

ANNUAL REPORT

2020/2021

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01

CORPORATE PHILOSOPHY



OUR VISION

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



OUR MANDATE

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



OUR MISSION

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



OUR CORE VALUES

Integrity, Accountability, Pro-activeness and Inclusivity.



02

**CHAIRPERSON'S
REPORT**



During the 2019/20 financial year, the NAB Board approved the Integrated Strategic Business Plan (ISBP) 2020/21 - 2024/25 in accordance with the legislative framework as set out in the Public Enterprises Governance Act, No. 1 of 2019 ("PEGA"). The implementation thereof commenced on 01 April 2020, aided by the Annual Business and Financial Plan (ABFP) for the 2020/21 financial year.

The focus of the ISBP and the ABFP is guided by three strategic themes, namely: (1) Agronomy and Horticulture Development, (2) Regulation Framework, and (3) Operational Excellence, which are cascaded into nine underlining strategic objectives.

Furthermore, the Board, during the reporting period, approved the Investment Policy of the NAB and introduced a Performance Management System (PMS) as a means to ensure organisational sustainability and overall performance.

The NAB's Investment Policy provides clear guidelines and strategies for making informed investment decisions, maximizing income, managing risks for the benefit of the agronomic and horticulture industry development, and assurance of accountability in managing public funds. Similarly, the establishment of an effective PMS is essential to effectively monitor, evaluate, and enhance employee performance.

During the reporting period, the Board took the decision to terminate the Agro-Marketing and Trade Agency's mandate as the NAB's agent in the execution of the regulatory functions set out in the Agronomic Industry Act, Act No. 20 of 1992. The decision sought to ensure that the Board exercises unfettered oversight in so far as it is related to the duties, functions and obligations imposed onto the NAB by virtue of the Agronomic Industry Act, No. 20 of 1992.

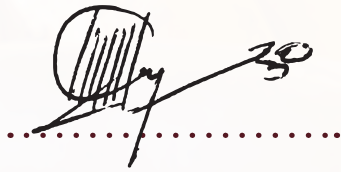
We recognise that the NAB is a corporate citizen with the responsibility to contribute meaningfully to the alleviation of poverty and the development of the society within which we operate. As such, the Board allocated an amount of N\$1.1 million towards the NAB's School Garden Funding Project (SGFP) as part of Corporate Social Investment (CSI). This is the NAB's biggest CSI project to date and it is aimed at supporting at least one school garden in each of the 14 regions in Namibia in partnership with the Ministry of Education, Arts and Culture. The primary objective of this project is to advocate for practical teaching and learning at primary and secondary education levels and to enhance the agricultural skills of learners at a young age.

It is worth mentioning that during the reporting period under review, the Minister of Agriculture, Water and Land Reform (MAWLR), Honourable Calle Schlettwein, exercised his authority to extend the tenure of the existing Board of the Namibian Agronomic Board. The extension was necessitated to allow for sufficient time to facilitate the completion of the official appointment procedures essential for the finalisation of the new NAB Board members spanning the subsequent three years. On behalf of the Board members, we are humbled by the Honourable Minister's endorsement and for the opportunity to continue steering the leadership of this reputable organisation.

The 2020/21 financial year was characterised by some challenges, notably the Covid-19 pandemic. Despite the challenges, the industry has demonstrated resilience, and the prospects for future growth have become increasingly apparent. As the governing body, the Board remains steadfast in its commitment to endorsing initiatives that enhance the well-being of the subsector and our citizenry at large.

On behalf of the Board, I would like to express sincere gratitude to the Hon. Minister, Calle Schlettwein, for entrusting the Board with a duty to serve the industry through marketing facilitation. Moreover, I would like to thank my fellow Board members individually and collectively, advisory committee members, as well as management and staff for their continued dedication to the betterment of the Namibian crop industry.

I thank you.



Michael Iyambo
Board Chairperson







03

**CHIEF EXECUTIVE
OFFICER'S REPORT**



The 2020/2021 Financial Year (FY) was a very challenging year, mainly due to the outbreak of the COVID-19 pandemic that disrupted the status quo of life as we know it, affecting the day-to-day operations of all Namibian entities as well as the movements of the entire public. The Namibian Agronomic Board (NAB) is no exception, as the pandemic affected the delivery process of set targets.

Upon the board's approval and endorsement of the new NAB structure during the previous financial year, the implementation of the regulatory functions and integration of about 40 staff members from AMTA to the NAB based on the revised organogram was successfully completed. The integration under the new leadership meant that the NAB was now ready to fully implement all activities outlined in the Strategic Plan - 2019/20 to 2023/24.

The first order of business was for the NAB to develop a COVID-19 strategic contingency plan aimed at addressing some of the concerns that the public may have had in terms of agronomy and horticulture production in Namibia.

The plan outlined measures taken by the NAB and major industry players to ensure a consistent supply of staple food during these challenging

times, the status of staple food supply for the remaining months, and the logistical circumstance implications to be experienced during this period.

Furthermore, for the year under review, efforts and strategic interventions were focused on crop-value chain research, agronomy and horticulture production and the development of crop-specific standards amongst others.

Crop Value Chain Research

The nature of the functions assigned to the NAB requires continuous research to make informed decisions. Therefore, the expansion in terms of the staff complement capacitated and necessitated the NAB to establish a full-fledged in-house research team aimed at conducting high-quality studies to produce the knowledge that is imperative to spearhead agronomy and horticulture market and policy development.

The NAB in-house research team embarked on various research projects, namely, the evaluation of sesame seed production and market opportunities for Namibia, an analysis of the production cost for smallholder vegetable growers in Namibia, an analysis of the commercial grain production cost for Namibia, an assessment of the export market potential for Namibia to the DRC, grain value-added products research, wheat grain market report, as well as the pearl millet grain market research. All reports are accessible on the NAB website.

To further expand the research agenda, the NAB signed a Memorandum of Understanding (MoU) with the University of Namibia. The main objective of the MoU is to enable the two organisations to engage in research activities that will enhance local production, processing, preservation, storage and marketing of both controlled and non-controlled agronomic and horticulture crops that will contribute to food security and overall economic growth in Namibia.

During the current financial year, the two organisations collaborated on two research projects, namely, the research trials for white maize and pearl millet varieties, and research trials on French seed potato varieties. We look forward to more future research collaborations to fulfil our respective mandates.

Agronomy and Horticulture Production

Both agronomic and horticulture sectors managed to pull through the COVID-19 pandemic. Thus, it can be argued that the production and demand for agronomic and horticultural products did not slow down significantly.

Although the horticulture Market Share Promotion (MSP) threshold remained unchanged at 47%, the highest actual Primary MSP recorded was 48% (N\$ 95,491,820) obtained during quarter 3. This indicates a positive trend towards the increased production of horticultural products, despite the low production of some major crops experienced.

Overall, local purchases, imports, and exports of horticultural products increased during the reporting period. Local purchases increased from N\$ 319 million in the previous year to N\$351 million in the current FY, imports increased from N\$ 550 million in the previous FY to N\$ 605 million in the current FY, while exports increased from N\$ 999 million in the previous FY to N\$ 1 Billion in this current FY. The increase in the value of imported and local purchases is attributed to an increase in demand and local production, while that of exports increased mainly due to better market prices and increased production for grapes and dates.

In addition, the crop production for agronomic crops recorded an upwards trend and depicted signs of recovery from the negative impacts experienced during the 2019/2020 FY which was declared a drought year. There was, therefore, an increase in local grain production. White maize grain local production marketed increased from 28,888 tons valued at N\$139,355,712 during the 2019/2020 FY to 66 642 tons valued at N\$ 333 million. Consequently, 113 196 tons of white maize valued at N\$ 489 million were imported into the country to meet the domestic demand for the formal market, a decrease of 34% compared to the previous FY.

Local production for pearl millet grain increased significantly from 278 tons recorded in the previous FY to 4139 tons valued at N\$ 20 million. Similarly, the wheat grains local production increased from 4466 tons in the previous FY to 11 498, the highest recorded in the previous 5 years.

This is a clear indication that Namibian producers have heeded the call and recognised the opportunity for increased production in the future.

Development of Crop Marketing Standards

In an effort to ensure a responsive regulatory framework, ten (10) crop-specific marketing and commercial quality control standards for horticultural products as per the Namibian Standards were developed and published. The development of these standards was done in collaboration with the NAB and in consultation with key industry stakeholders.

Furthermore, in our aspirations to establish ourselves as a world-class organisation, prudent financial management is key. Hence for the year under review, the total financial expenditure was N\$63.9 million, which was funded from the levies and fees amount of N\$ 112 million collected during the 2019/20 FY.

This includes the 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.

Despite all the challenges experienced relating to COVID-19 and other factors, the NAB managed to perform most of its planned activities, thus obtaining an overall average performance of 90 %. Hence affirming its commitment 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





04

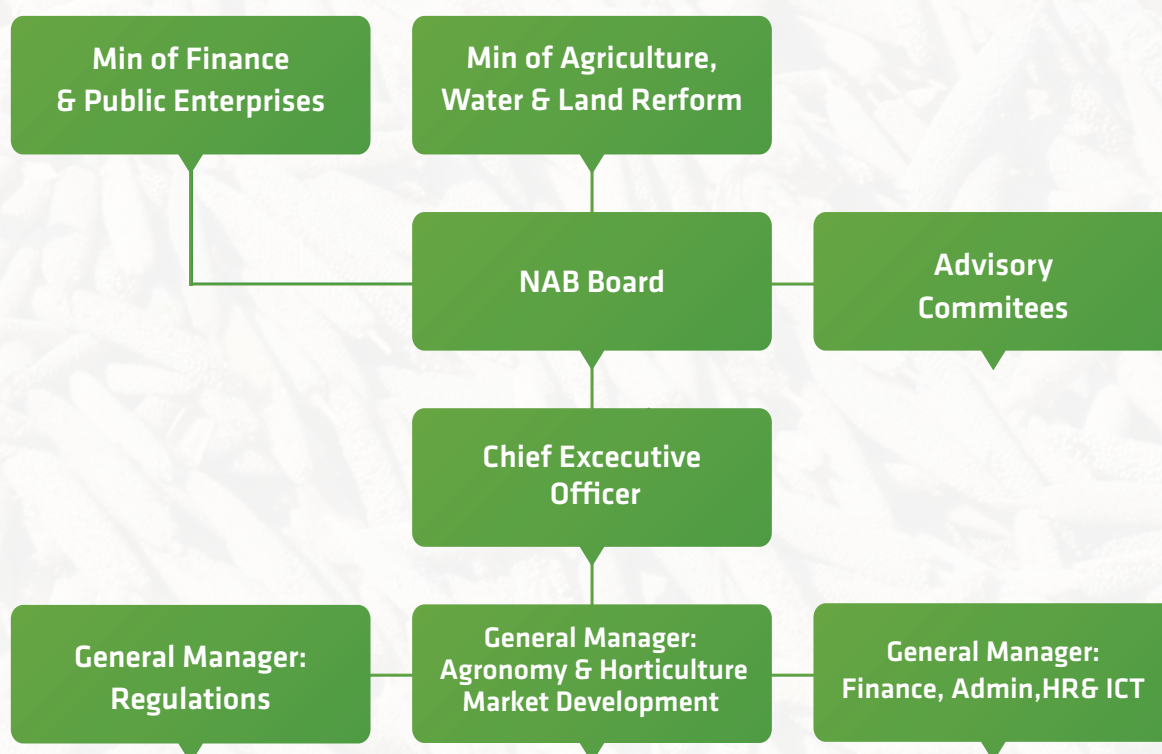
**CORPORATE
GOVERNANCE**

4.1. Governance Structure

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 Land Reform (MAWLR) and with regards to corporate governance, to the MPE.

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 June 2017 to June 2020. However, the Minister of Agriculture, Water and Land reform, Hon. Carl G. Schlettwein extended the term of office of the current NAB board members.

Thus, the term of the current NAB board members in accordance with Section 10 of the Public Enterprises Governance Act (PEGA), 2019 (ACT No.1, 2019), was extended retrospectively for the period of three months, ending 03 September 2020 or until such a time when the Minister appoints a new board. The purpose of the extension is to allow for sufficient time in conducting the official appointment procedures required to finalise the entire process of appointment of the new NAB board.



Mr. Michael Iyambo
Chairperson



Dr. Marina Muller
Deputy Chairperson



Ms. Ferdina Inkono
Member



Mr. Hubertus Hamm
Member



Mr. Jason Emvula
Member



Ms. Josephine Fugre
Member



Ms. Joycelyn Tjijombo
Member



Mr. Leon Nel
Member



Mr. Ludie Kolver
Member



Mr. Lukas Mbangi
Member



Ms. Elinah Kalundu
Member



Mr. Tarcisius Shingundu
Member



Wilhelmina Handunge
Member



Dr. Fidelis 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 3 years.



Mr. Ian Collard
Advisor



Mr. Nico van der Merwe
Advisor



Mr. Sheehamandje Ipinge
Advisor

The board meetings were held on:

07 May 2020

13 August 2020

18 November 2020

31 March 2021

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

NMAC: National Agronomy Advisory Committee

NHAC: National Horticulture Advisory Committee

External Organisations Represented in the Commodity Advisory Committees:

APA: Agronomy Producers Association

MAWLR: Ministry of Agriculture, Water and Land Reform

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):

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

The board meetings were held on:

22 July 2020

22 October 2020

09 March 2021

4.4.2 National Horticulture Advisory Committee (NHAC)

NHAC advises the board on policy and regulatory issues pertaining to regulatory development and market facilitation impacting the horticulture industry in Namibia, including the production, processing, storage and marketing of all gazetted controlled horticulture products and the overall supply chain.

The following persons served on the NHAC:

Mr Nico van der Merwe	Chairperson and Advisor
Mr Louis Peens	NHTT Vice-Chairperson & 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 JP Myburg	NATFP Representative - Coastal
Mr Veripi Kandenge	NISO Representative
Mr Albert van der Merwe	NAHOP Chairperson
Ms Manjo Krige	NAHOP Consultant
Mr Anton Koekemoer	NAHOP Representative - Central
Mr Jan Keyser	NAHOP Representative - Karst
Mr Matthias Muronga	NAHOP Representative - Kavango (East & West)
Mr Raphael Kachana	NAHOP Representative - Zambezi
Mr Webster Lichaha	NAHOP Representative - North Central: Etunda
Mr Sylvanus Naunyango	NAHOP Representative - North Central: Olushandja
Mr Jimmy O'Kennedy	NAHOP representative - South
Mr Louis Smith	POPA Chairperson & Representative
Ms Sanet Brundyn	Producer Representative: NOA (Chairperson)

Three NHAC meetings were held on:

14 July 2020

13 October 2020

16 February 2021

4.4.3 National Agronomy Advisory Committee (NAAC):

NAAC advises the board on policy and regulatory issues pertaining to regulatory development and market facilitation impacting the production, processing, storage and marketing of agronomic controlled crops (Mahangu/pearl millet, white maize and wheat) in Namibia.

The following persons served on the NHAC:

Mr Hubertus Hamm	Chairperson
Mr Jason Emvula	Deputy Chairperson
Ms Josephine Fugre	Board Member
Ms Ferdina Inkono	Board Member
Mr Lucas Mbangu	Board Member
Ms Wilhelmina Handunge	Board Member

The following persons served on the NHAC:

Ms Ferdina Inkono	Board Member
Mr Ian Collard	Board Advisor
Mr Michael Iyambo	NAB Chair: 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





05

**OUR
FUNCTIONS**

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:

- ◇ • Border Control & Inland Inspections
- ◇ • Permit Issuance: In-transit, Import & Export
- ◇ • Registration of Producers, Transitors, Traders & Processors
- ◇ • Production & Market Facilitation for controlled crops
- ◇ • Value Addition & Storage Facilitation
- ◇ • Farms & Facilities Inspections
- ◇ • Food Safety & Quality Inspections
- ◇ • Crop Value Chain Research
- ◇ • Information & Advisory Services





06

**REGULATORY
FRAMEWORK**

6.1 Introduction

The regulatory services of the Namibian Agronomic Board (NAB) are to oversee the development and implementation of a responsive regulatory framework to ensure a sustainable crop industry in Namibia. The ultimate goal of the regulatory framework is to increase industry compliance with the regulations derived from the Agronomic Industry Act, Act No. 20 of 1992 and operate as an inspection body that is recognised internationally.

