



ANNUAL REPORT

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The background of the slide is a close-up photograph of numerous bell peppers. The left half of the image shows bright green peppers, while the right half shows yellowish-green peppers. A vertical white bar is positioned on the left side, partially overlapping the green peppers. The text 'Corporate Philosophy' is centered over the white bar.

Corporate Philosophy



OUR MANDATE

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



OUR VISION

To be a world class regulator of a vibrant, diversified and sustainable crop industry



OUR MISSION

To promote the agronomic and horticulture industry through market regulations and facilitation



OUR CORE VALUES

Integrity, Accountability, Pro-activeness and Inclusivity





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Chairperson's Report



Mr Michael Iyambo
Board Chairperson

During the period under review, the industry bid farewell to the Honourable Alpheus !Naruseb as the Minister of Agriculture, Water and Forestry, and welcomed Honourable Carl G. Schlettwein as the Minister of Agriculture, Water and Land Reform. We would therefore like to thank Honourable !Naruseb for his dedication and leadership. Similarly, we welcome the Honourable Schlettwein at the helm of the industry's leadership. We look forward to working together in furthering the agenda for crop development across the value chain.

The NAB has undergone a lot of transformational changes to address governance, restructuring and financial issues. Due to overlapping functions between the NAB and the Agro-Marketing Trade Agency (AMTA), as well as other factors such as continuous financial challenges, during the last financial year, the Board of Directors approved the termination of AMTA as its agent in order to facilitate the movement of regulatory functions from AMTA back to the NAB. In the 2019/20 financial year, the implementation was finalised and endorsed by the Ministry of Agriculture, Water and Land Reform. The next phase of the implementation is to transfer AMTA employees that currently implement these functions to the NAB at the commencement of the next financial year in April 2020. Inherently, this has led to the much-needed restructuring of the NAB in terms of human capital, which will see an increase in NAB employees from 15 to 86. The staff complement increase also makes provision for the hiring of a few specialised positions in line with the 5-year strategic plan and the approved NAB organisational structure.

During the financial year under review, the Board also approved the new Terms of Reference (TOR) on the proposal to rename and combine the National Mahangu Advisory Committee (NMAC) and the National Maize and Wheat Advisory Committee (NMWAC) to form the National Agronomy Advisory Committee (NAAC). The main objective of the amendments was to ensure the streamlining of functions in order to avoid duplications and ultimately cut costs. The National Horticulture Task Team (NHTT) was also renamed to the National Horticulture Advisory Committee (NHAC). No significant changes were made to the Financial Management Advisory Committee (FMAC).

In conclusion, the year 2019 was declared a drought year, therefore, rainfed grains production in Namibia was severely affected, resulting in national food security concerns. It is therefore the prerogative of the Board to steer the NAB through its leadership, hence for the next financial year, the NAB will focus on climate-smart and climate-resilient strategies aimed at mitigating challenges caused by drought in order to improve the current status quo. The NAB as an industry leader will engage industry role players in both local and international spheres to boost production and improve national food self-sufficiency.



Chairperson's report - *continued*

On behalf of the Board, I would like to thank our various stakeholders for their continued support and commitment to the development of the crop sector through compliance with various rules and regulations. We appreciate all your efforts. Furthermore, I would like to thank my fellow board members, advisory committee members, as well as the NAB management and staff members for their commitment to serving the industry, and I wish to also express my recognition of their dedication and hard work.



Mr. Michael Iyambo
Board Chairperson





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Ceo's Report



Dr. Fidelis N. Mwazi (PhD)
Chief Executive Officer

The 2019/2020 Financial Year (FY) was my first full year in office since I took over the role of the Chief Executive Officer for the Namibian Agronomic Board (NAB).

The NAB went through many internal and external changes after the completion and approval of the NAB's Five-Year Strategic Plan 2019/20 – 2023/24. One such notable change is the review and approval of the NAB's organisational structure that is more aligned with the strategy and implementation thereof. The newly approved organisational structure was expected to expand the NAB workforce from 13 to 86 positions.

Another notable change was the review of the existing Performance Management System (PMS) and the introduction of a new PMS model guided by the strategic plan and the Annual Business and Financial plan as part of compliance with the Public Enterprise Governance Act, Act 1 of 2019. The new PMS was essential to managing portfolios of NAB's newly proposed workforce as a result of the implementation of the strategic initiatives and activities to ensure improved organisational performance in service provision.

In addition, crop production for agronomic and horticultural crops was negatively affected due to the 2019/2020 FY being declared a drought year. Hence the Namibian crop industry experienced a decrease in local grain production, especially in the Karst and Zambezi production zones, where most rainfed crop-producing farmers are residing. This resulted in the lowest volumes of white maize grain local production marketed (28,888 tons valued at N\$139,355,712), since 2010. Consequently, 171,031 tons of white maize, valued at N\$524,892,994 was imported into the country to meet the domestic demand for the formal market.

Similarly, despite the increase in domestic demand for the consumption of pearl millet (mahangu) grain, the production was also severely affected during the year under review, whereby local production decreased from 1979 tons to 278 tons. This resulted in a total import of 3,313 tons valued at N\$15,598,562.50 to meet the local demand for the formal market.

With regards to wheat grains, the local production marketed decreased significantly from 7,508 tons in the previous year to 4,466 tons, and this is mainly attributed to the reduction in hectares planted. However, the high importation of wheat grain presents a huge opportunity for increased local production in the near future.

It is therefore the NAB's objective to focus more efforts on initiatives that can assist local grain producers in mitigating challenges caused by the drought, as well as advise policymakers on strategies that can stimulate the growth of the agronomic sector in line with the green economy approaches.

CEO's report - continued

The horticulture sector performed relatively well during the FY as a result of the increased local supply of formally traded horticulture fresh produce. Hence, the Market Share Promotion (MSP) threshold remained at 47%. Overall, local purchases, imports, and exports of horticultural products increased during the reporting period. Local purchases increased from N\$240 million in the previous year to N\$319 million in the current year, whereas imports increased from N\$417 million in the previous FY to N\$550 million in the current FY, while exports increased from N\$780 million in the previous FY to N\$999 million in this current FY. The increase in the value of imported and local purchases is attributed to an increase in demand and local production. In addition, an increase in fruit export volumes of 7% can be observed, mainly influenced by the increased production of table grapes.

In our aspirations to establish ourselves as a world-class organisation, prudent financial management remains a vital component. Therefore, during the reviewed period, our total financial expenditure for operational costs amounted to N\$21.5 million. This expenditure was funded from the levies and fees collected, which amounted to N\$91 million during the 2018/19 financial year. Additionally, a combined total of N\$ 31 million was awarded to AMTA and Agribusdev as agent fees, also funded from the levies and fees collected.

The levies and fees amount collected in the 2019/20 FY amounted to N\$112 million, which will be used to fund the 2020/21 financial expenditure budget. This includes funding of full administrative and regulatory functions for agronomy and horticulture market development in Namibia, which have been moved from AMTA as an implementing agent back to the NAB in accordance with the Agronomic Industry Act, 20 of 1992.

The NAB remains committed to serving the industry as a world-class regulator of a vibrant, diversified and sustainable crop industry.

Dr. Fidelis N. Mwazi (PhD)
Chief Executive Officer





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Corporate Governance

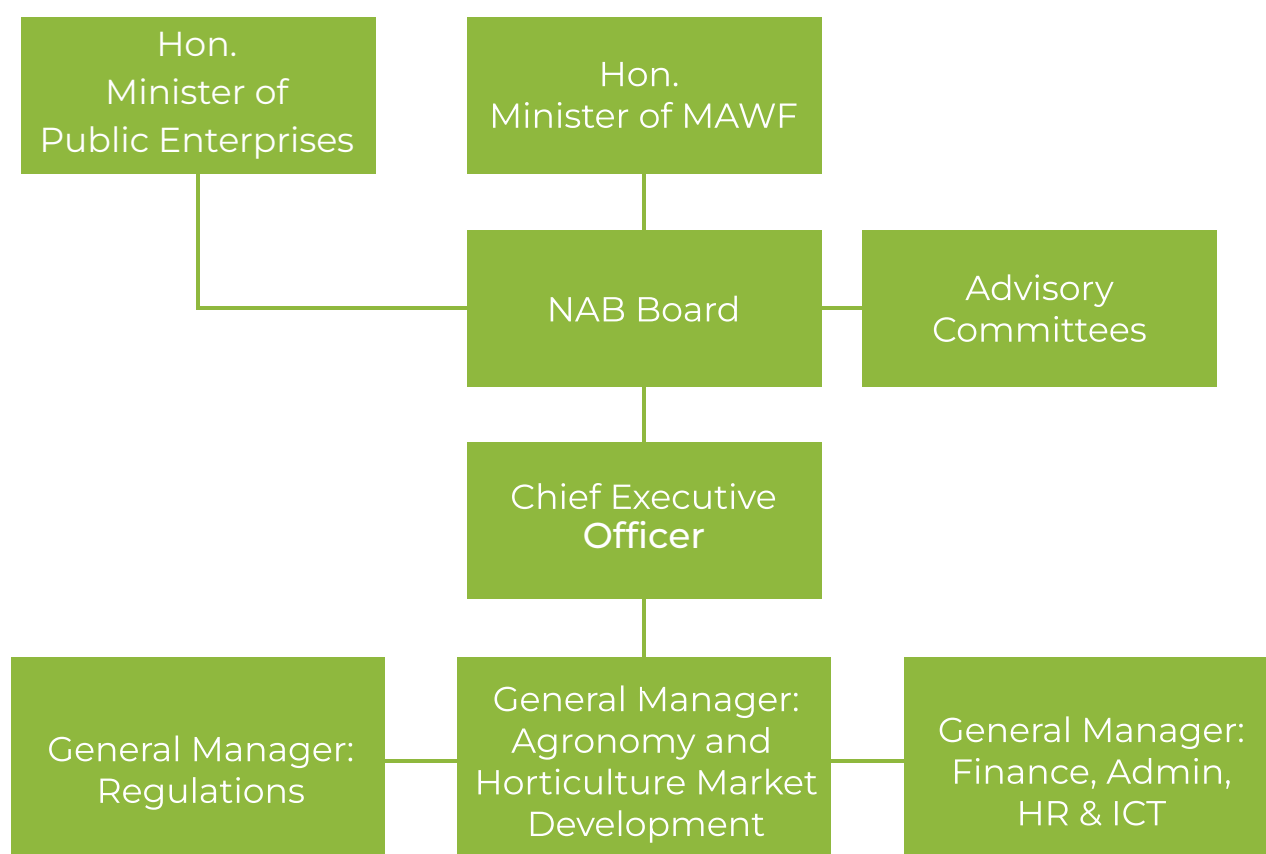
4.1 Establishment and governance

The Namibian Agronomic Board came into existence on 1 April 1985 as a statutory body created in terms of the Agronomic Industry Proclamation AG 11 and 12 of 1985 which was later replaced by the Agronomic Industry 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 (MPE) was established and it 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 regards to corporate governance, to the MPE.

4.1.1 Governance Structure

The NAB's Governance Structure as outlined in the framework is as follows;



4.2 Appointed members of the board

The current board members are appointed for a period of three years, starting on June 2017 to June 2020.



Mr. Michael Iyambo
Board Chairperson



Ms. Marina Muller
Deputy Chairperson



Ms. Wilhemina
Board Member



Ms. Josephine Fugre
Board Member



Mr. Hubertus Hamm
Board Member



Mr. Tarcisius Shingundu
Board Member



Mr. Ludie Kolver
Board Member



Ms. Joycelyn
Tjjombo-Kangotue
Board Member



Mr. Leon Nel
Board Member



Mr. Lukas Mbangi
Board Member



Ms. Elina Kalundu
Board Member



Mr. Jason Emvula
Board Member



Ms. Ferdina Inkono
Board Member



Dr Fidelis N. Mwazi
NAB CEO/Ex-Officio Member

Section 4(4) of the Agronomic Industry Act allows the board to appoint three members of the NAB Board as non-voting advisors for a period of three years.



Mr. Ian Collard
Board Advisor



Mr. Nico Van Der Merwe
Board Advisor



Mr. Sheehamandje Ipinge
Board Advisor

The board meetings were held on:

08 August 2019	20 November 2019
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Extra-ordinary board meetings were held on:

13 June 2019	07 February 2020
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4.3 Board governance 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.

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 provisions for advisory committees to advise the board in any of its duties. The chairperson of the board serves as an ex-officio on all the advisory committees.

4.4.1 Financial Management Advisory Committee (FMAC):

Section 12 (1) (a) of the Agronomic Industry Act makes provisions for advisory committees to advise the board in any of its duties. The chairperson of the board serves as an ex officio on all the advisory committees.

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	Chairperson
Mr Ian Collard	Deputy Chairperson
Ms Josephine Fugre	Board Member
Mr Jason Emvula	Board Member
Mr Leon Nel	Board Member
Mr Niek Tromp	N C Tromp & Co: External auditors
Mr Michael Iyambo	NAB Chair: Ex-officio

Four FMAC meetings were held on:

04 June 2019	04 July 2019	31 October 2019	16 March 2020
Special Meeting			

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	Chairperson and Advisor
Mr Louis Peens	NHTT Vice-Chairman & NATFP Honorary Representative
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	NAB Chair: Ex-Officio
Mr Eugene van Wyngaard	NATFP Representative - Central
Ms Christie Mentz	NATFP Representative – Karst
Mr Zaheer Brenner	NATFP Representative– North Central
Mr Pieter de Lange	NATFP Representative – South
Mr JJP Myburg	NATFP Representative – Coastal



<i>Mr Veripi Kandenge</i>	<i>NISO Representative</i>
<i>Mr Albert van der Merwe</i>	<i>NAHOP Chairperson</i>
<i>Ms Manjo Krige</i>	<i>NAHOP Consultant</i>
<i>Mr Anton Koekemoer</i>	<i>NAHOP Representative – Central</i>
<i>Mr Jan Keyser</i>	<i>NAHOP Representative - Karst</i>
<i>Mr Matthias Muronga</i>	<i>NAHOP Representative – Kavango (East & West)</i>
<i>Mr Raphael Kachana</i>	<i>NAHOP Representative – Zambezi</i>
<i>Mr Webster Lichaha</i>	<i>NAHOP Representative – North Central/Etunda</i>
<i>Mr Sylvanus Naunyango</i>	<i>NAHOP Representative – North Central/Olushandja</i>
<i>Mr Jimmy O’Kennedy</i>	<i>NAHOP representative - South</i>
<i>Mr Louis Smith</i>	<i>POPA Chairperson</i>
<i>Ms Sanet Brundyn</i>	<i>Producer Representative: NOA (Chairperson)</i>

Three NHTT meetings were held on:

11 June 2019	24 September 2019	18 February 2020
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NB: The NHTT advisory committee was renamed to National Horticulture Advisory Committee (NHAC) in February 2020.

National Mahangu Advisory Committee (NMAC):

Mr Jason Emvula	Chairperson
Ms Josephine Fugre	Board Member
Ms Ferdina Inkono	Board Member
Mr Lucas Mbangu	Board Member
Ms Wilhelmina Handunge	Board Member
Mr Michael Iyambo	NAB Chair: Ex-Officio

Three NMAC meetings were held on:

26 June 2019 07 October 2019

National Maize and Wheat Advisory Committee (NMWAC):

Mr Hubertus Hamm	Chairperson
Mr Gernot Eggert	Deputy Chairperson
Ms Wilhelmina Handunge	Board Member
Ms Ferdina Inkono	Board Member
Mr Ian Collard	Board Advisor
Mr Michael Iyambo	Ex-Officio
Mr Dawie de Klerk	Member
Mr Gerhard Engelbrecht	Member
Mr Lourens le Grange	Member
Mr Ryno Mans	Member
Mr Roelie Venter	Member
Mr Edward Mataba	Member
Mr Sacchi Thobias	Member
Ms Beate Xulu	Member



Three NMWAC meetings were held on:

~~06 Dec 2019~~ 06 Dec 2019

NB: The NMAC and NMWAC advisory committees were combined and renamed to National Agronomy Advisory Committee (NAAC) in February 2020.





