



**NAMIBIAN
AGRONOMIC BOARD**



**2017/2018
ANNUAL REPORT**





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**CORPORATE
PHILOSOPHY**



Vision:

To be a leading promoter of a vibrant agronomic industry.

Mission:

To develop and promote a sustainable and diverse agronomic industry through strong leadership, management, facilitation, advice and regulation in effective partnership with Government and stakeholders.

Core values:

The NAB strives to uphold the core values of integrity, teamwork, fairness, independent thinking, pro-activity and accountability.

Strategic objective:

To promote the agronomic industry and to facilitate the production, processing, storage and marketing of controlled products in Namibia.

Motto:

“...creating a marketing environment that is conducive to growing and processing crops in Namibia...”



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**CHAIRPERSON'S
REPORT**





This report covers the period from 1 April 2017 to 31 March 2018. This will be my first report as the Chairperson of the Namibian Agronomic Board. Firstly, I would like to take this opportunity to wish the outgoing Honourable Minister John Mutorwa the best of luck in his new portfolio, secondly, I would like to thank The Honourable Minister and the entire Cabinet for entrusting me to lead the Agronomy subsector. In the same breath I would like to welcome Honourable Minister Alpheus !Naruseb to the Agriculture family.

It is therefore with a sense of zeal and pleasure that I give my contributions on behalf of the Namibian Agronomic Board members to this report. During the reporting period I have been part of a team that pride themselves on the core values of the NAB, to serve the Namibian Nation on Agronomic and Horticulture related matters with integrity, teamwork, fairness, independent thinking, pro-activeness and accountability. Most importantly, through all challenges experienced the board stood fast to the principles that it was established for according to the Agronomic Industry Act, Act 20 of 1992.

During the reporting period, small and medium scale farmers have been affected by the decline in the Angolan economic activities as a result the situation also

negatively impacted on horticulture related business in Namibia. It has been the Board's drive that an ultimate solution be found for the marketing of small-scale farmers produce in the near future in terms of access to formal markets. The main challenge for the Board was the modus operandi in which AMTA was doing business as it couldn't provide granted market to producers and it was the main reason it was established for. In return the industry levies paid in doing business for agronomy and horticulture products given to AMTA to provide services have not been utilised by AMTA accordingly. However, conferring to the 2015 stakeholder's survey the confidence in the board declined and as a result indicated that, in order to regain the trust from our stakeholders, we need to change the way we manage our resources while, at the same time providing efficient and effective services as well as best practices acceptable in the industry. This is an area that I have pledged to address with urgency in the next reporting period. Another challenge is that the N\$26 million from the NAB reserves that was used to bail out AMTA has been a challenge to trace in terms of grain stock versus revolving fund, this bail out was intended for the procurement of grains from struggling small scale producers in all producing regions.

Nevertheless, the good rainy season under the reporting period has resulted in good rain-fed white maize grain production volumes that totalled to 43 536 Metric Tons and Mahangu (pearl millet) rain-fed volumes of 83 000 Metric Tons. However, out of the total quantity harvested for Mahangu, the larger portion was stored by subsistence farmers for household food security.

According to national estimates the economy grew by a mere 1.1% in 2016, compared to 6% in 2015. From the NAB's point of view, the drought experienced in the 2015/16 rainy season was one of the main contributors to the slow growth of the domestic economy. Despite the adverse

farming conditions, the farmers at large kept their focus on production. The regulatory environment which is driven by the market share promotion is fair towards all players and this formula needs to be enhanced further to address the challenges faced in regulating agronomy. This tool provides us with the advantage to leverage on the low hanging fruits. The opportunities that are presented by the agronomy and horticulture sector are immense, hence the Market Share Promotion will be adapted to other commodities in order to use one formula for efficient regulation of all agronomic and horticultural products.

Further fiscal consolidation on the broader economy, and a further down spiral of Agriculture contribution to GDP seems to have been another challenge. A further poor performance on production and slow movement of product were eminent, it is here that Namibia as a country should rethink if our aim in the Agricultural sector is to contribute to national food security, employment creation and poverty eradication.

The new Board strategy was clear from the onset, which is to ensure that the NAB footprint is visible and well received by all producers, processors, and traders of agronomy and horticulture industry nationwide. This understanding from the key stakeholders has made the implementation of our mandate possible. I wish to express my gratitude to the Government of the Republic of Namibia, specifically to the Ministry of Agriculture Water and Forestry and The Ministry of

State-Owned Enterprises, for the unwavering support rendered throughout the year. We have a lot more to accomplish in the next reporting period and as a Board we will count on your usual unwavering support.

In the same vein, I would like to extend my gratitude to my fellow Board Members for their professional guidance in shaping the regulatory environment of the Agronomic sector. Additionally, I would like to thank fellow members who have discharged their fiduciary duties at Board and Board Sub-Committee meetings during the period under review. Most notably for ensuring that commodities are well managed to strike a balance of availability and local fair share. I am equally appreciative of the outgoing gallant Chief Executive Officer, Christof Brock, who served the institution with diligence, honour and pride since 2001 to 2018.

Christof will be serving his last year at the NAB during this reporting period. His contribution towards the Agronomy and Horticulture is self-testimony.

Last but certainly not list, I want to thank the Management and employees for their dedication in regulating the Agronomy and Horticulture sector without fear or any favour. The Board and entire staff of the NAB would like to express their sincere gratitude to Hon. John Mutorwa and to Hon. Alpheus! Naruseb for their leadership.

I look forward to a rainy 2018.



MICHAEL IYAMBO
CHAIRPERSON: NAMIBIAN AGRONOMIC BOARD

*"I believe in the future of agriculture, with a faith born not of words but of deeds."
E.M Tiffany*

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**CEO'S
REPORT**





The end of the 17/18 period was marked by the appointment of the new Honourable Minister Alpheus Naruseb, in exchange with Honourable John Mutorwa. I wish the outgoing Minister my very best and wish the incoming Minister a warm welcome and happy landings at MAWF. Earlier in the year, the 3-year Board member period of all 13 Board members came to an end and the Hon Minister appointed a new Board in accordance with the Agronomic Industry Act. Only 2 of the 13 Board members were retained as Board members. The new Chairman appointed by the Hon Minister is Michael Iyambo, a man who not only has hands-on experience of successful large scale agronomic production, but is also a self-confident visionary with refined emotional intelligence: the perfect man for the job. The combination of the new PS, Percy Misika, the new Minister and the new chairman has opened a new chapter for change management.

The new Board members, after extensive induction training, have already played a decisive role in Board meetings.

AMTA, on request of the MAWF, had to be bailed out financially for a second time, N\$26 million during the reporting period, leaving the Board with reserves, that had been painstakingly accumulated over 15 years, of under N\$ 10 million.

The harvest of the rain-fed grains, mahangu and white maize, after the previous period's mixed blessings, reached record levels: 83,500 tons of mahangu (MAWF statistics) of which 2,500 tons were formally marketed (another record!). Rainfed white maize reached 44,157 tons formally marketed, while irrigated white maize was slightly below average, due to the army worm infestation. In spite of that the total white maize formally marketed was a record 78,903 (previous record was in 12/13 financial year with 72,438 tons).

Wheat is a winter crop produced solely under irrigation in Namibia, and contrary to all the above records had a further reduction of some 15% of hectares planted, mainly due to the planting of more lucerne. At the same time, the industry needs more and more wheat, mainly for pasta production, of which about half is now exported. Thus, the percentage import substitution has now shrunk to 6%. Noting the above, the NAB organised a special "Wheat Focus Day" for all invited stakeholders in February. The outcome was an acceptance that wheat production in Namibia would remain a relatively small proportion, but nevertheless it would remain a controlled product under the Agronomic Industry Act. This is also because of the Symbiosis with maize production, i.e. the only suitable crop for winter production in rotation with maize.

Horticultural fresh produce cultivation, in general, has been quite constant. The Namibian Market Share Promotion (MSP) which compels importing traders to buy a minimum percentage of local produce in monetary terms, achieved the required 44%.

During the 17/18 financial year, potatoes have been the most traded horticultural fresh produce with 39%, followed by apples with 8% and onions and bananas with 6% respectively.

There has been a decline in local production for export, mainly due to the ailing Angolan economy. The seasonality of Namibian production and the fact the Namibia has insufficient potato washing facilities, still keep the level of imports unreasonably high. Onions must still be imported between December and March, when the cultivation of onions in Namibia is very risky. In future, NAB intends to investigate the viability of longer term storage to cover the unfavourable production season.

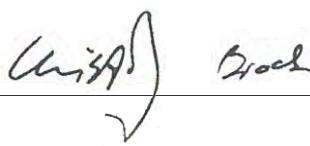
It is intended that, as soon as the teething problems with potatoes and onions have been sorted out, others from the 'top ten' (local vegetables) will also be treated as special controlled products.

During the reporting period a new, fifth, annual award event to coincide with the UN International Food Day was inaugurated: it is for the best irrigation food producer of more than 100 ha, called the "Mega Food Producer of the Year". It was organised in collaboration with the MAWF and the FAO, and although the winner is from the Kavango West Region it was held in Stampriet in the Hardap Region.

On the level of the Secretariat I am happy to report that the Honourable Minister approved the permanent filling of the post of the National Horticulture Manager and the creation of the new posts of PRO as well as 2 Researchers. All these posts have been filled to the satisfaction of all.

This is my last Annual Report as I will turn 65 in July 2018 and therefore retire after 17 and a half years as CEO of the Namibian Agronomic Board. The Board has been very pro-active in succession planning. The adverts, in all major newspapers, were already placed in November 2017 and at the end of March (the end of the reporting period) the letter of the ranked recommended new CEOs was in the Honourable Minister's Office awaiting the final decision of the Honourable Minister in Cabinet. It is hoped that there will be enough time for a 2 months' hand-over period during the coming June and July.

I wish to thank all the Namibian producers, processors and traders of agronomic produce, the Honourable Minister of Agriculture, Water and Forestry and his team, the Chair and Vice-Chair and members of the Board and my colleagues in the Board's secretariat for their enthusiastic and wise support to the agronomic industry as a whole, to the NAB, and to me in particular. With the hope of such further support to the new CEO, I trust that the Board will move from strength to strength.