In addition, the NAB Inspection body has to comply with the International Standards ISO/IEC 17020 for it to be recognised as a competent body. Inspection, in particular, is inclusive of testing for compliance of such products and services with these expectations, in accordance with relevant crop-specific marketing and quality control standards, technical regulations and other applicable requirements. It helps to ensure that products deliver on their promises and established parameters, as a way of instilling product value and confidence.

The NAB with effect from the 1st of April 2020 commenced with the execution of regulatory functions of border control activities, the food safety monitoring programme, and farm inspections and compliance inspections for controlled agronomic and horticultural products, in terms of the Agronomic Industry Act (No. 20 of 1992). As per Section 13 of this Act, the NAB attained a full staff complement of border control and compliance inspectors as well as food safety officers to execute these duties.

6.2 Performance highlights for the year under review include

- ◇ Full assumption of border control activities at eleven (11) commercial ports of entry and exit, to facilitate the clearance of import, transit and export consignments of agronomic and horticultural products;
- ◇ Inspected 8.7 million cartons of table grapes for export market quality and food assurance at 16 inspection points in the Orange River production zone during the 2020/21 packing season;
- ◇ Successfully commenced with the inspection of horticultural farms and milling facilities in accordance with Good Agricultural Practices (GAP) and Good Manufacturing Practices (GMP) respectively; and
- ◇ Developed and published a total of ten (10) crop-specific marketing and quality control standards for the horticulture industry in collaboration with the Namibian Standards Institution (NSI), bringing the total of crop-specific marketing and quality control standards to twelve (12).

6.3 Performance Overview

6.3.1 Strategic objective 2.1: Ensured compliance with the regulatory framework

The overall compliance rate (figure 2) for the agronomic and horticultural industry is recorded at 91% in terms of the industry's adherence to regulatory measures being implemented for the control of imports, exports, transits, as well as food safety and standard quality requirements.

This percentage entails a low-risk compliance rating in terms of the colour-coded scoring, and can mostly be attributed to the overarching adherence towards border control rules and procedures for imports, exports and in-transit products. Although targeted corrective actions are being addressed with regard to the low compliance rate of grain and grain products to regulations relating to grading classification, it can be concluded that the overall industry compliance with regulations was beyond expectations, amidst the challenges posed by COVID-19 and the 2020 lockdown logistical difficulties.

In terms of the NAB Strategic Plan 2019/20 – 2023/24 which outlines the direction that the NAB is headed to, one of the key fundamental targets to ensure compliance with regulatory frameworks is for the industry to achieve and maintain a below “5 per cent non-compliance rate” or in essence “95 per cent compliance”.

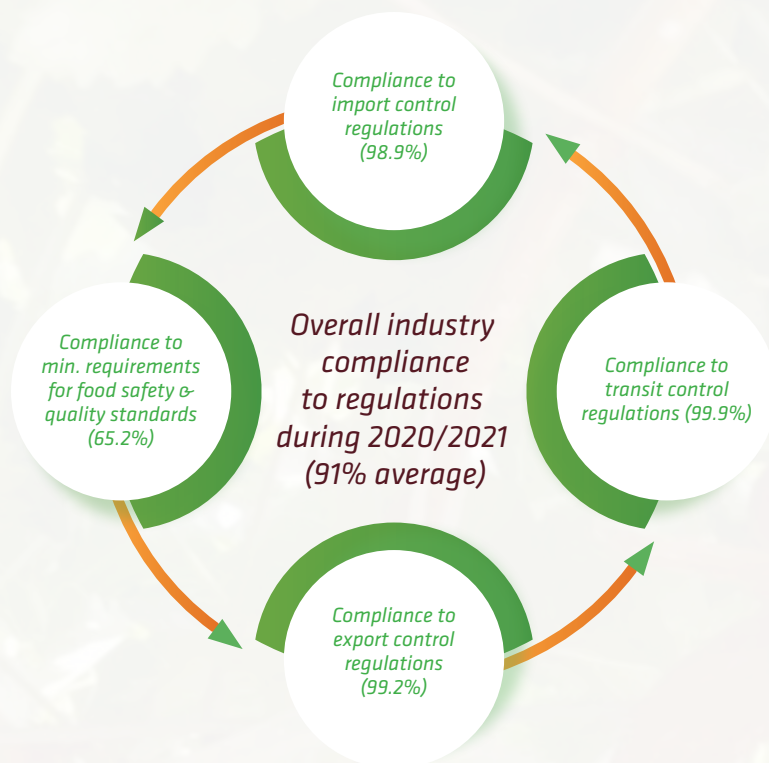


Figure 2: Percentage of industry compliance with the regulatory framework

6.3.1.1. Control of imports, transits and exports consignments

Border control inspectors have been appointed as per Section 13 of the Agronomic Industry Act (Act 20 of 1992) at eleven (11) commercial ports of entry and exit to implement the strategic initiative of conducting regular compliance assessments for imports, exports, local, and in-transit, to determine the status of compliance in the crop industry.

During the period under review (Table 1), a combined total of 9715 consignments of agronomic and horticultural products were processed and cleared for importation into Namibia, exportation to markets beyond Namibia, as well as those transiting through Namibia to their final destinations.

Table 1: Total consignments of agronomic and horticultural products

	Import	Transit	Exports	
Fruits and vegetables	1347	337	2626	
Grain	3176	444	27	
Animal feed	1617		141	
Total	6140	781	2794	9715

Out of the 6140 agronomic and horticultural product consignments that were cleared for importation into Namibia, 19% (1219) were inspected at various offloading points within the seven (7) production zones, and no non-compliance issues were detected (Table 1).

Table 2: Inland inspection compliance of imported product consignments

No	Production zone	No. of consignments inspected
1	Zambezi	17
2	Kavango	12
3	North Central	16
4	Karst	0
5	Central	1174
6	South	0
7	Orange River	0
	Total	1219

6.3.1.2. Table grapes inspection during the 2020/21 packing season

During the 2020/21 packing season, table grape volumes ended the financial year at 8.7 million cartons against the forecasted volume of 7.5 million cartons, which is 14% higher than the target. The 8.7 million cartons recorded during the 2020/21 packing season is 29% higher than the volumes (6.1 million) recorded in 2019/20. The inspection recorded no major incidences of non-compliance (market quality standards and food safety) that warrant detention and complete refusal of Namibian exports of table grape consignments. The overall high volumes can be attributed to the expansion of production areas, as well as an increase in yield due to the maturity of vineyards within the Orange River production zone.

A total of 2318 table grape product consignments were exported from Namibia during the 2020/21 packing season through the Noordoewer border post for shipment to Rotterdam port in the Netherlands via the Cape Town harbour for further distribution to the final destination. Export destinations were primarily the European Union, South Africa and the United Kingdom, equating to 79% of horticulture exports in tonnage for the financial year 2020/21

6.3.1.3. Namibian grain processors

The Regulations Division is also mandated to regulate the production facilities of white maize, wheat and pearl millet in Namibia in accordance with the following regulations:

- ◇ Regulations relating to the Grading and Classification of Maize (Government Notice 71 of 1994);
- ◇ Standards of Composition of Maize Products (GN No. 72 of 1994);
- ◇ Grading Standards for Whole and Decorticated Pearl Millet Grains (GN No. 97 of 2016); and
- ◇ Composition and Quality of Pearl Millet Products (GN No. 97 of 2016).

It is for this reason that grain processors are required to acquire an annual milling license which has a validity period of twelve (12) months. The issuance of a milling license is subject to the approval of the application for registration and verification of compliance with minimum food safety requirements in addition to other documentation requirements for registration. During the period under review, a total of twenty-four (24) grain processors were registered with the NAB and they are actively milling white maize meal and/or wheat flour and/or pearl millet flour, and they are spread all over the country (Table 3).

Table 3: Number of Namibian grain processors

No	Production zone	No. of facilities
1	Zambezi	2
2	Kavango	4
3	North Central	6
4	Karst	6
5	Central	5
6	South	1
7	Orange River	0
	Total	24

During the period under review, two (2) processors milled wheat, whilst sixteen (16) processors milled white maize and ten (10) processors milled mahangu (Figure 3).

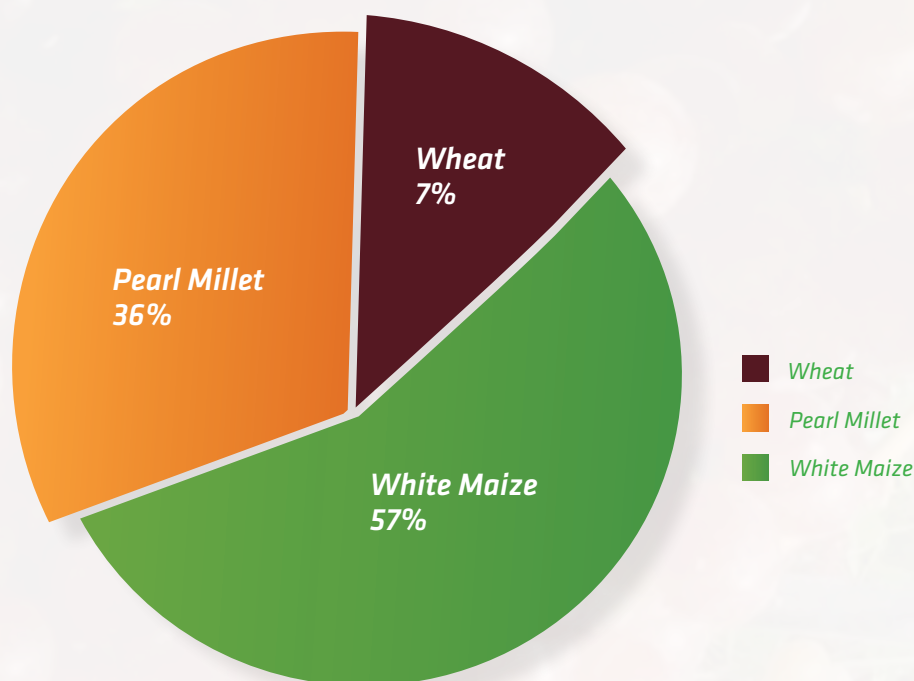


Figure 3: Namibian registered processors

6.3.1.4. Food safety programme: Committed to ensuring compliance

For the 2020/21 financial year, the following samples were analysed at external subcontracted ISO/IEC 17025 accredited laboratories:

- ◇ Pesticide Residue Analysis for table grapes showed that 98.2% EU Maximum Residue Levels (MRLs) compliance levels were reached. The 1.8% non-compliance recorded was in relation to Ethephon with levels of 0.35 mg/kg. Ethephon being a biological colourant places no major food safety risks due to its biodegradable nature.
- ◇ Standards Composition Analysis for white maize meal demonstrated a low compliance rate of 26% for the fat content, fibre content and fineness by mass in relation to the type of maize class defined by the processor for commercial transactions.

6.4 Ensured responsive regulatory framework

6.4.1 Development of crop-specific marketing and commercial quality control standards

During the period under review, the NAB developed and published ten (10) crop-specific marketing and commercial quality control standards for horticultural products as Namibian Standards. These standards (Table 4) specify minimum requirements for commercial classification and grading of the products, including quality and food safety parameters, to enhance the quality of the product and for access to markets for local produce.

Table 4: Crop-specific marketing and commercial quality control standards

No	Namibian Standards (NAMS)	Particulars and Description of the Namibian Standards
1	NAMS 002:2018	Marketing and commercial quality control of table grapes
2	NAMS 006:2018	Marketing and commercial quality control of dates
3	NAMS 007:2021	Marketing and commercial quality control of tomatoes
4	NAMS 008:2021	Marketing and commercial quality control of onions
5	NAMS 009:2021	Marketing and commercial quality control of potatoes
6	NAMS 010:2021	Marketing and commercial quality control of cabbages
7	NAMS 011:2021	Marketing and commercial quality control of butter squash
8	NAMS 012:2021	Marketing and commercial quality control of beetroots
9	NAMS 013:2021	Marketing and commercial quality control of carrots
10	NAMS 014:2021	Marketing and commercial quality control of English cucumbers
11	NAMS 015:2021	Marketing and commercial quality control of sweet peppers
12	NAMS 016:2021	Marketing and commercial quality control of sweet potatoes

6.4.2 Enactment of new rules and regulations

Table 5: New rules/regulations enacted

Enacted Rules/Regulations	Status
1. Permit rules and regulations	Approved by the NAB Board and implementation ongoing
2. Annual licensing of traders	Approved by the NAB Board and implementation ongoing
3. Value-added horticulture products regulations	Approved by the NAB Board and implementation ongoing
4. Addition of new special controlled products	Approved by the NAB Board and implementation ongoing
5. National Agronomy Awards guidelines	Approved by the NAB Board and implementation ongoing
6. National Drought Support Programme	Approved by the NAB Board, and submitted to the Ministry of Agriculture, Water, and Land Reform as industry inputs into the National Drought Policy
7. National Horticulture Awards guidelines	Pending Board approval

6.4.3 Review of rules and regulations

Table 6: Rules/Regulations reviewed

Reviewed Rules/Regulations	Status
1. MSP rules and procedures	Approved by the NAB Board and implementation ongoing
2. White maize marketing agreement - 2021	Approved by the NAB Board g
3. Pearl millet (mahangu) marketing agreement - 2021	Approved by the NAB Board and implementation ongoing
4. List of gazetted controlled products	Approved by the NAB Board, and submitted to the Ministry of Agriculture, Water and Land Reform for final approval and gazetting.
5. Adhoc amnesty rules for horticulture	Approved by the NAB Board and implementation ongoing

6.4.4 Establishment of AMID system

The Agricultural Marketing Information Database (AMID) is an internet-based database system that is owned and managed by the NAB, and it was operationalised at the head office and all the border offices on 1 June 2020. A total of 1 818 new establishments were registered during the reporting period and of these, only 1 714 were active, and 104 were not active.