NAB ADMINISTRATION

5.1 functions of the NAB

The NAB is tasked to do the following functions as per the Agronomic Industry Act, Act No. 20 of 1992:

5.1.1 to carry out research in the improvement of production, preservation, preparation, processing, storage and or marketing of agronomic and horticultural crops;

5.1.2 to engage in activities that will foster and improve the market for agronomic and horticulture crops (controlled products) in Namibia or elsewhere;

5.1.3 to establish an information service for the agronomic and horticulture industry in Namibia with a view to providing information, guidance and advice to producers and traders of agronomic and horticulture products (controlled) and other interested parties;

5.1.4 to co-operate with any other body involved in the marketing and distribution of controlled products;

5.1.5 prohibit the importation into or exportation from Namibia, of a controlled product except by the board or a holder of a permit issued by the board and in accordance with the conditions specified in the permit;

5.1.6 to register any person on application in the prescribed form, as a producer and trader of any agronomic and horticulture crops (controlled products) in Namibia;

5.1.7 to require any person engaged in the production, marketing, preparation, processing, preservation or storage of a controlled product -

- to keep specified records with respect to the product; and
- furnish the board with specified information or returns in a specified manner and at specified times;

5.1.8 to prohibit the producer of a controlled product from selling, importing or exporting that product except:

- after due registration with the board from the prohibition; or
- through the agency of the board or of specified persons; or
- in accordance with the terms of exemption by the board from prohibition; or
- in such quantities, or for such purpose, or at such times as the board may direct; or
- in accordance with the terms of a permit issued under paragraph (0) of this subsection; or
- in accordance with any other conditions and for the purposes specified by the board

5.1.9 to issue permits with respect to the sale, importation or exportation of a controlled product;

5.1.10 to prohibit any person from erecting or operating a factory, or refrigeration plant or processing plant for the purposes of producing, processing or storing a controlled product except with the written approval of and in accordance with conditions determined by the board, or any exemption from the prohibition by the board;



5.1.11 to buy a controlled product at such price as the minister may approve, and to treat, classify, pack, store, process, insure, advertise or convey in an unprocessed or semi-processed form and to sell the controlled product, or to withhold the product from the market;

5.1.12 to undertake the marketing or distribution for sale of a controlled product or to act as an agent for the purposes of receipt, conveyance, processing, classification or sale of that product;

5.1.13 to search the premises in order to ascertain whether a controlled product is present on the premises;

5.1.14 to inspect or cause to be inspected any controlled products found on the premises and demand such information from the person in charge of the premises as is necessary to establish compliance with the provisions of this Act;

5.1.15 to take samples of a controlled product found on the premises for purposes of analysis, classification, or grading;

5.1.16 to examine any book, document or record found on the premises which in the inspector's opinion may contain information relating to a controlled product, to take copies or extracts therefrom, and demand from the person in charge an explanation of any entry therein;

5.1.17 to grade, classify, pack, mark, re-grade, reclassify or re-pack in accordance with the provisions of the Act, a controlled product found on the premises, or require the person in charge to grade, classify, pack or mark the controlled product accordingly; and

5.1.18 to collect the import, producer and trader levies.





AGRONOMIC ZONES OF NAMIBIA

National Mahangu Advisory Committee (NMAC):

As depicted below, there are currently seven (7) agronomic zones of Namibia where the production, processing, storage, and marketing of agronomic and horticultural crops takes place. The seven agronomic zones are Zambezi, Kavango, North Central, Karst (maize triangle), Central, South, and Orange river.

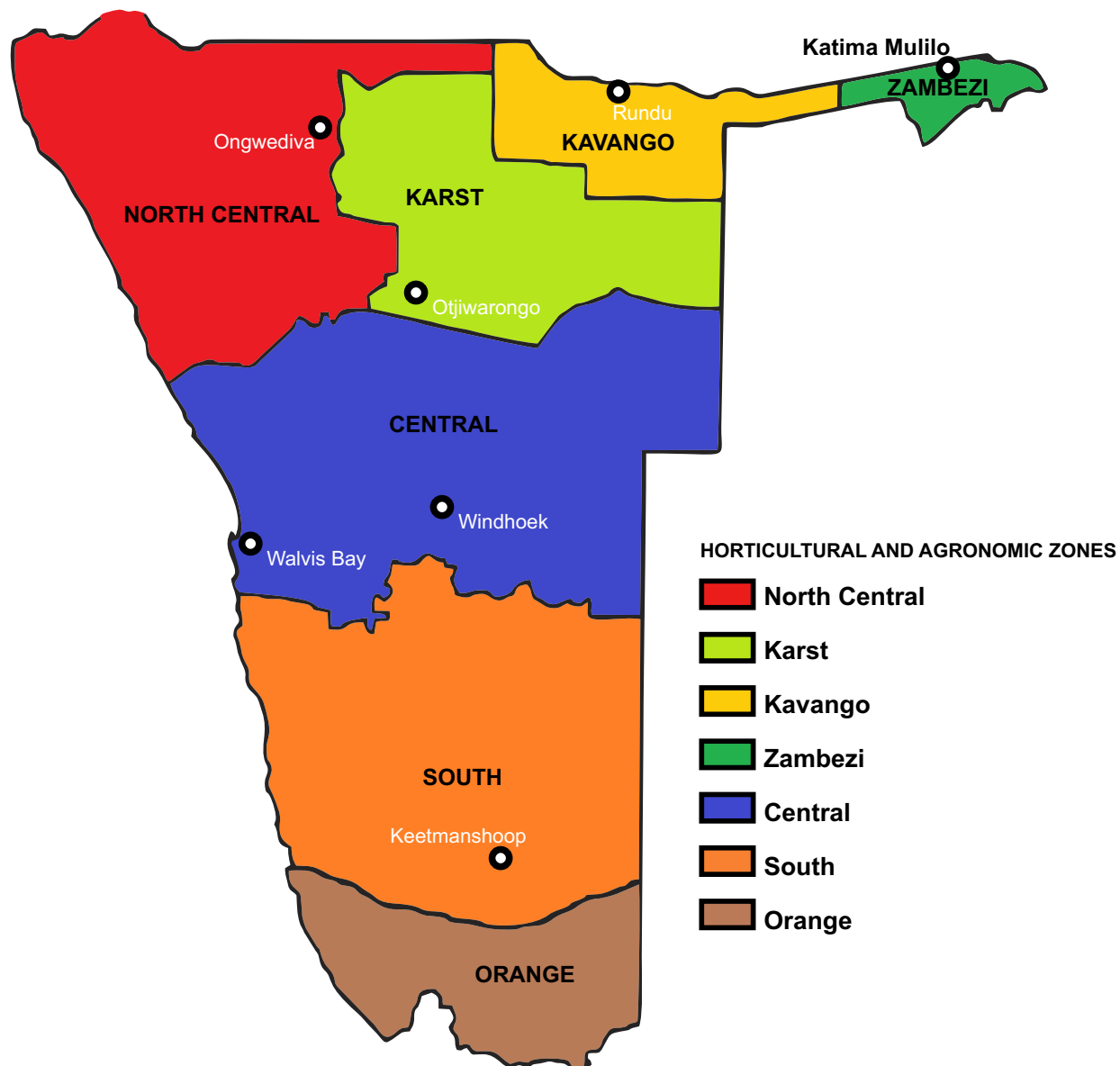


Figure 1: Agronomic zones of Namibia



AGRONOMY DEVELOPMENT

7.1 Grain Marketing Mechanisms

White maize, pearl millet, and wheat are already gazetted controlled crops, and any importation, exportation, and transit must be done by obtaining a permit from the NAB. To grow the grain industry in Namibia, these grain crops are managed under the grain marketing scheme that involves close border periods for importation during times of sufficient local production.

Therefore, during the reporting period, no close border periods were implemented for white maize, pearl millet, and wheat due to insufficient local production. The importation of grain products (white maize, wheat, and pearl millet) is not allowed in Namibia as resolved by the Namibian Agronomic Board unless they are special products that cannot be produced by local grain processors. Import permits for grain (white maize, pearl millet, and wheat) are strictly issued to registered importers whose milling facilities are registered.

7.2. White maize grain

7.2.1 Trade performance

Figure 2 shows that the period under review resulted in the lowest volumes of white maize grain local production marketed of 28,888 tons (N\$139,355,712) since 2010, and hence imports of 171,031 tons (N\$524,892,994) were realised to meet the domestic demand. The decrease in local purchases is attributed to the drought that affected rainfed crop-producing farmers in the Karst and Zambezi agronomic zones.

White maize in Namibia is produced both under irrigation and rainfed conditions, with rainfed covering approximately 50% of local production but this can only be realised during a good rainfall season.



White Maize Grain: Local production, imports and consumption (Tonnage) - 2010/2011 to 2019/2020

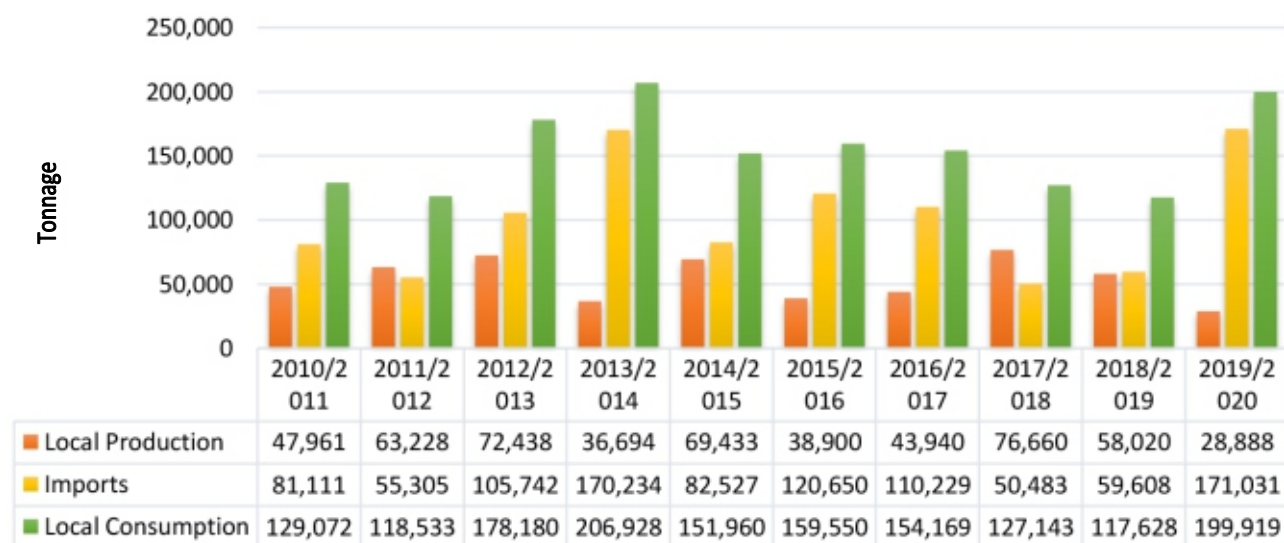


Figure 2: Total tonnage of white maize grain imported, local production marketed, and consumption

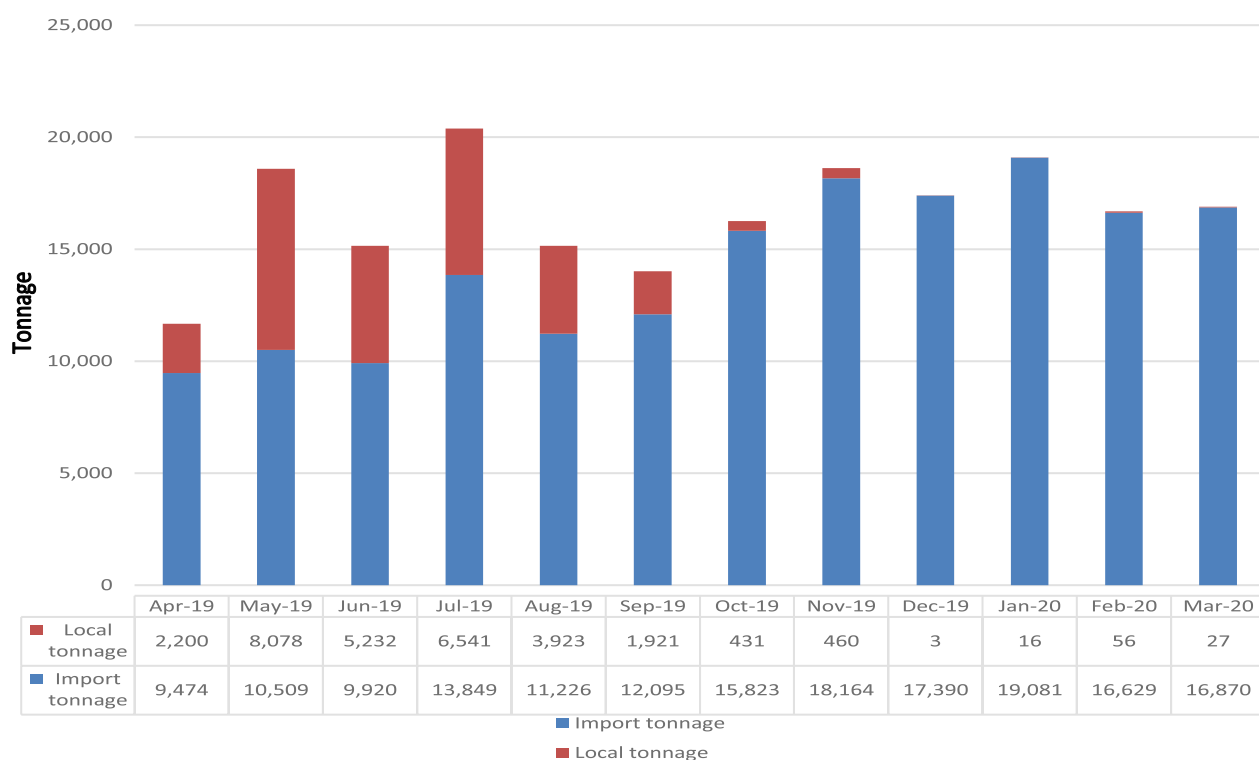


Figure 3: White maize monthly imports versus local tonnage for the period 2019/2020

According to figure 3 below, the importation of white maize grain was higher than local purchases for each month due to insufficient local production, which was heightened by severe drought.

On the other hand, according to figure 4 and 5, a total of 28,888 tons (14%), equivalent to N\$139,355,712, was purchased locally by millers and the National Strategic Food Reserve (NSFR), while 171,030 tons (86%), equivalent to N\$672,832,020, was imported during the reporting period to meet the domestic demand for white maize

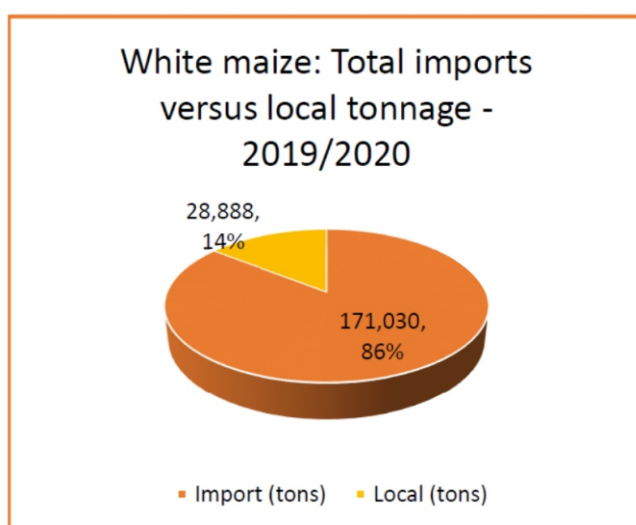


Figure 4: Tonnage of white maize grain imported and locally purchased for 2019/2020

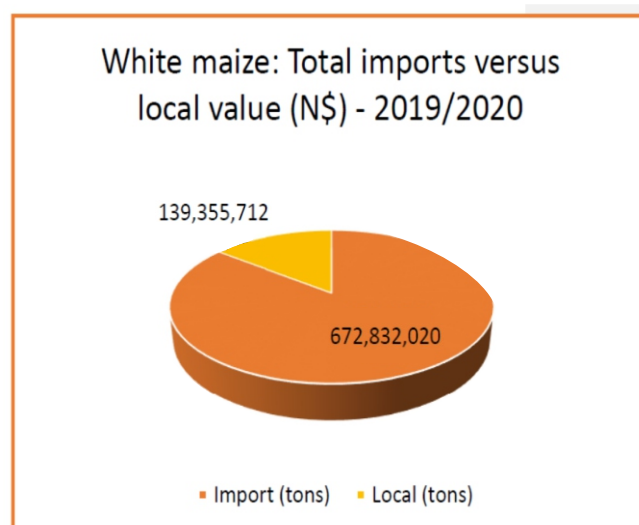


Figure 5: Value of white maize grain imported and locally purchased for 2019/2020

7.2.2 Production performance

7.2.2.1 Production tonnage marketed per agronomic zone

Figure 6 below shows that the biggest tonnage of irrigated and rainfed white maize production marketed was from the Karst area (maize triangle), at 11,427 tons and 717 tons respectively. Moreover, according to figure 7 below, 40% (11,427 tons) of the white maize marketed during the reporting period was from the Kavango agronomic zone and followed by the Karst area (37% or 10,539 tons), with the Zambezi being the lowest (0.3% or 76 tons).