CHRISTOF BROCK
CHIEF EXECUTIVE OFFICER: NAMIBIAN AGRONOMIC BOARD

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ESTABLISHMENT AND COMPOSITION OF THE NAB



NAB Board & Secretariat



Standing: From left. Akawa Amufufu (National Mahangu Manager), Lesley Losper (National Horticulture Manager), Jason Emvula (Member), Hubertus Hamm (Member), Chrisof Brock (CEO), Leon Nel (Member), Ludie Kolver (Member), Lukas Mbangu (Member), Tarcisius Shingundu (Member), Barbara Snyders - Bock (Financial Manager), Antoinette Pritzen (Maize & Wheat / Administrative Manager).
Seated: From left. Josephine Fugre (Member), Wilhelmina Handunge (Member), Ferdina Inkono (Member), Michael Iyambo (Chairperson), Dr. Marina Muller (Vice-Chairperson), Elina Kalundu (Member), Joycelyn Tjijomba-Kongotue (Member)



4.1 Establishment and governance

The Namibian Agronomic Board came into existence on 1 April 1985. This statutory body was created in terms of the Agronomic Industry Proclamation AG 11 and 12 of 1985 and later replaced by the Agronomic Industry Act, Act 20 of 1992. Currently, the NAB is co-governed by the State-owned Enterprises Governance Act, Act 149 of 2006.

In 2010, the Ministry of Public Enterprises (MoPE) was established and acted as the overseer body of the state-owned enterprises. The NAB thus reports to the Ministry of Agriculture, Water and Forestry (MAWF) and with regard to corporate governance, to the MoPE as well.

4.2 Appointed members of the Board

On 3 July 2017, the Honourable Minister John Mutorwa, appointed the following Board members in



Mr. Michael Iyambo



Dr. Marina Muller



Ms. Wilhelmina Handunge



Ms. Josephine Fugre



Mr. Hubertus Hamm



Mr. Tarcisus Shingundu



Mr. Ludie Kolver



Ms. Joycelyn Tjijombo-Kangotue



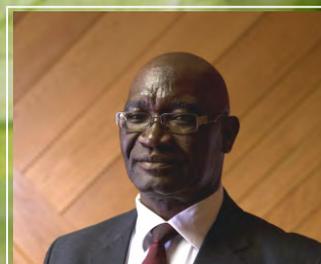
Mr. Leon Nel



Mr. Lukas Mbangu



Ms. Elina Kalundu



Mr. Jason Emvula



Ms. Ferdina Inkono

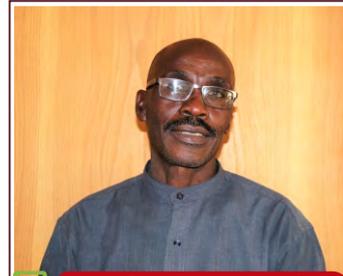
In terms of section 4(4) of the Agronomic Industry Act, the Board, at its inaugural meeting held on 5 July 2017, appointed the following three non-voting advisors for a period of 3 years.



Mr. Ian Collard



Mr. Nico
Van Der Merwe



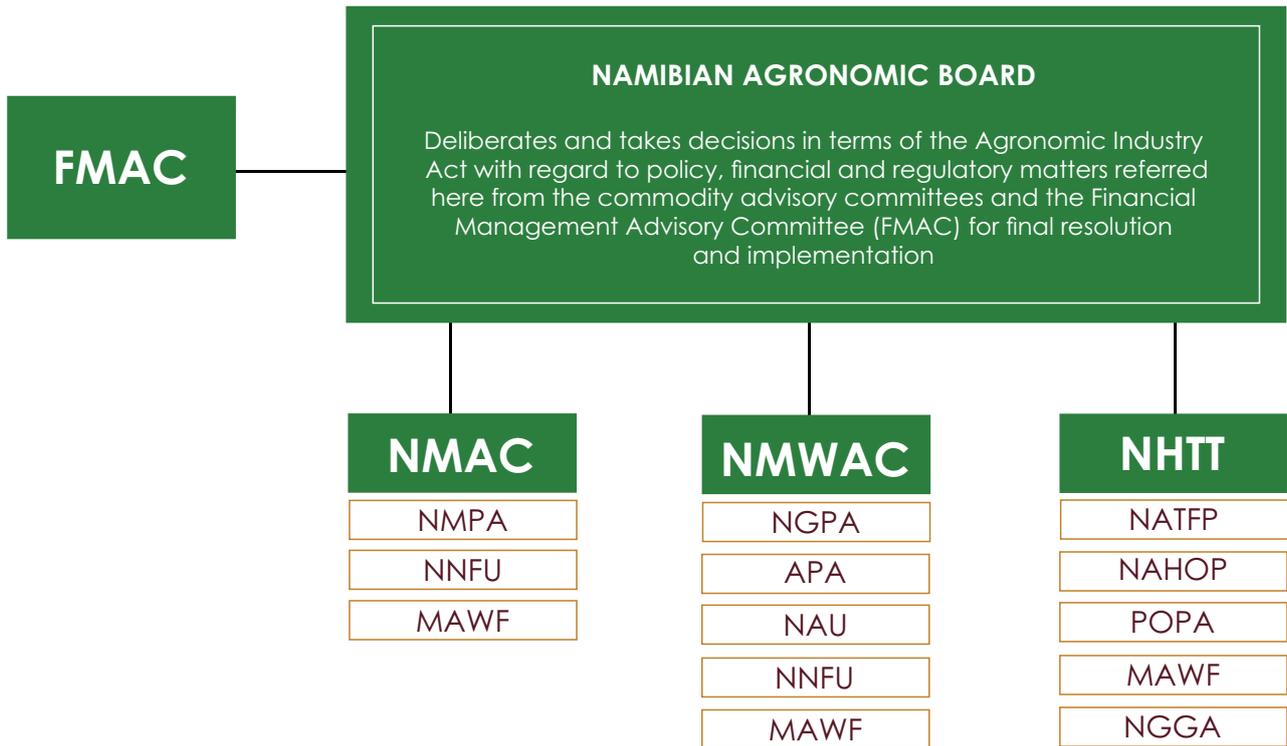
Mr. Sheehamandje
Ipinge



4.3 Board meetings and advisory structure

In terms of the Agronomic Industry Act, the primary duty of the NAB is sound financial management and regulation of the agronomic industry and, to determine the applicable policies in that regard.

The Board held three scheduled meetings on:	16 August 2017 28 November 2017 27 March 2018
An inaugural meeting (by the newly appointed Board) was held on:	5 July 2017
One extra-ordinary meeting was held on:	14 August 2017



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
POPA:	Potato and Onion Producers Association
NGGA:	Namibia Grape Growers Association

4.4 Advisory committees

Section 12 (1) (a) of the Agronomic Industry Act, makes provision for advisory committees to advise the Board in any of its duties. The Chairman of the Board serves as ex officio on all the advisory committees.

4.4.1 Financial Management Advisory Committee (FMAC):

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

The following persons served on the FMAC:

Dr Marina Muller	Chair
Mr Ian Collard	Deputy Chair
Ms Josephine Fugre	Board Member
Mr Jason Emvula	Board Member
Mr Niek Tromp	NC Tromp & Co: External auditors
Mr Michael Iyambo	NAB Chair: Ex-officio

Three FMAC meetings were held on:

20 July 2017 | 25 October 2017 | 28 February 2018





4.4.2 Commodity Advisory Committees:

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

National Horticulture Task Team (NHTT):

- Mr Nico van der Merwe (Chairman & Advisor)
- Mr Leon Nel (Board Member)
- Mr Tarsicius Shingundu (Board Member)
- Ms Elinah Kalundu (Board Member)
- Mr Ludie Kolver (Board Member)
- Ms Joycelyn Kangotue (Board Member)
- Mr Michael Iyambo (Ex-Officio)

Three NHTT meetings were held on: 18 July 2017 | 26 September 2017 | 21 February 2018

National Mahangu Advisory Committee (NMAC):

- Mr Jason Emvula (Chairman)
- Ms Josephine Fugre (Board Member)
- Ms Ferdina Inkono (Board Member)
- Mr Lucas Mbangu (Board Member)
- Ms Wilhelmina Handunge (Board Member)
- Mr Michael Iyambo (Ex-Officio)

Three NMAC meetings were held on: 13 June 2017 | 10 October 2017 | 13 February 2018

National Maize and Wheat Advisory Committee (NMWAC):

- Mr Hubertus Hamm (Chairman)
- Ms Wilhelmina Handunge (Board Member)
- Ms Ferdina Inkono (Board Member)
- Mr Ian Collard (Board Advisor)
- Mr Michael Iyambo (Ex-Officio)

Three NMWAC meetings were held on: 19 July 2017 | 24 October 2017 | 19 February 2018



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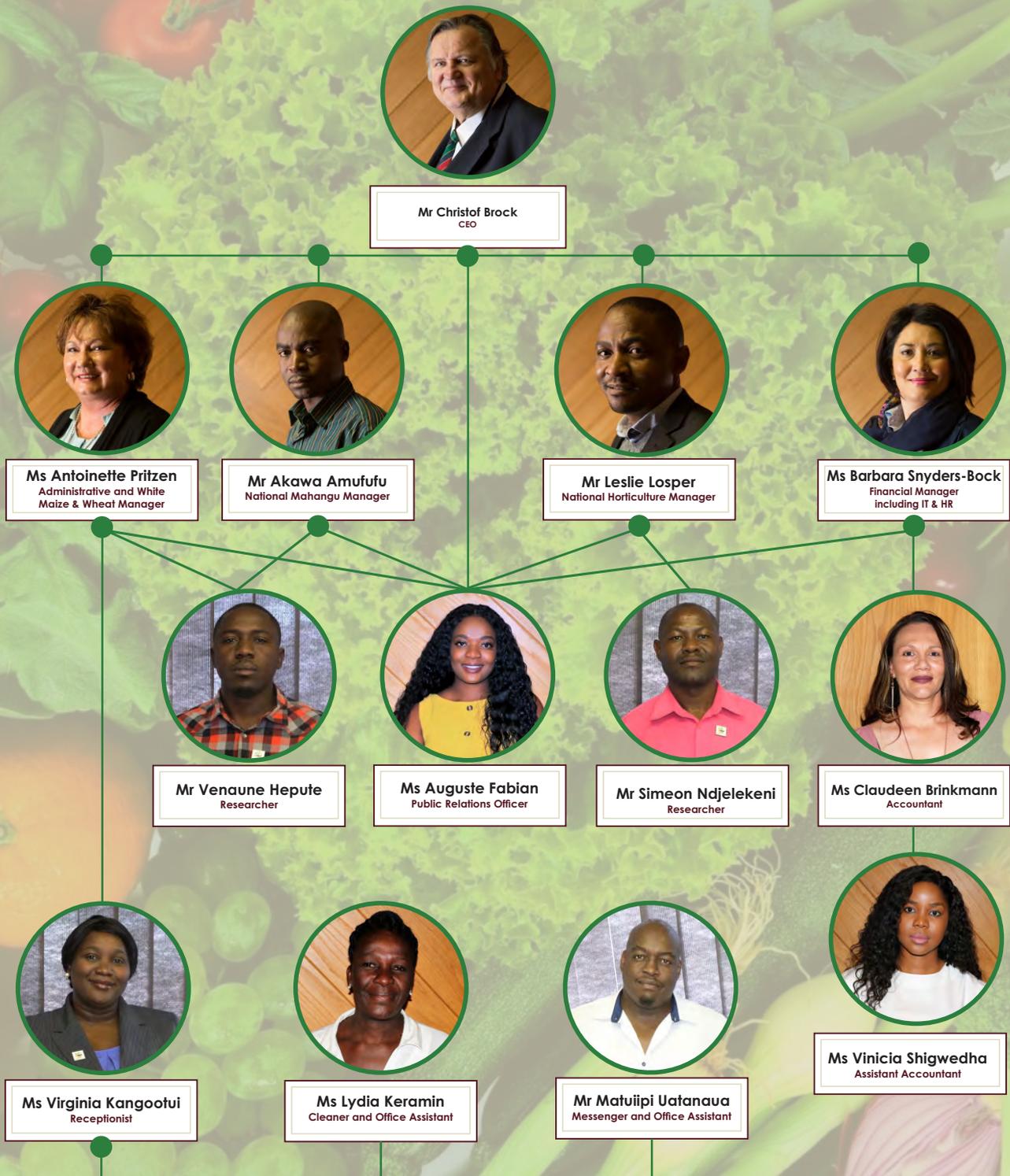
NAB
Administration



5.1 Secretariat

During this reporting period, the temporary position of Horticulture Specialist had been changed to a permanent position of National Horticulture Manager to which Mr Leslie Losper was appointed. A Public Relations Officer and two full-time Researchers were also appointed.

