.49
2012 - 2013	2 314	14 819	87 726	1 000	900	101 645	3 947.95
2013 - 2014	2 198	11 312	85 257	2 644	1 983	94 586	4 197.02
2014 - 2015	2 032	11 600	103 035	0	0	114 635	3 923.11
2015 - 2016	2 077	11 411	95 190	0	0	106 601	4 624.84
2016 - 2017	1 832	9 822	121 261	0	0	131 083	4 849.59

* Wheaten flour exported: Exported tonnage of flour = approximately 25 % to equal tonnage of unmilled grain for the calculation of a realistic total consumption

** Import/export information (volumes) based on border receipts and permits issued. Imports via Walvis Bay only based on permits issued.

The table above shows that domestic wheat consumption has dramatically increased. Larger quantities of wheat were imported for the growing pasta industry.

During the period under review, less hectares were planted under wheat than in the previous six (6) years. Only 1,832 hectares were planted in total at the Hardap Irrigation Scheme, in the Maize Triangle as well as at the government irrigation projects, in comparison with 2,077 hectares planted during the 2015/16 production period. The total harvest of 9,822 tonnes was also the lowest wheat harvest ever in Namibia.

The wheat price is calculated as follows:

- SAFEX 5-year average or the average of the October SAFEX spot price, whichever is highest;
- 30% import parity ex South Africa and 70% import parity via Walvis Bay, landed in Windhoek.

Formula A:

1. 30% of the five-year average (adjusted for inflation) of the actual SAFEX spot price, plus the transport differential from Upington to Windhoek; and
2. 70% of the five-year average (adjusted for inflation) Hard Red Winter (HRW) import parity price from the United States and the Rand/US Dollar exchange rate, plus the transport via Walvis Bay to Windhoek.

Formula B:

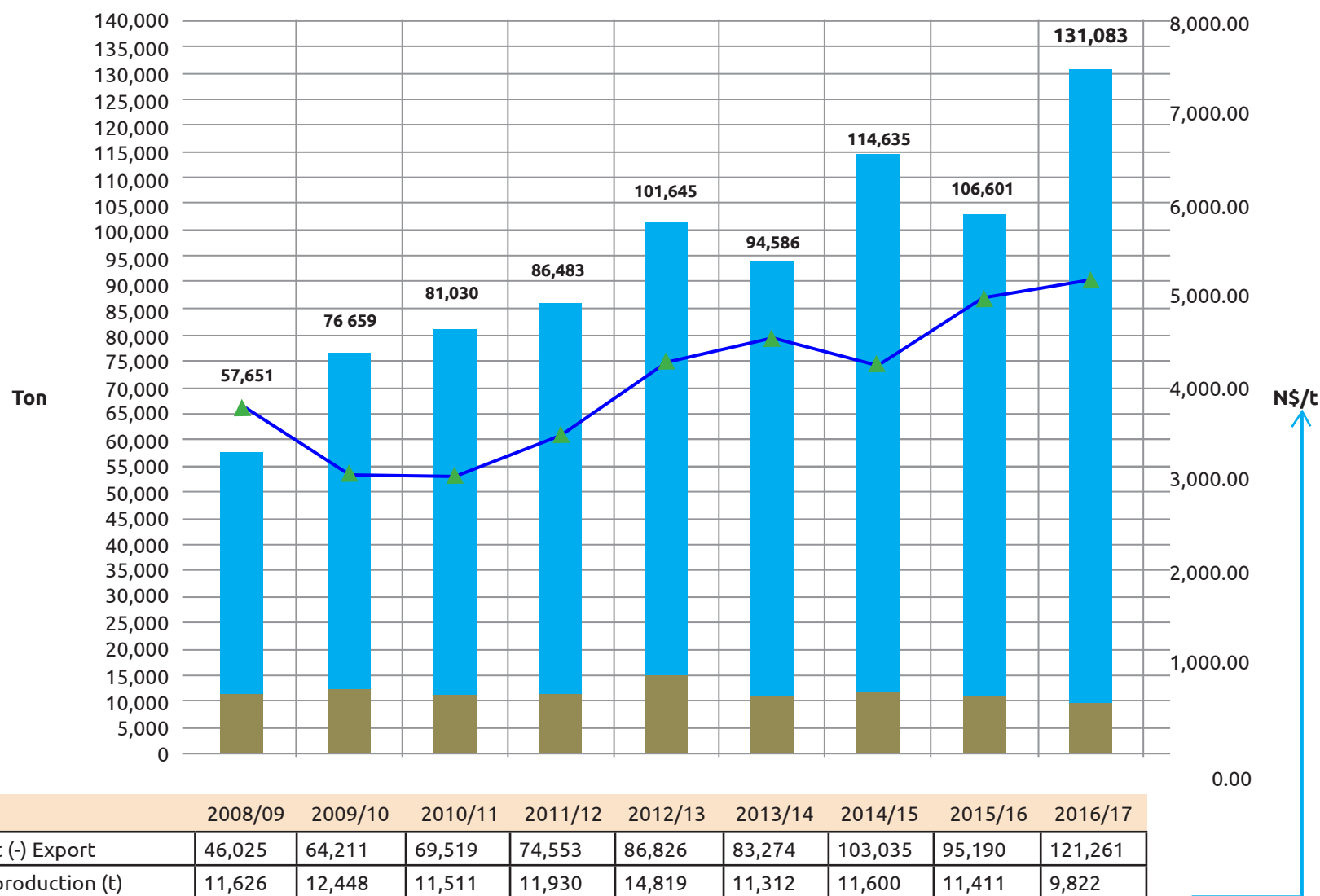
In the first week of November each year, a price is determined based on the following:

1. 30% of the average of the actual SAFEX spot price for October, plus the transport differential from Upington to Windhoek (as set out in formula A.1. above); and
2. 70% of the average HRW import parity price from the US and the Rand/US\$ exchange for October, plus the transport via Walvis Bay to Windhoek (as set out in formula B.1. above).

The 2016 wheat price of N\$ 4,849.59/tonne was calculated on the SAFEX 5-year average that included the SACU external tariff of N\$ 547/tonne.



WHEAT LOCAL PRODUCTION, IMPORT, EXPORT AND DOMESTIC GRAIN CONSUMPTION



NAMIBIAN PROCESSORS

There is a total of 23 registered millers currently actively milling in Namibia. Of which 10 exclusively mill white maize and 7 exclusively mill mahangu, 3 millers specialise in milling white maize AND wheat, 3 other millers specialise in Mahangu AND white maize, whilst only 1 miller specialises in milling all three grains (maize, wheat AND mahangu).

NAMIBIAN AGRONOMIC BOARD AWARDS

MASTER AGRONOMIST 2017

Every year, since 1995, the Namibian Agronomic Board selects and awards a Master Agronomist. In 2017, the winners of the award were Ebbi Fischer and his wife, Heide, of Farm Okongema near Hochfeld. At a well-attended function on the 6th of April on the farm also the venue for the AGM (annual general meeting) of the Agronomic Producers' Association.

The annual award goes to a farmer not necessarily evaluated on the size of his harvest, but rather on practising an exceptionally innovative scientific approach, good risk diversification, good labour relations and community involvement.

Mr Fischer and his wife began farming in 1993. They farmed on a part-time basis initially with the help of a full-time farm manager. In 2004, the couple began farming full-time.

Ebbi Fischer cultivates grains and legumes under irrigation and dry-land, and does extensive crop rotation, for example dry-land white maize rotated with legumes and feed-sorghum, and under irrigation, maize with legumes and barley. His method of crop rotation improved the soil fertility levels and broke the disease cycles for crops. His 6-year average dry-land maize yield, which includes

drought years, is 3,3 tonnes/ha (max 5,4 tonnes/ha) while his irrigation maize average is 11,3 tonnes/ha (max 12,4 tonnes/ha). Mr Fischer also harvested approximately 800 tonnes of grass (hay) for animal fodder, per annum. The Fischers also farm with cattle and are involved in Brahman stud-farming.