Furthermore, figure 8 shows that irrigated production constitutes 97% of the total production and rainfed production only 3%. The low local production marketed from the Zambezi, Karst, and Central agronomic zones is attributed to the drought that was experienced during the reporting period.

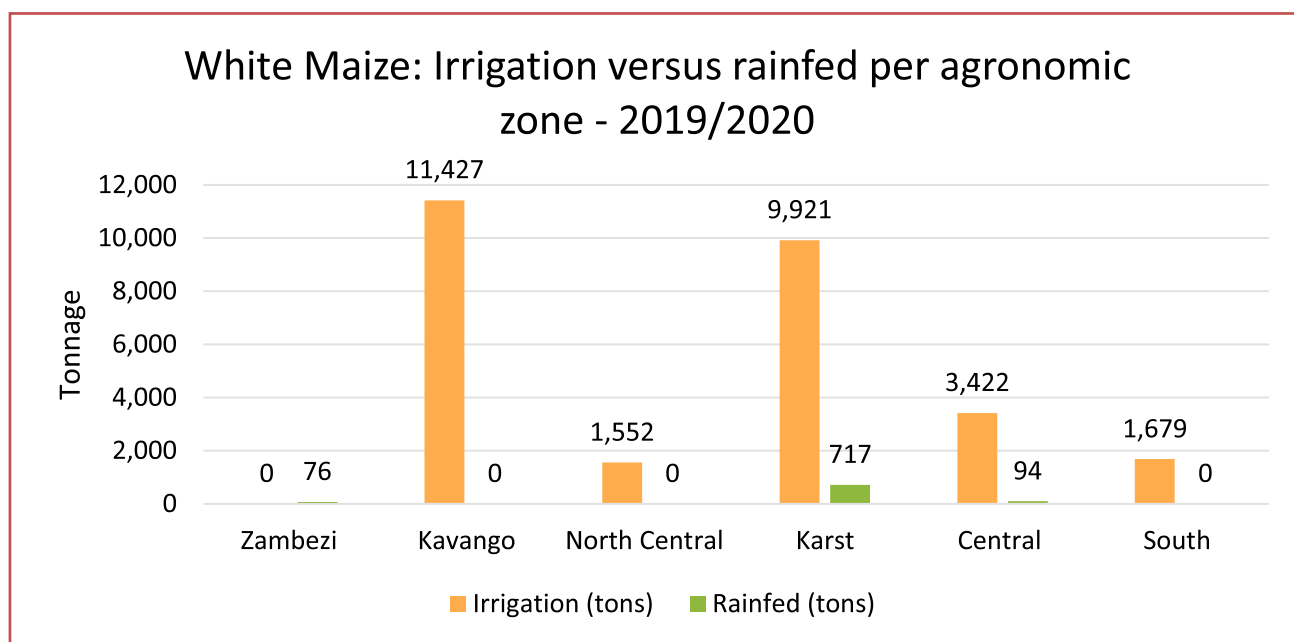


Figure 6: White maize production tonnage, irrigation versus rainfed per agronomic zone for 2019/2020

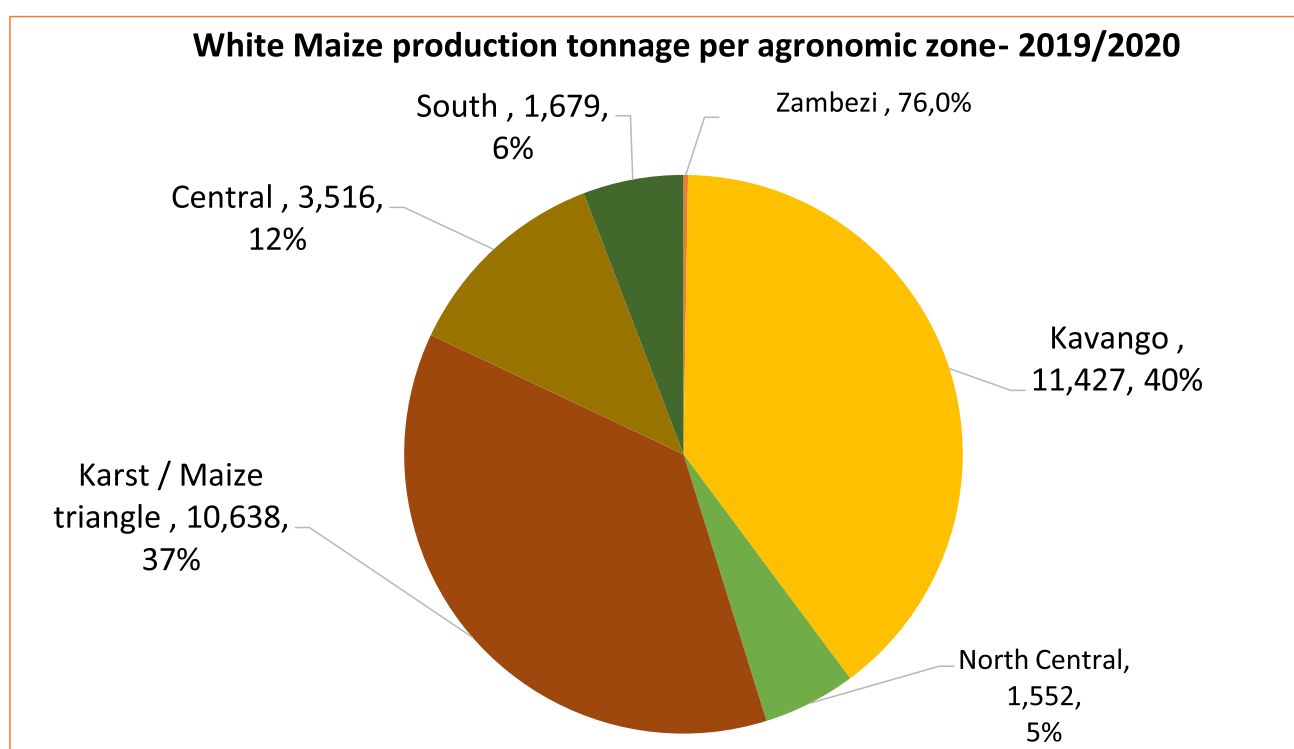


Figure 7: Total white maize production per agronomic zone 2019/2020

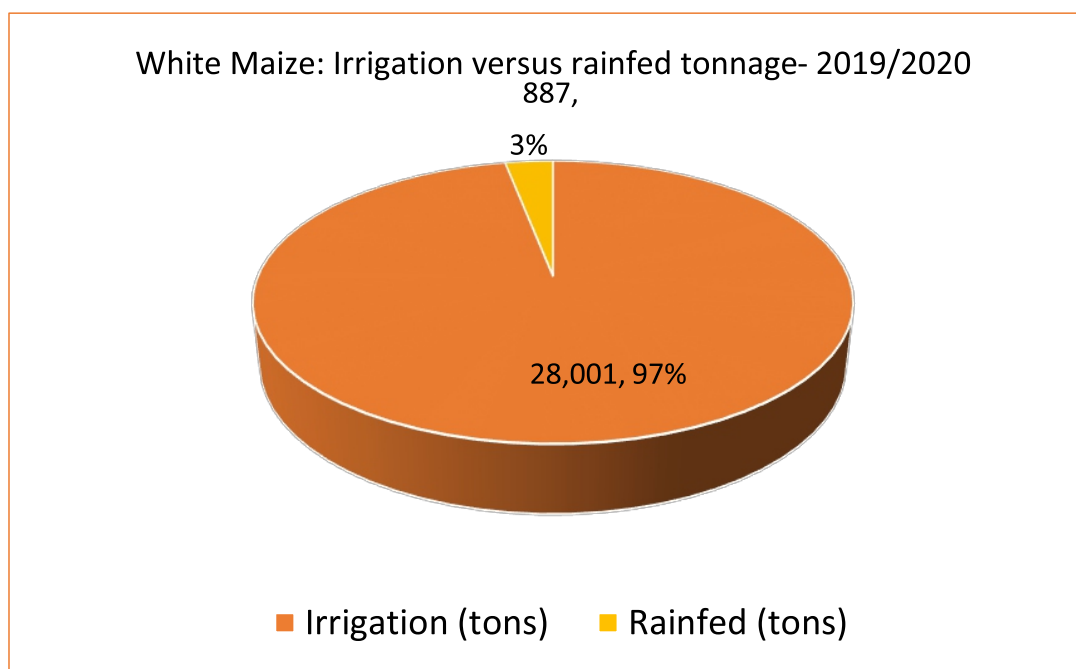


Figure 8: Total white maize - irrigation versus rainfed- 2019/2020

7.2.2.2 Hectares cultivated

Figure 9 shows that 75% (16,125 ha) of the total hectares of white maize planted during the reporting period was never harvested due to crop failure and some producers harvested the maize for fodder, and thus only 25% (5,394 ha) of the hectares planted was harvested for white maize grain, predominately from irrigated production (table 1).

Table 1: Hectares planted versus harvested per agronomic zone

White Maize: Hectares planted versus harvested- 2019/2020			
	Hectares Planted	Hectares Harvested	Variance (ha)
Zambezi	3,000	126	2,874
Kavango	1,890	1,890	0
North Central	296	296	0
Karst	9,227	2,364	6,863
Central	1,508	513	995
South	204	204	0
Total	16,125	5,394	10,732

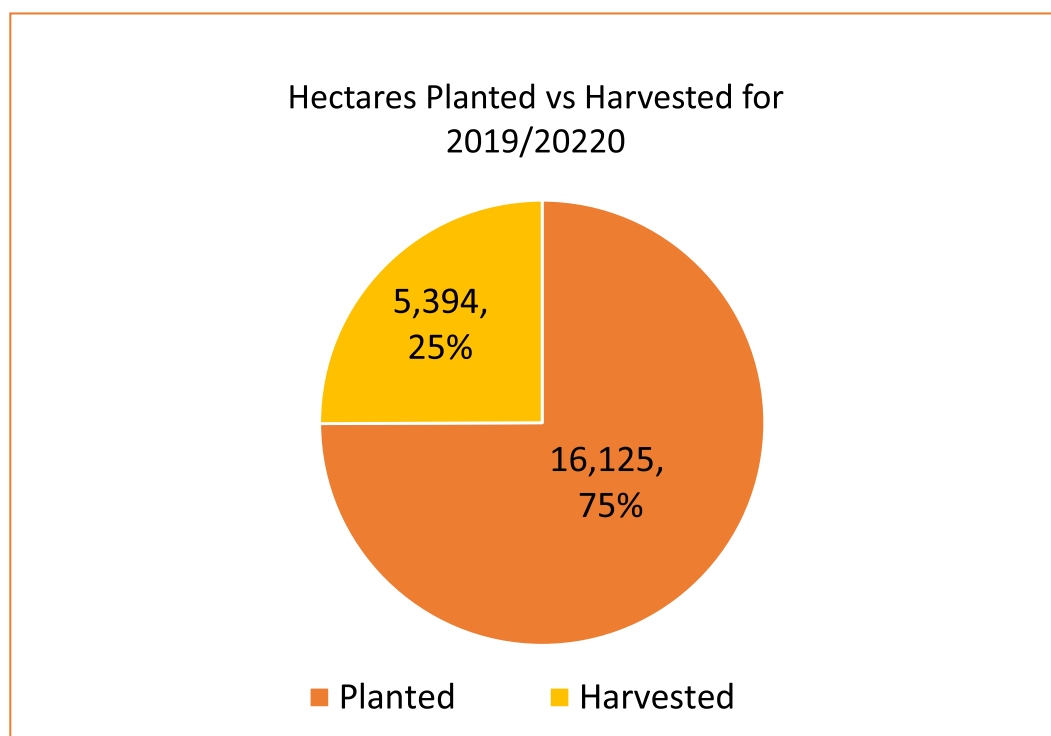


Figure 9: Hectares planted versus harvested per agronomic zone

7.2.2.3 Average yield per agronomic zone

According to figure 10, in terms of irrigation, the highest average yield per ha was recorded in Central and South production zones (8 tons/ha), Kavango (6 tons/ha), and Karst (5 tons/ha). In terms of rainfed production, the highest average yield per ha under rainfed production was recorded in the Karst area (1.76 tons/ha) and the lowest in the Zambezi area (0.603 tons/ha). Poor yield per hectare for the rainfed production in all the agronomic zones is attributed to a severe drought that was experienced during the reporting period

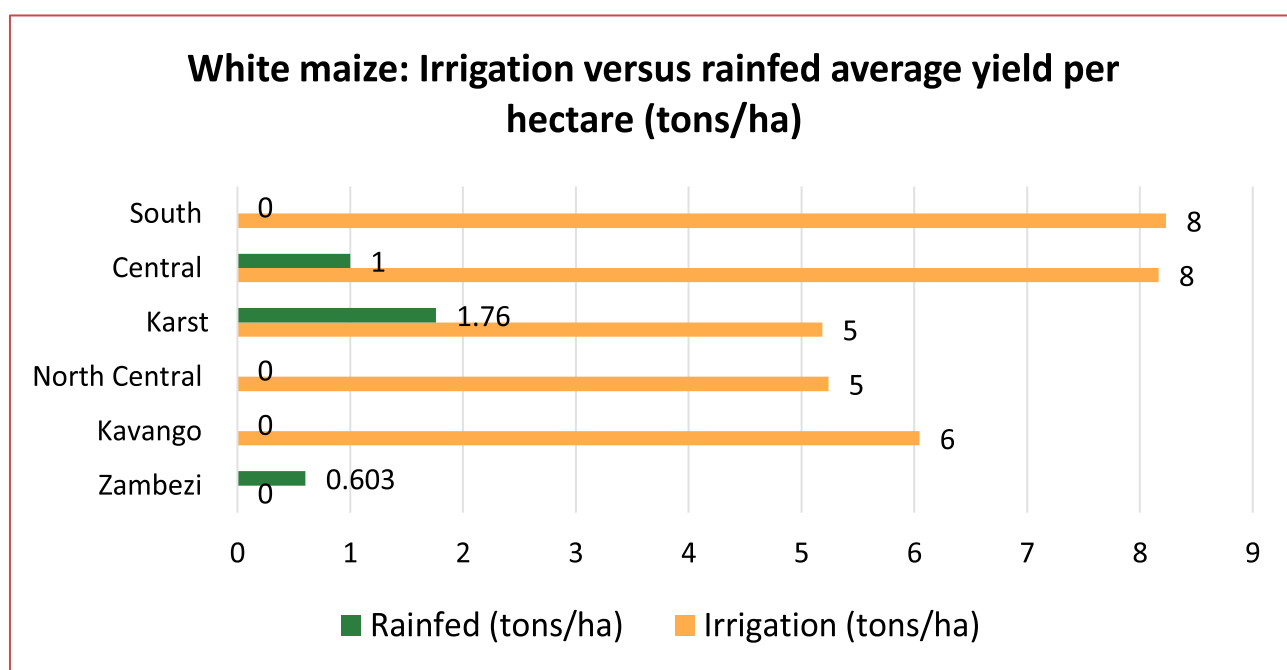


Figure 10: Average yield per ha per agronomic zone – 2019/2020

7.3 Wheat grain

7.3.1 Traded performance

Wheat is a winter crop and it is planted under irrigation in June or July every year in Namibia. According to figure 11, the local production marketed decreased from 7,508 tons in the previous year to 4,466 tons, which is equivalent to a value of N\$23,315,877.15 and while imports also decreased from 118,698 tons to 114,363 tons, equivalent to a value of N\$601,274,745.38 in the current financial year. The decrease in local production is attributed to the reduction in hectares planted, while the reduction in imports could be due to the decrease in domestic demand. However, the high importation of wheat grain, as also indicated in figure 11, presents a huge opportunity for increased local production. Furthermore, figure 12 shows the biggest volume of local wheat that was marketed mainly from November to December 2019.