The secretariat of the Board:



5.2 Functions of the NAB

Since 2014, the Agro Marketing and Trade Agency (AMTA) had been appointed to implement the functions and activities of the NAB and, to collect the 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 MAWF 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.



6



CONTROLLED CROPS



6.1

**WHITE
MAIZE**



White maize

White maize is exclusively produced in Namibia for human consumption and is one of Namibia's staple grains and, a controlled product. The major grain produced in other parts of the world is yellow maize (corn) produced exclusively for animal feed.

White maize is planted under both dry-land conditions and irrigation. The irrigation areas are: the Hardap Irrigation Project and environs, the government projects along the Kavango River and in the Omusati Region as well as a number of farms in the eastern production area and the Maize Triangle. The dry-land production areas are mainly in the Maize Triangle, the Zambezi Region, the Maize Triangle and the eastern production area in the Summerdown environs. There is a correlation between the dry-land and irrigation harvest in an average to good rainy season as indicated 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 (Second harvests excluded)

Production areas	Dry-land		Irrigation		Total volume marketed (t)
	Planted (ha)	Marketed (t)	Planted (ha)	Marketed (t)	
	Dec 2016 - Jan 2017	May 2017 - Jan 2018	Nov 2016 - Jan 2017	May 2017 - Jan 2018	
Zambezi Region	<i>No accurate info</i>	5 988	0	0	5 988
Central and eastern areas	1 833	5 838	140	1 220	7 058
Hardap Irrigation and environs	0	0	647	5 935	5 935
Maize Triangle and environs	7 862	30 915	1 223	12 782	43 697
Irrigation Projects (Kavango and Omusati Regions)	200	795	2 395	10 690	11 485
Total	9 895	43 536	4 405	30 627	74 785

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

Main harvest: 2016	Dry-land	Irrigation	Total
Total hectares planted : November 2016 - January 2017	9 895	4 405	14 300
Total volumes marketed : May 2017 - January 2018	43 536	30 627	74 785

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

Producers once again battled with the fall army worm which in the previous year caused serious damage to harvests. Early detection and effective chemical administration paid off and resulted in good harvests.

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	Irrigation	Irrigation	Total area planted
	Main harvest: (ha) *	Main harvest: (ha)	Second harvest of previous year: (ha)	(ha)
2005 - 2006	8 223	3 699	660	12 582
2006 - 2007	8 664	3 867	815	13 346
2007 - 2008	8 750	2 981	337	12 068
2008 - 2009	7 476	3 708	116	11 300
2009 - 2010	9 697	3 190	139	12 500
2010 - 2011	11 139	4 656	45	15 840
2011 - 2012	9 914	3 981	-	13 895
2012- 2013	10 275	3 881	154	14 310
2013 - 2014	9 374	4 421	222	14 017
2014 - 2015	8 209	4 168	251	12 628
2015- 2016	10 451	4 004	0	14 455
2016- 2017	6 173	5 038	214	14 514
2017 - 2018	9 895	4 405	491	14 791

* 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	Irrigation	Irrigation	Total marketed
	Main harvest (t) *	Main harvest (t)	(Second harvest of previous year) (t)	(t)
2005 - 2006	16 622	22 601	5 14 2	44 365
2006 - 2007	24 931	23 619	4 746	53 296
2007 - 2008	14 530	27 605	2 507	44 642
2008 - 2009	** 22 954	25 883	1 651	** 51 832
2009 - 2010	23 728	24 103	1 735	49 566
2010 - 2011	20 045	27 414	502	47 961
2011 - 2012	36 528	26 700	225	63 228
2012 - 2013	36 725	35 712	-	72 438
2013 - 2014	5 474	33 553	1 556	40 583
2014 - 2015	36 244	35 201	2 012	73 457
2015 - 2016	6 100	32 800	0	38 900
2016 - 2017	10 452	31 566	1 930	43 948
2017 - 2018	43 536	30 627	2 497	76 660

* Includes the production of the small-scale farmers in the Zambezi Region
 ** Includes 1 344 ton WM harvested and exported (not marketed locally)

In terms of the mutually agreed white maize marketing mechanism, the Namibian borders close on 1 May each year. This is the beginning of the maize marketing period, of which only restricted and controlled imports are allowed until the bulk of the domestic maize harvest becomes available. This marketing period concludes only when the local harvest is bought and partially milled which was on 18 January 2018.

The South African Futures Exchange (SAFEX) white maize closing price as an average over a period of five years, forms the basis of the Namibian white maize price. An inward transport differential calculated ex Bloemhof, to Randfontein (the SAFEX location) is subtracted. An outward transport differential is added to the 5-year average resulted in the Namibian minimum guaranteed price of N\$ 4 730/tonne landed at a milling location south of Otjiwarongo or, N\$ 4 860/tonne landed at a milling location north of Otjiwarongo.

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

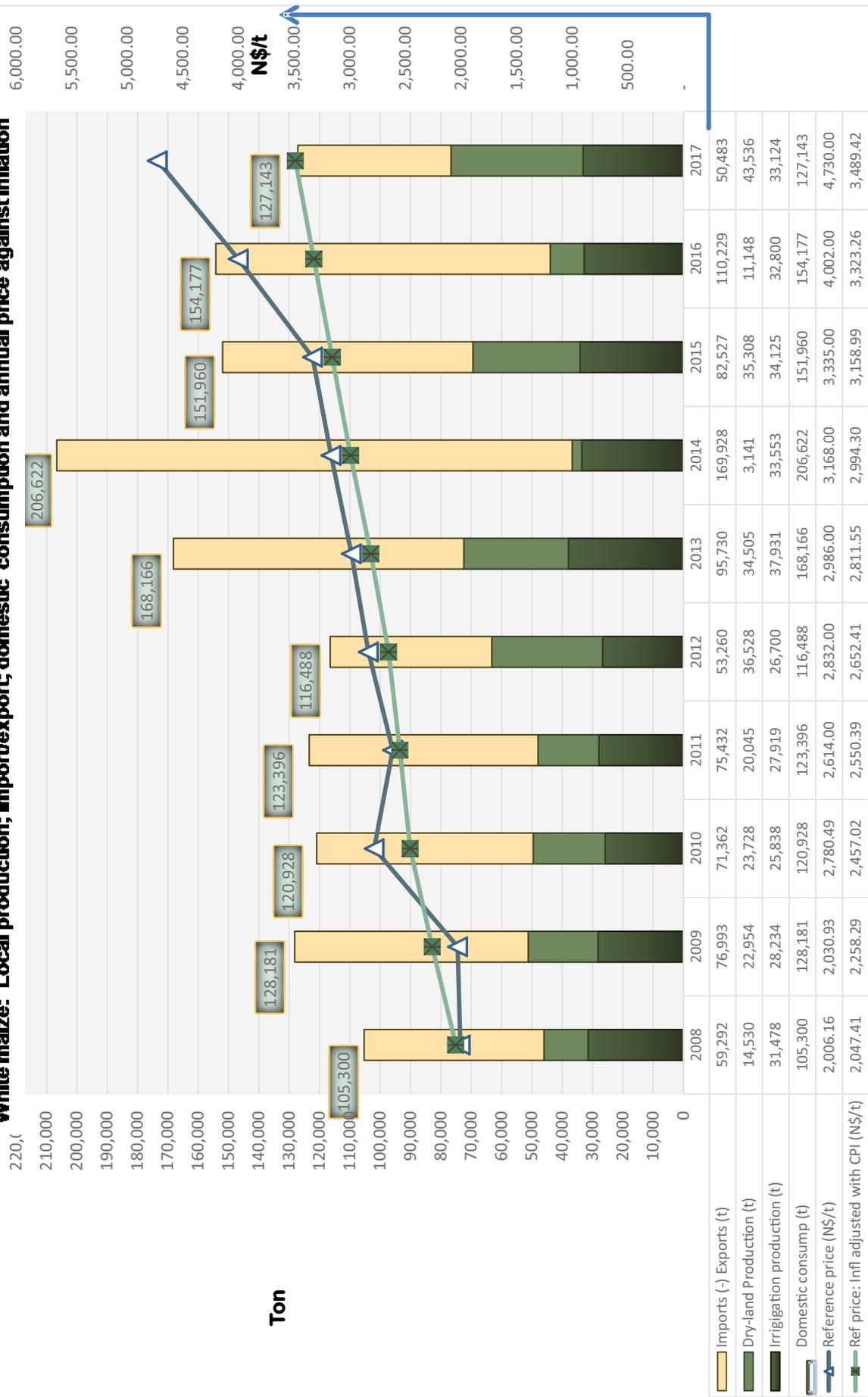
Financial year	Local marketed production (t)	Grain imports (t)	Grain exports (t)	Meal exports (t)*	Meal exports: Equivalent of grain (t)*	Nett domestic consumption (t)	Floor prices (N\$/t) **
2005–2006	44 365	76 534	4 000	0	0	116 899	1 824.00
2006–2007	53 296	48 247	3 000	0	0	98 543	1 760.00
2007–2008	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
2017–2018	76 660	50 483	0	0	0	127 143	* **4 730

*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 Safex spot price ex-Douglas).

White maize: Local production; import/export; domestic consumption and annual price against inflation



6.2

WHEAT



Wheat

Wheat, as a winter crop, can only be planted in Namibia under irrigation. The main wheat production areas are the Hardap Irrigation Scheme at Mariental in the south and, the government irrigation projects next to the Okavango River. Small portions of wheat are produced at irrigation farms in the Maize Triangle.