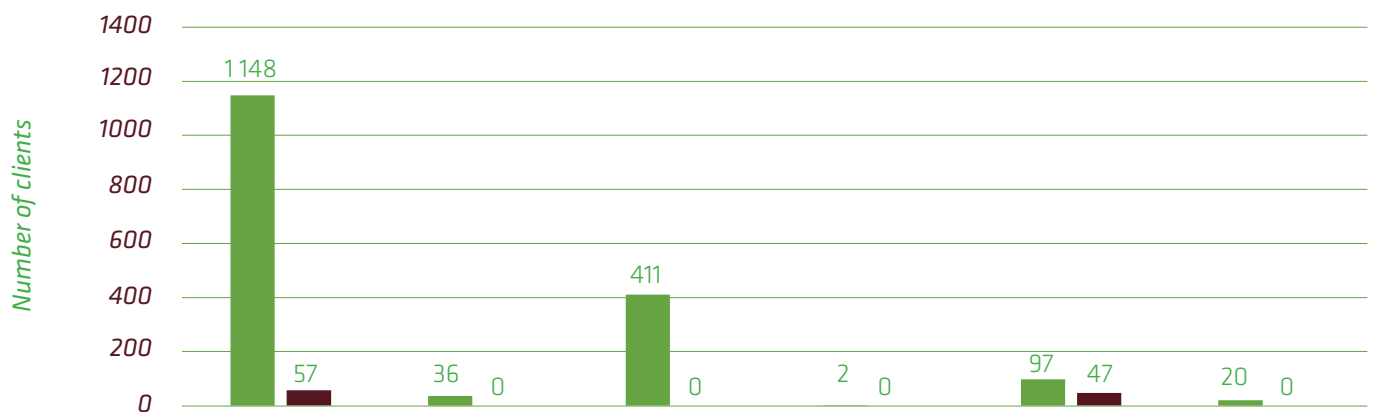


Figure 4: Total establishments registered on the AMID system for the 2020/21 FY

6.5. Outlook: Key focus areas for 2021/22

- ◇ Draft generic regulations, as a framework for enforcing quality and food safety compliance and controlling imported, transit, export and local products in the agronomy and horticultural product sectors in Namibia
- ◇ Development and drafting of the risk-based inspection models in support of and to ensure compliance with the regulations developed for the four sectors of control, i.e. imports, transit, export, and local market products
- ◇ Formulation of technical administrative regulations regarding the quality and food safety requirements for commercial table grapes and dates produced and traded within the Namibian market under Section 24 of the Agronomic Industry Act, 1992 (Act No. 20 of 1992)
- ◇ Formalise mutual recognition arrangements with key strategic partners in order to facilitate the trade of agronomic and horticultural products within Namibia and beyond
- ◇ Development of the Management Information System (MIS) for integrated inspections and compliance
- ◇ Developing and publishing additional four (4) crop-specific marketing and quality standards





07

**AGRONOMY &
HORTICULTURE MARKET
DEVELOPMENT**

7.1. Introduction

In line with the NAB strategic plan for 2019/24, the Agronomy and Horticulture Market Development (AHMD) division is tasked with the responsibility of developing the crop value chain in Namibia to provide comprehensive and efficient information services on agronomy and horticulture, as well as to improve market facilitation for agronomic and horticultural products in Namibia.

The AHMD division offers various services to the agronomic and horticulture industry, and these include the issuance of permits, provision of information services, crop value chain research, registration of producers, traders, and processors, and facilitation of the production, processing, storage, and marketing of products. The division has a total of 19 staff members, 17 of these staff members are stationed at the Windhoek Head Office, one staff member in Tsumeb and another staff member in Katima Mulilo respectively.

Therefore, this report provides a summary of the achievements of the divisions in terms of activities that were implemented during the 2020/21 financial year. Furthermore, the report highlights the performance of the agronomy and horticulture industries.

7.2. Agronomy And Horticulture Development

7.2.1. Provide a comprehensive and efficient information service on agronomy and horticulture

7.2.1.1. Crop value chain research

During the reporting period, different research activities were implemented to ensure that the decision-making process is supported by empirical evidence.

Table 7: NAB in-house research

1. Name of research: Evaluation of sesame seed production and market opportunities for Namibia	
Strategic Objective	Evaluate Namibia's potential for sesame production and marketing
Strategic Outcome	The study discovered that Namibia has favourable climatic and soil conditions to produce sesame, and the biggest market opportunity lies in exports. Field trials are to be conducted on different sesame varieties to identify and select varieties that are favourable to our climatic and soil conditions as well as to determine the exact product cost.
Research Status	Completed
2. Name of research: Analysis of the production cost for smallholder vegetable growers in Namibia	
Strategic Objective	Assess the profitability of vegetable production by smallholder growers
Strategic Outcome	The study pointed out that vegetable production by smallholder growers in Namibia is profitable. An enterprise budget for the selected vegetables was developed to act as a guide for vegetable production.
Research Status	Completed

3. Name of research: Analysis of the commercial grain production cost for Namibia	
Strategic Objective	Determine the cost of production for white maize, wheat, and pearl millet in Namibia
Strategic Outcome	The study discovered that Namibia has favourable climatic and soil conditions to produce sesame, and the biggest market opportunity lies in exports. Field trials are to be conducted on different sesame varieties to identify and select varieties that are favourable to our climatic and soil conditions as well as to determine the exact product cost.
Research Status	Completed
2. Name of research: Analysis of the production cost for smallholder vegetable growers in Namibia	
Strategic Objective	Assess the profitability of vegetable production by smallholder growers
Strategic Outcome	The product cost for each grain crop (white maize, pearl millet, and mahangu) was determined, and it will assist with decision-making at the policy level and also act as a guide for grain producers in Namibia.
Research Status	In Progress

Table 8: NAB/UNAM collaborative research

1. Name of research: Field trials on white maize and pearl millet varieties	
Strategic Objective	Assess the performance of different varieties of white maize and pearl millet in terms of adaptability, yield, and quality of yield, in comparison to the standard varieties.
Strategic Outcome	The results are pending as trials are currently ongoing in the Zambezi, Kavango, Ogongo, and Otjiwarongo NAB/UNAM agronomic zones/ trial sites. The results of the trials will only be available in June 2021.
Research Status	Completed
2. Name of research: Field trials on French seed potato varieties	
Strategic Objective	Assess the performance of different varieties of white maize and pearl millet in terms of adaptability, yield, and quality of yield, in comparison to the standard varieties
Strategic Outcome	The results are pending as trials are currently ongoing in the Hochfeld, Tsintsabis, Guinas, and Otjiwarongo (Doringboom farm) agronomic zones/ trial sites. The results of the trials will only be available in June 2021.
Research Status	In Progress

Table 9: Market intelligence research

1. Name of research: Export market potential for Namibia to the DRC	
Strategic Objective	Assess Namibia's opportunity to export onions to the DRC

Strategic Outcome	The analysis of the data pointed out that the DRC imports about 5000 tons of onions per annum, mainly from the Netherlands, and thus Namibia is strategically located to tap into this big market. The recommendation from this assessment was for the NAB to engage the DRC Embassy in Namibia and establish how Namibia can enter the DRC market.
Research Status	Completed
2. Name of research: Grain value-added products	
Strategic Objective	Determine the quantities and value of value-added/manufactured grain products imported and produced in Namibia
Strategic Outcome	The assessment pointed out that Namibia is a net importer of most of the grain value-added/manufactured products derived mainly from maize and wheat, and very few products were found to be derived from pearl millet. The decision was taken not to control the importation of value-added/manufactured grain products since the country exports some of the value-added products to neighbouring countries.
Research Status	Completed
3. Name of research: Wheat grain market intelligence report	
Strategic Objective	Assess the production and trade of wheat grain
Strategic Outcome	The analysis of the collected data pointed out that Namibia is amongst the lowest producers of wheat globally and regionally, and also amongst the countries with the highest price per ton, suggesting that wheat grain is more expensive in Namibia when compared to other countries.
Research Status	Completed
4. Name of research: Pearl millet grain market intelligence report	
Strategic Objective	Assess the production and trade of pearl millet grain
Strategic Outcome	The analysis of the collected data pointed out that Namibia is amongst the biggest producers of pearl millet globally and regionally, and also amongst the countries with the highest price per ton, suggesting that mahangu rain is more expensive in Namibia when compared to other countries.
Research Status	Completed

7.2.1.2. Provision of information services

During the reporting period, the division provided information using different channels and the table below indicates the different types of information provided to the industry via different channels:

Table 10: Information provision services for the targeted audience

Type of information provided/ engagement	Targeted audience	The channel of communication used
Table grapes promotional video for the 2020 harvesting season	Domestic and international buyers, and the general public	Communicated via NBC television at prime time (before news) in January 2021. Video was also shared the video on the NAB website and social media pages
MSP and grain marketing and related matters announcements	Producers, traders, and processors	Announcements were shared via email, the NAB website, radio, and the NAB social media pages face to face meetings
Rules and regulations related to registration, MSP, grain marketing mechanisms and permits, and research	Producers, traders, processors, and the general public	Communicated via the NAB website and email, face-to-face meetings
Research, price monitoring, MSP and grain marketing reports, and articles	Producers, traders and processors, and the general public	Communicated via the NAB website and email, face-to-face meetings

7.3. Improved Market Facilitation For The Agronomic And Horticulture Industry

7.3.1. Introduction: Agronomic industry performance

(Namibia currently produces three staple grain crops only and these are white maize, wheat, and pearl millet (mahangu). These grain crops are currently gazetted controlled agronomic crops in line with the Agronomic Industry Act 20 of 1992, which is implemented by the Namibian Agronomic Board.

Despite the grains marketing mechanisms put in place by the NAB to facilitate the marketing and production of staple grain crops, Namibia remains a net importer of grains (white maize, wheat, and pearl millet) and white maize is annually imported from South Africa, while wheat is mainly imported from the Russian Federation and South Africa, and pearl millet (Mahangu) is normally imported from India. The marketing period of locally produced white maize grain normally starts from May each year, pearl millet grain from July, and wheat from October each year, and the periods normally last until such time when the locally produced grains have been bought by processors or buyers.

7.3.1.1. Grain tonnage trade performance

Table 5 shows that in the period under review, a total of 66,642 tons (37%) of white maize grain were locally purchased by millers, and for wheat and pearl millet, 11,498 tons (8%) and 4,139 tons (85%) were marketed respectively. Overall, the local production of marketed grains increased during the reporting period when compared to the previous year. The increase in local production volumes marketed is attributed to good rainfall received in most parts of the country.

White maize in Namibia is produced in summer, 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. On the other hand, wheat is solely produced under irrigation in winter, while pearl millet is only produced under rainfed conditions.

Table 11: Grain imports and local production marketed trend (2010/11 to 2020/21)

Grain Trend: Imports and local production marketed - 2010/2011 to 2020/2021									
Years	White Maize Tonnage			Wheat Tonnage			Pearl Millet Tonnage		
	Import	Local Purchase	Local Share%	Import	Local Purchase	Local Share%	Import	Local Purchase	Local Share%
2020/2021	113,196	66,642	37%	125,838	11,498	8%	705	4,139	85%
2019/2020	171,031	28,888	14%	114,363	4,466	4%	3,313	278	8%
2018/2019	59,608	58,020	49%	118,698	7,508	6%	931	1,979	68%
2017/2018	50,483	76,660	60%	104,244	6,863	6%	3,469	2,344	40%
2016/2017	110,229	43,940	29%	121,261	9,822	7%	5,541	1,584	22%
2015/2016	120,650	38,900	24%	95,190	11,411	11%	6,096	111	2%
2014/2015	82,527	69,433	46%	103,035	11,600	10%	3,332	750	18%
2013/2014	170,234	36,694	18%	85,257	11,312	12%	5,485	532	9%
2012/2013	105,742	72,438	41%	87,726	14,819	14%	3,863	1,040	21%
2011/2012	55,305	63,228	53%	84,543	11,930	12%	1,860	975	34%
2010/2011	81,111	47,961	37%	69,519	10,038	13%	1,034	1,064	51%
Average	101,829	54,800	37%	100,879	10,115	9%	3,239	1,345	33%

Namibia currently produces three staple grain crops only and these are white maize, wheat, and pearl millet (mahangu). These grain crops are currently gazetted controlled agronomic crops in line with the Agronomic Industry Act 20 of 1992, which is implemented by the Namibian Agronomic Board.



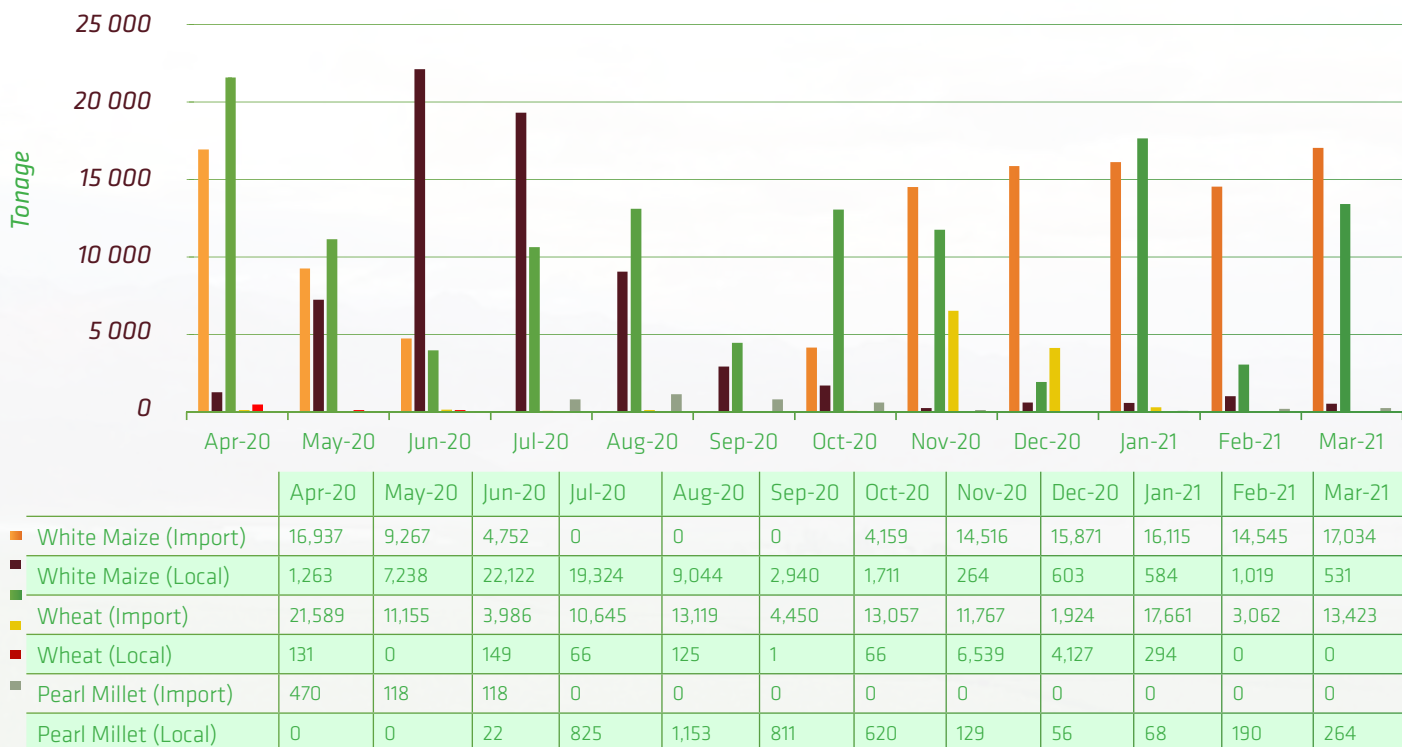


Figure 5: Grains monthly imports versus local tonnage for the period 2020/21.

7.3.1.2. Grain value trade performance

Figure 6 indicates that a total of N\$823 million worth of white maize was traded in Namibia, with local production marketed constituting N\$333 million and imports N\$489 million. In terms of wheat, a total of N\$679 million was traded locally, with N\$62 million worth of local production marketed and N\$616 million in imports. Pearl millet recorded a total of N\$23 million of traded volumes, with local production marketed constituting N\$20 million and imports N\$3 million.