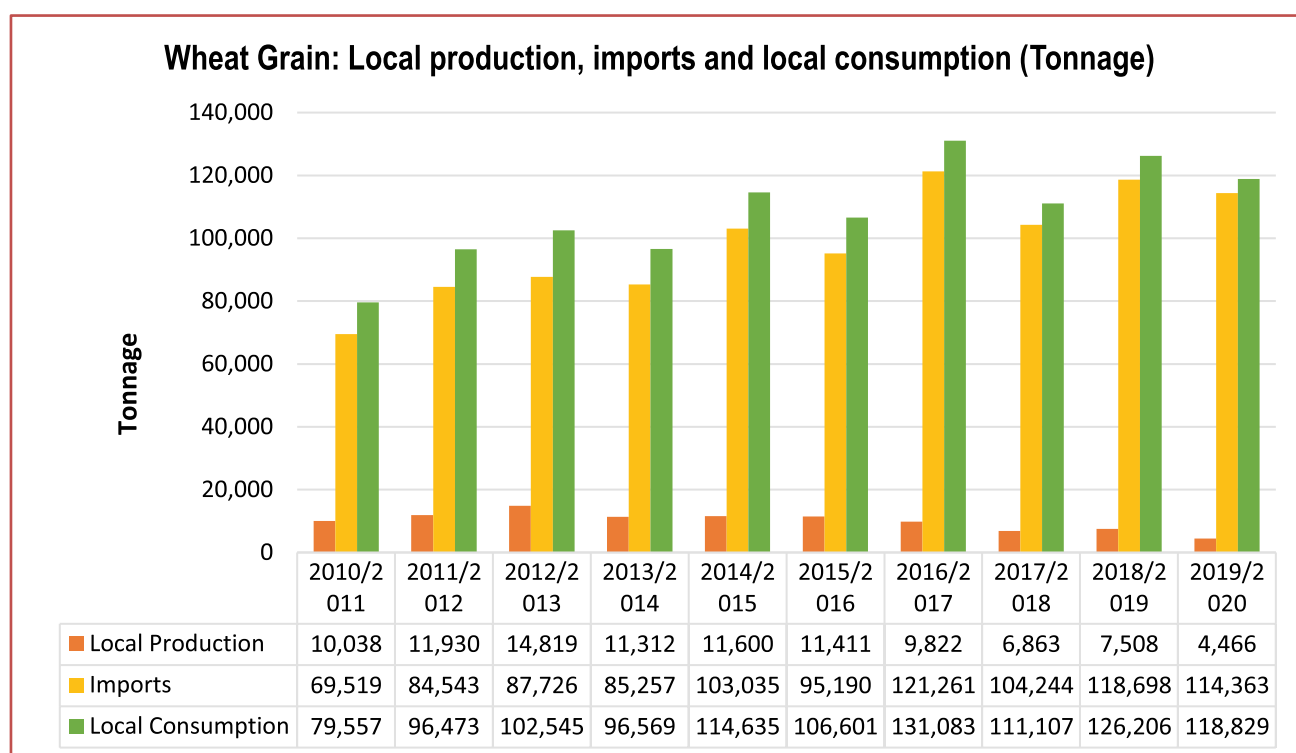


Figure 11: Total tonnage of wheat grain imported and local production marketed through the domestic market

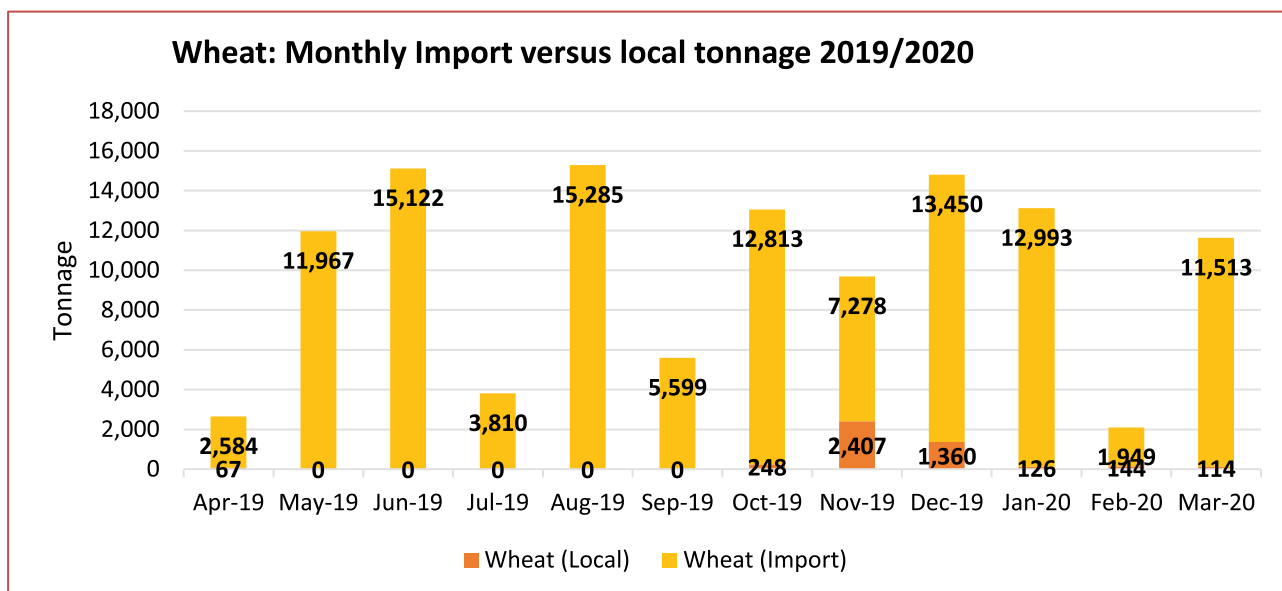


Figure 12: Total tonnage of wheat grain imported and local production marketed through the domestic market.

7.3.2 Production per agronomic zone

Table 2 shows that a total of 1,011 ha was planted and harvested, and the largest hectares of wheat were planted in the Kavango region (583 ha) and followed by the South (295 ha). In terms of production, 49% (2,169 tons) of the total local production was from the South agronomic zone, and 46% (2,025 tons) was from the Kavango region. No wheat was planted in the Zambezi and North Central agronomic zones, and for the Central region, there was nothing that was harvested due to crop failure.

Table 2: Wheat local production tonnage and hectares per agronomic zone - 2019/2020

Wheat: Local production tonnage and hectares per agronomic zone - 2019/2020			
	Hectares Planted	Tonnage	Share-based on tonnage %
Zambezi	0	0	0%
Kavango	583	2,025	46%
North Central	0	0	0%
Karst (Maize Triangle)	123	206	5%
Central	10	0	0%
South	295	2,169	49%
Total	1,011	4,399	100%

7.3.3 Average yield per hectare per agronomic zone

Figure 13 below shows that the highest average yield (ton/ha) was achieved in the South (7 ton/ha) and Karst area (6 ton/ha), with the Kavango area having the lowest (4 ton/ha). The low average yield per hectare in the Kavango area is attributed to unfavourable climatic conditions and general crop management-related challenges.

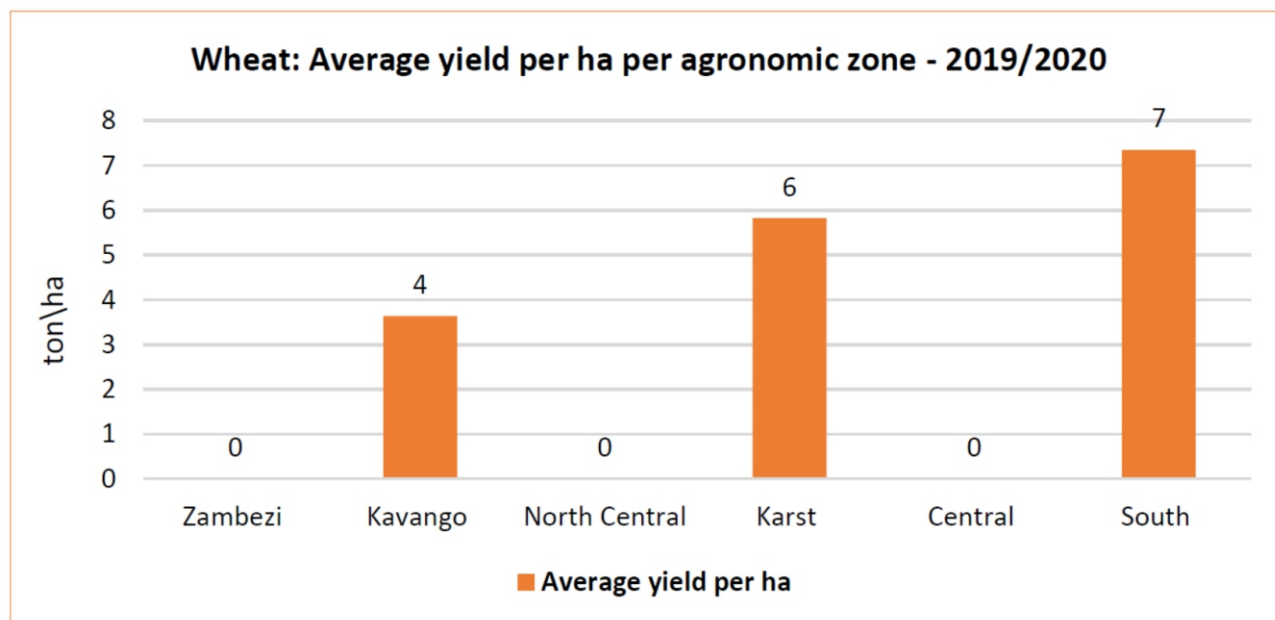


Figure 13. Wheat: Average yield per ha per agronomic zone - 2019/2020

7.4 Pearl millet grain

7.4.1 Trade performance

During the reporting period, a total of 3,313 tons (N\$15,598,562.50) of pearl millet was imported, while only 278 tons (N\$1,557,394.94) was sourced locally. According to figure 14, local production of pearl millet marketed reduced from 1,979 tons to only 278, and this is attributed to the drought that was experienced in most crop-growing agronomic zones

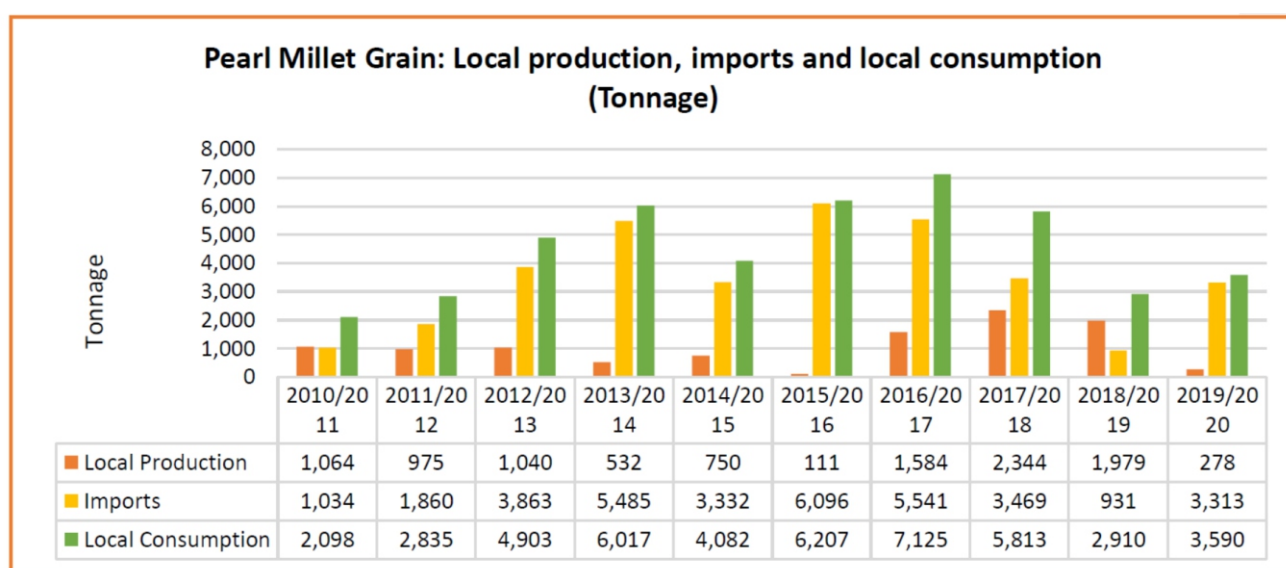


Figure 14: Total tonnage of imported and locally produced pearl millet grain for the period 2019/2020

On the other hand, local consumption of mahangu increased from 2,910 tons to 3,590 tons, suggesting an increase in domestic demand.

7.5 Grains domestic floor prices

According to figure 16, during the reporting period, the domestic floor price for pearl millet was the highest (N\$5 609 per ton), followed by wheat (N\$5 220 per ton) and white maize grain was the cheapest (N\$4,824 per ton). The pearl millet grain domestic floor price is determined based on production cost, while that of wheat and white maize is based on the South African Future Exchange (SAFEX) five-year average plus the transport factor and other cost factors, as determined by the NAB.