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

Production areas	Planted (ha)	Marketed (t)
	June/July 2017	Oct 2017 - Jan 2018
Hardap Irrigation Project	436	3 655
Maize triangle and environs	89	794
Kavango Regions	983	2 204
Omusati	60	210
Total	1 568	6 863

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)*	Nett 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
2017 - 2018	1 568	6 863	104 244	0	0	111 107	5 178.13

*Wheat flour exported: Exported tonnage of flour = approximately 25 % to equal tonnage of un-milled 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.

From the table above, it is clear that the domestic wheat consumption showed a drastic increase. The reason for that is higher volumes of wheat that was imported for the growing pasta industry.

The total wheat production of 6 863 ton urged the industry to look into the reasons for the decline in the local wheat production and consider if wheat should rather be de-regulated. The Wheat Focus Day. The stakeholders agreed that although the Namibian wheat production would remain relatively small, it is the only winter rotation crop and should thus remain a controlled product.



THE WHEAT PRICE IS CALCULATED AS FOLLOWS:

- SAFEX 5-year average or the average of the October SAFEX spot price, whichever is the 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.

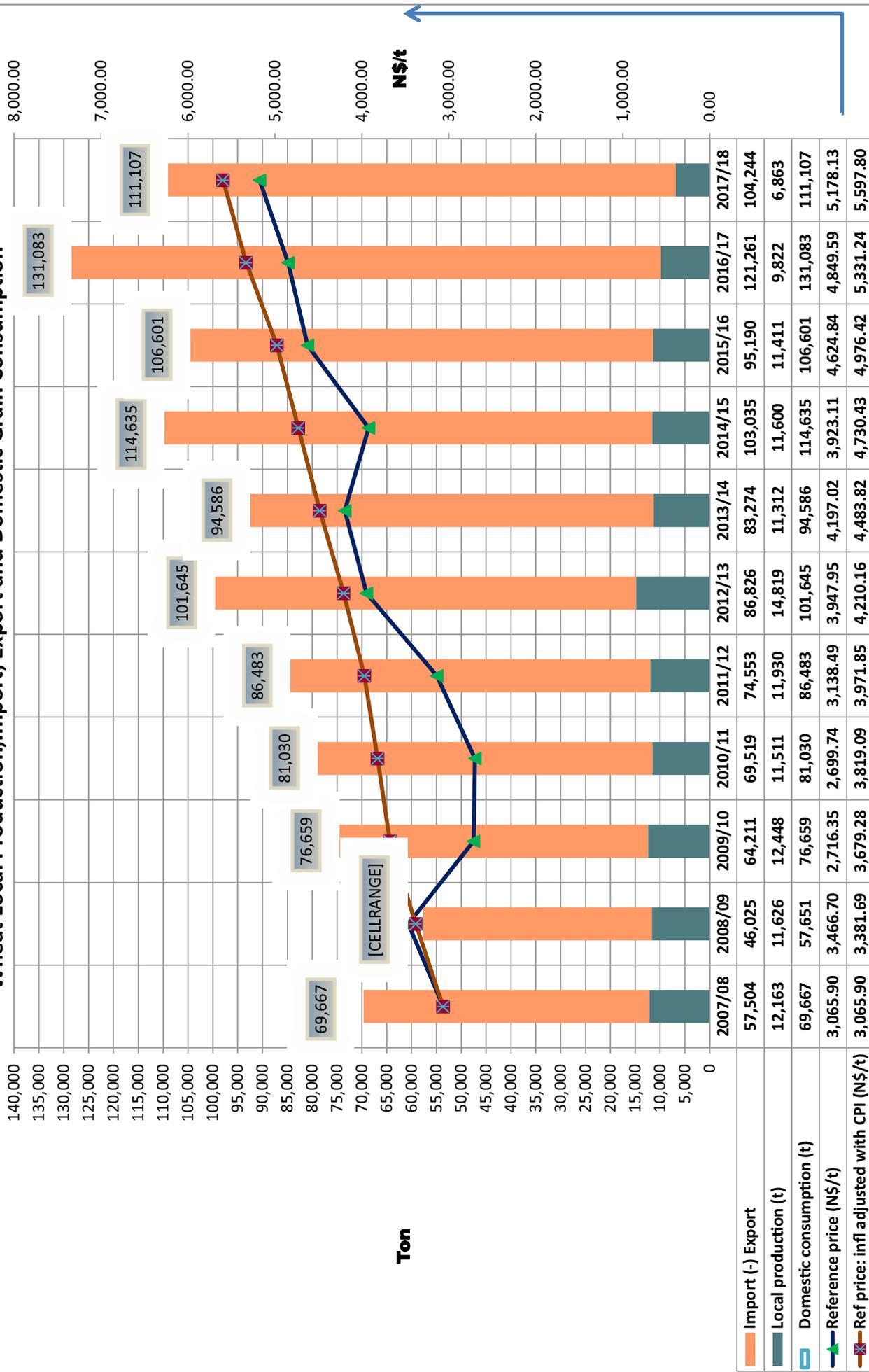
Formula B:

In the first week of November each year, a price will be 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



A photograph of pearl millet plants. The plants have long, slender green stems and large, lanceolate green leaves. Several panicles are visible, some in a vibrant green color and others in a deep reddish-brown color, indicating different stages of maturity. The background is a soft-focus field of similar plants under natural light.

6.3

MAHANGU (PEARL MILLET)





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 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 this agreement, but this has to be at least 2 months before the mahangu planting season in any given year (end of October unless otherwise agreed by two [2] signatories of this agreement)."

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

The Mahangu producer floor price for 2018 was set at N\$5,223.00 per ton (N\$5.22 per kg, N\$94.48 per lata of 18.1 kg). The production cost went down, compared to N\$5,400.00 per ton for 2017, because of a slightly cheaper NPK 2:3:2 (37) ZN fertilizer available in the market and it carries about 28% of the total cost.

Mahangu imports

During the period under review, there was a slight decrease in the quantity of mahangu imported, compared to the 2016/17 period. The quantity of mahangu imported has decreased by 38% compared to the previous period, as a result of good harvest therefore many households were having sufficient mahangu as household level. The table below is a summary of mahangu hectares planted, harvested and marketed locally, as well as imported mahangu.

Table 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	1,780
2007-2008	186,197	35,512	512	No data available	No data available	1,900
2008-2009	257,735	37,301	507	507	2,185	1,948
2009-2010	264,436	73,272	996	996	3,336	2,699
2010-2011	270,018	41,122	1,064	422	1,034	2,668
2011-2012	255,456	55,921	975	233	1,860	2,872
2012-2013	229,449	24,695	1,040	536	3,863	3,041
2013-2014	254,528	44,141	532	358	5,485	3,504
2014-2015	219,020	15,300	750	264	3,332	3,640
2015-2016	240,053	19,400	98	37	6,096	3,475
2016-2017	268,359	57,600	1,584	84	5,541	4,386
2017-2018	.	83,500	2,486	433	3,469	5,400

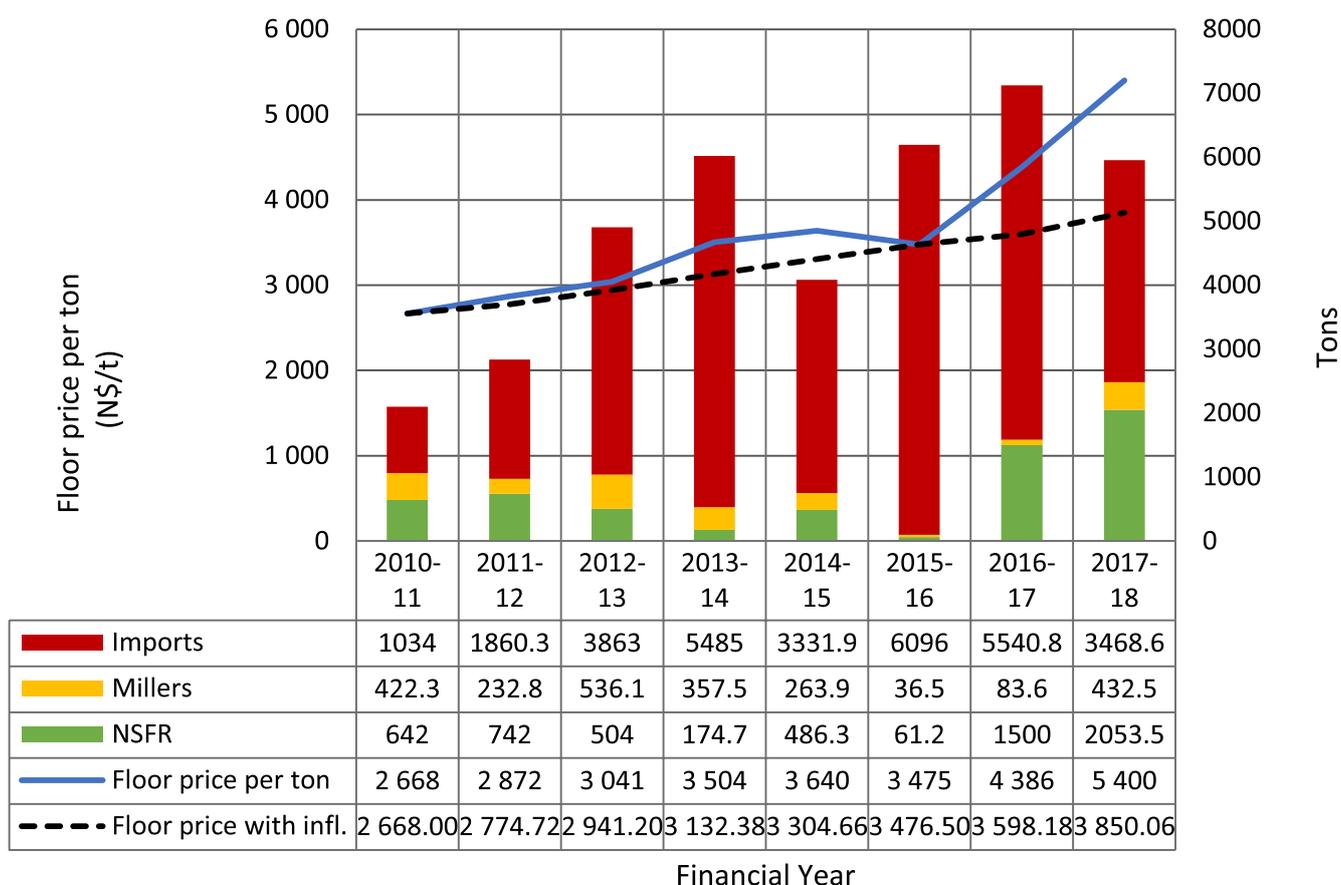
* Information received from the Crop Prospect and Food Security Situation Report, MAWF

** NAB/AMTA statistics

*** The same producer price as for white maize



Figure 1 Mahangu floor price, imports and local procurement

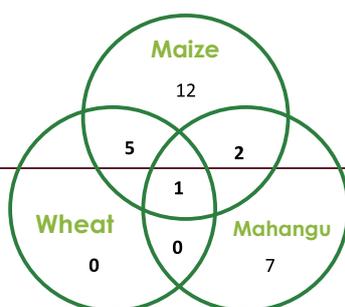


National Mahangu Consultative Forum (NMCF)

The annual NMCF was held on 14 June 2017 in Rundu for mahangu stakeholders to discuss issues of production, marketing and processing of mahangu.

