


DOC/HMD/01		NAB MARKET SHARE PROMOTION SCHEME			
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**THE NAMIBIAN HORTICULTURE MARKET SHARE
PROMOTION SCHEME
(MSP)**

RULES AND PROCEDURES


DOC/HMD/06		HORTICULTURE MARKET SHARE PROMOTION SCHEME RULES AND PROCEDURES		 NAMIBIAN AGRONOMIC BOARD	
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1. DEFINITIONS AND ABBREVIATIONS

1.1 DEFINITIONS

- **Ad Hoc Amnesty:** The monetary value of local fresh produce that was supposed to be supplied to an importer of fresh produce by the producer/supplier but failed to do so due to unexpected circumstances.
- **Blanket Amnesty:** The difference in the actual percentage achieved and the minimum percentage given to importers by the authority (NAB) since the national quarterly average actual percentage achieved (MSP) by all importers was less than the minimum threshold percentage.
- **Caterer:** Anyone who buys fresh fruit and vegetables and redistributes same to schools, hostels, or any lodging enterprises.
- **Chilled:** any fresh fruit or vegetable with the temperature reduced to around zero degrees Celsius without the products being frozen.
- **Commercial Use:** Fresh produce imported for trading in Namibia.
- **Cooked:** Refers to fruit and vegetables that are cooked by steaming or boiling in water, either whole or in pieces/cuts.
- **Cut:** any fresh fruit or vegetable that has been physically altered from its original form, but remains in a fresh state.
- **Dried:** any Fresh fruit or vegetable that has been dried or dehydrated, either whole or in pieces/cuts.
- **Frozen:** any fresh fruits or vegetables that have had their temperature reduced and maintained below their freezing point.
- **Importer:** A person or company that brings horticultural products into Namibia from abroad for sale.
- **Market Share Promotion:** Refers to the Market Share Promotion scheme for horticulture subjected to a minimum percentage of Namibian fresh produce to be purchased locally by an importing trader as defined by the Board from time to time.
- **MSP Assessment Period:** A three-month period in which data from such months is used to calculate the quarterly MSP for the next permit period.
- **On-Wholesaler (100%):** A wholesaler based in Namibia, who buys 100% local fresh produce and resells it to other traders to allow one or more of such other traders to treat such purchases as counting 100% Namibian in terms of the MSP.
- **Permit Period:** a period in which a permit is valid to be used for the importation of fresh produce.
- **Preserved:** Refers to fresh fruit and vegetables soaked in brine or vinegar, or other liquids, either whole or in pieces/cuts.
- **Primary Trader:** Any trader who buys fresh fruit and vegetables directly from local producers and resells them to a consumer.
- **Retailer:** Anyone who purchases and resells fresh fruits and vegetables to the public.
- **Secondary Trader:** Any trader who buys fresh fruit and vegetables from a primary trader and resells the same to a consumer.
- **Special Controlled Product:** A gazetted controlled product that has a closed border period for importation during the time of sufficient local availability.
- **Whole:** any fresh fruit or vegetable that has not been altered from its original form.

- **Wholesaler:** Anyone who purchases and resells fresh fruit and vegetables in bulk to any other business or retailer.

1.2 ABBREVIATIONS

- **AMID** – Agricultural Marketing Information Database
- **HACCP** - Hazard Analysis and Critical Control Point
- **MSP** – Market Share Promotion
- **NAB** – Namibian Agronomic Board
- **NHAC** – National Horticulture Advisory Committee
- **SCP** – Special Controlled Product

2. INTRODUCTION

The horticulture industry in Namibia has grown from strength to strength since the establishment of the National Horticulture Development Initiative (NHDI) in September 2002, by the Namibian Agronomic Board. This was realised after fresh fruit and vegetables were gazetted as controlled products under Section 2(a) of the Agronomic Industry Act (Act No. 20 of 1992).