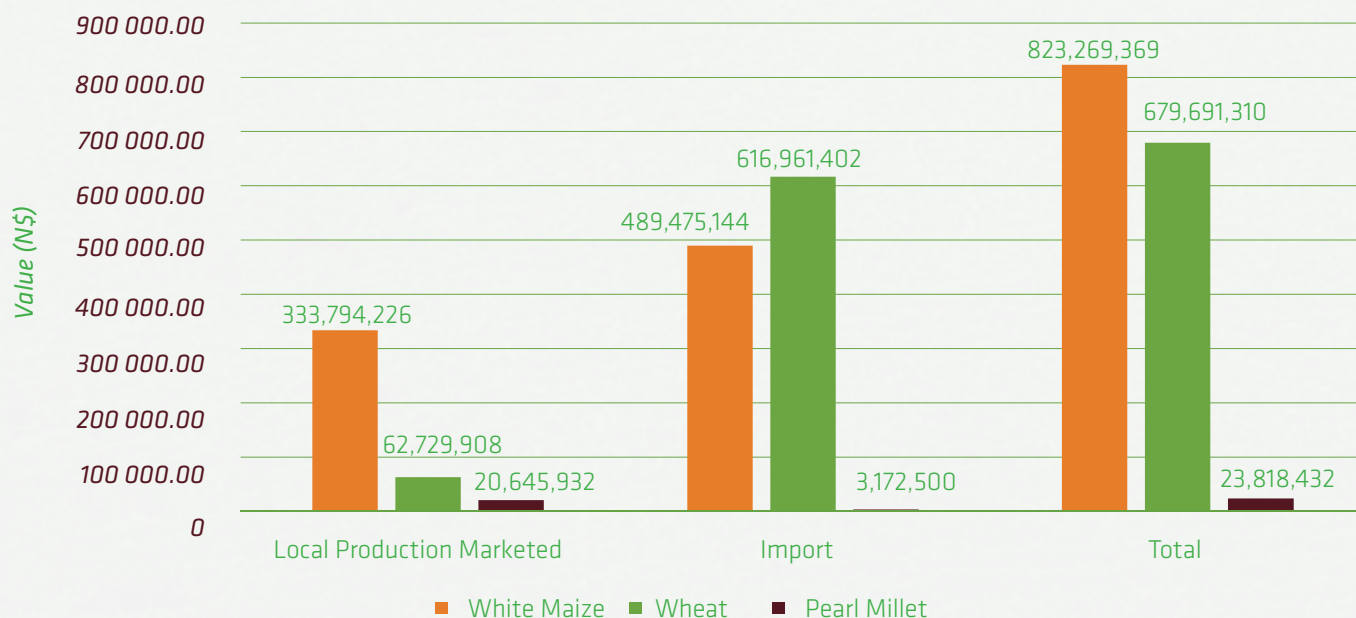


Figure 6: White maize monthly imports versus local tonnage for the period 2020/21

On the other hand, according to figures 7 and 8, a total of 82,279 tons (N\$417 million) of grains (white maize, wheat, and pearl millet) were purchased locally, and 239,739 tons (N\$1.1 billion) were imported.

Total grain import and local production marketed in tonnage - 2020/2021

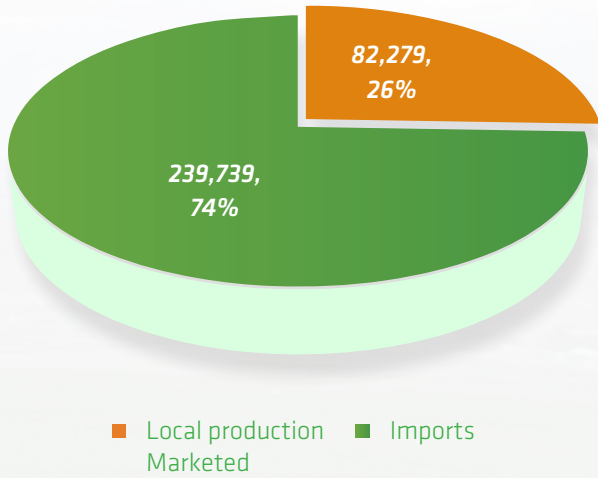


Figure 7: Tonnage of grains imported and locally purchased for 2020/21

Total grain import and local production marketed in value (N\$) - 2020/2021

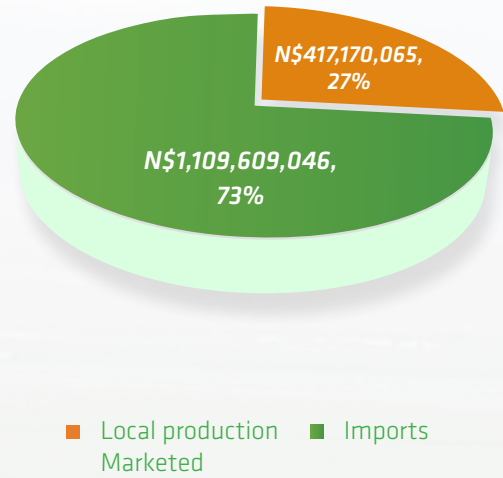


Figure 8: Value of grains imported and locally purchased for 2020/21

7.3.1.3. Grain production tonnage marketed per agronomic zone

Figure 9 shows that the biggest tonnage of white maize production marketed was from the Karst agronomic zone (39,404 tons), and in terms of wheat, the biggest volumes marketed were from the South (8,419 tons), while for pearl millet, North Central led by 1,937 tons, followed by Zambezi (1,303 tons).

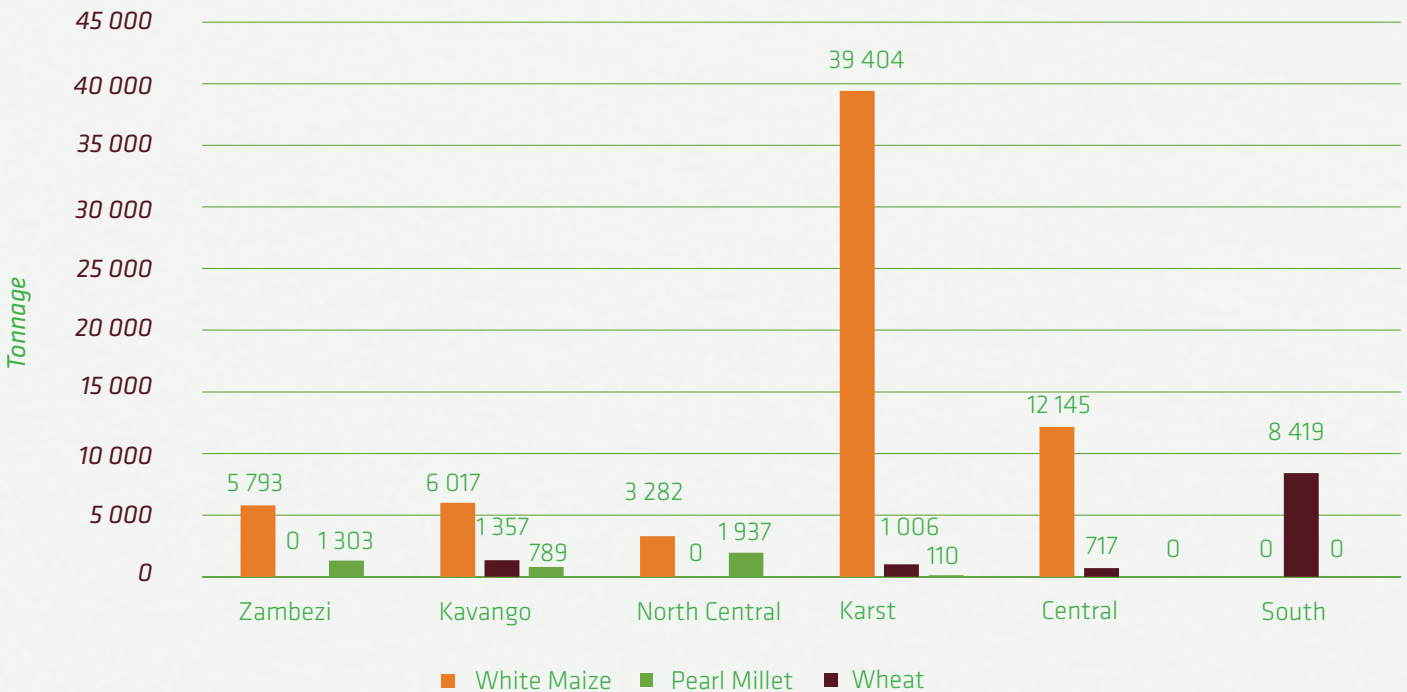


Figure 9: Grains production marketed per production zone for 2020/21

According to figure 10, 49% (40,520 tons) of the grains (white maize, wheat, and pearl millet) were from the Karst (Maize triangle) agronomic zone, followed by Central, 16% (12,862 tons), while Kavango, South, Zambezi and North Central agronomic zones made up the remaining 35%. Furthermore, figure 10 shows that the Karst agronomic zone makes up the biggest volume of grains marketed from both irrigated and rainfed production.

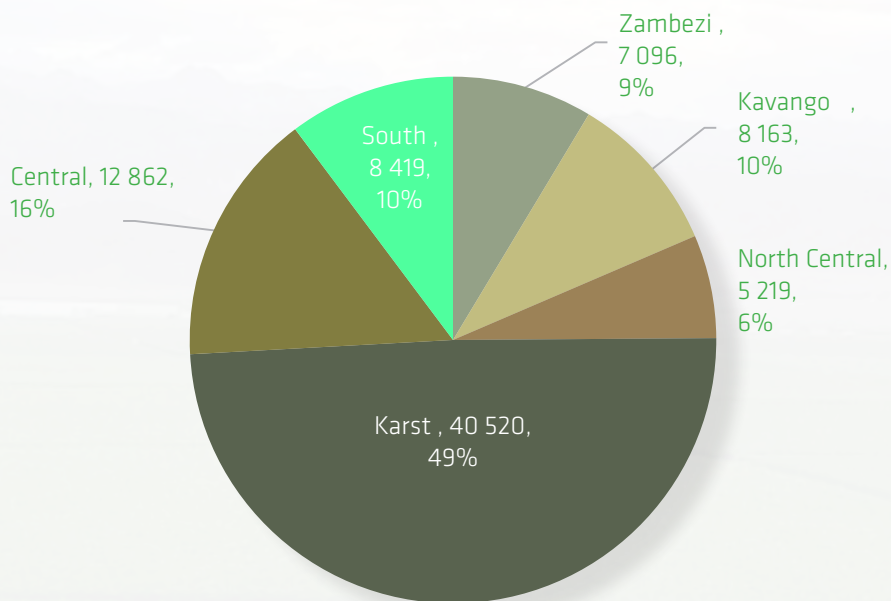


Figure 10: Total grains production marketed per zone- 2020/2021

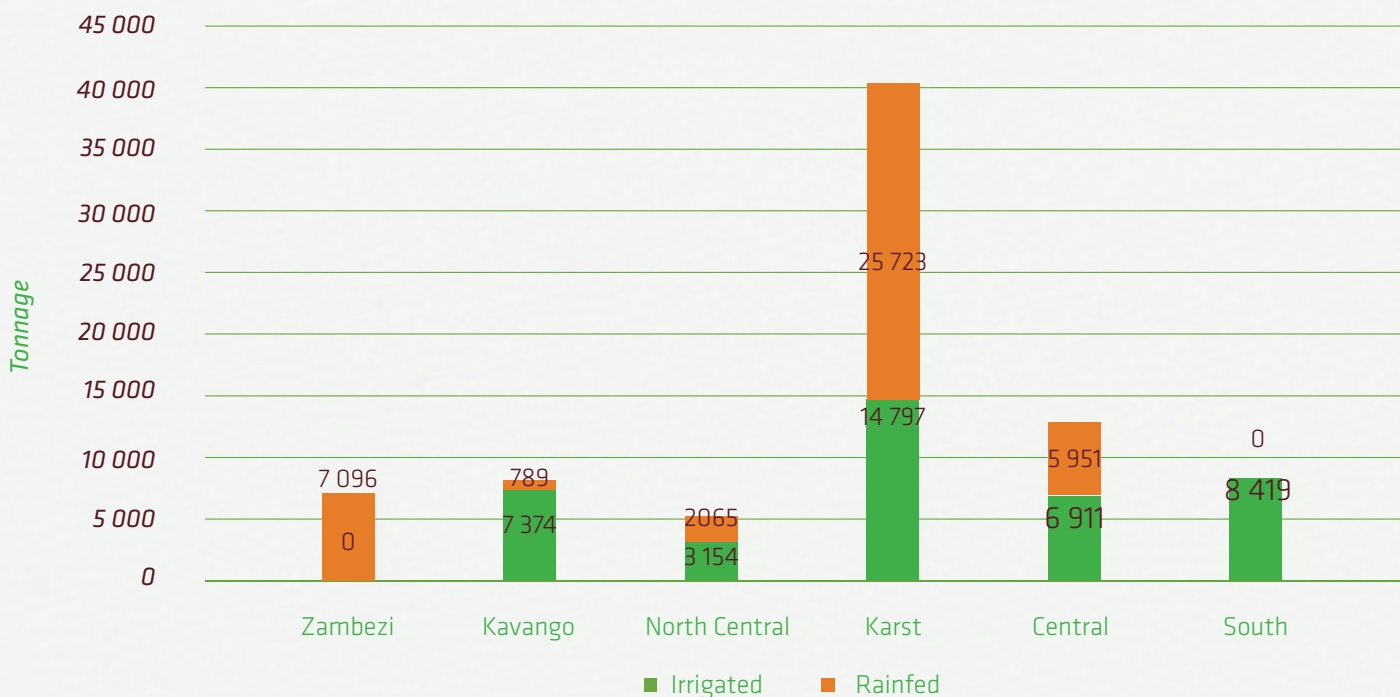


Figure 11: Total grains production marketed-versus rainfed - 2020/2021

7.3.1.4. Average grain yield per hectare per agronomic zone

Figure 12 shows that the highest average yield (ton/ha) for white maize produced under irrigation and rainfed conditions was achieved in the Karst agronomic zone, which was 12 tons/ha and 4 tons/ha respectively. In terms of wheat, the highest yield was obtained in the South (7 tons/ha). The low yields from other agronomic zones are mainly attributed to factors such as climate, soil type, crop management experience, and some other technical inefficiencies.

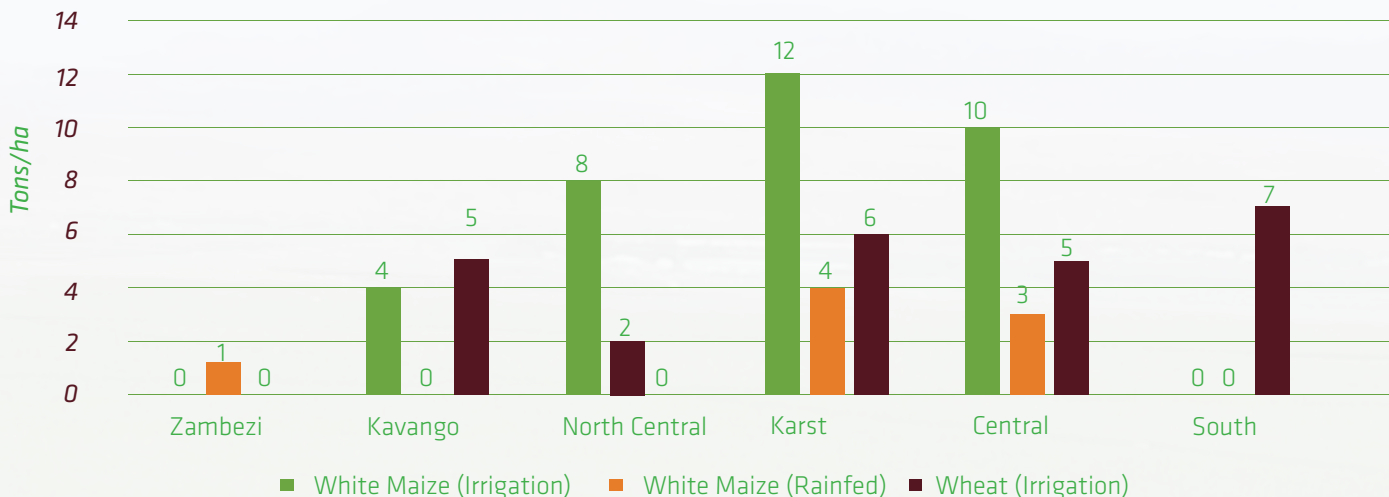


Figure 12: White maize and wheat average yield per ha per agronomic zone - 2020/21

7.3.1.5. Average domestic grains floor prices.

According to figure 13, during the reporting period, the domestic floor price for wheat was the highest (N\$5 456 per ton), followed by white maize (N\$5 009 per ton), and pearl millet grain was the cheapest (N\$4,988 per ton). The pearl millet grain domestic floor price is determined based on production costs, 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.