NAMIBIAN PROCESSORS

A total number of 25 were registered with the NAB and actively milling. Ten of those mills only white maize, and seven mills only mahangu. Five millers mill white maize as well as wheat whilst two millers mill mahangu and white maize. One miller mills white maize, wheat as well as mahangu.



6.4

**HORTICULTURE
FRESH PRODUCE**



OVERVIEW OF HORTICULTURE

The primary objective of horticulture development is to increase the local production and supply of horticulture fresh produce in Namibia. In response, the National Horticulture Development Initiative (NHDI) was established during 2002 by the Namibian Agronomic Board (NAB), in partnership with the Ministry of Agriculture, Water and Forestry (MAWF). This was a strategic intervention in the development of Namibia's horticulture industry, which ultimately led to fresh fruit and vegetables being gazetted as controlled products during 2002, under Section 2 of the Agronomic Industry Act (Act 20 of 1992).

As detailed in the primary Market Share Promotion (MSP) performance in figure 1 (excluding adhoc amnesty and exports by traders), the market share of local produce was 43 percent during the MSP review period, Quarter 1 of 2017 to Quarter 1 of 2018. The primary MSP obtained was inopportunately beneath the established MSP threshold of 44 percent predominantly due to insufficient local supply of some of the high value special controlled produce such as potatoes, onions, tomatoes and green pepper. The overall performance of the horticulture industry during the current review period may still be considered satisfactory considering the above average primary MSP performance in three out of five quarters under scrutiny. Noteworthy is the declining trend portrait in the overall onion supply market over the past three consecutive financial periods due to reduced exports owing to uncertainties in the Angolan export market as well as reduced imports due to the extended closed border period for special controlled onions.

During the 2017/2018 financial period, Namibia consumed 81,452 tonnes of horticulture fresh produce in the formal market, worth an estimated N\$643 million. Noteworthy is the increased local supply of formally traded horticulture fresh produce apart from an unsolicited reciprocal upsurge in both imports and local supply of fresh produce (both in tonnages and value). The comparative analysis (figure 2 and 3) display an increase of 17 percent in tonnages, and 5 percent increase in monetary value, over the previous financial period.



HORTICULTURE MARKET REGULATIONS

The Namibian Agronomic Board regulates the horticulture industry through the Market Share Promotion (MSP) scheme, which is 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 2017/18 period. The MSP % that traders need to achieve, is determined by the NAB, through mutual industry consensus based on references for the availability of local produce as recommended by the National Horticulture Task Team (NHTT).

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 therefore motivated to increase production according to market demand, as the marketing risk is reduced. Ultimately, by implementing the MSP, the investment in the Namibian agriculture sector is stimulated.

The implementation of the MSP scheme is funded through horticulture levies. According to the Government Gazette of 31 December 2014, AMTA collects 1.4% levy on sales from local producers, 5% on horticulture imports, and 1.4% from traders as a general purchasing levy.

IMPACT OF THE MARKET SHARE PROMOTION

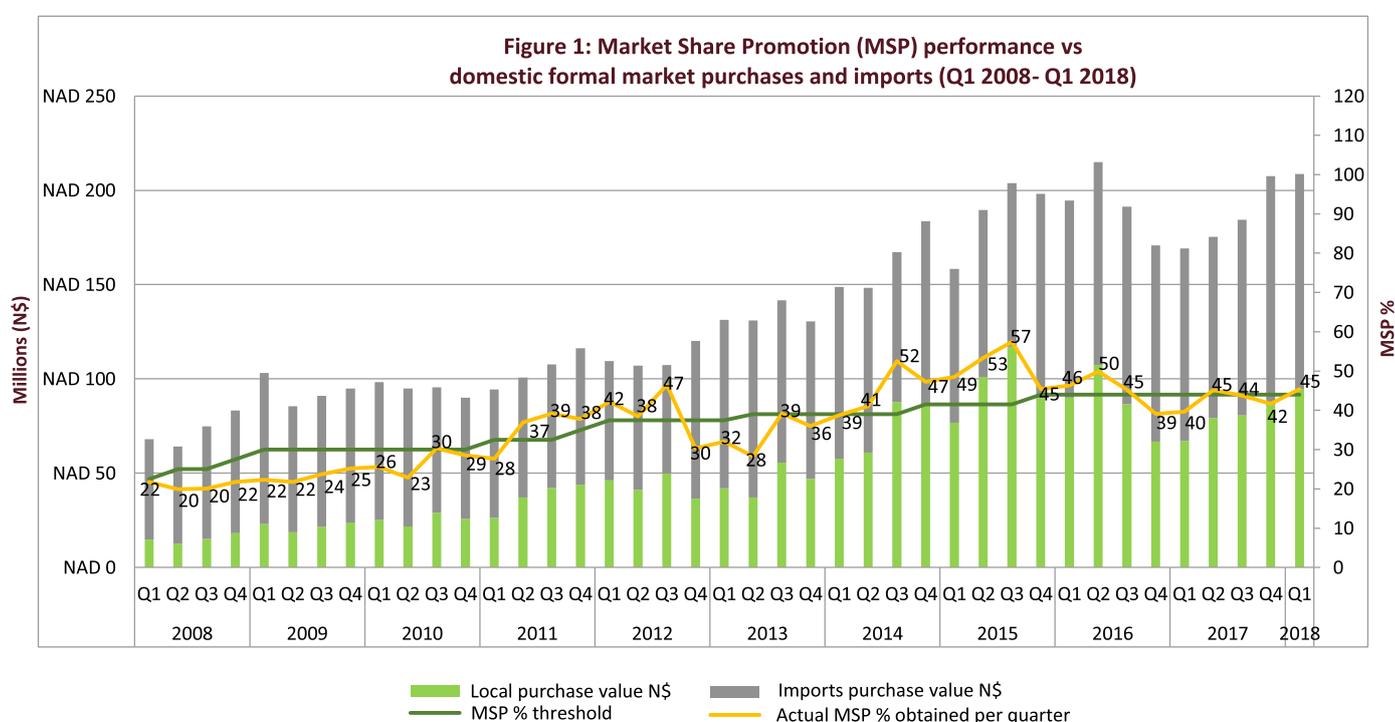


Figure 1 Shows the trend in monetary values of locally traded horticulture fresh produce versus imports, as well as a fixed MSP threshold versus primary MSP percentages obtained per quarter. It is noteworthy that this figure is a pure graphical representation of the MSP performance including only primary as well as trader-to-trader secondary local purchases, but excluding adhoc amnesty and exports by traders.

The average primary MSP obtained during the period Quarter 1 of 2017 to Quarter 1 of 2018 was 43 percent, calculated at the monetary value of local horticulture produce traded over a complete permit data evaluation period (December 2017 – February 2018). Though the average primary MSP during the reporting period is slightly below the established MSP threshold of 44%, this implies a maintained 'positive status quo' in substituting the importation of horticulture commodities that can be produced locally since the implementation of the MSP scheme during 2005.

The two Quarters with the average primary MSP below threshold were, Quarter 1 of 2017 (39 percent), and Quarter 4 of 2017 (42 percent), owing to insufficient local supply of some high value special controlled produce such as potatoes, onions, tomatoes and green pepper.

Formal Market tonnage and value (all horticulture-controlled products)

Figure 2 reports the local formal market purchases against imports in tonnages. During the 2017/18 financial year, 52,853 tonnes were imported (12% rise in imports compared to the previous year), while 28,599 tons were locally purchased (17% increase in local supply compared to the previous year). The reciprocal upsurges in both import and local tonnages of horticulture fresh produce in the formal market may be attributed to a 14 percent rise in total demand (71,585 tonnes to 81,452 tonnes), primary in response to the increasing local demand for potatoes during the period under review.

Figure 2: Local formal market purchases vs imports in tonnage (2013-2018)

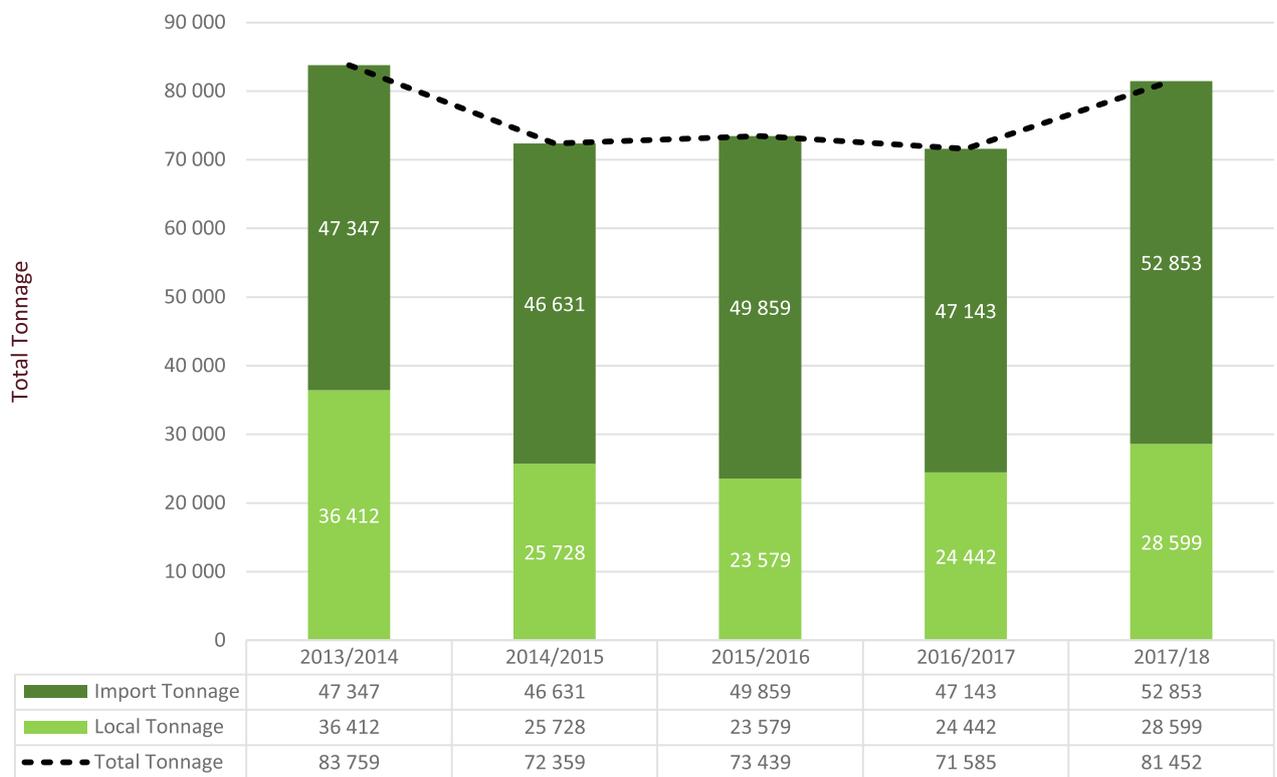




Figure 3 reports the local formal market purchases against imports in monetary values. During the 2017/2018 financial year, the total value of imports was N\$421,2 million (1,5 % rise in imported value compared to the previous year), while the total value of local purchases was N\$221,5 million (5% increase in local supply value compared to the previous year). The growth in total value of local purchases is as a direct result of concerted efforts in developing the local fresh produce industry and a positive impact of the MSP scheme on the local production and supply.