Master Agronomist Award - 11 April 2017

2016 NATIONAL HORTICULTURE DAY – PRODUCERS & TRADERS AWARDS

The Namibian Agronomic Board (NAB) hosted the 11th annual Namibian Horticulture Day at Farm Oshivelo on 23 September 2016, in Oshikoto region. The awards aim to recognise the best horticultural producers and traders for the year whilst spreading awareness of the excellent farming practices among small, medium and large-scale producers, as well as traders.

Jan Cronje of the Oshikoto region won in the large-scale category, followed by Andreas Ashimbanga of

the Omusati region in the medium-scale and Laurentia Nakandanga of the Kavango East region in the small-scale category respectively.

In addition to trophies and certificates, winners received gift vouchers from the NAB, AMTA and input suppliers. Geka Trading Enterprises and Sikondo Green Scheme Irrigation Project received an award for selling the highest volume of fresh produce to the AMTA Hubs.

The winning traders were Stampriet Farmer's Market in the Mega Trader Category, Okuryangava Fresh Produce in the Very Large Trader category, Brenner's Fruit in the Large Trader category, Trust Market in the Medium Trader category, and Zaheer Traders in the Small Trader category. The AMTA Hub's Wholesale Agent of the Year was awarded to Stampriet Farmer's Market and the AMTA Hub's Commission Marketing Agent of the Year was awarded to Iihape Marketing & Promotions.



NATIONAL MAHANGU HARVEST FESTIVAL & CHAMPIONS AWARDS AND NATIONAL MAHANGU CONSULTATIVE FORUM

The year under review was characterised by severe drought which resulted in the cancellation of the annual National Mahangu Harvest Festival. However, the best mahangu farmers for the reporting period were awarded prizes at the National Mahangu Consultative Forum meeting held on 23 August, 2016, at Tsintsabis.

Prizes were awarded in two distinct categories:

Category one recognised farmers who

- Produced mahangu on more than 10 hectares;
- Conducted semi-commercial and mechanised operations;
- Had the resources to hire labour;
- Marketed their surplus in the formal market.

Category two recognised farmers who

- Cultivated between 5 and 10 hectares;
- Had the resources to implement technology and improved farming techniques;
- Marketed their surplus in the formal market.

Overall National Mahangu Grand Champion (Category One)

Mr. Hafeni Natanael (Oshikoto Region)

Overall National Mahangu Champion (Category Two)

Ms. Helvi Hausiku (Kavango-West Region)

Regional Mahangu Grand Champions (Category One)

Mr. Hafeni Natanael (Oshikoto Region), Mr. Samuel Nepunda (Ohangwena Region), Mr. Egidius Nairenge (Otjozondjupa Region), Mr. Pinehas Kapuka (Omusati Region) and Ms. Leena Lyevera (Kavango-West Region)

Regional Mahangu Champions (Category Two)

Ms. Helvi Hausiku (Kavango-West Region), Mr. Joseph Hashingwe (Oshana Region), Mr. Nikanor Amulungu (Oshikoto Region), Mr. Heaven Nghikwetiwe (Ohangwena Region), Mr. Lungameni Lucas (Otjozondjupa Region) and Mr. Hango Nekwaya (Omusati Region)



10

AUDITORS
REPORT





REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE **NAMIBIAN AGRONOMIC BOARD** FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Namibian Agronomic Board for the financial year ended 31 March 2017, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991, (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

WINDHOEK, February, 2018



1. REPORT ON THE FINANCIAL STATEMENTS

1.1 INTRODUCTION

The accounts of the Namibian Agronomic Board (herein after referred to as the "Board" as per the Act) for the year ended 31 March 2017 are presented to the National Assembly in accordance with the Agronomic Industry Act 20, 1992 (Act 21 of 2000).

The firm Strategis Chartered Accountants of Windhoek was appointed in terms of Section 26(2) of the State Finance Act, 1991, to audit the accounts of the Board on behalf of the Auditor-General and under his supervision.

Figures in the report are rounded off to the nearest Namibia Dollar. Deficits are indicated in brackets.