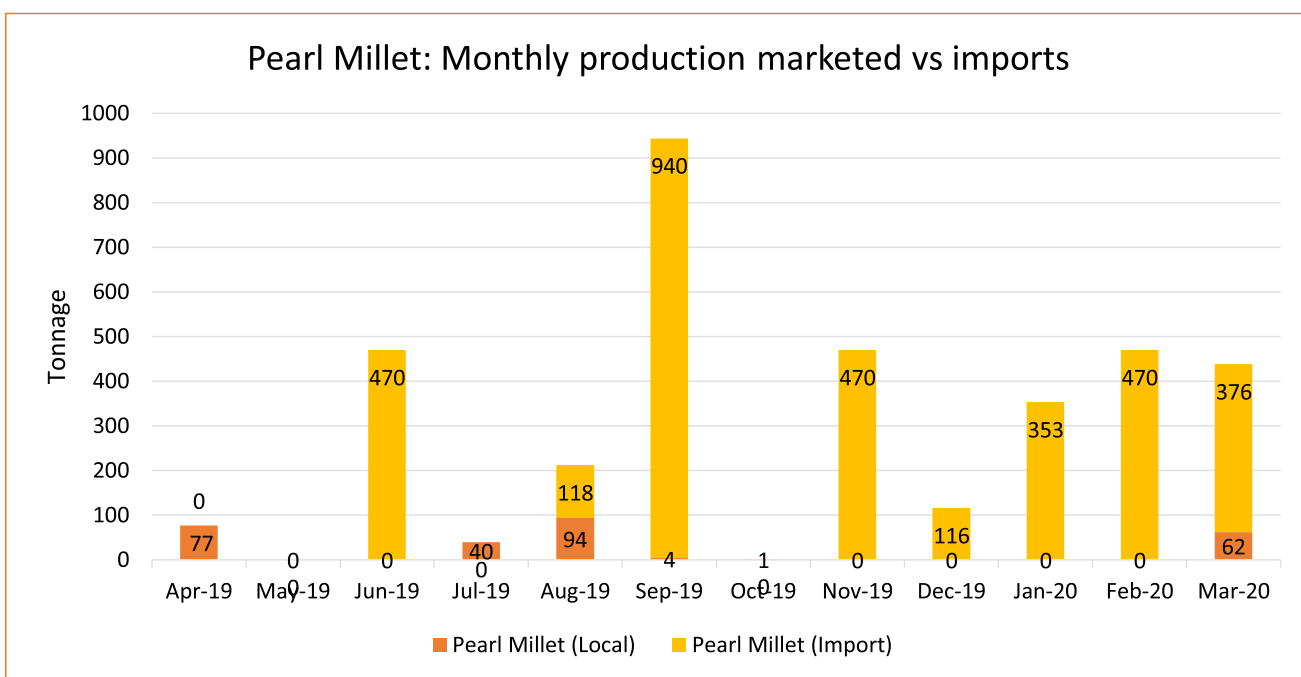


Figure 15: Pearl millet grain monthly imports and local production for 2019/2020



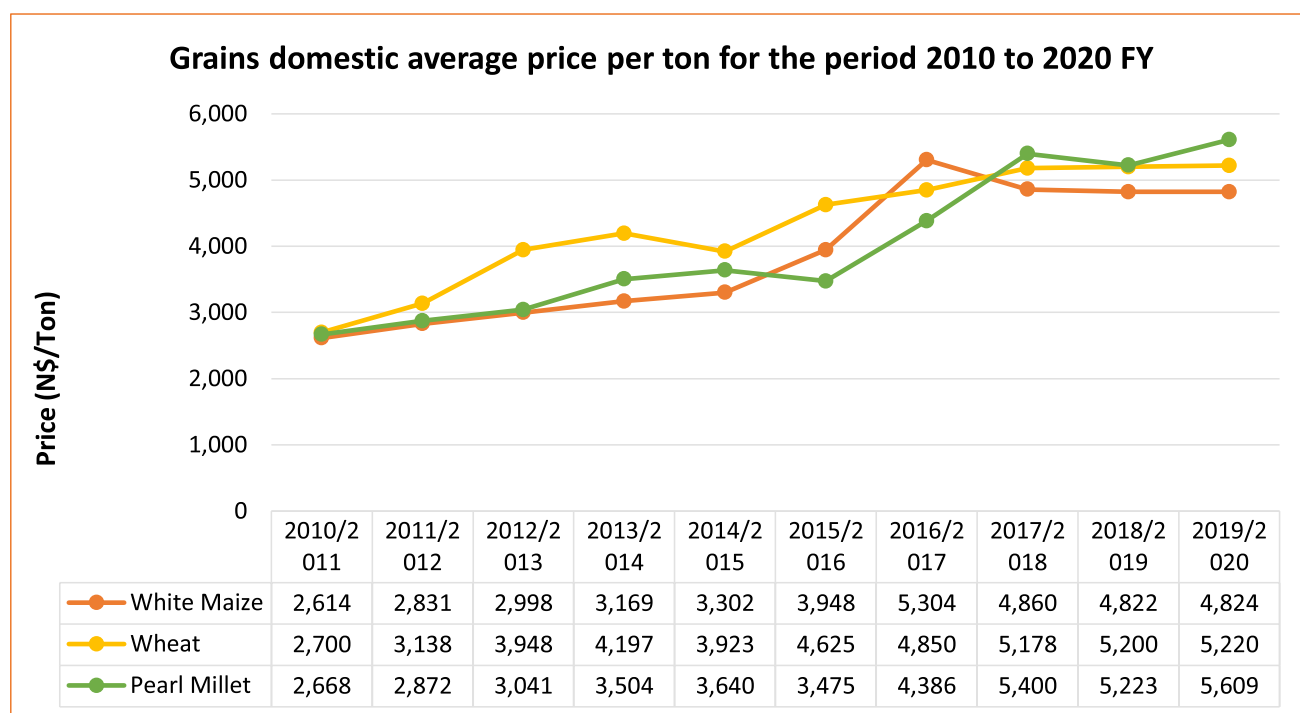


Figure 16: Grain domestic floor price (white maize, wheat, and pearl millet)

7.6 Management of import restrictions for grain crops

During the reporting period, based on the crop estimates done by the NAB, no import restrictions or close border periods were implemented for white maize, wheat, and pearl millet due to insufficient local production. However, small quantities of locally produced white maize and pearl millet grains were allocated to millers and each miller was required to take up the allocation as a condition for an import permit.

Table 3: Open and close border period for grains - 2019/2020 FY

White maize, Wheat and Pearl millet: Implementation of close and open border periods (2019/2020 FY)												
Products	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
White Maize												
Pearl Millet												
Wheat												
Legend Key												
Close Border												
Open Border												

7.7 Registered processors

total number of 24 active grain processors were registered with the NAB during the reporting period (Figure 17). These processors are mainly millers and they are spread all over the country. During the period under review, only one processor milled all three grains (white maize, wheat, and mahangu). A total of 15 processors milled white maize, four milled wheat grain, and five milled pearl millet grain.

Number of registered grain Processors per agronomic product
for 2019/2020

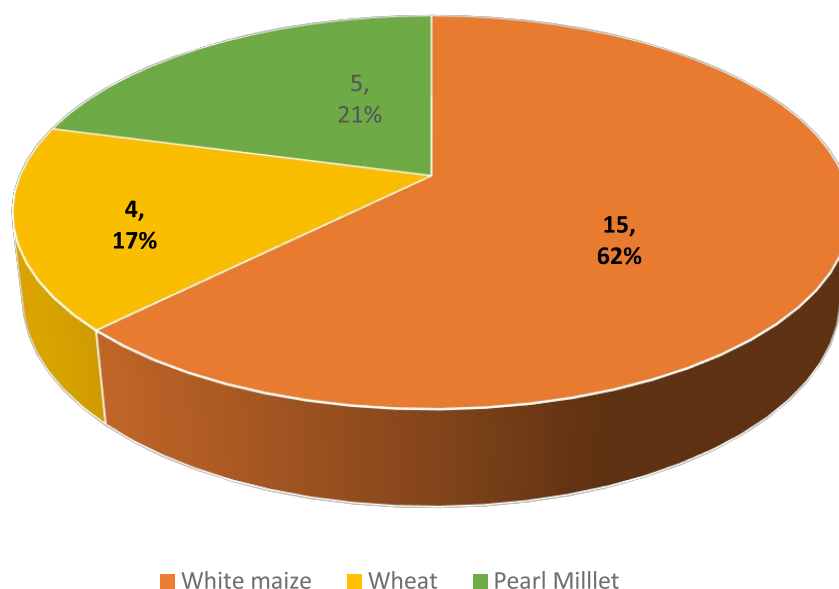
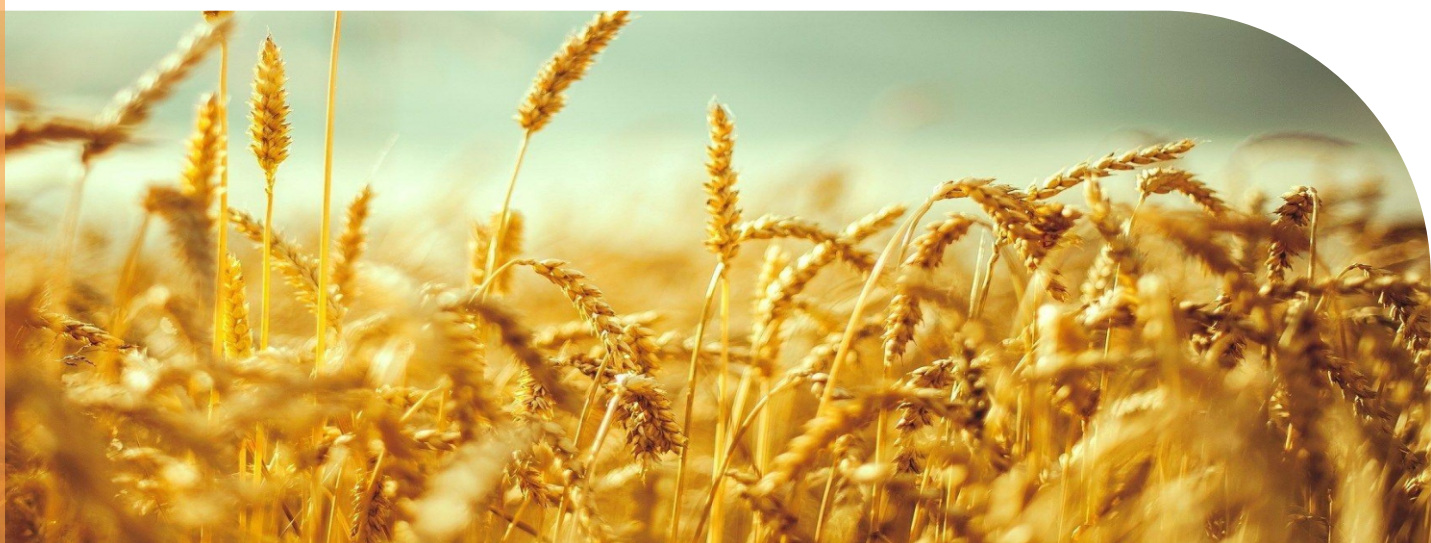


Figure 17: Number of registered grain processors in Namibia





8

HORTICULTURE DEVELOPMENT

8.1 Namibian horticulture market share promotion (MSP) scheme

8.1.1 Introduction to the Market Share Promotion Scheme

The horticulture industry in Namibia has grown from strength to strength since the establishment of the National Horticulture Development Initiative (NHDI) by the Namibian Agronomic Board (NAB) over 17 years ago. This was realised after fresh fruits and vegetables were gazetted under Section 2 of the Agronomic Industry Act (Act No. 20 of 1992). This initiative was started and funded by the Ministry of Agriculture, Water, and Forestry and it was established to promote the consumption of local fresh produce, import substitution, agro-processing, and export marketing of local fresh produce.

The NHDI was implemented through the Namibian Horticulture Market Share Promotion (MSP) Scheme, commonly known as MSP. Under this scheme, importers are obliged to ensure that a minimum percentage (%) of their horticultural produce purchases consist of Namibian-grown products, before qualifying for an import permit in a given quarter. If they do not meet the required percentage, they are curtailed in their imports, pro-rata, in the subsequent quarter. Through mutual consensus, the minimum MSP moved from 5% in 2005 to 47% currently.

However, an actual MSP of 42% was obtained in the 2019/2020 financial year, which is 5% lower than the minimum MSP. This is an indication that local production is still low, and hence the country relied on imports to fill the domestic demand gap. According to the PricewaterhouseCoopers report of 2008, the country has the potential to achieve 60% MSP, particularly for some selected fruits and vegetables that can be cultivated successfully in our climatic and soil conditions.

8.1.2 Horticulture quarterly MSP trend

Figure 18 shows the trend for the monetary values of locally sourced fresh produce versus imports, as well as the MSP threshold versus the actual MSP obtained per quarter. During the reporting period, the MSP threshold or minimum MSP was increased from 44% to currently 47%, effective from 01 December 2019.

During the reporting period, the highest primary MSP achieved was 42% (N\$96 million local purchases) during quarter 3 of 2019/2020, and the lowest was 33% (N\$66 million local purchases) in quarter one of 2019/2020. The low primary MSP achieved is a result of insufficient and consistent local production of key crops such as potatoes, onions, carrots, and tomatoes that contribute significantly to MSP. The overall MSP achieved during the reporting period is 36.7% (N\$ 319 million).

The primary MSP is calculated based on the proportion of the value of the fresh produce purchased directly from producers by retailers over the portion import monetary value of fresh produce.



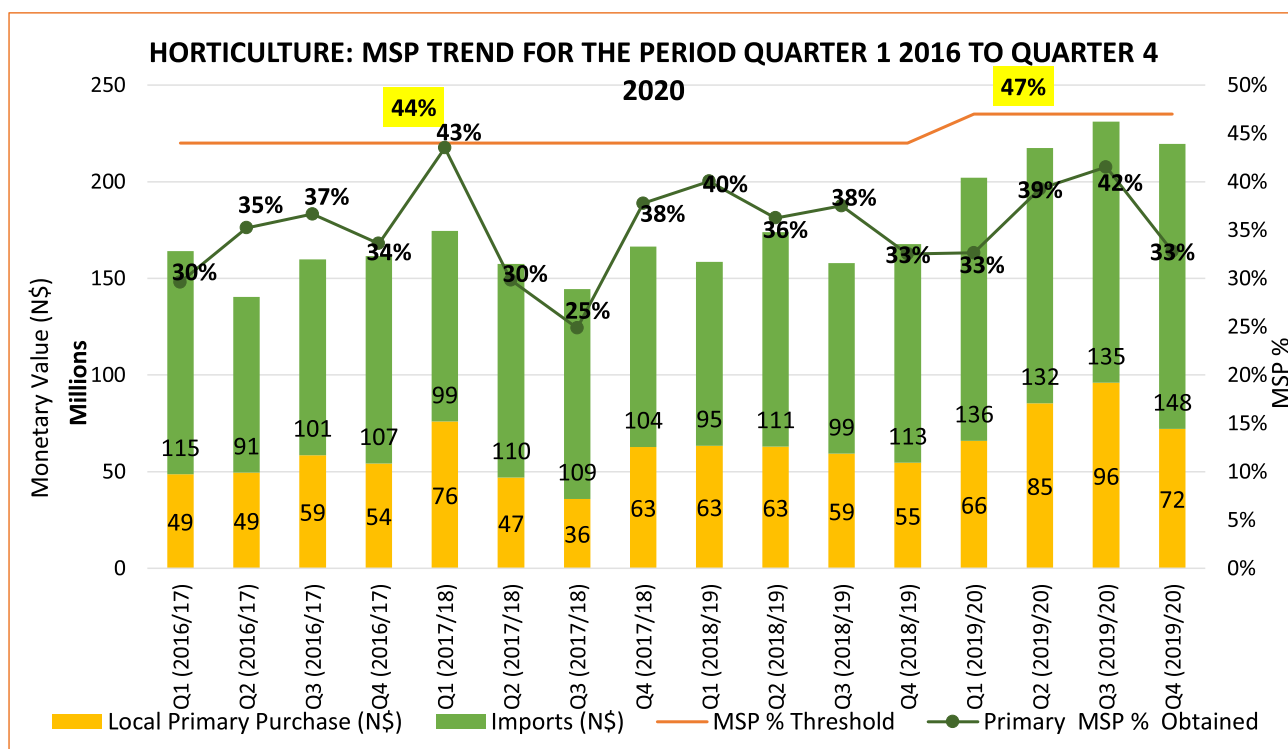


Figure 18: Trends of quarterly MSP achieved for 2019/2020

Furthermore, the data presented in figure 18 shows that the establishment of the MSP scheme in 2005 has created an environment for substituting the importation of horticultural products that can be produced locally, and it also contributes to economic growth and employment creation in the country.

8.1.3 Horticulture monthly MSP achieved for 2019/2020

According to figure 19, the highest actual primary MSP% achieved was in December 2019 (48%), equivalent to N\$35 million and the lowest was 28% (N\$19 million) in April 2019. The level of MSP achieved monthly is mainly influenced by the local availability of potatoes, onions, tomatoes, cabbages, carrots, green peppers, sweet potatoes, beetroots, and English cucumbers, currently produced in Namibia and they are amongst the list of horticultural products that are high in demand in Namibia.