Figure 3: Local formal market purchases vs imports in values (2013-2018)

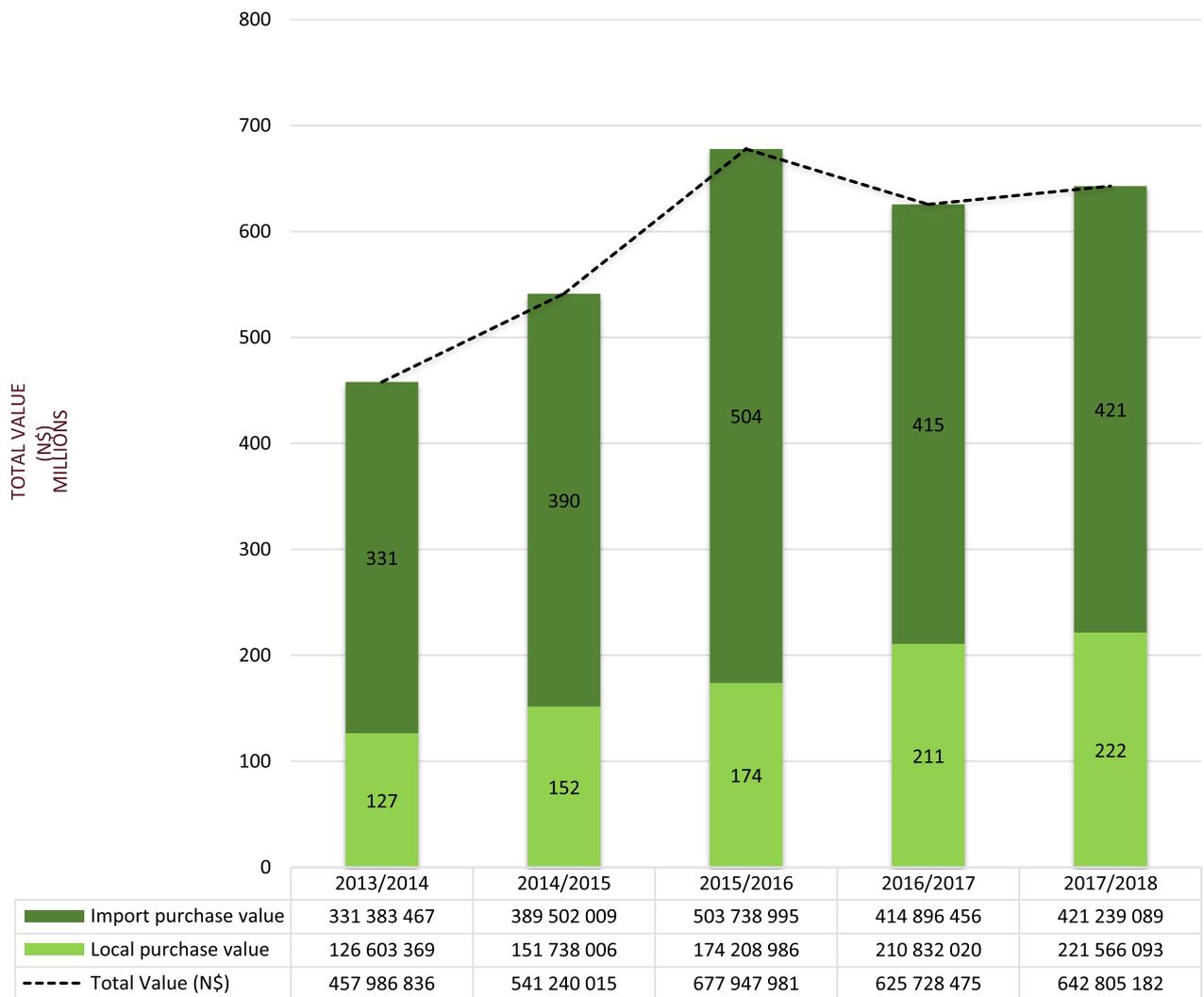


Table 1 TOP 20 HORTICULTURE FRESH PRODUCE

Table 1 and figure 4 indicates the total horticulture produce consumed mostly by Namibians during the 2017/2018 financial year period in the formal market in which 39 percent of the total consumption is potatoes. However, figure 4 shows the top 20 horticulture fresh produce traded through the formal market during the period under review.

Table 1: Total horticulture fresh produce traded in Namibia during the 2017/2018 financial period

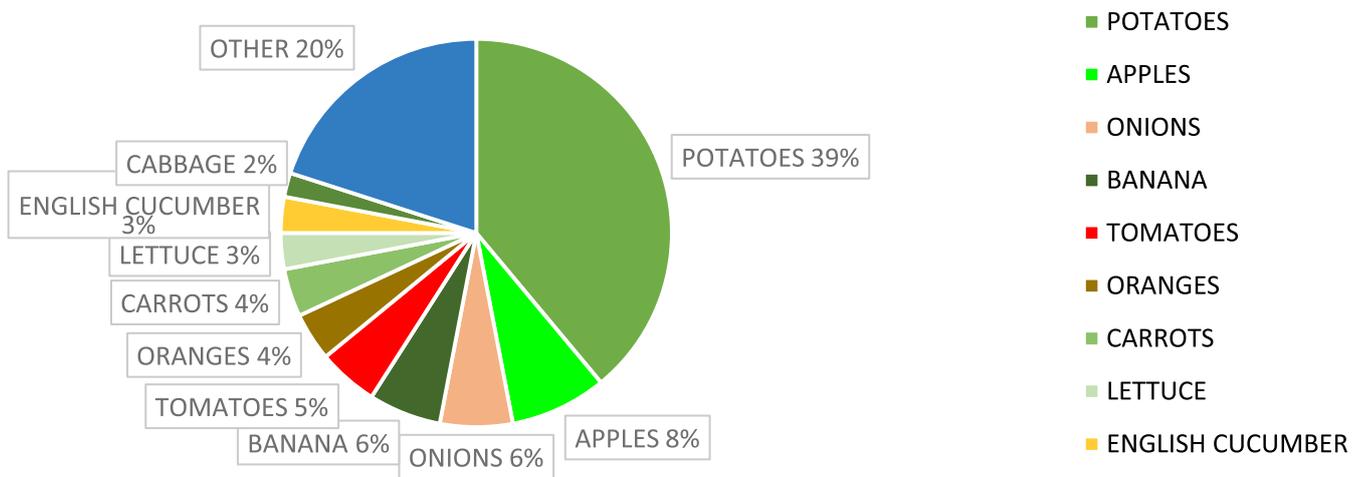
Rank	PRODUCT NAME	LOCAL TONNAGE	IMPORT TONNAGE	TOTAL TONNAGE	Percentage
1	POTATOES	7843	23655	31 498,00	39
2	APPLES		6772	6 772,00	8
3	ONIONS	3184	1898	5 081,94	6
4	BANANA	0.00	5016	5 015,56	6
5	TOMATOES	2914	1356	4 269,83	5
6	ORANGES	404	3126	3 530,12	4
7	CARROTS	2505	562	3 067,18	4
8	LETTUCE	885	1294	2 178,62	3
9	ENGLISH CUCUMBERS	1772	402	2 173,49	3
10	CABBAGES	1747	38	1 784,95	2
11	BUTTERNUTS	1364	136	1 499,58	2
12	PEPPERS	821	449	1 270,60	2
13	SWEET POTATOES	650	357	1 007,75	1
14	GRAPES	268	710	977,27	1
15	PUMPKINS	657	133	789,82	1
16	AVOCADOS	0.00	721	720,79	1
17	MUSHROOMS	553	127	680,28	1
18	Water Melon	311	275	586,68	1
19	Broccoli	160	427	586,65	1
20	PEARS	-	556	556,37	1
	Total Other	2 561,00	4 844,00	7 405,00	9
	Grand Total	28 598,56	52 853,92	81 452,48	100

**Figure 4: Top 20 formally traded fresh produce: Domestic vs imported tonnage
2013/2014 to 2017/2018 Financial Year**



■ Domestic Tonnage

Figure 5: Top 10 horticulture products traded in the formal market (2017-2018)