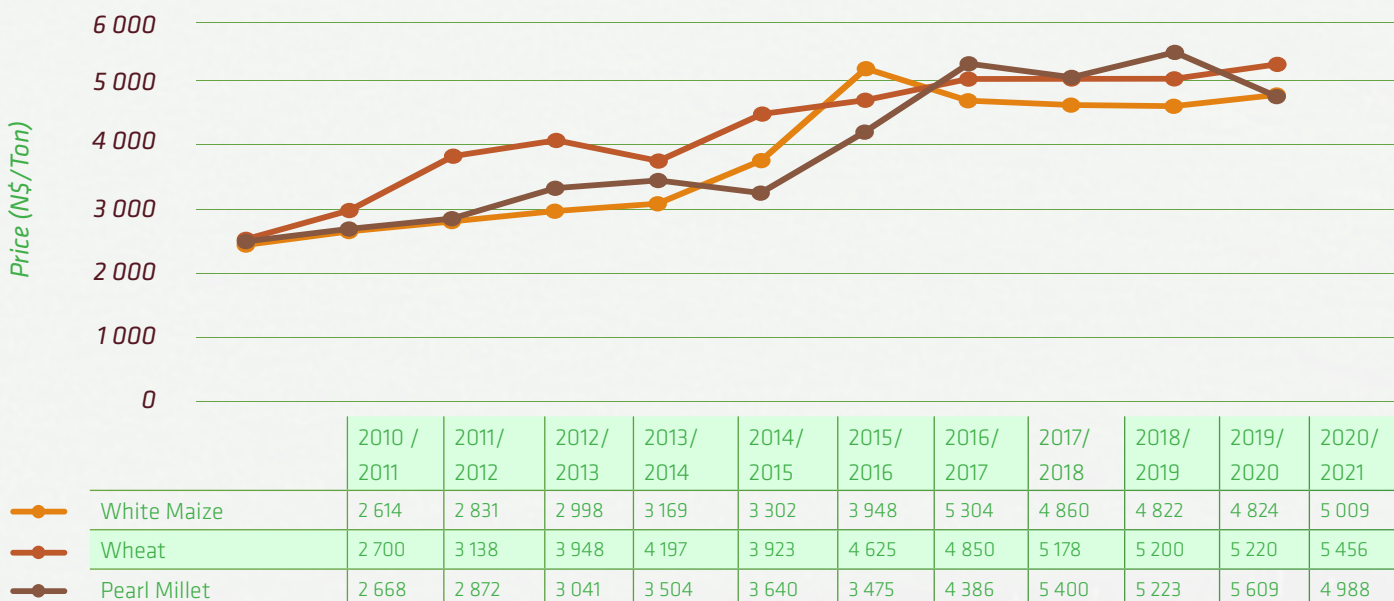


Figure 13: Grain (white maize, wheat, and pearl millet) domestic floor price

7.3.1.6. Implementation of import restrictions

During the reporting period, due to sufficient local production of white maize and pearl millet, import restrictions were implemented on a 100% basis from 01 June 2020 for white maize and from 01 July 2020 for pearl millet. The import restriction for white maize and pearl millet came to an end around mid-October 2021 and February 2021 respectively. Due to the insufficient local production of wheat, no close border periods were implemented but the marketing season commenced on 01 October 2020. However, millers were allocated tonnage to be bought from local producers from October 2020 until 31 January 2021.

Table 12: Marketing periods for white maize, pearl millet, and wheat grains (2020/21)

White maize, Wheat and Pearl millet: Implementation of close and open border periods (2020/2021 FY)												
Products	Apr- 20	May- 20	Jun - 20	July -20	Aug - 20	Sept - 20	Oct - 20	Nov - 20	Dec - 20	Jan - 21	Feb - 21	Mar - 21
White Maize												
Pearl Millet												
Wheat												
Legend Key												
Close Border												
Open Border												

7.3.2. Horticulture Industry Performance

7.3.2.1. Namibian Horticulture Market Share Promotion Scheme

The Namibian Horticulture Market Share Promotion (MSP) Scheme was introduced to stimulate horticulture production in Namibia and to promote the local sales of locally produced fresh fruits and vegetables by encouraging importers such as wholesalers, catering companies, and retailers to source locally.

Since 1 October 2004 and subsequent quarters, all importers of fresh produce are required to procure in Namibia such products equal to at least the minimum percentage factor in monetary value as may be determined by the NAB from time to time (currently at 47% from merely 5% in 2004).

7.3.2.2. Quarterly horticulture MSP performance

Figure 14 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 remained at 47%. Moreover, during the reporting period, the highest primary MSP achieved was 42% (N\$106 million local purchases) during quarter 3 of 2020/21, and the lowest was 33% (N\$77 million local purchases) in quarter 1 of 2020/21.

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 37.2% (N\$ 319 million).

The primary MSP is calculated based on the proportion of the value of the fresh fruits and vegetables purchased directly from producers by retailers out of the total monetary turnover for the quarter.

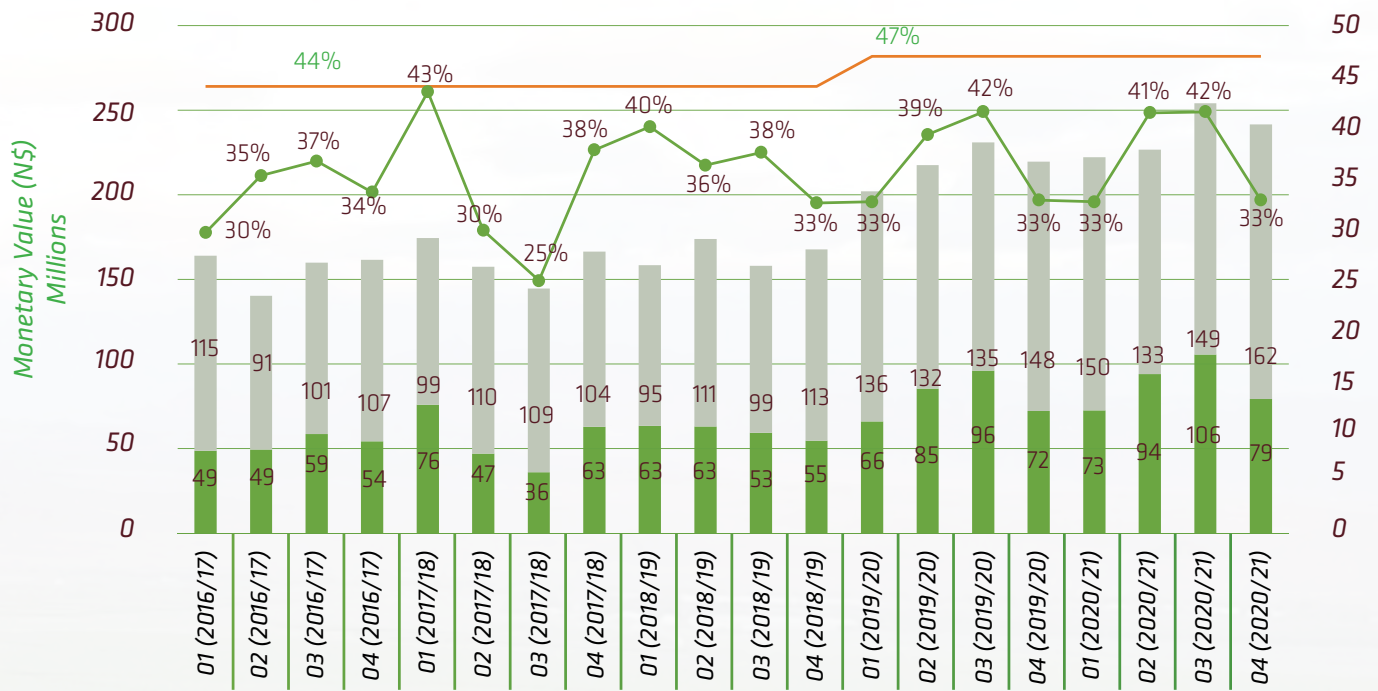


Figure 14: Quarterly horticulture MSP performance



7.3.2.3. Monthly horticulture MSP performance

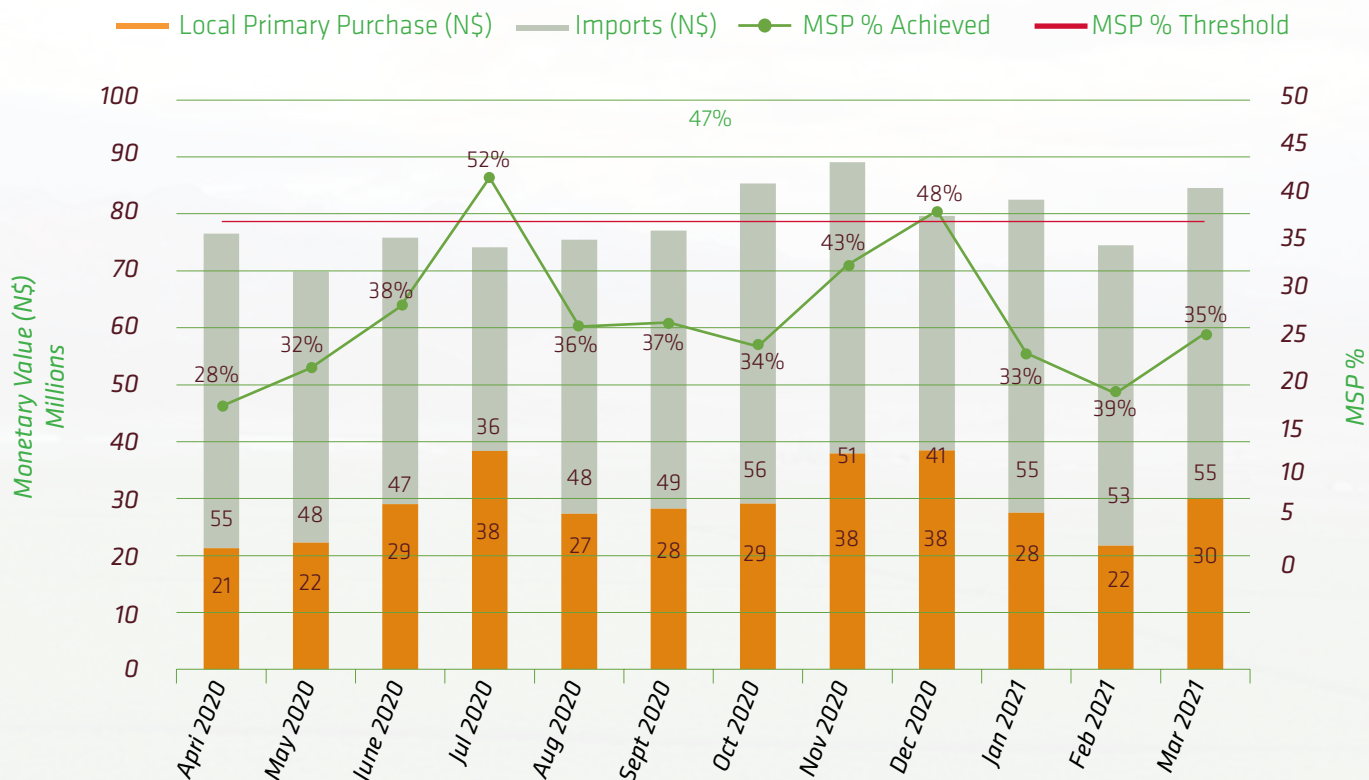


Figure 15: Monthly MSP achieved

According to figure 15, the highest actual primary MSP percentage achieved was in July 2020 (52%), equivalent to N\$38 million, and the lowest was 28% (N\$21 million) in April 2020. 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, which are currently produced in Namibia and are on the list of horticultural products that are high in demand in Namibia.

7.3.3. Horticulture Trade Performance

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 the imported, exported and locally purchased fruits and vegetables are captured on the Agricultural Marketing Information Database (AMID) for statistical purposes, based on the supplier's invoices submitted together with the monthly returns.

7.3.3.1. Horticulture trade performance in tonnage and monetary value

According to figure 16, during the reporting period, a total of 68 536 tons of fresh fruits and vegetables were imported, 42 463 tons were locally purchased by registered traders, and 49 872 tons of local production were exported, and this excludes primary processed products. This data clearly shows that local purchases, imports, and exports of fresh fruits and vegetables increased slightly.

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 increase in export tonnage is mainly attributed to a rise in the volume of grapes exported and some other vegetable lines

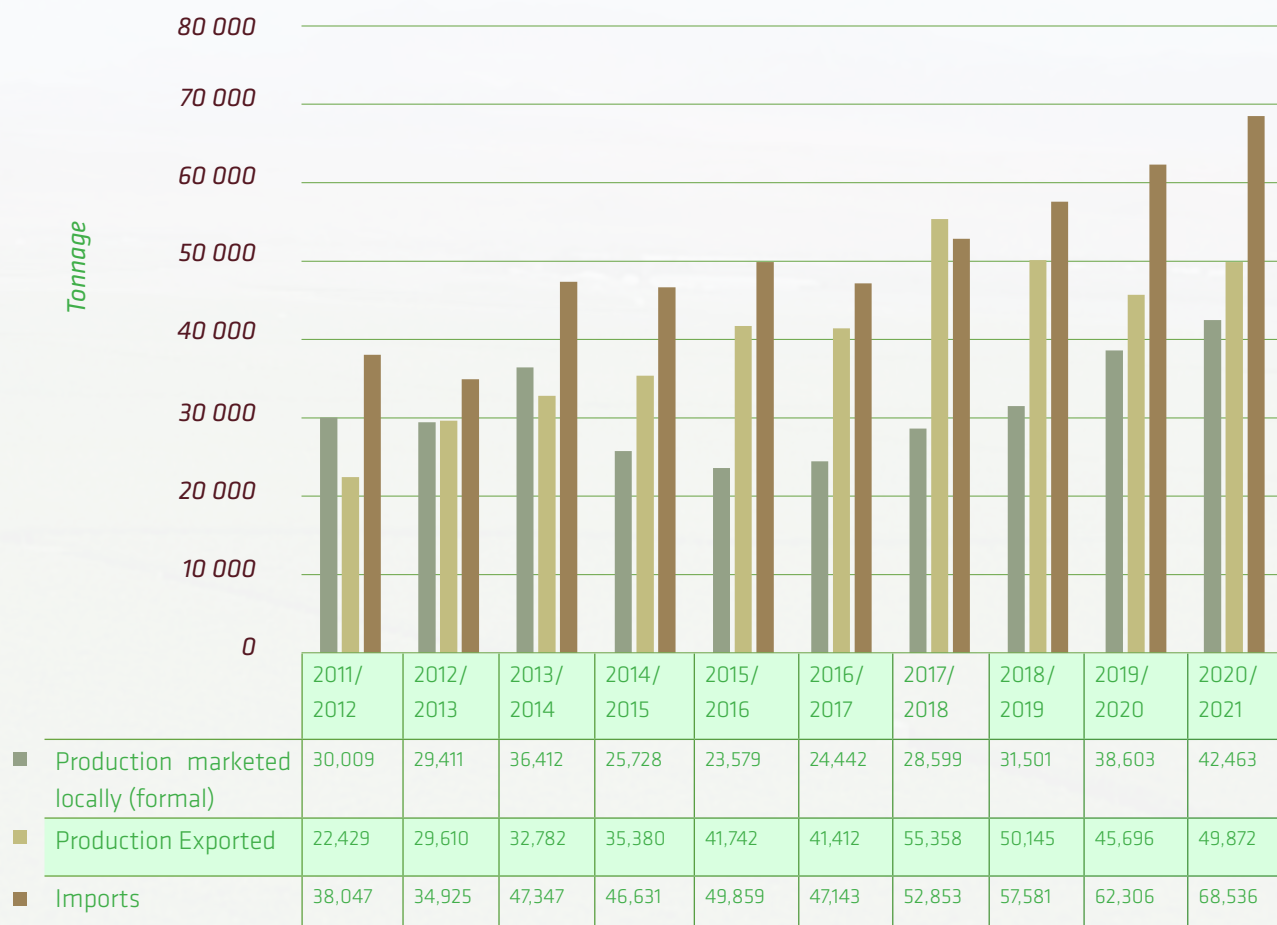


Figure 16: Horticulture trade performance in tonnage 2011/12 - 2020/21

In monetary value, figure 17 shows that local purchases, imports, and exports increased during the reporting period. Local purchases increased from N\$319 million in 2019/20 to N\$351 million, whereas imports increased from N\$550 million in 2019/20 to N\$605 million, while exports increased from N\$999 million in 2019/2020 to N\$1 billion. 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 and an increase in volumes exported, particularly for grapes and dates