I certify that I have audited the accompanying financial statements of the Namibian Agronomic Board for the year ended 31 March 2017. These financial statements comprise the following:

Annexure A: Statement of financial position;
Annexure B: Statement of comprehensive income; and
Annexure C: Notes to the financial statements.

The financial statements were submitted on time on the 7th of August 2017 by the Accounting Officer to the Auditor-General in compliance with Section 26 of the State-Owned Enterprise Governance Act, 2006.

2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Practices, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

3. AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on the audit.

I conducted the audit in accordance with International Standards on Auditing. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Powers and duties

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) All reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) All reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- (c) The expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1) (b)(iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.



An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the unqualified audit opinion.

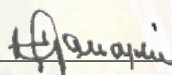
4. ACKNOWLEDGEMENT

The assistance and co-operation given by the staff of the Board during the audit is appreciated.

5. UNQUALIFIED AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Namibian Agronomic Board, and their financial performance and cash flows for the year then ended in accordance with the State Finance Act, 1991.

WINDHOEK, February 2018


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

NAMIBIAN AGRONOMIC BOARD
STATEMENT OF FINANCIAL POSITION AT
31 MARCH

ASSETS	Note	2017 N\$	2016 N\$
Non-current assets		30 465 864	37 173 791
Property, plant and equipment	2	5 002 000	5 061 773
Investments	3	25 463 864	32 112 018
Current assets		108 391 131	111 251 445
Trade and other receivables	4	100 085 432	109 359 462
Cash and cash equivalents	5	8 305 699	1 891 983
TOTAL ASSETS		138 856 995	148 425 236
FUNDS AND LIABILITIES			
Funds and reserves		32 033 835	53 462 367
General Fund	6	31 016 888	52 445 420
General Administration Fund	7	1 003 148	1 003 148
Commodity Reserve Fund	8	13 799	13 799
Shares Agricultural Board's Building	9	4 621 290	4 621 290
Current liabilities			
Trade and other payables	10	102 201 870	90 341 579
TOTAL FUNDS AND LIABILITIES		138 856 995	148 425 236

NAMIBIAN AGRONOMIC BOARD
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 MARCH

INCOME	Note	2017 N\$	2016 N\$
Levies and Fees Collected by AMTA		98 662 936	93 285 647
Permits issued		806 658	633 787
Processors registration		190 458	195 770
Inspection fees on in transit and export trucks		2 263 471	4 174 068
General producer's levy			
White Maize and Mahangu		2 603 422	2 036 097
Wheat		633 195	593 236
Grain Processors levy - Local			
White Maize and Mahangu		2 076 102	2 346 099
Wheat		644 081	593 641
Grain Processors levy - Imports			
White Maize and Mahangu		28 430 894	29 226 512
Wheat		22 575 647	18 816 346
Horticulture Levies			
Levies on local production		2 885 702	3 181 615
Less : Levy by traders (commission) – horticulture		-	(350 900)
Levies on imports		25 522 099	22 388 711
Selling levy (local and imports)		10 031 207	9 450 655
Interest received		1 408 534	2 599 241
10% of profit – Agricultural Boards Building		146 477	-
Other accounting and administration fees		92 939	503 853
MAWF levy distribution		17 222 337	-
Profit on sale of equipment		19 959	9 593
Other income		455 012	18 493
INCOME		118 008 194	96 416 827
EXPENSES – Per attached schedule		112 581 389	101 681 807
NET SURPLUS/(DEFICIT) FOR THE YEAR		5 426 805	(5 264 980)