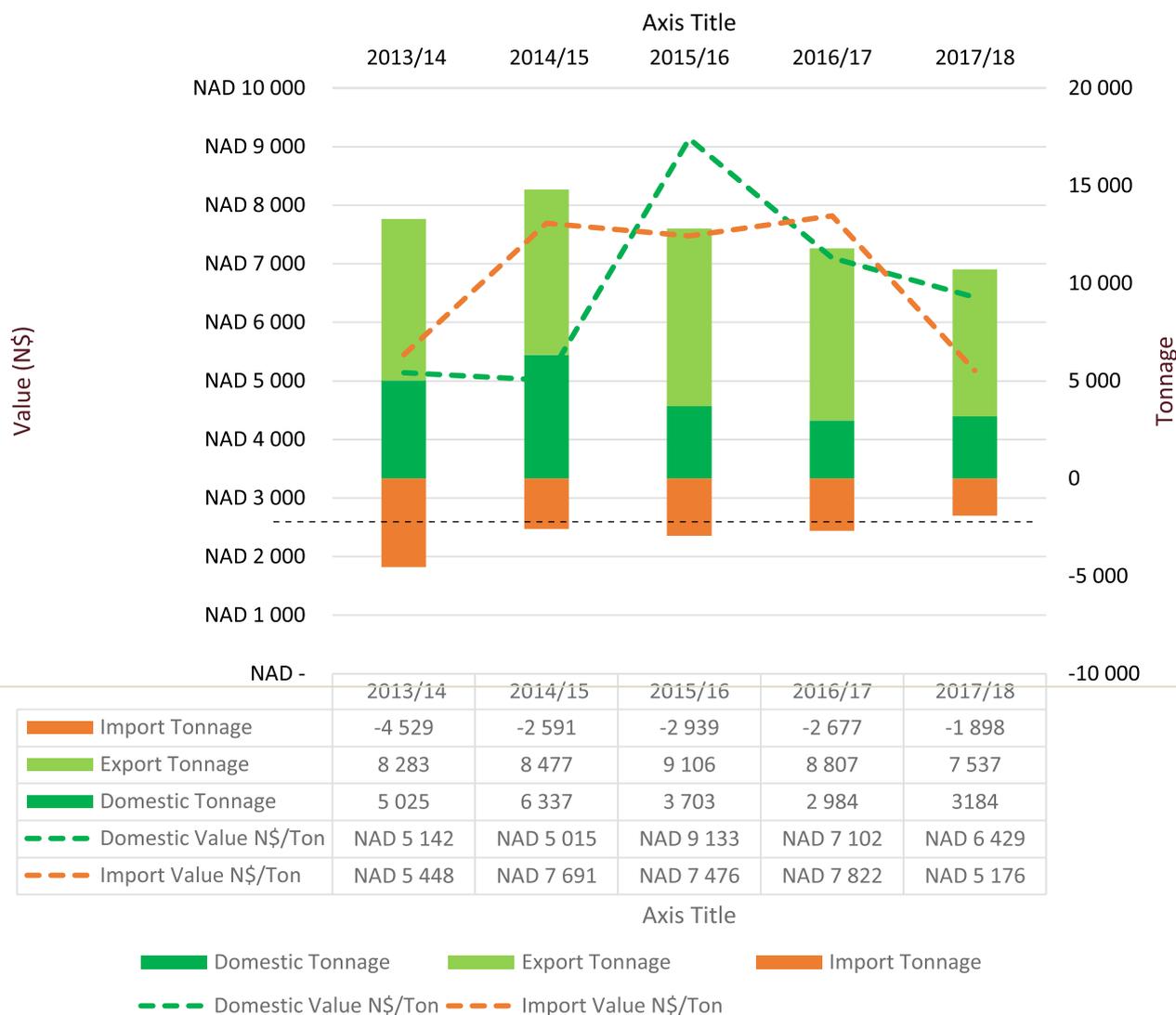


ONIONS

Figure 6: Illustrates the performance of onions in terms of tonnage and value per ton of domestically produced onions either traded in the formal market or exported versus imports of onions. Domestic production (domestic consumed tonnage plus export tonnage) declined from 11,800 tonnes in 2016/17 to 10,700 tonnes in 2017/18, of which 3184 tonnes worth N\$20 million were traded in the domestic formal market, and 7500 tonnes exported primarily to the Angolan export market. The downward trend in the overall onion supply market over the past three consecutive financial periods, may be attributed to, the prolonged closed border period for special controlled onions which resulted in less imports, as well as the perceived uncertainties and marketing challenges in the Angolan export market, that also led to reduced local plantations.



Figure 6: Onions: formal market value and tonnage (2013- 2018)



POTATOES

Figure 7 indicates the performance of potatoes in terms of tonnage and value per ton of domestically produced potatoes either traded in the formal market or exported versus imports of potatoes.

Domestic production increased substantially from 5544 tonnes in 2016/17 to 7843 tonnes (42% increase) in 2017/18. However, and in spite of this, Namibia still imported 23655 tonnes of washed potatoes during 2017/18 and exported only a mere 456 tonnes of unwashed and brushed potatoes. Hence, efforts are being made through the commissioning of in-house research on interventions to increase the local production and supply of potatoes for import substitution.



Figure 7: Potatoes: Formal market value and tonnage (2013 - 2018)



7

NAB AWARDS



MASTER AGRONOMIST 2017/18

Ms Elize van Niekerk of Farm Springvale in the Summerdown area, was crowned 2018 Master Agronomist at the award ceremony and information day held on Thursday, 19 April 2018.

Since 1995, the Namibian Agronomic Board (NAB) has annually awarded this prestigious award to an exceptional maize farmer. The event was hosted in collaboration with Namibia Agriculture Union (NAU) under the theme "There Is Hope".

The award is presented to a farmer who is not necessarily evaluated on the size of his/her harvest, but rather on practising an exceptional innovative scientific approach, good risk diversification, good labour relations and community involvement. For the first time ever since the inception of this award, a woman has been crowned as the Master Agronomist winner.

Elize van Niekerk, started farming four years ago after her husband passed on. She produces under both dry-land and irrigation conditions and practices crop rotation. With 20 hectares of irrigated

maize at an average of 14 tons/ha and 80 hectares of dryland maize at an average of 7 ton/ha. Speaking at the event Van Niekerk said the motto that led her to her success is "do what you can with what you have & where you are". She encouraged other Namibian farmers around the country to put in extra efforts in managing their farms. "With the same amount of inputs, every farmer can double their production, hence the theme, there is hope", she said.

Antoinette Pritzen, NAB's Manager for White Maize and Wheat said Van Niekerk's dedication, courage and smart management of her resources is indeed commendable and is an inspiration to many. "The passion and drive of Van Niekerk for agronomy and the implementation of smart farming practices is also clearly demonstrated through neat infrastructure on the farm", she concluded.



From left to right: Mr Michael Iyambo (Chairman of the NAB), Ms Elize van Niekerk (Master Agronomist) and Mr Christof Brock (CEO of the NAB)

MEGA IRRIGATION MASTER AGRONOMIST

For the last number of years, a Master Agronomist was the one year selected from amongst the dry-land commercial producers and the next year, from the commercial irrigation producers. As the competition has progressed over the years, it became clear that a split between the mega irrigation farmers and the smaller-scale irrigation farmers will make more sense and, will make the evaluation process much easier. The Mega Irrigation Master Agronomist includes producers planting 100 hectares plus of white maize or wheat or both crops under irrigation.

On Thursday, 19 October 2017, the award giving ceremony was held together with the annual national World Food Day in Stampriet. Mr Rustie Kleinhans of Sikondo Irrigation Project in the Kavango west of Rundu, was the first producer receiving the Mega Irrigation Master Agronomist award.

At the Sikondo Green Scheme Project of approximately 600 hectares, 380 hectares are planted under grains and horticulture products commercially and 180 hectares are planted by small and medium-scale farmers.

Mr Kleynhans, the Manager of the Sikondo Project, produces white maize and wheat on 380 hectares under irrigation. Horticulture products such as butternuts, watermelon and cabbage under drag-line irrigation as well as tomatoes and green peppers under drip-irrigation.



From left to right: Mr Michael Iyambo (Chairman of the NAB), Mr Rustie Kleynhans (Mega Irrigation Master Agronomist) and Mr Christof

NATIONAL MAHANGU HARVEST FESTIVAL & CHAMPIONS AWARDS

As it has been customary since 2002, the Namibian Agronomic Board (NAB) has again hosted, in partnership with the Ministry of Agriculture, Water and Forestry (MAWF), the event to reward and honour the best mahangu farmers of the country for the year in two categories on the 13th July 2017 in Nkurenkuru, Kavango West Region.

Category One recognises farmers who:

- Produce mahangu on more than 10 hectares.
- Conduct operations that are semi commercial and mechanised.
- Have the resources to hire labour.
- Marketing the surplus in the formal market.

Category One recognises farmers who:

- (a) Cultivate between 5 and 10 hectares.
- (b) Have the resources to implement improved technologies and farming techniques.
- (c) Marketing the surplus in the formal market.

Overall National Mahangu Grand Champion (Category One)

Mr. Andreas Kamukwanyama (Kavango West Region)

Overall National Mahangu Champion (Category Two)

Mr. Fred Mwabi (Zambezi Region)

Regional Mahangu Grand Champions (Category One)

Ms. Eris Likando (Zambezi Region), Mr. Innosensius Shikusho (Kavango East Region), Mr. Andreas Kamukwanyama (Kavango West Region), Mr. Saltiel Phillipus (Otjozondjupa Region), Mr. Timoteus Haimene (Ohangwena Region), Mr. Simson Immanuel (Oshikoto Region) and Mr. Saltiel lipinge (Omusati Region).

Regional Mahangu Champions (Category Two)

Mr. Fred Mwabi (Zambezi Region), Mr. Matheus Kanyetu (Kavango West Region) Ms. Selma Ndeunyema (Ohangwena Region), Mr. Sakeus Kagwe (Oshikoto Region), Ms. Genovefa Mpinge (Oshana Region) and Ms. Linda Shoombe (Omusati Region).



NATIONAL HORTICULTURE DAY AND AWARDS

The Namibian Agronomic Board (NAB), awarded the best horticulturalists Namibia has to offer at the 2017 National Horticulture Day (NHD) and awards ceremony held on Wednesday, 27th September 2017 in Okahandja. Stakeholders of the horticulture industry were brought together to celebrate the achievements of their hard work and to share best practices that will enhance and improve farming approaches to increase production in the country.

In his keynote address, the Minister of Agriculture, Water and Forestry (MAWF), Honourable John Mutorwa, congratulated the NAB for their impressive work over the past 15 years, for successfully implementing the Namibian horticulture development initiative that navigated a conducive marketing environment for horticulture production. The market share promotion was established in 2005, requiring importers then, to source at least 5% of their total fresh produce demand locally. Currently, the local market share has risen to an impressive 44% through collective industry consensus. Hon. Mutorwa emphasized that, despite the current successes, much still needs to be done to develop horticulture which plays a crucial role in supporting communities and helping Namibia to attain food self-sufficiency.

Responding to the Minister's call to develop the horticulture sector, the chairperson of the NAB, Mr Michael Iyambo, said the NAB continues to strive towards the envisaged local market share of 60%. "Current production of horticulture is focused more on vegetables than on fruit production. This is reflected in the observed increase in vegetable production in the past decades mainly for onions, potatoes, tomatoes, cabbages, butternuts, green-peppers, cucumbers and carrots," said Mr Iyambo. But in contrast, he added that out of the 18 295 tons of demand for fruits only 560 tons (3%) is sourced locally, leaving a massive opportunity for local investment in fruit production.