This initiative was started and funded by the Ministry of Agriculture, Water and Forestry and established to promote the production and marketing of local fresh produce import substitution, agro-processing, and exportation of local fresh produce. The objective of the NHDI is to stimulate local production of fruit and vegetables to contribute towards:

- Increased National food self-sufficiency
- Increased National food-security
- Import substitution
- Employment creation
- Stimulation of the Economy in general

The NHDI is being implemented through the Namibian Horticulture Market Share Promotion Scheme, commonly known as MSP. Under this scheme, importers are obliged to ensure that a minimum percentage (%) of their horticultural produce purchases consist of Namibian grown products, before qualifying for an import permit in a given quarter. The MSP % was increased from merely 5% in 2005 and currently stands at 47%. If they do not meet the required percentage they are curtailed in their imports, pro-rata, in the subsequent quarter. This document must be read together with the import, export, and transit rules and regulations for agronomic and horticultural products.

3. PURPOSE OF THE MSP

The purpose of the Namibian Horticulture Market Share Promotion is to promote the local sales of locally produced fresh fruit and vegetables by potentially restricting the direct importation of these products by importers such as wholesalers, catering companies, and retailers.

4. REGISTRATION

4.1 TRADERS' REGISTRATION REQUIREMENTS AND PROCEDURES

- Horticulture traders are required to register with the NAB by completing and submitting the application form for registration. The applicant is required to provide the NAB with the following documents:
 - A. Original or Certified copy of company registration or founding statement document.
 - B. Certified copy of the Identity Document (ID) of the company owner/ director (s).
 - C. Original or Certified copy of valid Certificates of good standing from the Social Security Commission (SSC) and the Namibian Revenue Agency (NamRA). The original valid certificates shall also be accepted.
 - D. Original or Certified copy of a valid Health or Fitness certificate issued by the local authority or Ministry of Health and Social Services (MHSS) for the facility where fresh fruits

and vegetables will be handled, stored, and packaged. Only applicable in cases where the trade of fresh fruits and vegetables is to be done from a facility. The original valid fitness certificate shall also be accepted.

E. The facility will be inspected by the Namibian Agronomic Board (NAB) to verify whether the facility has adequately and successfully implemented a food safety management system meeting the requirements of NAMS/SANS 10049 – Food Safety Management: Requirements for Prerequisite Programmes (PRP's). This is not applicable in cases where the applicant intends to handle, store, or package the product in a facility but rather deliver the products directly to the customer.

F. The six (6) months planting agreement is signed by both parties i.e. the producer or supplier of 100% Namibian fresh produce, and this requirement is only applicable to importing traders.

- In terms of traders who intend to import fresh fruits and vegetables, the applicant is required to pay both the import and selling levies upfront (twice the value of the declared amount to be imported for the first time) i.e. 5% import levy plus 1.4% selling levy, is equals to 6.4% multiplied by 2 is equals to 12.8% levy deposit payable by all first time importers, and from there onwards, levies shall be paid monthly once the monthly returns are submitted to NAB.
- According to Government Gazette No 5645 31 December 2014, all importing traders of controlled horticulture produce are required to pay a 5% import levy and 1.4% selling levy upon issuance of the import permit and an invoice shall be issued by the border official on duty to confirm the receipt of the payment. There are no levies applicable to fresh fruits and vegetables purchased from other traders, as the primary trader should have paid the levy already.
- The levies are paid directly to NAB Finance division, and once the levies deposit has been paid, the proof of payment shall be submitted to NAB for the permit to be issued.
- Once the proof of payment has been received by the NAB responsible for the issuance of permits, a restricted import permit shall be issued valid for 1 month.
- At the end of the permit period issued, the importer shall be re-assessed to determine whether he/ she complied with the MSP requirements and therefore shall be required to submit all the proof of purchases of 100% Namibian products and imported products during the permit period under review, and only until then shall NAB continue issuing permits to the importer.
- The levies paid in advance (deposited) shall be credited to the importer if the declared import permit value is utilized or refunded if the declared import permit value is not utilized at all or only a portion of the permit value is utilized.
- A first-time importer who does not purchase 100% Namibia fresh produce but rather imported only, would not be issued with a permit for 12 months. This will discourage importing traders who are not enthusiastic about the local horticulture industry development initiative.
- An importer who does not import for a period longer than 3 months shall be required to re-register as an importer and submit all the required documents, pay the 12.8% levies deposit, and in cases where the importer was only trading local fresh produce without importing all the outstanding monthly returns for the entire period must be submitted.
- The importer will also be required to settle any outstanding levies with NAB before an import permit is finally issued again. This specific rule does not only apply to first-time importers but rather to all importers.