NAMIBIAN AGRONOMIC BOARD

STATEMENT OF COMPREHENSIVE INCOME – SCHEDULE OF EXPENSES FOR THE YEAR ENDED 31 MARCH

	2017 N\$	2016 N\$
Advertising	-	31 290
Assets transferred to AMTA	-	48 391
Auditors remuneration – External	47 725	55 830
Bank charges	32 403	43 801
Board fees	3 499 393	3 202 973
Border control	-	637 036
Chartered Accountant - Financial Management committee	23 633	21 011
Contribution to Agricultural Outlook Conference	15 000	-
Cost of information centre	71 666	94 573
Depreciation – equipment	88 478	70 680
Depreciation – furniture	6 213	5 320
Depreciation – motor vehicles	147 784	119 097
Designing and printing of annual report	113 443	-
Farmer day	441 175	209 563
Foreign trade negotiations	-	217 608
Insurance	43 805	42 052
Liaison	8 408	3 390
Motor vehicles expenses	75 044	48 913
Personnel remuneration	6 630 487	5 468 485
Postal and freight	8 562	11 059
Professional services and legal costs	55 538	897 934
Promotions	36 820	27 983
Public relations services	165 608	286 225
Refreshments	23 892	30 465
Rent paid	860 686	797 684
Repairs and maintenance – Computer equipment	191 981	141 572
Special functions	767 798	478 278
Staff – Subsistence and travel	265 766	152 589
Stationary and printing (Including annual report)	129 249	141 250
Strategic planning	-	125 648
Subscriptions	7 916	6 871
Team building	22 220	26 684
Telephone and fax	63 533	60 602
Training and personnel development	34 145	75 220
Web development and maintenance of website	40 083	42 005
Agents levies (AMTA & AGRIBUSDEV)	98 662 935	88 059 726
Total expenses	112 581 389	101 681 807



NAMIBIAN AGRONOMIC BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH

1. ACCOUNTING POLICIES

1.1 INTRODUCTION

The annual financial statements set out in Annexures A to C were prepared on the historical cost basis, and incorporate the following principal accounting policies, which are consistent in all material aspects with those applied in the previous year.

1.2 REVENUE RECOGNITION

Revenue comprises of levies and fees collected by the agency (AMTA) on behalf of the Board in terms of the Agronomic Industry Act of Namibia Act 20, of 1992.

1.3 INVESTMENTS

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investments.

1.4 PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are initially recorded at cost and adjusted for any impairment in value.

Impairment losses and reversal of impairment losses are recognised in the income statement.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

• Motor vehicles	4 years
• Furniture and fittings	5 years
• Office equipment	3 years

1.5 PROVISIONS

Provisions are recognised when the Board has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.



NAMIBIAN AGRONOMIC BOARD
NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED
31 MARCH (Continued)

2017				2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Land & Building	4 623 000	-	4 623 000	4 623 000	-	4 623 000
Motor Vehicles	629 388	(385 978)	243 410	501 090	(262 895)	238 195
Furniture	133 825	(119 982)	13 843	132 883	(119 193)	13 690
Equipment	524 553	(402 806)	121 747	667 728	(480 841)	186 888
	5 910 765	(859 365)	5 002 000	5 924 701	(862 929)	5 061 773

	Carrying Value beginning of year	Additions	Disposals	Depreciation	Carrying Value end of year
2017	N\$	N\$	N\$	N\$	N\$
Land & Building	4 623 000	-	-	-	4 623 000
Motor vehicles	238 195	153 000	(1)	(147 784)	243 410
Furniture	13 690	6 400	(35)	(6 213)	13 843
Equipment	186 888	23 341	(4)	(88 478)	121 747
	5 061 773	182 741	(40)	(242 475)	5 002 000
2016	N\$	N\$	N\$	N\$	N\$
Land & Building	4 623 000	-	-	-	4 623 000
Motor vehicles	357 291	-	-	(119 097)	238 195
Furniture	25 692	8 265	(14 947)	(5 320)	13 690
Equipment	127 551	163 488	(33 472)	(70 680)	186 888
	5 133 534	171 753	(48 419)	(195 097)	5 061 773

Details of Properties

Erf no 744 and 749, Windhoek

The property consists of Erf 744, Windhoek, and measures 4,205 square meters and ERF 749, Windhoek measuring 1,854 square meters of which the Namibian Agronomic Board owns 10% of the two properties.