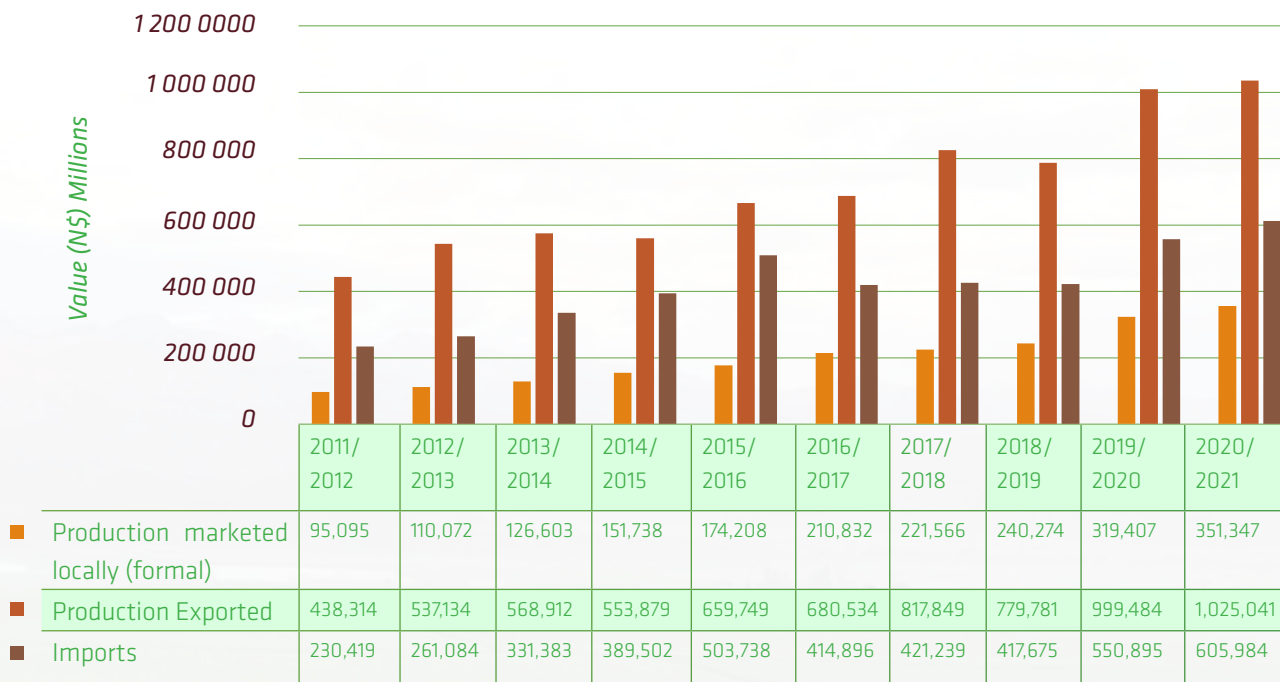


Figure 16: Horticulture trade performance in monetary value 2011/12 - 2020/21

7.3.3.2. Top ten imported and local purchases of fresh vegetables

According to table 13, 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 35 767 tons or N\$227 million of the total imports, while the top ten locally purchased vegetables constituted 36 400 tons (N\$268 million) of the total local purchases recorded during the reporting period.

Table 13: Top ten fresh produce locally purchased and imported during the 2020/2021 financial year

Top 10 Vegetables Imports 2020/2021				Top 10 Vegetables Purchased Locally 2020/2021			
Product	Tonnage	Value (N\$)	Share based on tonnage %	Product	Tonnage	Value (N\$)	Share based on tonnage %
Potatoes	25,626	138,401,184	72%	Potatoes	16,035	95,685,192	44%
Onions	4,826	27,786,500	13%	Carrots	4,442	31,232,105	12%
Tomatoes	1,499	19,234,591	4%	Onions	3,932	24,696,327	11%
Lettuce	981	15,036,050	3%	Tomatoes	3,156	34,175,131	9%
Sweet Potato	840	7,676,977	2%	Cabbage	2,599	20,663,575	7%
Carrots	534	3,615,028	1.49%	English Cucumber	2,001	30,376,934	5%
Sweet Melon	486	2,794,028	1%	Butternuts	1,574	9,121,699	4%
Sweet Pepper	380	8,164,848	1%	Beetroot	960	5,741,665	3%
Gem Squash	322	2,548,725	1%	Sweet Pepper	863	11,070,017	2%
Watermelon	273	2,506,925	1%	Pumpkins	839	5,951,433	2%
Total	35,767	227,764,858	100%	Total	36,400	268,714,079	100%

7.3.3.3. Fruit trade performance

According to figures 18 and 19, during the reporting period, a total of 29 115 tons (97%) or N\$317 million of fruits were imported, 1 004 tons (3%) or N\$12 million were locally sourced and 41 030 tons or N\$960 million were exported. There was a slight increase in the volumes of imported, locally produced, and exported fruits during the reporting period.

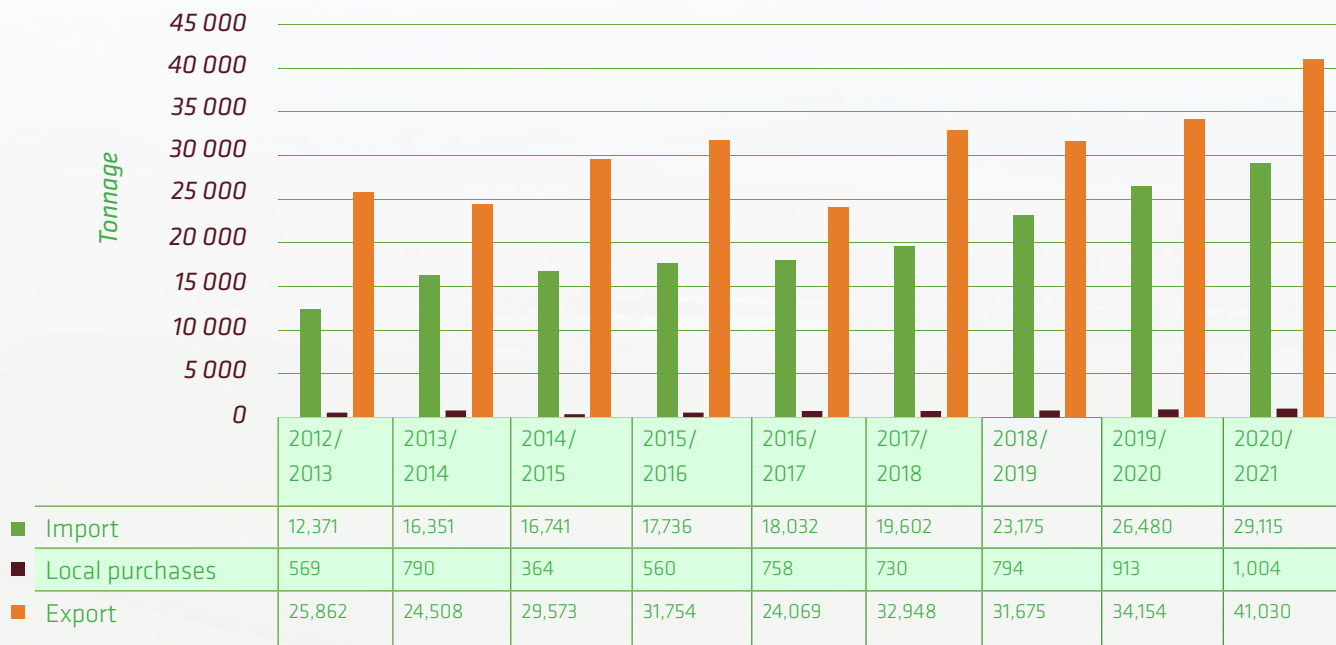


Figure 18: The total tonnage of fresh fruits imported, exported, and locally sourced

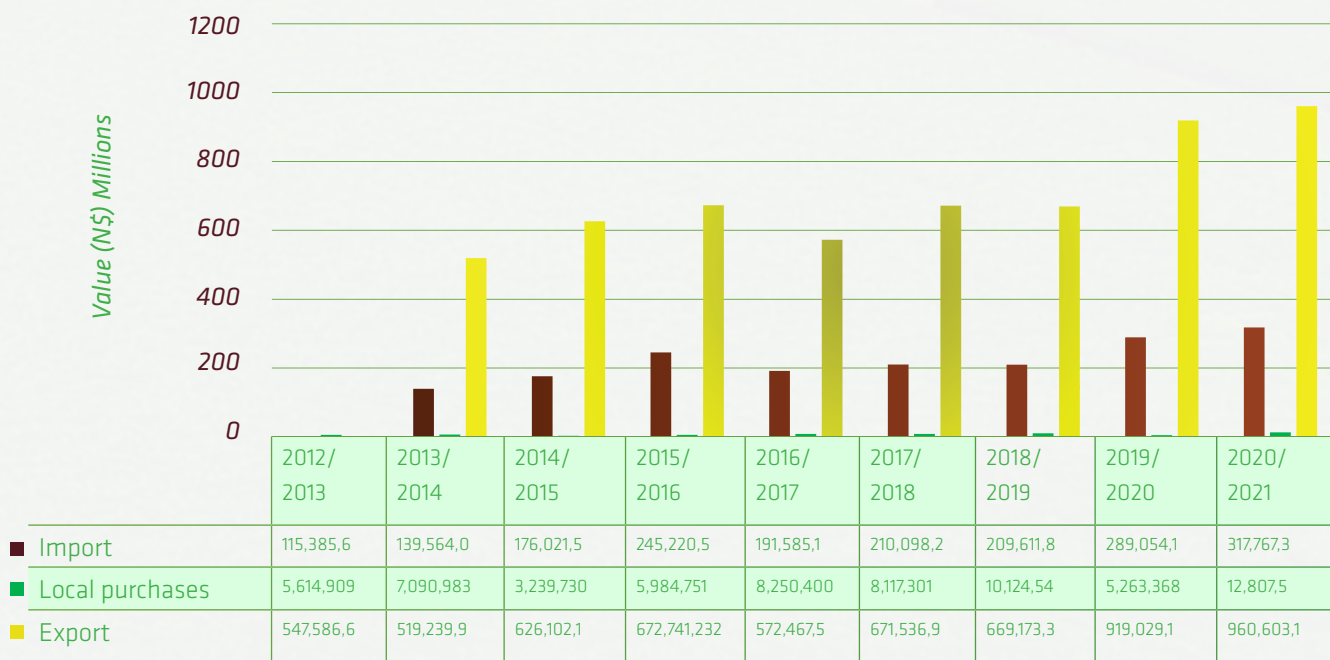


Figure 19: The total value of fresh fruits imported, exported, and locally sourced

According to table 14, 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 35 767 tons or N\$227 million of the total imports, while the top ten locally purchased vegetables constituted 36 400 tons (N\$268 million) of the total local purchases recorded during the reporting period.

Table 14: The tonnage of fresh fruits imported and locally sourced during 2020/21

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	11,181	105,370,054	41%	Grapes	526	6,858,347	52%
Oranges	5,466	31,925,619	20%	Oranges	358	3,005,183	36%
Bananas	4,390	46,322,563	16%	Lemons	47	494,299	4.7%
Pears	1,713	15,095,451	6%	Paw Paw	17	163,191	1.7%
Lemons	986	11,516,597	4%	Nartjies	17	169,724	1.7%
Grapes	978	24,458,745	4%	Dates	16	188,988	1.6%
Avocado	699	25,376,154	3%	Mango	12	230,346	1.2%
Plums	641	6,096,261	2%	Strawberries	10	528,508	1.010%
Mango	624	9,368,217	2%	Guava	1	3,870	0.066%
Pineapples	548	7,492,615	2%	Kumquat	0.04	450	0.004%
Total	27,227	283,022,275	100%	Total	1,004.083	11,642,905	100%

7.3.3.4. Horticulture exports

According to Table 15, the highest export volume and monetary value were recorded for grapes, 39,233 tons and N\$857 million respectively. Furthermore, it is also clear that in terms of the proportion of export value, grapes represent 79% of the total monetary export value, followed by onion (8%) and the rest of the other products were less than 5%. The most common destination for all the exported products is South Africa, in terms of volumes, it's the European Union and the United Kingdom.

Table 15: Horticulture exports in tonnage and value

Horticulture: Export Tonnage And Value For The Period 2020-2021 Financial Year				
Product	Major Export Destination	Tonnage	Value (N\$)	% Export Tonnage
Green Beans	South Africa	7	42,000.00	0.01%
Blueberries	EU, UK, South Africa	60	9,560,616.00	0.12%
Brinjals	South Africa	12	71,000.00	0.02%
Butternuts	South Africa	739	4,501,500.00	1%
Chillies	South Africa	4	11,120.00	0.01%
Dates	EU, UK, South Africa, United Arab Emirates	1 595	92,693,000.00	3
English Cucumber	South Africa	93	291,060.00	0.19%
Gem Squash	South Africa	60	342,000.00	0.12%
Grapes	EU, UK, South Africa	39 233	857,591,821.60	79%
Mango	South Africa	143	757,740.00	0.29%
Onions	South Africa, Angola	4001	24,410,572.00	8%
Pepper	South Africa	266	3,808,200.00	1%

Potatoes	Angola	184	1,073,600.00	0.37%
Pumpkin	South Africa	14	190,000.00	0.03%
Sweet Melons	South Africa,	699	6,408,810.00	1
Tomatoes	South Africa	2103	19,799,123.00	4%
Watermelons	South Africa	659	3,489,050.00	1.32%
		49 872	1,025,041,212.60	100%

7.3.4. Horticulture Special Controlled Product Scheme

7.3.4.1. Introduction to the special controlled product scheme

There are currently sixteen (16) special controlled crops: Potato, onion, cabbage, butternut, tomato, carrot, green pepper, English cucumber, sweet potato, beetroot, gem squash, watermelon, sweet melon, pumpkin, sweetcorn, and lettuce (Iceberg). Sweetcorn and lettuce were only added as special controlled products as of 1 February 2021.

Furthermore, it is also important to note that all the crops that are controlled through the special controlled product scheme are subjected to import restrictions during times of sufficient local supply, based on the outcomes of the production forecast that is updated monthly and communicated to all the registered traders and producers via the NAB website.

7.3.4.2. Special controlled products performance

Table 14 shows that during the reporting period, over 80% of cabbages, carrots, beetroots, sweet corn, and butternuts that were consumed in Namibia were locally purchased from farmers, and ten of the specially controlled products were locally purchased, with a local share above 50%. Potatoes had the lowest domestic market share (41%) and this implies that a total of 59% was imported to satisfy the domestic demand.