- Once given the second permit, the traders/ importers shall be required to submit monthly returns for all purchases (Import, local purchases from producers, as well as declared exports) before the 10th day of each month, in the format acceptable to NAB. Traders who are not importing or buying fresh fruit and vegetables from local producers are not required to submit monthly returns to the NAB.
- Based on the monthly returns submitted to the NAB, the trader shall pay a levy of 1.4% on locally produced products based on the purchase price, and 5% on imported products on landed cost. The trader shall collect the producer levy of 1.4% charged on the selling price of the producer's price, excluding exports, and pay it over to the NAB.
- Should the trader choose not to submit the monthly returns, no permits shall be issued until such time when all the monthly returns are submitted to NAB.
- Quarterly NAB shall calculate how much each registered importer is qualified to import based on a formula stipulated under section one of this document.
- All registered traders shall be strictly required to conduct business in the registered facility only, any new facility must be inspected by NAB for compliance with the food safety management system, before conducting business.

4.2 ANNUAL LICENSING OF HORTICULTURE TRADERS

4.2.1 ISSUANCE OF THE ANNUAL TRADING LICENSE

- i) All new traders are required to meet the existing registration requirements as stipulated in 4.1, before being issued with the horticulture annual trading license.
- ii) The license shall be valid for twelve (12) months from April to March each year and shall be renewed one (1) month in advance, before the expiry date.
- iii) The license issued to a trader is not transferrable and cannot be sold to another person.
- iv) No fees apply to the issuance of the annual trading license.
- v) Import permits shall only be issued to traders with a valid license and this is to ensure that only licensed traders are allowed to import.
- vi) The license shall only be issued to formal traders, and such traders shall not be allowed to sell horticultural products on the streets.

4.2.2 ANNUAL TRADING LICENSE RENEWAL CONDITIONS

All horticulture traders who are already registered with the NAB shall be required to renew their trading license annually and must comply with the following:

- (i) Must not have outstanding monthly returns or statutory levies/fees from the previous license period.
- (ii) The facility will be inspected by the Namibian Agronomic Board (NAB) to verify whether the facility has adequately and successfully implemented a food safety management system meeting the requirements of NAMS/SANS 10049 – Food Safety Management: Requirements for Prerequisite Programmes (PRP's).
- (iii) The traders must have complied with the eye-catching display of Namibian products in stores and adverts.

- (iv) Must furnish the NAB inspector with the original or copies of valid good standing certificates from the Social Security Commission (SSC) and Namibia Revenue Agency (NamRA).
- (v) Must submit a twelve (12) months growing programme with the Namibian producers, in the format prescribed by NAB.
- (vi) Original or Certified copy of a valid Health or Fitness certificate issued by the local authority or Ministry of Health and Social Services (MHSS) for the facility where fresh fruits and vegetables will be handled, stored, and packaged. Only applicable in cases where the trade of fresh fruits and vegetables is to be done from a facility. The original valid fitness certificate shall also be accepted.

4.2.3 SPECIFIC PUNITIVE MEASURES FOR NON-COMPLIANCE

Under the Agronomic Industry Act, (Act No. 20 of 1992), Section 10 (1) (p) trading without a valid license will result in the closing down of the facility by the NAB Inspectors, until such time when there is full compliance, and no import permit shall be issued to such traders.

In case of non-compliance to the rules and procedures of the MSP rules and import permit rules, may result in revoking of the trading license for three (3) months or longer, after the third offense, and until such time when there is full compliance. Products traded in a facility that is not licensed or without a valid trading license shall be confiscated and donated to a charity organization, at the discretion of the NAB.