NAMIBIAN AGRONOMIC BOARD
NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED
31 MARCH (Continued)

3. INVESTMENTS

At the period –end the amounts invested in terms of Section 14(5) of the Act were:
 Commercial banks – At 5.7 % interest rate at year end

4. TRADE AND OTHER RECEIVABLES

Trade receivables
 Outstanding levies –AMTA
 Levies and fees collected from January 2015 to March 2015
 VAT on levies collected from January 2015 to March 2015
 Provision for import Levy Income difference for March 2015(W/Maize, Wheat and Mahangu)
 Levies & fees collected from April 2015 to 31 March 2016
 Other receivables
 Agricultural Boards Building profit
 Prepaid expenses
 Sundries (Staff loans)
 Vat receivable

5. CASH AND CASH EQUIVALENTS

In terms of the Act the Board has two current accounts at a commercial bank for levies and operations:

Bank Balances
 Petty Cash

6. GENERAL FUND

The Fund was established to finance the administration expenses of the Board. Transactions were as follows:
 Balance – 1 April
 Net surplus/(deficit)for the year
 AMTA Staff costs 2015/16
 MAWF Distribution of levies to NAB
 Association & Unions Special Activities

Balance – 31 March

2017 N\$	2016 N\$
25 463 864	32 112 018
25 463 864	32 112 018
62 218	138 619
99 887 514	109 139 643
-	10 730 950
1 224 579	1 597 786
-	3 581 670
98 662 935	93 259 237
68 351	19 089
-	9 466
61 957	-
6 394	9 623
67 349	62 111
100 085 432	109 359 462
8 303 696	1 889 981
2 003	2 002
8 305 699	1 891 983
52 445 420	57 710 400
5 426 805	(5 264 980)
(7 000 000)	-
(17 222 337)	-
(2 633 000)	-
31 016 888	52 445 420

NAMIBIAN AGRONOMIC BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED

31 MARCH (Continued)

7. GENERAL ADMINISTRATIVE FUND

The fund was instituted to act as a buffer against effects of poor crops. The fund can be utilised in years of poor crops to finance the Board's administration functions.

Balance – 1 April

Balance – 31 March

8. COMMODITY RESERVE FUND

The fund was instituted to assist schemes in drought situations, to carry price increases to producers and to be rendered as a guarantee to facilitate production loans. Transactions during the year were as follows:

Balance -1 April

Balance – 31 March

9. SHARES – AGRICULTURAL BOARD BUILDING

The Agronomic Board holds 10% share in a joint venture with the Karakul Board of Namibia and the Meat Board of Namibia in the Agricultural Boards' Building.

Total

10. TRADE AND OTHER PAYABLES

Agency fees

Administrative expenses

Provisions

Guarantee deposits from Millers/Traders

Unions & Associations Special Activities

Other payables

All payables that relate to Levies and any expenses that correspond to functions that have been transferred in the current year to AMTA have nil balances at the reporting date.

11. ACCOUNTING AND ADMINISTRATION FEES

The Board acts as unit co-ordinator and financial controller for the project on behalf of the Ministry of Agriculture Water and Forestry.

2017 N\$	2016 N\$
1 003 148	1 003 148
1 003 148	1 003 148
13 799	13 799
13 799	13 799
4 621 290	4 621 290
98 662 935	88 059 726
90 299	124 830
1 312 955	558 225
450 736	476 883
1 352 867	-
332 078	1 121 915
102 201 870	90 341 579



NAMIBIAN AGRONOMIC BOARD
NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED
31 MARCH (Continued)

12. BOARD MEMBERS

Expenses on members of the Board increased with 5% during the 2016/2017-year end compared to the (2015/2016) financial year decrease of 3%.

13. STAFF

Remuneration of staff increased by 21% during the 2016/2017-year end compared to the (2015/2016) financial year decrease of 34% as a result of staff transfer to the agent.

14. SUBSEQUENT EVENT

The Ministry of Agriculture, Water and Forestry issued a directive on the 3rd of August 2017, for a distribution of the agronomic levies amounting to N\$ 56 961 946 to AMTA, N\$ 18 431 956 to AGRIBUSDEV and N\$ 23 575 058 to NAB.



NOTES



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