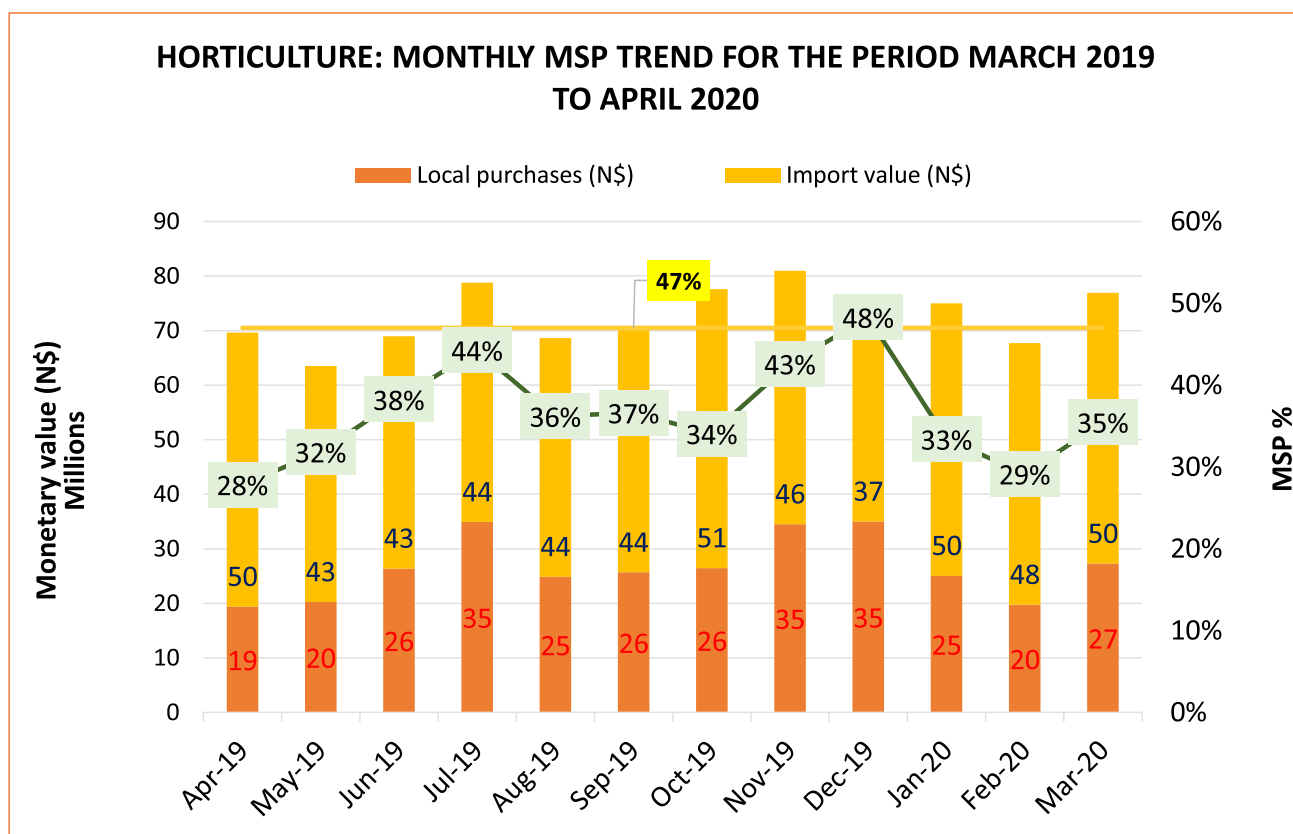


Figure 19: Monthly MSP achieved for the 2019/20 financial year

8.2 Horticulture trade matters

A large number of fruits and vegetables are already gazetted as controlled crops in Namibia, and import, export, and transit permits are issued in line with the Agronomic Industry, Act 20 of 1992, and the MSP rules and regulations. In terms of the MSP, all horticulture traders are required to submit monthly returns of fruits and vegetables imported and locally purchased, to calculate the MSP calculation quarterly.

The detailed product line data capturing imported, exported and locally purchased fruits and vegetables is captured on the Agricultural Marketing Information Database (AMID) for statistical purposes, based on the suppliers' invoices submitted together with the monthly returns.

8.2.1 Horticulture trade performance in tonnage and monetary value

According to figure 20, during the reporting period, a total of 62 306 tons of fresh fruits and vegetables were imported, 38 603 tons were locally purchased through formal markets, and 45 696 tons of local production was exported, and this excludes primary processed products. Local purchases increased by 18% and imports by 8%, with exports reducing by 9%.

The increase in tonnage of imported fresh fruits and vegetables during the reporting period is attributed to the increase in domestic demand for fresh fruits and vegetables, while the increase in local purchases is a result of an increase in local production, boosted by the addition of the special controlled horticultural product to the Special Controlled Products Scheme (SCPS), which allows for restricted importation of selected horticultural products during the time of sufficient local supply.

Furthermore, the decrease in the export tonnage is mainly attributed to the reduced volume of potatoes and some vegetable lines exported, due to less hectareage that was planted during the reporting period.

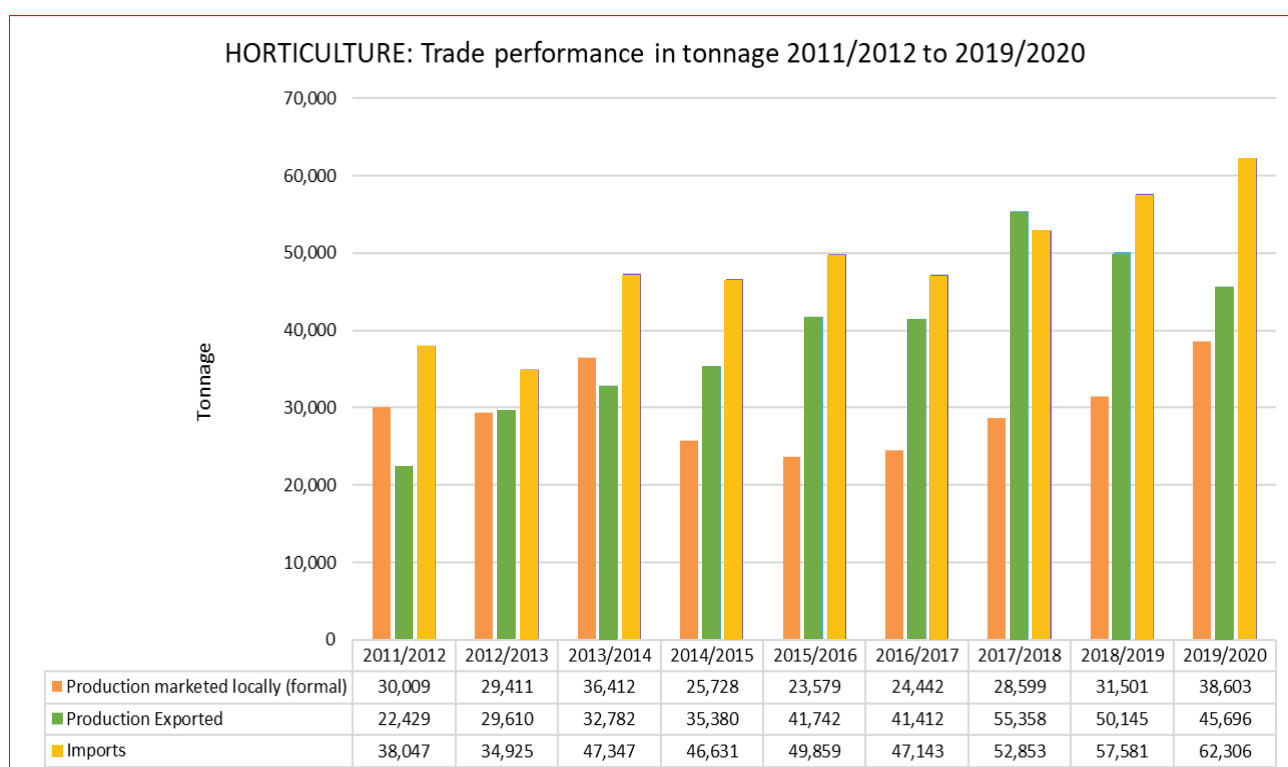


Figure 20: Horticulture trade performance in tonnage

8.2.1 Horticulture trade performance in tonnage and monetary value

In monetary value, figure 21 below shows that local purchases, imports, and exports increased during the reporting period. Local purchases increased from N\$240 million in 2018/2019 to N\$319 million, whereas imports increased from N\$417 million in 2018/2019 to N\$550 million, while exports increased from N\$779 million in 2018/2019 to N\$999 million in the current FY. The increase in the value of imported and local purchases is attributed to an increase in demand and production, while that of exports is mainly due to better prices received for exported high-value fruits such as grapes and dates.

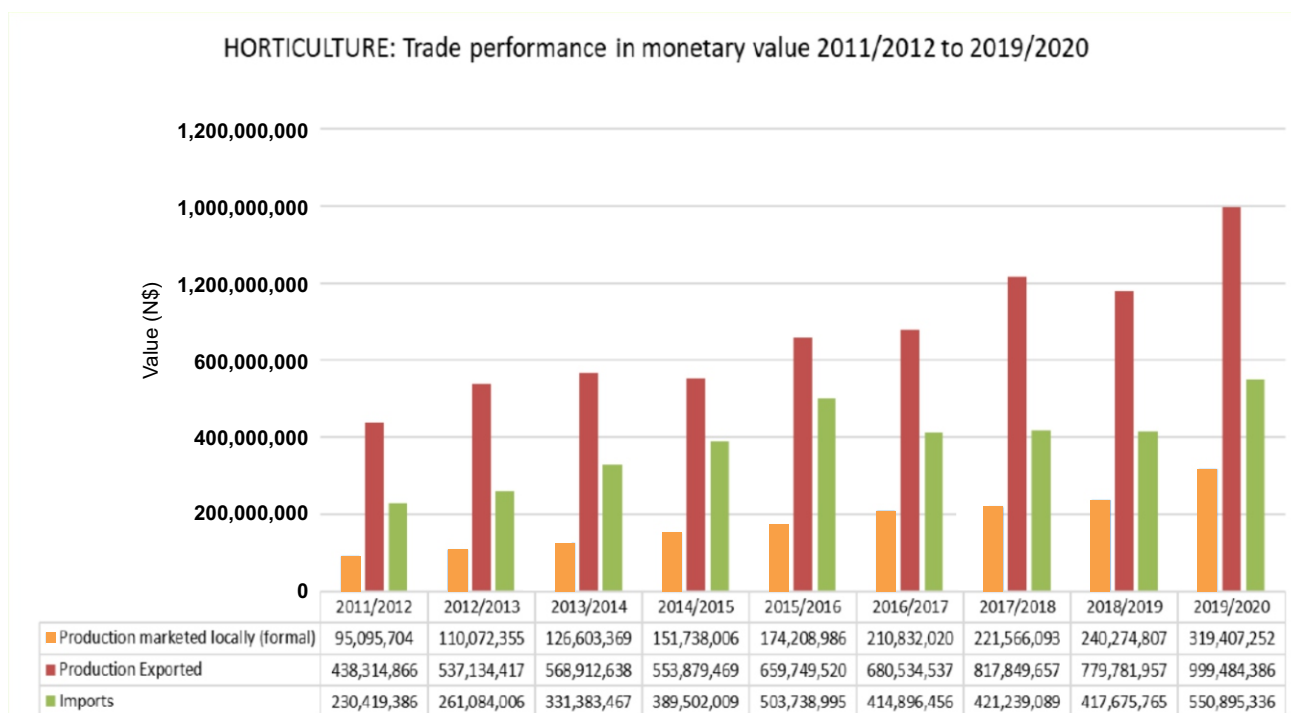


Figure 21: Horticulture trade performance in monetary value

8.2.2 Top ten imported and local purchases of fresh vegetables

According to table 4, there is no doubt that potatoes remain the number one imported and locally produced vegetable in Namibia, and it is also the number one highly consumed or demanded horticultural product in Namibia. The top ten vegetables imported constituted 32 458 tons or N\$206 million of the total imports, while the top ten locally purchased vegetables constituted 33 091 tons (N\$244 million) of the total local purchases recorded during the reporting period.

Table 4: Top ten fresh produce locally purchased and imported during the 2019/2020 financial year

TOP 10 VEGETABLE IMPORTS - 2019/2020				TOP 10 VEGETABLES PURCHASED LOCALLY - 2019/2020			
Product	Tonnage	Value (N\$)	Share based on tonnage %	Product	Tonnage	Value (N\$)	Share based on tonnage %
Potatoes	23,297	125,819,258	72%	Potatoes	14,577	95,685,192	44%
Onions	4,387	25,260,455	14%	Carrots	4,039	31,232,105	12%
Carrots	485	3,286,389	1%	Onions	3,574	24,696,327	11%
Tomatoes	1,363	17,485,992	4%	Tomatoes	2,869	34,175,131	9%
Sweet Melon	442	2,540,025	1%	Cabbage	2,363	20,663,575	7%
Watermelon	248	2,279,023	0.77%	English Cucumber	1,819	30,376,934	5%
Sweet Potato	763	6,979,070	2%	Butternuts	1,431	9,121,699	4%
Sweet Pepper	345	7,422,589	1%	Beetroot	873	5,741,665	3%
Beetroot	235	1,615,835	1%	Sweet Pepper	785	11,070,017	2%
Lettuce	892	13,669,137	3%	Pumpkin	762	5,951,433	2%
Total	32,458	206,357,773	100%	Total	33,091	268,714,079	100%

8.2.3 Horticulture export tonnage and value per product line for the period 2018/2019 financial year

According to table 5, the highest export volume and monetary value were recorded for grapes, at 31 361 tons and N\$791 million respectively. Furthermore, it is also clear that in terms of the proportion of export tonnage, grapes represent 69% of the total export tonnage recorded during the reporting period. A total of 45 696 tons (N\$999 million) of fresh fruits and vegetables were recorded during the reporting period.

Table 5: The tonnage of fresh produce exported during the 2019 / 2020 financial year

HORTICULTURE: EXPORT TONNAGE AND VALUE FOR THE PERIOD 2019-2020 FINANCIAL YEAR				
Product	Major Export Destination	Tonnage	Value (N\$)	% Export Tonnage
Brinjals	South Africa	0.013	157.74	0.000028%
Butternuts	EU, UK, South Africa	1,615	6,892,140.20	3.5%
Cabbage	South Africa	109	0.00	0.24%
Chillies	South Africa	23	121,900.88	0%
Dates	South Africa	1,903	123,001,230.00	4%
English Cucumber	EU, UK, South Africa, United Arab Emirates	123	499,004.99	0%
Gem Squash	South Africa	41	126,302.41	0.09%
Grapes	South Africa	31,361	791,411,914.04	69%
Mango	EU, UK, South Africa	222	772,007.72	0%
Onions	South Africa	3,503	25,676,256.76	8%
Sweet Pepper	South Africa, Angola	944	8,231,043.92	2%
Potatoes	South Africa	531	4,179,041.79	1%
Dried Grapes	Angola	668	3,844,038.44	1.5%
Sweet Melon	South Africa	1,167	11,150,111.50	3%
Tomatoes	South Africa	2,480	18,631,186.31	5%
Watermelons	South Africa	1,007	4,948,049.48	2%
		45,696	999,484,386.19	100%



8.2.4 Fruit trade performance

According to figures 22 and 23, during the reporting period, a total of 26 480 tons (97%) or N\$289 million of fruits were imported, 913 tons (3%) or N\$5.2 million were locally sourced and 34 154 tons or N\$919 million were exported. There was a slight increase in the volumes of imported and locally produced fruit during the reporting period. On the other hand, export volumes went up by 7% during the reporting period due to an increase in the production of grapes exported, as influenced by favourable climatic conditions and an increase in hectareage.