Table 14: Tonnage of locally purchased and imported special controlled products

Horticulture Special Controlled Products Performance (Tonnage) For The Period 2016 To 2021											
Product	2016/2017		2017/2018		2018/2019		2019/2020		2020/2021		Local Share% (Based on tonnage 2020/2021)
	Import	Local	Import	Local	Import	Local	Import	Local	Import	Local	
1.Beetroot	154	309	143	363	202	585	235	873	259	960	83%
2.Butternut	314	691	136	1,364	168	1,244	246	1,431	270	1,574	90%
3.Cabbage	140	1,609	38	1,747	32	1,737	34	2,363	38	2,599	99%
4.Carrot	1,294	1,542	562	2,505	896	3,121	485	4,039	534	4,442	83%
5.English Cucumber	524	604	402	772	893	1,582	205	1,819	226	2,001	69%
6.Gem Squash	291	70	192	90	278	107	293	123	322	135	33%
7.Green Pepper	839	646	449	821	525	787	345	785	380	863	62%
8.Lettuce Iceberg	802	1,185	1,293	884	615	656	892	755	981	831	57%
9.Onions	2,644	2,960	1,898	3,184	2,450	4,254	4,387	3,574	4,826	3,932	62%
10.Potato	17,048	5,544	23,655	7,842	23,427	10,328	23,297	14,577	25,626	16,035	41%
11.Pumpkin	122	496	132	656	106	662	111	762	122	839	89%
12.Sweet Potato	535	322	357	650	450	424	763	487	840	536	54%
13.Sweet Melon	117	258	357	182	120	196	441	226	486	249	67%
14.Sweet corn	51	461	82	249	38	308	148	354	162	390	91%
15.Tomato	1,474	2,718	1,356	2,914	1,831	2,408	1,363	2,869	1,499	3,156	63%
16.Watermelon	105	574	275	311	161	477	248	549	273	604	79%
TOTAL	26,455	19,989	31,327	24,534	32,193	28,875	33,494	35,585	36,844	39,145	55%

7.3.4.3. Implementation of the special controlled product scheme

There are currently Sixteen (16) special controlled crops: Potato, onion, cabbage, butternut, tomato, carrot, green pepper, English cucumber, sweet potato, beetroot, gem squash, watermelon, sweet melon, pumpkin, sweetcorn, and lettuce (Iceberg). Sweetcorn and lettuce were only added as special controlled products as of 1 February 2021.

Furthermore, it is also important to note that all the crops that are controlled through the special controlled product scheme are subjected to import restrictions during times of sufficient local supply, based on the outcome of the production forecast that is updated monthly and communicated to all the registered traders and producers via the NAB website.

Table 16 shows the close and open border period implemented for the importation of the sixteen (16) special controlled crops during the reporting period. Import restrictions were implemented either on a 100% or pro-rata basis.

Vegetables for which the close border periods were implemented on more than 50% of the reporting period include beetroots, butternuts, cabbages, carrots, English cucumbers, pumpkins, onions, tomatoes (round), tomatoes (jam), and gem squash, and this indicates that local production of these products was sufficient, though production was not consistent throughout the period.

Products that were not sufficient over the reporting period include potatoes, green peppers, watermelons, sweet melons, sweet potatoes, sweet corn, and lettuce, and this suggests that the production of these crops is still very low in the country, even though seasonality plays a role for summer crops such as watermelons and sweet melons.

Table 17: Close and open border periods implemented for different special controlled products

Special Controlled Products: Open And Close Border For The Period April 2020 To March 2021												
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
1. Beetroot	Pro rata	Pro rata		Pro rata	Pro rata	Pro rata						
2. Butternuts					Pro rata			Pro rata				
3. Cabbage	Pro rata	Pro rata	Pro rata								Pro rata	Pro rata
4. Carrots	Pro rata	Pro rata	Pro rata	Pro rata	Pro rata							Pro rata
5. English Cucumber		Pro rata	Pro rata	Pro rata	Pro rata			Pro rata				
6. Green Pepper											Pro rata	
7. Onions (white)				Pro rata						Pro rata		
8. Potatoes (Washed)				Pro rata								
9. Sweet Potato					Pro rata	Pro rata	Pro rata	Pro rata	Pro rata	Pro rata	Pro rata	Pro rata
10. Tomatoes Round	Pro rata							Pro rata	Pro rata	Pro rata	Pro rata	
11. Tomatoes Jam	Pro rata					Pro rata	Pro rata	Pro rata	Pro rata	Pro rata	Pro rata	
12. Watermelon										Pro rata	Pro rata	Pro rata
13. Sweet Melon										Pro rata	Pro rata	Pro rata
14. Gem Squash					Pro rata	Pro rata	Pro rata				Pro rata	Pro rata
15. Pumpkin					Pro rata	Pro rata						
16. Sweet corn												
17. Lettuce Iceberg												Pro rata
<i>Legend Entry</i>												
Not Applicable												
Open Border												
Pro Rata	Pro rata											
Close Border												

During the reporting period, the NAB monitored the production of these crops, and production forecast reports were compiled monthly and used as the basis for implementing close and open border periods. The production forecast monitoring also included non-special controlled products such as broccoli, cauliflower, spinach, and mushrooms.

7.4.3.4. Horticulture price monitoring

As of June 2020, the NAB commenced with the monitoring of farm gate, retail, and import parity prices for all the special controlled products weekly.

The aim was to guide producers when pricing their products, and also for traders to know the prevailing farm gate prices for the previous week, as part of NAB's objective of providing comprehensive and efficient information services.

The outcome of the price monitoring indicated that the farm gate price was most of the time higher than the import parity price, suggesting that locally produced horticultural products are more expensive. The retail price was fluctuating weekly due to changes in farm gate prices as a result of supply and demand variations.

7.5. Operational Excellence

7.5.1. Strengthened stakeholder relations (Stakeholder engagement)

During the reporting period, face-to-face stakeholder engagements were conducted through the National Agronomy Advisory Committee (NAAC) and National Horticulture Advisory Committee (NHAC) meetings which were organised and held in June and October 2020 and February 2021. The advisory committees are tasked with the responsibility of advising the NAB board on policy matters, while at the same time, the secretariat gives feedback on the implementation of the activities. In terms of forum meetings, Regional Agronomic Forum meetings for grain producers were also conducted in Zambezi, Kavango West and East, Oshana, Omusati, Ohangwena, Oshikoto, and Otjozondjupa regions.

Furthermore, the division also attended the Agronomic Producer Association meetings as well as the Namibian Grain Processors Association meetings. In October 2020, the division shared information relating to export permits and fees at the table grapes industry meeting that was held at Aussenkehr.

7.5.2. NAB School Garden Project

As part of NAB's corporate social responsibility and indeed in line with its mandate, the NAB decided to support school garden initiatives for at least one school in all fourteen regions. The NAB thus availed an amount of N\$1.1 million to be utilised to support the establishment of one (1) school garden (greenhouse) in each of the fourteen (14) regions of Namibia

The ultimate objective of the school garden support project is to promote agriculture (crop production) at the school level through practical teaching and learning as well as contributing to the school feeding programme. The construction of all 14 greenhouse gardens is currently underway and this project is expected to be completed around June 2021.





The NAB constructed greenhouses with a complete irrigation system, water tank, and tank stand at each of the 14 selected schools, and below is a list of the schools that benefited in different regions:

Table 18: List of schools that benefited from the NAB school garden funding project

SELECTED SCHOOLS	REGION
1. St. Therese Secondary School	Karas
2. Oringo Primary School	Hardap
3. G.K. Wahl Combined School	Otjozondjupa
4. Gobabis Primary School	Omaheke
5. Coastal High School	Erongo
6. Aus Primary School	Khomas
7. Onawa Secondary School	Omusati
8. Okaguati Combined School	Kunene
9. Ondeikela Combined School	Ohangwena
10. Ihenda Secondary School	Oshana
11. Oshinamumwe Combined School	Oshikoto
12. Divundu Combined School	Kavango East
13. Nkurenkuru Combined School	Kavango West
14. Schuckmansburg Combined School	Zambezi

7.7. Conclusion

Even though it was a very tough year characterised by the lack of manpower during quarter one of the implementation period, and the outbreak of COVID-19, the NAB managed to perform most of its planned activities, with an overall performance of 89%.

On the other hand, both agronomic and horticulture industries have managed to pull through the COVID-19 pandemic, and it can be argued that the production and demand for agronomic and horticultural products didn't slow down significantly.

It was also observed that the prices for some horticultural products, particularly citrus, ginger, and garlic were quite high due to an increase in demand, while for grains, import parity prices of raw materials were higher than normal due to an increase in international commodity prices as triggered by the COVID-19 pandemic.







08

**NAB
ADMINISTRATION**

8.1. Improved ICT infrastructure and usage

During the year under review, the ICT subdivision embarked upon numerous initiatives to enable the achievement of enterprise goals, facilitate corporate service excellence and address prevailing challenges. The development of ICT architecture and ICT service provision to the organisation continued unabated. All NAB staff were equipped with the necessary computer equipment to enable them to carry out their daily duties efficiently and effectively. In addition, internet services and a VPN system were commissioned at all offices and across the NAB landscape, which brought about the ability for the NAB staff to work from home during the pinnacle of the COVID-19 pandemic. |

8.1.1. NAB AMID System

The AMID system and online permit applications were successfully deployed to bring about efficiency with regard to the permit application, permit issuance and border inspectorate and control services.

8.2.2. Launch of the new online permit application

To further ensure fast services regarding the issuance of permits, the NAB reintroduced the online permit application on 1 September 2020. The system will allow import, export, and transit clients to apply for permits online and receive such permits electronically, thus reducing the turnaround time for the issuance of permits from 78 hours to now 24 hours. There are currently 350 clients registered for the online permit application. The online permit application also allows clients to track their applications from application to issuance.

8.2.3. SMS system

The bulk SMS system was introduced during the reporting period to ensure effective communication with clients who have no access to internet connectivity and email services. The bulk SMS system was used to send reminders about meetings to the NAAC and NHAC board members, and notices regarding close border periods to producers, traders, and processors.

8.2. Procurement

The Public Procurement Act No 15 of 2015 and its Regulations which came into effect on 1 April 2017 are aimed at governing the procurement of goods, works and services, the letting or hiring of anything or the acquisition or granting of rights for or on behalf of, and the disposal of assets of public entities. The NAB has, therefore, aligned its procurement practices to the Public Procurement Act No 15 of 2015 and Regulations.



8.3. Auditors' Report

Report of the Auditor-General on the accounts of the Namibian Agronomic Board for the year ended 31 March 2021.



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 2021 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

1. Adverse Audit Opinion

I have audited the financial statements of the Namibian Agronomic Board for the financial year ended 31 March 2021. These financial statements comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, 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 paragraph, the financial statements do not present fairly, in all material respects, the financial position of the Namibian Agronomic Board as at 31 March 2021, and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SMEs).

2. Basis For Adverse 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 the audit 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 the 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 the audit opinion.

The adverse audit opinion is expressed due to the following:

2.1 Collection of Levies And Fees By Nab And Unlawful Termination Of Contract

The Board terminated the service of its agent, the Agro-Marketing and Trade Agency (AMTA), at year end 31 March 2020 without the Minister's approval, which is in contravention with Section 10(1)(g) of the Agronomic Industry Act No. 20 of 1992, that states "subject to conditions approved by the Minister, to appoint persons as agents of the Board to assist it in the performance of its functions and, subject to a right of appeal to the Minister, to refuse the application of any person to be appointed as agent or to terminate the appointment of any person as agent".

Furthermore, Namibian Agronomic Board (NAB) did not comply with the Memorandum of Agreement article 8 paragraph 5.2, which requires an arbitrator be appointed under the approval of the Minister. The audit further found that the Board collected all levies and fees during the months of February 2020 and March 2020, and for the rest of the 2020-2021 financial period, this was a function that was the responsibility of its agent AMTA.

This finding relates to the previous financial years audit and it remains unresolved, hence its inclusion in the current financial years audit report.

2.2. Unacceptable Accounting Framework

The Board prepared its financial statements in accordance with the International Financial Reporting Standards (IFRS) for Small and medium-sized enterprises (SMEs), the audit found and deemed the framework unacceptable.

The absence of an accepted Financial Reporting Framework may result in financial information not being recognized, measured and disclosed as per recognized standards and financial statements not presenting a fair picture of the entity's financial performance and position.

It is recommended that the Board adopts and complies with a framework that is applicable to Public Interest Entities and Public Accountable Entities as per the Institute of Chartered Accountants of Namibia Circular: 2021 / 04 Namibian interpretation of public interest entities.

2.3. Measurement of Land And Buildings

The audit found that the Board did not measure Land and Buildings, with a balance of N\$ 4 623 000, as per the measurement criteria after initial recognition, as stated in the Board's Accounting Policies and as stated in paragraph 17.15A and paragraph 17.15B of Section 17 Property, Plant and Equipment of the IFRS for SMEs.

The audit further found that the Board did not separately disclose Land and Buildings as required by paragraph 17.8 of Section 17 IFRS for SMEs, which states "Land and buildings are separable assets and an entity shall account for them separately, even when they are acquired together."

It is recommended that the Board recognise and measure their Property, Plant and Equipment as per the recognition and measurement criteria of the standards and the Accounting Policies of the Board. It is further recommended that the Board should separately disclose the cost of land and buildings.

2.4. Presentation And Classification of Shares: Agricultural board's Building

The NAB presented and disclosed in the Statement of Financial Positions shares with a balance of N\$ 4 621 290. However, this disclosure does not meet the requirements of Section 4 of IFRS for SMEs. This could result in the account being wrongly presented in the financial statements, and may be misleading to the users of the Financial Statements.

It is recommended that the Board should correctly present and classify its accounts, and that transactions with its related parties are similar to those presented by the related parties.

2.5. Revenue-Disclosure of Levies And Fees Collected

The levies and fees of the NAB were previously collected by the agent AMTA, and were distributed between NAB, AMTA and the Agricultural Business Development Agency (AGRIBUSDEV) based on a percentage stipulated in a directive issued by the Ministry of Agriculture, Water and Land Reform. The collected levies were used to finance the subsequent year's expenditure as stated in the directive by the Ministry. As at 31 March 2020, the services of the agent was suspended, and NAB collected levies and fees for the 2020/2021 financial year.

As a result, during the 2020/2021 financial year no directive was issued, the Ministry only issued a budget approval letter to NAB approving the 2020/2021 budget.

The auditors observed that the Board did not disclose in its Statement of Comprehensive Income for the year ended 31 March 2021, all the levies and fees collected during the year. The Board however, disclosed Levy income amounting to N\$ 67 723 797, which relates to levies collected in the prior year. A summary of levies and fees disclosed in Note 8 of the financial statements shows that the total levies and fees collected during the financial year amounting to N\$ 107 710 763.

The Revenue from Levy income in the Financial Statements was understated by N\$ 39 986 966. It is recommended that the Board disclose revenue as per the recognition and measurement criteria of its reporting framework IFRS for SME's.

2.6. Presentation of The Statement of Changes In Equity

The audit found that the Board does not distinguish between Funds and Retained Earnings, and that the Board did not show in its Statement of Changes of Equity and Statement of financial position the retained earnings or accumulated surpluses or deficits.

- The statement of changes in equity is a reconciliation of the beginning and ending balances in a company's equity during a reporting period.
- Retained earnings are the profits that a company has earned to date, less any dividends or other distributions paid to investors. This amount is adjusted whenever there is an entry to the accounting records that impacts a revenue or expense account.
- The Funds of the NAB are described by the Agronomic Industry Act, 1992 (Act No. 20 of 1992) and any Government Notices and Directives.

The audit further found that the Interest Received in the NAB Reserve account was not recognized as revenue as per the Definition, Recognition and Measurement criteria of Revenue as stated above. Funds and Reserves were not correctly presented and disclosed in the Financial Statements.

It is therefore recommended that the Board separately present and disclose Retained Earnings, Reserves and Funds. It is further recommended that the Board first recognise any revenue and expenses before transferring it to Funds as required by, the Agronomic Industry Act, 1992 (Act No. 20 of 1992) and any Government Notices and Directives.

2.7. Differences in salary Reconciliation

The audit found a difference of N\$ 3 938 466 between the payroll summaries amounting to N\$ 37 001 606 and the general ledger amounting to N\$ 33 063 139 for employee cost.

When payroll summaries do not agree to the general ledger and it may cast serious doubt as to whether the employee cost balance disclosed in the financial statements is free from material errors and misstatements. The Board is recommended to do appropriate checks and regular reconciliations to avoid differences between the payroll summaries and general ledger or financial statements.