Horticulture Award Winners for 2017:

Producers:

Small-scale category: Muronga Agatha (3rd), Dynando Dynando (2nd), Clemens Makumbi (1st)

Medium-scale category: Epafra Hilengwa (3rd), Pius Kapikara (2nd), Jan Conradie (1st)

Large-scale category: Jimmy Kennedy (3rd), Floris Smith (2nd), Paulus Amutenya (1st)

Traders:

Small-trader category: Tigervege (2nd), Kuiseb Fresh Produce (1st)

Medium-trader category: Mathews Fresh Produce (2nd), Fontaine Trading (1st)

Large-trader category: Shakar Supermarket (2nd), Brenners Fruits (larger traders)

Very large-trader category: Erongo Food Products (2nd), Central Wholesale (1st)

Mega-trader category: Spar Namibia (2nd), Food Lover's Market Fruit and Vegetables (1st)

AMTA Hub Agent Winners:

Wholesale agent of the year: Stampriet Farmers Market

Commission marketing agent of the year: Nam Market Agents



8

**AUDITORS
REPORT**



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NAMIBIAN AGRONOMIC BOARD
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

REPUBLIC OF NAMIBIA



TO THE HONORABLE 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 2018, 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 2019

1. UNQUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the Namibian Agronomic Board for the financial year ended 31 March 2018. These financial statements comprise the statement of financial position, statement of profit and loss and other comprehensive income, notes to the annual financial statements for the year then ended and summary of significant accounting policies and explanatory information.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Namibian Agronomic Board as at 31 March 2018 and its financial performance for the year then ended in accordance with Generally Accepted Accounting Practices

2. OTHER INFORMATION

Management is responsible for the other information. The auditor's opinion on the financial statements does not cover the other information and, accordingly, the auditor does not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

3. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Agronomic industry Act 20 of 1992 and the State Finance Act, Act 31 of 1991, and legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible of overseeing the entity's financial reporting process.

4. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Obtain an understanding of internal control relevant to the audit 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.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

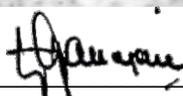
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The financial statements were submitted late on the 31st of July 2018 by the Accounting Officer to the Auditor-General not in compliance with section 26 of the State Owned Enterprise Governance Act, 2006.



JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

Windhoek, February 2019

**NAMIBIAN AGRONOMIC BOARD
STATEMENT OF FINANCIAL POSITION AT 31 MARCH**

	Note	2018 N\$	2017 N\$
ASSETS			
Non-current assets			
Property, plant and equipment	2	4 850 035	5 002 000
Investments	3	10 053 527	25 463 864
Current assets			
Trade and other receivables	4	81 016 071	100 085 432
Cash and cash equivalents	5	6 981 765	8 305 699
TOTAL ASSETS		102 901 398	138 856 995
FUNDS AND LIABILITIES			
Funds and reserves			
General Fund	6	14 622 075	31 016 888
General Administration Fund	7	1 003 148	1 003 148
Commodity Reserve Fund	8	13 798	13 799
Shares Agricultural Board's Building	9	4 621 290	4 621 290
Current liabilities			
Trade and other payables	10	82 641 087	102 201 870
Total funds and liabilities		102 901 398	138 856 995

NAMIBIAN AGRONOMIC BOARD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH

	2018	2017 Restated	2017
Note	N\$	N\$	
INCOME	19 621 993	19 345 259	118 008 194
Levies and Fees Collect by AMTA	-	-	98 662 936
Permits issued	-	-	806 658
Processors registration	-	-	190 458
Inspection fees on in transit and export trucks	-	-	2 263 471
General producer's levy			
White Maize	-	-	2 603 422
Wheat	-	-	633 195
Grain Processors levy-Local			
White Maize and Mahangu	-	-	2 076 102
Wheat	-	-	633 195
Grain Processors levy-Imports			
White Maize and Mahangu	-	-	28 430 894
Wheat	-	-	22 575 647
Horticulture Levies			
Levies on local production	-	-	2 885 702
Levies on imports	-	-	22 522 099
Selling levy (local and imports)	-	-	10 031 207
Interest received	805 426	1 408 535	1 408 535
10% of profit – Agricultural Boards Building	188 434	146 477	146 477
Other accounting and administration fees	-	92 939	92 939
MAWF levy distribution	18 626 610	17 222 337	17 222 337
Profit on sale of equipment	-	19 959	19 959
Other income	1 523	455 012	455 012
Expenses	(15 175 797)	(13 918 455)	(112 581 389)
Net surplus for the year	4 446 196	5 426 804	5 426 804

NAMIBIAN AGRONOMIC BOARD**NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH 2018****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)

2. PROPERTY, PLANT AND EQUIPMENT

	2018			2017		
	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	(543 325)	86 063	629 388	(385 978)	243 410
Furniture	156 735	(124 230)	32 505	133 825	(119 982)	13 843
Equipment	585 571	(477 103)	108 468	524 553	(402 806)	121 747
	5 994 693	(1 144 658)	4 850 035	5 910 765	(859 365)	5 002 000

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying Value beginning of year	Additions	Disposals	Depreciation	Carrying Value end of year
	N\$	N\$	N\$	N\$	N\$
2018					
Land & Building	4 623 000	-	-	-	4 623 000
Motor vehicles	243 410	-	-	(157 346)	86 063
Furniture	13 843	25 990	(331)	(6 996)	32 505
Equipment	121 747	61 018	-	(74 298)	108 468
	5 002 000	87 008	(331)	(238 640)	4 850 035
2017					
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

Details of Properties

Erf no 744 and 749, Windhoek

The property consists 2 ervens of which the Namibian Agronomic Board owns 10% of the two properties.

- Erf 744, Windhoek, and measures 4,205 square meters
- Erf 749, Windhoek measuring 1,854 square meters

NAMIBIAN AGRONOMIC BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH

(continued)

	2018	2017
	N\$	N\$

3. INVESTMENTS

At the period –end the amounts invested in terms of Section 14(5) of the Act were:

Standard Bank – At 5.7 % interest rate at year end	9 567 801	25 013 128
Old Mutual Money Market – 7.36 % interest rate at year end	485 726	450 736
	10 053 527	25 463 864

4. TRADE AND OTHER RECEIVABLES

Trade receivables	8 718	62 218
Outstanding levies –AMTA	80 926 543	99 887 514
VAT on levies collected from January 2015 to March 2015	1 224 579	1 224 579
Levies & fees collected from April to 31 March	79 701 964	98 662 935
Prepaid expenses	7 850	61 957
Sundries (Staff loans)	5 611	6 394
Vat receivable	67 349	67 349
	81 016 071	100 085 432

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	6 979 762	8 303 696
Petty cash	2 003	2 003
	6 981 765	8 305 699

6. GENERAL FUND

The Fund was established to finance the administration expenses of the Board. Transactions were as follows:

Balance – at the beginning of the year	31 016 888	52 445 420
Net surplus/(deficit) for the year	4 446 196	5 426 805
AMTA Staff costs 2015/16	-	(7 000 000)
MAWF approved purchasing grain NSFR	(26 000 000)	-
MAWF Approved 5% to reserves	4 795 435	-
MAWF Distribution of levies to NAB Association & Unions Special Activities	-	(17 222 337)
	363 556	(2 633 000)
	14 622 075	31 016 888

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

	<u>2018</u>	<u>2017</u>
	N\$	N\$

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	1 003 148	1 003 148
	<u>1 003 148</u>	<u>1 003 148</u>

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	13 798	13 799
Balance – 31 March	<u>13 798</u>	<u>13 799</u>

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.

Agricultural Boards' Building	<u>4 621 290</u>	<u>4 621 290</u>
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10. TRADE AND OTHER PAYABLES

Agency fees	79 701 964	98 662 935
Administrative expenses	41 773	90 299
Provisions	1 562 829	1 312 955
Guarantee deposits from Millers/Traders	485 726	450 736
Unions & Associations Special Activities	626 990	1 352 867
Other payables	221 805	332 078
	<u>82 641 087</u>	<u>102 201 870</u>

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.

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

12. BOARD MEMBERS

Expenses on members of the Board decreased with 5% during the 2017/2018-year end compared to the (2016/2017) financial year increase of 5%.

13. STAFF

Remuneration of staff increased by 5% during the 2017/2018-year end compared to the (2016/2017) financial year increase of 21% which resulted from a provision that was passed for retirement packages payable to employees that neared the age of 65.

14. SUBSEQUENT EVENT

The Ministry of Agriculture, Water and Forestry issued a directive on the 30th of July 2018, for a distribution of the agronomic levies:

AMTA- Agent fees and Budget support	42 080 147
Agribusdev- Budget support	18 405 990
NAB	23 888 819
	<u>84 374 955</u>

Accumulated interest amounting to N\$4 672 991.86 is inclusive in the total.

15. PRIOR YEAR ADJUSTMENTS

In line with the disbursements by the Ministry, Namibian Agronomic Board reviewed their revenue to only cater for what is due to them instead of the previous financial report for 2016/2017, where they had accounted for the levies income in full as collected by AMTA. The same principle was applied to expenses for the 2016/2017 financial year. However, the adjustments does not have an effect to the profit for the year as it is a set off transaction which is indicated as follows:

	<u>2017</u>
	N\$
Levies and feed collected by AMTA	98 622 936
Agents levies	<u>(98 622 936)</u>
	<u>-</u>

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

16. SCHEDULE FOR EXPENSES FOR THE YEAR ENDED 31 MARCH

	2018	2017	2017
	N\$	restated N\$	N\$
Advertising	44 735	-	-
Auditors remuneration – External	53 101	47 725	47 725
Bank charges	30 424	32 403	32 403
Board fees	3 131 722	3 499 393	3 499 393
Board member induction training	209 739	-	-
Chartered Accountant - Financial Management committee	24 696	23 633	23 633
Contribution to Agricultural Outlook Conference	-	15 000	15 000
Cost of information centre	67 023	71 666	71 666
Depreciation – equipment	74 298	88 478	88 478
Depreciation – furniture	6 996	6 213	6 213
Depreciation – motor vehicles	157 346	147 784	147 784
Designing and printing of annual report	122 519	113 443	113 443
Farmer day	566 573	441 175	441 175
Insurance	45 661	43 805	43 805
Liaison	3 089	8 408	8 408
Loss on sale of fixed assets	331	-	-
Motor vehicles expenses	93 328	75 044	75 044
Personnel remuneration	6 896 027	6 630 487	6 630 487
Postal and freight	13 954	8 562	8 562
Professional services and legal costs	397 269	55 538	55 538
Promotions	38 467	36 820	36 820
Public relations services	120 176	165 608	165 608
Refreshments	25 727	23 892	23 892
Rent paid	914 959	860 686	860 686
Repairs and maintenance – Computer equipment	200 690	191 981	191 981
Special functions (awards ceremony)	1 171 846	767 798	767 798
Staff – Subsistence and travel	334 976	265 766	265 766
Stationary and printing	164 816	129 249	129 249
Subscriptions	8 110	7 916	7 916
Team building	66 575	22 220	22 220
Telephone and fax	65 893	63 534	63 534
Training and personnel development	65 827	34 145	34 145
Web development and maintenance of website	58 947	40 083	40 083
Agents levies (AMTA & AGRIBUSDEV)	-	-	98 662 935
Total expenses	15 175 797	13 918 455	112 581 389



30 DAVID HOSEA MERORO ROAD
AUSSPANNPLATZ

TEL: +264 61 379 500
FAX: +264 61 225 371

EMAIL: nabdesk@nab.com.na
www.nab.com.na



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