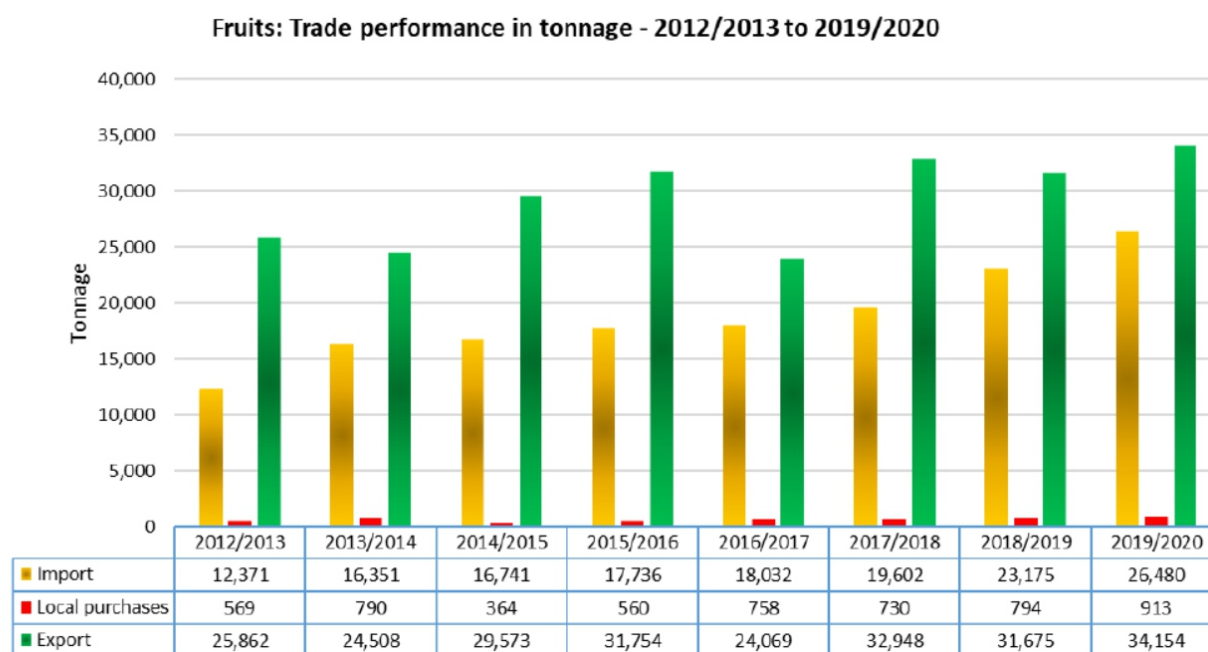


Figure 22: The total tonnage of fresh fruits imported, exported, and locally sourced

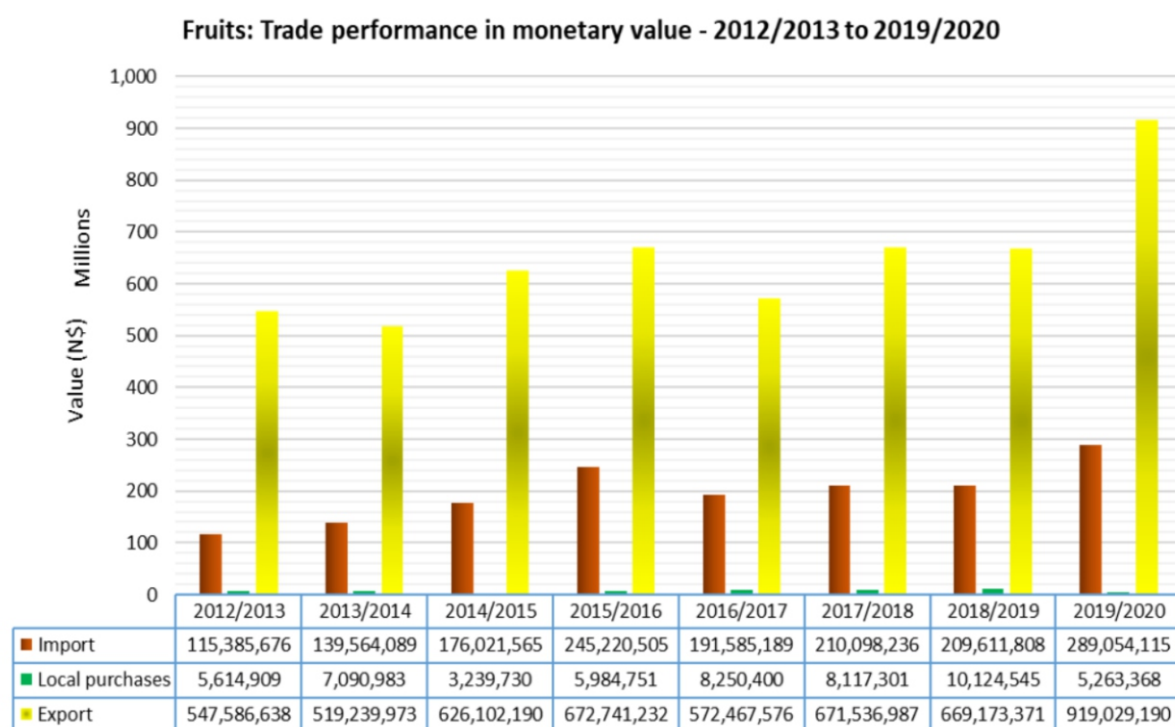


Figure 23: The total value of fresh fruits imported, exported, and locally sourced

In terms of specific fruits imported and locally purchased during the reporting period, table 6 shows that Namibia remains a net importer of fruits and some of the top ten fruits imported in large volumes include apples, oranges, bananas, pears, lemons, grapes, avocados, etc. On the other hand, the top ten local purchases mainly include grapes and oranges, but this is still lower than the imported volumes. Therefore, there are countless opportunities to increase local primary production of both tropical and subtropical fruits that are currently not produced locally, given the favourable climatic and soil conditions.

Table 6: The tonnage of fresh fruits imported and locally sourced during 2019/2020

TOP 10 FRUITS IMPORTED INTO NAMIBIA - 2019/2020				TOP 10 FRUITS PURCHASED LOCALLY - 2019/2020			
Product	Tonnage	Value (N\$)	Share based on tonnage %	Product	Tonnage	Value (N\$)	Share based on tonnage %
APPLES	10,165	95,790,958	41%	GRAPES	478	7,544,181	52.000%
ORANGES	4,969	29,023,290	20%	ORANGES	326	3,305,701	36.000%
BANANAS	3,991	42,111,421	16%	LEMON	43	543,728	4.700%
PEARS	1,558	13,723,137	6%	PAW PAW	16	179,510	1.700%
LEMON	896	10,469,634	4%	NAARTJIES	15	186,696	1.700%
GRAPES	889	22,235,222	4%	DATES	14	207,887	1.600%
AVOCADOS	636	23,069,231	3%	MANGO	11	253,381	1.200%
PLUMS	583	5,542,055	2%	STRAWBERRIES	9	581,359	1.010%
MANGO	567	8,516,560	2%	GUAVA	1	4,257	0.066%
PINEAPPLES	498	6,811,468	2%	KUMQUAT	0.04	495	0.004%
Total	24,752	257,292,977	100%	Total	912.803	12,807,195	100%

8.2.5 Table grapes export statistics for the period 2010 to 2020 financial year

Figure 24 shows that table grapes (grapes) increased from 20 429 tons (N\$431 million) in 2010 to 31 361 tons (N\$791 million) during the reporting period, and a large portion of Namibian grapes was exported to the European and United Kingdom markets. Grapes in Namibia are harvested from late October to mid-January each year, with the comparative advantage of being the first to enter international markets.

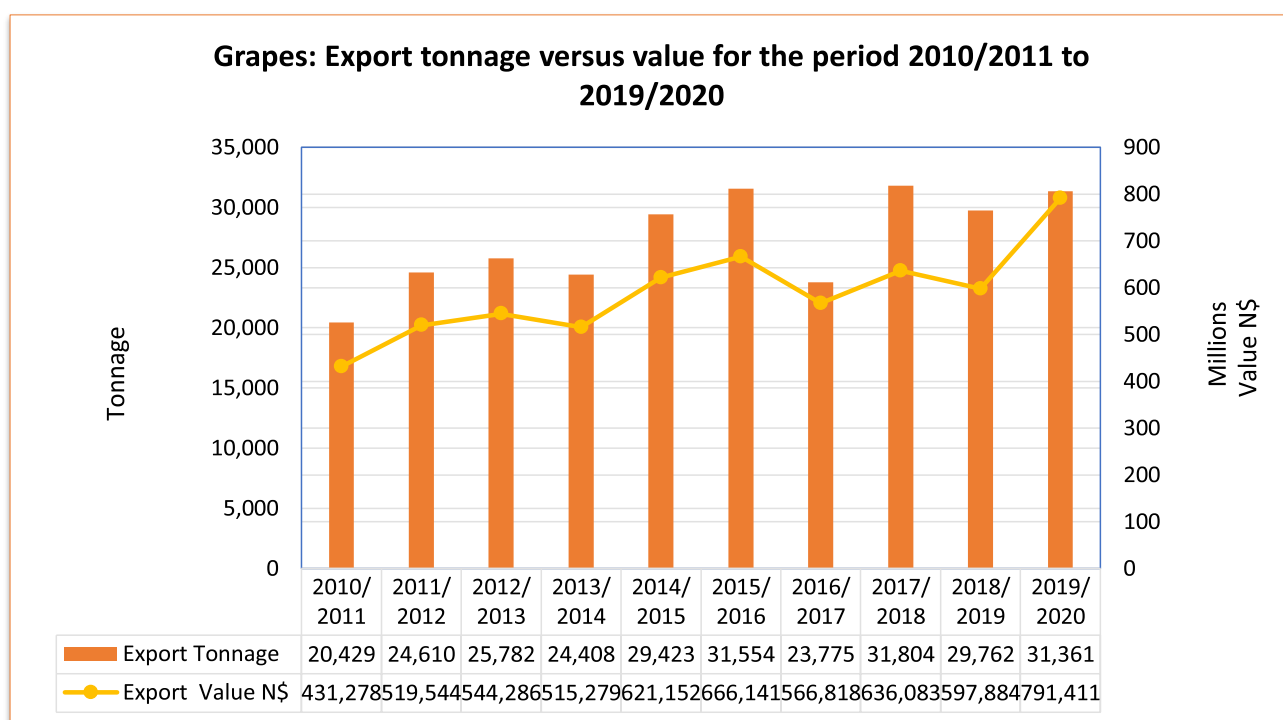


Figure 24: Trend for the total tonnage and value of table grapes exported from the 2010 to 2020 financial year

8.3 Horticulture special controlled product scheme

8.3.1. Introduction to the special controlled product scheme

In addition to potatoes, onions, cabbages, and butternuts, three more special controlled products were added on 01 September 2017, i.e. tomatoes, green peppers, carrots, and then English cucumbers, beetroots, and sweet potatoes were also introduced in December 2018 as special controlled products. The Special Controlled Product Scheme involves intensive monitoring of local production of selected vegetable crops year-round to inform decision-making concerning import restrictions.

During times of sufficient local production, import restrictions are implemented for special controlled crops and during the open border period, the importation of these special controlled products can only be done through a special import permit, issued separately from the mixed fruits and vegetables import permit. Pro-rata special import permits are issued to importers when the expected local production is lower than the domestic demand and thus traders are only allowed to import specific volumes or value of the special controlled product, based on the historical demand of such products.

However, to ensure the successful implementation of the Special Controlled Product Scheme, a six months local production forecasting was done monthly and field verification was carried out quarterly in all the seven horticultural zones i.e. Zambezi, Kavango, North Central, Karst, Central, South, and Orange River.

8.3.2 Special controlled products performance

Table 7 shows that during the reporting period, over 80% of the cabbages, carrots, beetroots, and butternuts that were consumed in Namibia were locally purchased from farmers and five of the special controlled products were locally purchased, with a local share of above 50%. Potatoes had the lowest domestic market share (38%) and this implies that a total of 62% was imported to satisfy domestic demand.

Table 7: The tonnage of locally purchased and imported special controlled products

HORTICULTURE SPECIAL CONTROLLED PRODUCTS PERFORMANCE (TONNAGE) FOR THE PERIOD 2011 TO 2020													
Product	2014/2015		2015/2016		2016/2017		2017/2018		2018/2019		2019/2020		Local Share% (Based on 2019/2020)
	Import	Local	Import	Local	Import	Local	Import	Local	Import	Local	Import	Local	
Butternut	272	307	288	455	314	691	136	1,364	168	1,244	246	1,431	89%
Beetroot	242	326	281	263	154	309	143	363	202	585	235	873	81%
Cabbage	178	1,453	221	1,478	140	1,609	38	1,747	32	1,737	34	2,363	99%
Carrot	1,285	1,763	1,666	963	1,294	1,542	562	2,505	896	3,121	485	4,039	82%
English Cucumber	507	646	789	669	524	604	402	772	893	1,582	205	1,819	67%
Onions	2,748	6,318	2,798	3,703	2,644	2,960	1,898	3,184	2,450	4,254	4,387	3,574	59%
Potato	19,869	6,625	19,651	7,055	17,048	5,544	23,655	7,842	23,427	10,328	23,297	14,577	38%
Green Pepper	776	547	611	500	839	646	449	821	525	787	345	785	60%
Sweet Potato	338	514	587	430	535	322	357	650	450	424	763	487	52%
Tomato	1,364	2,330	1,563	2,668	1,474	2,718	1,356	2,914	1,831	2,408	1,363	2,869	61%
TOTAL	27,579	20,829	28,455	18,184	24,967	16,946	28,996	22,162	30,875	26,469	31,361	32,816	52%

8.3.3 Management of import restrictions for special controlled products

Import restriction or close border periods for the importation of some selected horticultural products during the time of sufficient local supply is only applicable to special controlled products such as potatoes, onions, butternuts, cabbages, tomatoes, green peppers, English cucumbers, sweet potatoes, beetroots, and carrots. Therefore, during the reporting period, close border/import restrictions periods were implemented for all the special controlled products, except for potatoes (washed) due to insufficient local supply (table 8).

Table 8: Open and close border for all the special controlled horticultural products**SPECIAL CONTROLLED PRODUCTS: OPEN AND CLOSE BORDER FOR THE PERIOD APRIL 2019 TO MARCH 2020**

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Potatoes (Washed)												
Potatoes (Unwashed)												
Onions (white)												
Cabbage												
Carrots												
Tomatoes												
Green Pepper												
Butternuts												
English Cucumber												
Beetroot												
Sweet Potato												
LEGEND ENTRY												
Open Border												
Close Border												
Pro Rata												
Not applicable												

8.4 Addition of new functionalities to the amid system

The Agricultural Marketing Information Database (AMID) was amended to include new functionalities and some of these functions that were also added to the AMID system include the Payment Capture and the Establishment Restriction function. The Payment Capture was introduced to ensure that applicable fees are paid by clients before the permit is issued and this also serves as an audit trail. On the other hand, the Establishment Restriction function was introduced to ensure that permits are only issued to clients who qualify to trade.

8.5. Stakeholder engagement

Taking part in strategic and proactive dialogue with key stakeholders helps the NAB to deepen its insights into the drivers of its operations and the needs of its clients, and thus be ahead of excellent service delivery. During the 2019/2020 financial year, the NAB reached out to its main stakeholders – traders, millers, and producers of agronomic and horticultural products through various platforms such as the National Horticulture Task Team, the National Horticulture Day, the National Maize and Wheat Advisory Committee, and the National Grain Processors Association.

Various stakeholder meetings were held with grain producers and small-scale horticulture traders in the Zambezi area, and the Namibian Grape Growers Association in Aussenkher. The stakeholder engagement meetings focused mainly on disseminating information relating to the operations of the NAB and this was achieved through general stakeholder engagement platforms, while the national advisory committees stated above focused on advising the NAB Board on policy matters.



AUDITOR'S REPORT



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NAMIBIAN AGRONOMIC BOARD

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Published by authority

Price (Vat excluded) N\$ 38.00
Report no: 88/2021

REPUBLIC OF NAMIBIA



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 2020 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Board in terms of Section 17(2) of the Agronomic Industry Act (Act no 20 of 1992) be laid upon the Table of the National Assembly by the Minister of Agriculture, Water and Rural Development in terms of Section 17(3) of the Act.

WINDHOEK November 2021

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NAMIBIAN AGRONOMIC BOARD
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

1. ADVERSE AUDIT OPINION

I have audited the financial statements of the Namibian Agronomic Board for the financial year ended 31 March 2020. These financial statements comprise the statement of Namibian Agronomic Board financial position, detailed statement of income and expenditure, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Audit Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of the Namibian Agronomic Board as at 31 March 2020, and its financial performance and its cash flow for the year then ended in accordance with Namibian Generally Accepted Accounting Practices NC001.

2. BASIS FOR ADVERSE AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Namibia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Adverse opinion is expressed due to the following:

- Revenue amounting to N\$ 8 397 684 could not be confirmed due to the non-submission of supporting documents;
Management comment: Namibian Agronomic Board is requesting for an extension to locate the outstanding invoices as we are busy engaging with AMTA on the matter since they collected the levies and fees on behalf of NAB during the period under review.
- The board's financial statements were prepared in accordance with the Namibian Statement of Generally Accepted Accounting Practice NAC001; this framework is for small and medium sized enterprises (SME) and not public interest entities;
Management comment: A meeting was held with ICAN on the 31 January 2020 to determine the appropriate Financial Reporting Framework, hence explanation and recommendation from ICAN implemented.

- Bank accounts disclosed under note 3 of the financial statements are classified as Investments instead of cash and cash equivalent; this is in violation with NAB accounting policies under note 1. 6 which states that for the purpose of the cash flow statement cash and cash equivalent comprises of cash on hand, deposits held at call with banks and bank overdrafts;
- The board terminated the service of its agent (AMTA) at year end without the Minister's approval, this is in contravention with Section 10(1)(g) of the Agronomic Industry Act 20 of 1992; Furthermore , NAB did not comply with the Memorandum of Agreement article 8 paragraph 5.2. This requires an arbitrator be appointed under the approval of the Minister; and
- The board collected levies and fees during the months of February and March, a function that is the responsibility of its agent (AMTA).