2.8. Non-Submission of Supporting Documentation Senior Managers remuneration of Board exceeding Gazetted Remuneration Bands of Senior Managers

The audit observed that the Board employed three (3) General Managers (GM) Grade E1 Patterson grading system. The total cost to company is observed to be an average of N\$ 900 000 per annum for each of the other two General Managers and N\$ 1 400 000 for the other General Manager: Finance, Information Communication Technology (ICT), Human Resources (HR) & Administration (Admin).

The Namibian Agronomic Board is classified as tier 1 in the Government Gazette of 31 May 2013 No. 5213, (Amendment of Government Notice No. 174 of 2010). Tier 1 is set at N\$ 722 423 at the 90th Percentile as per the Amendment of Government Notice No. 174 Of 2010.

The remuneration and other service benefits of the Chief Executive Officer and other management staff of a public enterprise must be determined by the Board of the Public Enterprise with the concurrence of the relevant Minister, with due regard to any directives laid down by the Minister under Section 4(1) (e) of the Public Enterprises Governance Act, 2006 (Act No. 2 of 2006).

- A) Resolution from the CEO/HR to the Board for approval;
- B) Concurrence of the minister; and
- C) The Board's evaluation of the remuneration of the GM: Finance, ICT, HR and Admin.

It is recommended that the Board comply with Governmental Directives with regard to remuneration levels for Chief Executive Officers and Senior Managers of State-Owned Enterprises as well as with the Board approved salary scales.

3. Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the audit 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 the 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. I have nothing to report in this regard.

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 No. 20 of 1992 and the State Finance Act, Act No. 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 for 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 the audit 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, I also:

Identify and assess the risks of material misstatements 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 the audit 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 controls 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 controls;

- ◇ 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 the audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the audit opinion. My conclusions are based on the audit evidence obtained up to the date of the audit 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;
- ◇ 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 the audit;
- ◇ 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 the audit 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 the audit 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 financial statements for the financial year ended 31 March 2021 were submitted, by the Accounting Officer to the Auditor-General, on the 07 July 2021.

7.1. Non-compliance with public enterprises governance act, 2006:

Amendment of government notice no. 174 of 2010: Directives in relation to remuneration levels for chief executive officers and senior managers of state-owned enterprises and annual fees and sitting allowances for board members: public enterprises governance act, 2006.

The audit found that the remuneration of the General Manager: Finance, ICT, HR & Admin of the Namibian Agronomic Board was above the remuneration bands set by the Ministry of Public Enterprises as well as the approved salary scales of the Board.

The salary bands of the amended directives for Senior Managers of Tier 1 Public Enterprises for total guaranteed pay (per annum), inclusive of inflation rate and excluding performance and incentive-based pay in Namibian Dollars is set at N\$ 722 422.82 at the 90th Percentile, whereas the 2020/2021 Board approved salary scale of the Board at Patterson E1 at a maximum of N\$ 927 476. However, the remuneration of the General Manager: Finance, ICT, HR & Admin for the current financial year was N\$ 1 407 122.

The Board therefore did not comply with the Directives of the Minister and did not provide the auditors with any concurrence from the Minister of Public Enterprises.

8. Four (4) key performance indicators were sampled from the Boards' strategic plan 2016/21, of which all the four (4) KPI's were fully implemented as per the audit sample.

9. 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

		2021	2020
	NOTE	N\$	N\$
ASSETS			
Non-current assets		7 846 271	6 504 479
Property and equipment	2	7 846 271	6 504 479
Current Assets		258 865 373	197 422 661
Trade and other receivables	3	108 733 044	100 953 308
Cash and cash equivalents	4	150 132 329	96 469 353
TOTAL ASSETS		266 711 644	203 927 140
FUNDS AND LIABILITIES EQUITY			
		47 558 712	35 387 270
Funds and reserves	5	42 937 422	30 765 980
Shares Agricultural Board's Building	6	4 621 290	4 621 290
Current liabilities		219 152 933	168 539 870
Trade and other payables	7	219 152 933	168 539 870
TOTAL EQUITY AND LIABILITIES		266 711 644	203 927 140

ANNEXURE B

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

		2021	2020
	NOTE	N\$	N\$
INCOME			
Interest received		2 948 922	2 096 290
10% of profit - Agricultural Boards' Building		166 237	6 504 479
Levy Income		67 723 797	197 422 661
Export Administration		5 496 240	-
Other Income		1 960	96 469 353
EXPENSES	9	(64 713 405)	(21 506 460)
Total Comprehensive income for the year		11 623 751	10 738 696

ANNEXURE C

NAMIBIAN AGRONOMIC BOARD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH

	General Fund	General Administrative Fund	Commodity Reserve fund	Shares: Agricultural Boards Building	Total equity
	N\$	N\$	N\$	N\$	N\$
Balance at 01 April 2019	18 171 493	1 003 148	13 798	4 621 290	23 809 729
MAWF Directive transfer	838 844	-	-	-	838 844
Interest received to Reserve					
Total comprehensive loss for the year	10 738 696	-	-	-	10 738 696
Balance at 01 April 2020	29 749 033	1 003 148	13 798	4 621 290	35 387 269
MAWF Directive transfer	547 691	-	-	-	547 691
Interest received to Reserves					
Total comprehensive income for the year	11 623 751		-	-	11 623 751
Balance at 31 March 2021	41 920 475	1 003 148	13 798	4 621 290	47 558 711

ANNEXURE D

NAMIBIAN AGRONOMIC BOARD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH

		2021	2020
	NOTE	N\$	N\$
Cash (utilised) / generated from operations		52 404 486	563 483
Interest received		2 948 922	2 096 290
Net cash flow from operational activities		55 353 408	2 659 773
Cash flow from investing activities			
Movement in investments		(2 238 123)	(1 048 907)
Net cash flow from investing activities		(2 238 123)	(1 048 907)
Cash flow from financing activities			
Movement in Reserves		547 691	838 844
Net cash flows from financing activities		547 691	838 844
Net cash outflow for the period		53 662 976	2 449 710
Cash and cash equivalents at the beginning of the period		96 469 353	94 019 643
Cash and cash equivalents at the end of the period	4	150 132 329	96 469 353

1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies are consistent with the previous period, except for the changes set out in note 11.

1.1 Statement of compliance

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

1.2 Basis of preparation

The annual financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are denominated in Namibian Dollar (N\$), unless otherwise stated

1.3 Property and equipment

Property, plant and equipment are tangible assets, which the Board holds for its own use and which are expected to be used for more than one year. An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably.

Depreciation of an asset commences when the asset is available for use as intended by management. 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%)

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial Instruments

Financial assets and financial liabilities are recognised when the Board becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value through profit or loss.

1.5 Financial assets

The Board classifies its financial assets as investments and receivables. The Board does not have financial assets held to maturity, financial assets at fair value through profit or loss and or available for sale financial assets.

Receivables

The Board's receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

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.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

1.6 Financial liabilities and equity instruments

Reserve fund

The Reserve fund contains the accumulated reserves. In terms of Section 14(2) (c) of the Agronomic Industry Act No.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.

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.

1.7 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.

Provisions are recognised when:

- ◇ the Board has a present obligation as a result of a past event;
- ◇ it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- ◇ a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefit required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.8 Revenue

Revenue comprises of levies and fees collected by the agency (AMTA) on behalf of the Board in terms of the Agronomic Industry Act 1992, Act No. 20 of 1992, GRN gazette No. 5523 of 1 August 2014 as amended. The Board terminated the appointment of the agency (AMTA) as at November 2018 and took over the functions as at 1 April 2020.

Revenue is measured at the fair value of the consideration received or receivable.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Board and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

1.9 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.

2. Property, Plant and Equipment

	2021			2020		
	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	(663 923)	552 922	1 216 844	(451 154)	765 691
Furniture	910 393	(261 469)	648 924	415 695	(150 587)	265 108
Equipment	2 614 267	(1 053 416)	1 560 851	1 409 669	(558 988)	850 681
Fabricated Buildings	485 143	(24 569)	460 574	-	-	-
	9 849 647	(2 003 377)	7 846 271	7 665 208	(1 160 730)	6 504 479

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\$
2021					
Land & Building	4 623 000)	-	-	-	4 623 000
Motor vehicles	765 691)	-	-	(212 769)	552 922
Furniture	265 108	494 698	-	(110 882)	648 924
Equipment	850 681	1 222 289	(17 691)	(494 428)	1 560 852-
Fabricated Buildings	-	521 139	(35 996)	(24 569)	460 574
	6 504 480	2 238 126 1	(53 687)	(842 648)	7 846 272
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)	6 504 478

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

	2021	2020
	N\$	N\$
3. Trade and Other Receivables	108 733 043	100 953 308
Trade Receivables	16 796 424	9 228 509
Sundries (Staff loans)	48 019	4 749 1
Prepaid Expenses	168 550	-
AMTA (Levies and fees Collected) (See Note 11)		
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	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)	(29 085 055)
	91 720 050	91 720 050
4. Cash and Cash Equivalents	150 132 329	96 469 353

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	8 014 868	2 252 045
General account	4 607 279	77 868
Operational account	3 407 589	2 174 177
Petty cash	2 003	2 003
Call Accounts		
At the period-end the amounts invested in terms of Section 14(5) of the Act were:	142 115 458	94 215 305
Standard Bank (Wholesale call account) 3.15% 2020 (2.92%)	18 903 904	18 356 214
Standard Bank (Wholesale call account) 3.15%, 2020 (2.92%)	122 625 064	75 301 176
Old Mutual Money Market (Call account) 4.64% 2020 (7.15%)	586 489	557 915

5. Fund & Reserves

General Fund

This Fund was established to help ensure the long-term ability of the Board to meet its mission and safe guard the liquidity of the organization. The transactions were as follows:

Balance as at 1 April	29 749 034	18 171 493
MAWF Directive transfer interest received to Reserves	547 691	838 844
Net surplus for the year	11 623 751 1	10 738 696
Balance as at 31 March	41 920 476	29 749 034

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 are as follows:

Balance as at 1 April till 31 March	1 003 148	1 003 148
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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 loans. The transactions were as follows:

Balance as at 1 April till 31 March	13 798	13 798-
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6. 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
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7. Trade and Other Payables

Administrative expenses	100 736	55 620
Income Received in advance	150 126	-
Payables Control	3 647 748	1 247 413
Provisions	5 968 804	2 650 427
Guarantee deposits from Millers / Traders	586 489	557 915
Unions & Associations Special Activities	9 268 217	4 584 649
Levy collected for next financial year operational costs	91 720 049	15 9 443 846
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	112 980 772
Transfer to NAB - Operational cost 2019/2020	(29 605 029)	(29 605 029)
Transfer to AGRIBUSDEV	(10 774 961)	(10 774 961)
Transfer to Associations & Unions Special Activities	(4 351 190)	(4 351 190)
Transfer to NAB - Operational cost 2020/2021	(67 723 797)	-
Levy fund for subsequent year expense (Note 11)	107 710 763	-

8. Levies and Fees Collected By AMTA

As at 1 April 2020, the NAB invoiced all levies and fees as a result of the NAB Board that terminated the agency of AMTA as at November 2018. The levies and fees collected during the financial year 2020/21 will be used for the financial year 2021/22 expenditure. The levies and fees collected were as follows:

Levies and Fees:	107 710 763	112 980 772
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Permits, Registration & Inspection fees	3 224 402	5 238 193
Permits fees	1 557 514	2 200 550
Processors registration fees	173 012	219 189
Inspection fee on in transit & export trucks	1 493 876	2 818 454
Grain Producers' levy	5 520 893	2 244 781
White Maize	4 276 185	1 861 377
Wheat	964 359	320 034
Mahangu	280 348	63 371
Grain Processors' levy - Local	5 190 485	2 308 110
White Maize	4 041 558	1 911 397
Wheat	964 359	319 880
Mahangu	184 568	76 833
Grain Processors' levy - Imports	57 257 064	60 386 423
White Maize	24 547 249	35 710 838
Wheat	32 438 827	23 179 483
Mahangu	270 987	1 496 103
Horticulture Levy	36 515 676	42 120 762
Levies on local production 1.4%	4 342 648	4 242 118
Levies on Imports 5%	21 743 675	26 410 422
Selling levy 1.4% (local & imports)	10 429 353	11 468 222
Nett Interest on Levy Account	2 244	682 502
Interest charged on overdue accounts	2 244	902 652
Bank Charges on Levy Account	-	(220 150)

9. Schedule for Expenses

Administration of Export Inspections	2 891 639	-
Agricultural Trade Monitoring	331 023	320 758
Auditors remuneration - External	-	147 773
Bank charges	111 250	45 526
Board fees	3 563 724	3 656 166
Board member training	-	86 071
Border Control Investigations	45 837	119 505
Chartered Accountant - Financial Management Committee	21 505	16 790
Cost of information centre (Internet & Email)	344 317	87 304
Database - AMID System	308 534	-
Depreciation - equipment	494 428	91 730
Depreciation - furniture	110 882	17 004
Depreciation - motor vehicles	212 769	237 631
Depreciation - fabricated buildings	24 569	-
Designing and printing of annual report	141 156	134 434

Develop and Implement GAP & HACCP Standards	699 930	-
Develop and Implement Inspection model	660 000	-
Employees Wellness Program	102 460	-
Farmer information days	433 246	182 974
Insurance	114 221	69 280
Laboratory Services	276 305	-
Liaison	3 629	3 479
Loss on sale of fixed asset	39 863	4
Motor vehicle expenses	830 955	205 798
Newsletters and publications	311 560	449 736
Personnel remuneration	36 604 273	10 212 595
Performance management system	62 450	100 000
Postal and freight	72 889	17 321
Professional services and legal costs	494 187	566 256
Promotional & branding material	578 587	183 999
Recruitment and Induction	440 709	-
Refreshments	271 538	44 716
Regulatory compliance	61 919	85 233
Rent paid	2 297 137	1 117 369
Repairs and maintenance - computer equipment	628 070	701 026
Safety gear and uniforms	480 969	-
School feeding project	1 156 895	-
Seed Breeding and production	-	500 000
Special Events (Award Ceremonies)	-	425 987
Special Projects	4 683 568	-
Sponsorship & corporate social responsibilities	19 020	52 000
Staff - Subsistence and travel	1 604 895	929 718
Stakeholder engagement	312 684	4 451
Stationary and printing	713 946	283 678
Studies to enhance the Agronomic Industry	365 084	7 734
Subscriptions	29 269	6 385
Team Building	143 919	40 486
Telephone and fax	377 601	95 645
Training and personnel development	1 076 979	176 674
Truck seals	148 333	7 418
Website development and maintenance	14 681	75 805
Total expenses	64 713 405	21 506 460

10. Reconciliation of Surplus For The Period to Cash Generated from Operations

Surplus for the period	660 000	-
Depreciation	102 460	-
Disposal / loss on assets	433 246	182 974
Interest received	114 221	69 280
Profit before working capital movements	276 305	-
Changes in working capital	39 863	4
Movement in accounts receivable	830 955	205 798
Movement in accounts payable	311 560	449 736
Cash Generated from Operations	36 604 273	10 212 595

1. A First-time adoption of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs)

The financial statements for the year ended 31 March 2021 are its first annual financial statements prepared under accounting policies that comply with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs). The date of transition was 1 April 2020.

In preparing these annual financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs), the Namibian Agronomic Board has considered all of the mandatory exceptions and the optional exemptions from full retrospective application of the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

In essence the application of the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) is in tandem with the requirements of the previously applied in accordance with the Namibian Statement of General Accepted Accounting Practice (NAC001: Financial Reporting for Small and Medium-sized Entities) and as a result none of the exceptions and or exemptions from full retrospective application were found necessary.

The comparative figures contained in these annual financial statements are in line with that previously reported and no adjustments were necessary and or made.



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