4.3 HORTICULTURE PRODUCER'S REGISTRATION REQUIREMENT

- Horticulture producers shall comply with the following registration requirements:
 - A. Complete the application for registration as a producer and submit it to the NAB-designated official.
 - B. Certified copy of Identity Document (ID) of owner/ director (s) or company registration/ founding statement document.
 - C. Must undertake to submit production forecast data for special controlled products and monitored products to the NAB monthly or as required, in a format prescribed by the NAB. Production data may be as well collected by NAB Officials in the field or on-farm.
- Once registered, a producer registration card with a unique registration number shall be issued by the NAB. The registration card will be used for trading purposes, with the registered traders.

5. GENERIC MSP RULES AND PROCEDURES

5.1 BASIS OF RESTRICTION ON IMPORTS

- All importers are obliged to source a certain minimum percentage of their purchases from local producers of fresh fruits and vegetables. Both the mixed fruit and vegetable import permit and the special import permit issued for special controlled products form part of the horticulture import restriction.
- The mixed fruit and vegetable import permit for all controlled products is issued separately from the special controlled products, which require a special import permit.

5.2 MINIMUM PERCENTAGE TO BE SOURCED LOCALLY

- The minimum MSP percentage that importers are obliged to source from local producers is determined by the NHAC and recommended to the NAB board for approval/ endorsement.

5.3 BASIS FOR DETERMINING THE MSP

The NHAC shall revise, and if necessary adjust, the minimum MSP every quarter based on the following:

- MSP threshold must be determined based on the 6 months forecasted Primary MSP i.e. Estimated imports based on historical data for the corresponding year, same period, and the Estimated Local production for the domestic formal market.
- The forecasted primary MSP will be presented at each NHAC meeting to determine the MSP for the next quarter.
- Should the forecasted Primary MSP point to a decrease in the MSP threshold for that particular period due to low production, the MSP threshold will remain unchanged since the Secondary MSP is in place to assist traders in achieving their MSP during that particular period.
- The 6 months production forecast data to be used to determine the MSP threshold must be based on data collected by officers in the field to improve accuracy and the analysis of the data takes into consideration the 10% margin of error as a result of a possible overestimation of yield and post-harvest losses, ultimately increasing the accuracy of the production forecast data.
- The forecasted 6 months shortage in local production for specific products must be communicated to the producers on time to enable producers to fill such gaps.
- For the forecasted Primary MSP to be more accurate, traders are required to only buy horticultural products from producers who are registered as it is a statutory requirement in terms of the Agronomic Industry Act 20 of 1992 section 10 (1), (J). Any purchasing of horticultural products from producers who are not registered with the NAB will not form part of the MSP.
- Fresh fruit and vegetables purchased from producers who are not registered will not be counted for MSP purposes.

5.4 BASIC UNIT FOR CALCULATION OF MINIMUM PERCENTAGE

- The monetary value expressed in Namibian dollars is the basic unit to be used in any calculation of the minimum percentage required by importers.

5.5 THE FORMULA FOR CALCULATING PERMISSIBLE IMPORT VALUE

- Actual Achieved Percentage = Total Actual Achieved value divided by Turnover value.
- Maximum Value of Produce to be imported = y divided by z multiplied by t, In which-

Y, represents the Actual Achieved Percentage;

Z, represents the Minimum Percentage factor; and

T, represents Total Import Value in a quarter

- The calculation for permissible import value includes the value of adhoc amnesty, blanket amnesty, and previous credits. Under points 3.12 and 3.13 of this document, we discuss the Adhoc and Blanket amnesties. Local purchases shall include locally purchased Namibia fresh produce meant for both domestic and export markets and shall be reported separately on the monthly returns as export to prevent the distortion of the domestic demand figures.

5.6 COMMODITIES UNDER THIS SCHEME

- All fresh fruits and vegetables listed as controlled products in Government Gazette No 5645, dated 31 December 2014 as amended, are all subject to the Market Share Promotion Scheme.