Management comment: According to section 10(1)(g) the Minister needs to approve the conditions of the agency and not it's appointment. Further to it, NAB Board took a resolution to terminate AMTA and notices were put in the newspapers, thus the NAB implementation of regulatory functions commenced on 1st April 2020. A final meeting to agree such implementation were chaired by the Hon Minister on 20 May 2020.

Furthermore, the few invoices of levies for the month of February and March done by NAB were late submissions by the Millers and Traders, therefore NAB invoiced them in the respective of the periods and within the legal framework as outlined in 14 (1) and (2)(a) of the Agronomic Industry Act, Act 20 of 1992.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have nothing to report in this regard.

4. 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.

5. 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.

6. 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 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 uses 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 auditor's 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.

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accounts were submitted by the Accounting Officer to the Auditor-General on 25th September 2020 in terms of section 26 of the State Owned Enterprise Governance Act, 2006.

8. ACKNOWLEDGEMENT

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

WINDHOEK, November 2021

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

ANNEXURE A

NAMIBIAN AGRONOMIC BOARD
STATEMENT OF FINANCIAL POSITION AT 31 MARCH

	Note	2020 N\$	2019 N\$
ASSETS			
Non-current assets			
Property and equipment	2	6 504 479	5 801 942
Current assets			
Investments	3	94 215 305	16 400 514
Trade and other receivables	4	100 953 307	18 468 611
Cash and cash equivalents	5	2 254 048	77 619 128
TOTAL ASSETS		203 927 140	118 290 195
FUNDS AND LIABILITIES			
Funds and reserves			
General Fund	6	29 749 034	18 171 493
General Administration Fund	7	1 003 148	1 003 148
Commodity Reserve Fund	8	13 798	13 798
Shares Agricultural Board's Building	9	4 621 290	4 621 290
Current liabilities			
Trade and other payables	10	168 539 871	94 480 466
TOTAL EQUITY AND LIABILITIES		203 927 140	118 290 195

ANNEXURE B

NAMIBIAN AGRONOMIC BOARD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH

	Note	2020 N\$	2019 N\$
INCOME		32 245 157	19 231 209
Interest received		2 096 290	-
10% of profit - Agricultural Boards' Building		243 355	185 552
MAWF distribution: Levy funding		29 605 029	16 195 809
Approved portion of 2017/18 surplus to fund deficit for 2018/19 budget		-	2 648 850
Profit on sale of fixed assets		-	199 995
Other Income		300 482	1 003
EXPENSES			
Net surplus for the year	12	(21 506 460)	(17 593 229)
		10 738 696	1 637 979

ANNEXURE C

NAMIBIAN AGRONOMIC BOARD
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH

	Note	2020 N\$	2019 N\$
Cash (utilised) / generated from operations	13	563 483	76 274 627
Interest received		2 096 290	-
Net cash flow from operational activities		2 659 773	76 274 627
Cash flow from investing activities			
Movement in investments		(1 048 907)	(1 201 716)
Net cash flow from investing activities		(1 048 907)	(1 201 716)
Cash flow from financing activities			
Movement in Reserves		838 844	1 911 439
Movement in Call account		(77 814 790)	(6 346 987)
Net cash flows from financing activities		(76 975 946)	(4 435 548)
Net cash outflow for the period		(75 365 080)	70 637 363
Cash and cash equivalents at the beginning of the period		77 619 128	6 981 765
Cash and cash equivalents at the end of the period	5	2 254 048	77 619 128

ANNEXURE D**NAMIBIAN AGRONOMIC BOARD****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

1. ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with the Namibian Statement of General Accepted Accounting Practice (NAC001: Financial Reporting for Small and Medium Sized Entities), using 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:

1.1 Property and equipment

All property 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 policy for motor vehicles have been amended to make provision for a residual value of 20% on cost. The depreciation rates applicable to each category of property and equipment are as follows:

Motor vehicles	4 years (25%)
Furniture	5 years (20%)
Office equipment	3 years (33%)

1.2 Investments

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

1.3 Financial Instruments

Financial instruments recognised in statement of financial position include: cash & cash equivalents, investments, trade receivables and trade payables.

1.4 Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. Such provision for impairment of trade receivables is established if there is objective evidence that the Board will not be able to collect all amounts due according to the original terms of receivables.

ANNEXURE D**NAMIBIAN AGRONOMIC BOARD****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)**

1.5 Revenue recognition

Revenue comprises of levies and fees collected by the agency Agro-Marketing and Trade Agency (AMTA) on behalf of the Board in terms of the Agronomic Industry Act 1992, Act 20 of 1992, GRN gazette No. 5523 of 1 August 2014 as amended. The Board terminated the appointment of the agency (AMTA) as at 31 March 2020 and took over the functions as at 1 April 2020.

1.6 Cash and cash equivalents

For the purposes of the cash flow statement cash and cash equivalents comprise of cash on hand, deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are separately disclosed in current liabilities.

1.7 Reserve fund

The Reserve fund contains the accumulated reserves. In terms of Section 14(2)(c) of the Agronomic Industry Act 20 of 1992, this fund shall be utilised for various purposes as authorised by the Minister on recommendation of the Board from time to time, as stipulated in the Reserve Fund Policy signed by the Board and the Minister. The Reserve fund policy restriction to safeguard the liquidity ratio of the Board.

1.8 Trade payables

Trade payables are carried at fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

1.9 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.

1.10 Employee benefits

The Board recognised in full employees' right to leave entitlement in respect of past service. Staff bonuses are accounted for in the year to which they relate.

ANNEXURE D

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

2. PROPERTY, PLANT AND EQUIPMENT

	2020			2019		
	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	1 216 844	(451 154)	765 691	1 216 844	(213 522)	1 003 322
Furniture	415 695	(150 587)	265 108	164 333	(133 583)	30 750
Equipment	1 409 669	(558 988)	850 681	654 348	(509 478)	144 871
	7 665 209	(1 160 730)	6 504 479	6 658 526	(856 584)	5 801 942

ANNEXURE D

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

2. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying amounts of property 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\$
2020					
Land & Building	4 623 000	-	-	-	4 623 000
Motor vehicles	1 003 322	-	-	(237 631)	765 690
Furniture	30 750	251 362	-	(17 004)	265 107
Equipment	144 871	797 545	(4)	(91 730)	850 681
	5 801 943	1 048 907	(4)	(346 365)	6 504 479
2019					
Land & Building	4 623 000	-	-	-	4 623 000
Motor vehicles	86 063	1 063 844	(1)	(146 585)	1 003 322
Furniture	32 505	7 598	-	(9 353)	30 750
Equipment	108 468	130 273	(4)	(93 866)	144 871
	4 850 035	1 201 716	(5)	(249 803)	5 801 943

Details of Properties

Erf no 744 and 749, Windhoek

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

Erf 744, Windhoek, and measures 4 205 m2

Erf 749, Windhoek, and measures 1 854 m2

ANNEXURE D

NAMIBIAN AGRONOMIC BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2020 N\$	2019 N\$
3. INVESTMENTS:		
At the period-end the amounts invested in terms of Section 14(5) of the Act were:		
At STANDARD BANK (Wholesale call account). The interest rate was 5.7% at 31 March 2019 and 3.15% at 31 March 2020	18 356 214	15 879 530
At STANDARD BANK (Wholesale call account) At 5.7% interest rate at year end	75 301 176	-
At Old Mutual Money Market (Call Account) The interest rate was 6.97% at 31 March 2019 and 7.15% at 31 March 2020	557 915	520 984
	94 215 305	16 400 514
4. TRADE AND OTHER RECEIVABLES:		
Trade Receivables	9 228 508	4 794
Prepaid Expenses	-	35 036
Receiver of Revenue – VAT on levies collected from January 2015 to March 2015	-	1 291 929
AMTA (Levies and fees Collected) (See Note 11)	91 720 050	17 125 306
Levies & fees collected from April 2018 to March 2019	91 194 255	91 194 255
Levies & fees collected from April 2019 to March 2020	103 679 799	-
Levies & fees transferred December 2018 to 31 March 2019	(74 068 949)	(74 068 949)
Levies & fees transferred April 2019 to March 2020	(29 085 055)	-
Sundries (Staff loans)	4 749	11 547
	100 953 307	18 468 611

ANNEXURE D

NAMIBIAN AGRONOMIC BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2020 N\$	2019 N\$
5. CASH AND CASH EQUIVALENTS:		
In terms of the Agronomic Industry Act, Act 20 of 1992, The Board has two current accounts at a commercial bank For levies and operations:		
Current Accounts	2 252 045	77 617 125
General account	77 868	74 077 754
Operational account	2 174 177	3 539 371
Petty cash	2 003	2 003
	2 254 048	77 619 128

On 13 December 2018 a directive was issued by the Ministry of Agriculture ,Water and Forestry (MAWF), that the agent of the Board AMTA had to transfer all levies and fees collected including all interest accumulated with effect from 1 April 2018 to 13 December 2018 into the general account at NAB with immediate effect. Thereafter, all levies and fees collected should be transferred on a monthly basis to the NAB general account.

6. GENERAL FUND:

This Fund was established to finance the administrative expenses of the Board. The transactions were as follows:

Balance as at 1 April	18 171 493	14 622 075
Association & Unions Special Activities	-	166 282
MAWF approved transfer to Reserves	-	3 644 057
MAWF Approved portion of 17/18 Surplus to fund deficit of 18/19 budget	-	(2 648 850)
MAWF Directive transfer interest received to Reserves	838 844	749 949
Net surplus for the year	10 738 696	1 637 979
Balance as at 31 March	29 749 034	18 171 493

7. GENERAL ADMINISTRATIVE FUND:

This Fund was instituted to act as a buffer against effects of poor crops. The Fund can be used in years of poor crops to finance the Board's administrative functions.

The transactions were as follows:

Balance as at 1 April till 31 March	1 003 148	1 003 148
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ANNEXURE D

NAMIBIAN AGRONOMIC BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2020 N\$	2019 N\$
8. COMMODITY RESERVE FUND:		
The fund was instituted to assist schemes in drought situations, to carry price increases to producers to be rendered as a guarantee to facilitate production loans. The transactions were as follows:		
Balance as at 1 April till 31 March	13 798	13 798
9. SHARES-AGRICULTURAL BOARD BUILDING		
The Agronomic Board holds a 10% share in a joint venture with the Karakul Board of Namibia and the Meat Board of Namibia in the Agricultural Boards' Building.		
Balance as at 1 April till 31 March	4 621 290	4 621 290
10. TRADE AND OTHER PAYABLES:		
Administrative expenses	55 620	64 380
Payables Control	1 247 413	208 308
Provisions	2 650 427	1 521 545
Guarantee deposits from Millers / Traders	557 915	520 984
Unions & Associations Special Activities	4 584 649	970 995
Levy collected for next financial year operational costs	159 443 846	91 194 255
Levies & fees collected from April 2018 to March 2019	91 194 255	91 194 255
Levies & fees collected from April 2019 to March 2020	112 980 772	-
Transfer to NAB - Operational cost 2019/2020	(29 605 029)	-
Transfer to AGRIBUSDEV	(10 774 961)	-
Transfer to Associations & Unions Special Activities	(4 351 190)	-
	168 539 871	94 480 466

ANNEXURE D

NAMIBIAN AGRONOMIC BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2020 N\$	2019 N\$
11. LEVIES AND FEES COLLECTED BY AMTA		
All the levies and fees collected by the agent of the Board (AMTA) during a financial year, is distributed according to a directive issued by the MAWF. The distributed funds are used by the NAB and its Agents (AMTA & AGRIBUSDEV) for the financing of subsequent year's expenditure. Therefore, the levies and fees collected during the financial year 2018/19 were used for financing the financial year 2019/20 expenditure. Further to it, the levies and fees collected during the financial year 2019/20 will be used for financing the financial year 2020/21 expenditure. During the 2019/20 financial year the directive from the Ministry was not applied due to pending reconciliations on levies collected by AMTA. The Minister only approved the NAB & the Associations budgets for the financial year 2019/20.		
Services of the agent of the Board were suspended as at 31 March 2020.		
The levies and fees collected were as follows:		
LEVIES AND FEES:	112 980 772	91 194 255
Permits, Registration & Inspection fees	5 238 193	3 972 945
Permits fees	2 200 550	1 626 143
Processors registration fees	219 189	202 817
Inspection fee on in transit & export trucks	2 818 454	2 143 985
Grain Producers' levy	2 244 781	4 498 547
White Maize	1 861 377	3 856 121
Wheat	320 034	540 018
Mahangu	63 371	102 408
Grain Processors' levy - Local	2 308 110	4 837 678
White Maize	1 911 397	4 183 097
Wheat	319 880	538 154
Mahangu	76 833	116 428
Grain Processors' levy - Imports	60 386 423	35 489 095
White Maize	35 710 838	11 145 486
Wheat	23 179 483	24 130 094
Mahangu	1 496 103	213 515

ANNEXURE D

NAMIBIAN AGRONOMIC BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
(continued)

	2020	2019
	N\$	N\$
Horticulture Levy	42 120 762	40 617 064
Levies on local production 1.4%	4 242 118	3 646 810
Levies on Imports 5%	26 410 422	26 033 941
Selling levy 1.4% (local & imports)	11 468 222	10 936 313
Nett Interest on Levy Account	682 502	1 778 925
Interest Received on Levy Account	-	1 715 275
Interest charged on overdue accounts	902 652	211 166
Bank Charges on Levy Account	(220 150)	(147 515)

ANNEXURE D

NAMIBIAN AGRONOMIC BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2020 N\$	2019 N\$
12. SCHEDULE FOR EXPENSES		
Agricultural Trade Monitoring	320 758	306 945
Auditors remuneration - External	147 773	141 409
Bank charges	45 526	33 731
Board fees	3 656 166	2 930 942
Board member training	86 071	260 469
Border Control Investigations	119 505	-
Chartered Accountant - Financial Management Committee	16 790	9 833
Cost of information centre (Internet & Email)	87 304	74 195
Depreciation - equipment	91 730	93 866
Depreciation - furniture	17 004	9 353
Depreciation - motor vehicles	237 631	146 585
Designing and printing of annual report	134 434	128 645
Farmer information days	182 974	511 791
Insurance	69 280	64 713
Liaison	3 479	1 953
Loss on sale of fixed asset	4	-
Motor vehicle expenses	205 798	250 549
Newsletters and publications	449 736	132 322
Personnel remuneration	10 212 595	8 452 057
Performance management system	100 000	-
Postal and freight	17 321	14 581
Professional services and legal costs	566 256	428 686
Promotional & branding material	183 999	-
Refreshments	44 716	30 685
Regulatory compliance	85 233	-
Rent paid	1 117 369	980 801
Repairs and maintenance - computer equipment	701 026	185 594
Seed Breeding and production	500 000	-
Special Events (Award Ceremonies)	425 987	1 361 166
Sponsorship & corporate social responsibilities	52 000	40 954
Staff - Subsistence and travel	929 718	539 106
Stakeholder engagement	4 451	-
Stationary and printing	283 678	183 271
Studies to enhance the Agronomic Industry	7 734	12 333
Subscriptions	6 385	6 714
Team Building	40 486	34 177
Telephone and fax	95 645	70 464
Training and personnel development	176 674	92 354
Truck seals	7 418	-
Website development and maintenance	75 805	62 990
Total expenses	21 506 460	17 593 229

ANNEXURE D

NAMIBIAN AGRONOMIC BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

(continued)

	2020 N\$	2019 N\$
13. RECONCILIATION OF SURPLUS FOR THE PERIOD TO CASH GENERATED FROM OPERATIONS		
Surplus for the period	10 738 696	1 637 979
Depreciation	346 365	249 803
Disposal / loss on assets	4	5
Interest received	(2 096 290)	-
Profit before working capital movements	8 988 776	1 887 788
Changes in working capital	(8 425 292)	74 386 839
Movement in accounts receivable	(82 484 696)	62 547 460
Movement in accounts payable	74 059 404	11 839 379
CASH GENERATED FROM OPERATIONS	563 484	76 274 627

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NAMIBIAN
AGRONOMICBOARD

ANNUAL REPORT



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