5.7 MSP ASSESSMENT PERIOD AND SUBMISSION OF RETURNS

- The data used to calculate the quarterly permissible imports will always be calculated over a fixed three months or Quarterly **MS Assessment Periods** i.e. **Quarter 1** (December, January, February), **Quarter 2** (March, April, May), **Quarter 3** (June, July, August), **Quarter 4** (September, October, November) to qualify for the next permit period.
- The minimum MSP as decided by the NHAC will be communicated to all importing traders no later than two weeks before the commencement of the permit period. The affixed **Permit Period** shall include the following: **Quarter 1** (January, February, and March), **Quarter 2** (April, May, and June), **Quarter 3** (July, August, and September), and **Quarter 4** (October, November, and December).
- To calculate the minimum MSP, all monthly returns of imports, local purchases, and exports by traders shall be submitted to NAB before the 10th day of each month and no permit shall be issued until such time when all the outstanding monthly returns are submitted. A monthly return form must be completed and submitted with all the supporting documents i.e. copies of invoices as proof of purchases.
- NAB will officially inform every importer of their actual MSP achieved and permissible import for the next permit period by the 20th day of each month following the beginning of the new permit period (quarter).
- It is important to note that exports also count towards the MSP provided it is reported as such on the monthly returns as opposed to local purchases meant for the domestic market. All proof of export i.e. invoices must be attached to the monthly return form. The monthly return form is in a spreadsheet Excel format that enables easy calculation of the MSP achieved.

5.8 TERMS AND CONDITIONS FOR MSP IMPORT PERMIT

- The import permit for horticulture shall only be issued to registered importing traders.
- The importing trader must undertake to submit all the monthly returns to NAB in the format acceptable before the 10th day of each month, and should always make sure that his/ her levy account is in good standing with the NAB Finance Division.
- If the holder of the Permit has procured in Namibia such locally grown horticulture products equal to or more than the minimum percentage factor referred to in 3.6, calculated for three months, such holder shall be entitled to an unlimited Permit for the subsequent quarter.
- If the holder of a permit failed to procure in Namibia such locally grown horticulture products equal to at least such minimum percentage factor, calculated for three months, a permit issued

in respect of subsequent quarter shall be limited to a pro-rata maximum as determined under point 3.5 of this document.

- Importers have to ensure that they purchase the minimum percentage described in point 3.6 below of their fresh produce (fruits and vegetables) turnover locally calculated for three months.
- Should an importer purchase some of their fresh fruits and vegetables from other unregistered wholesalers, who also import fresh fruit and vegetables, only the percentage of local sourcing of the latter will be proportionally credited to the purchasing importer (for more information, please read point 3.16 of this document).
- In the event of non-compliance with the minimum requirements, the importer will be penalized as described further on. Importers who get a restricted or limited permit and wish to increase their permissible import value during that current quarter shall be required to complete a three-month local purchases commitment plan that is subject to review at the end of the three months.
- Should the importer fail to honour the commitment plan at the end of three months, no extra import value shall be allocated to such importers unless such non-compliance is justified by Adhoc amnesties that should be submitted to NAB in line with the Adhoc Amnesty rules discussed under point 3.12 of this document.
- Traders must undertake to only buy from producers who are registered with the NAB, and any purchases from unregistered producers will not be part of the MSP.

5.9 POOLING OF THE INFORMATION

- Voluntary pooling of information by groups of importers who are also retailers will be allowed. This will allow retailers to achieve the minimum percentage for local purchases.

5.10 RESPONSIBILITIES OF PERMIT HOLDERS

- All permit holders are obliged to keep records of all purchases of fruits and vegetables during the MSP permit period, separating purchases of locally produced products from produce imported.
- These records will at least indicate the monetary value of the purchases and should be substantiated by product name, quantity/ weight, invoice date, invoice number, and/ or names of supplier and consignee. Copies of these records should be provided monthly to NAB by the latest tenth of the subsequent month.

5.11 ADHOC AMNESTY

- Adhoc amnesty is issued to importers who had entered into written supply agreements (growing program) with producers but failed to procure due to unexpected circumstances such as heat, cold, diseases, insect infestation, etc.
- The Adhoc Amnesty value will be included in the calculation of the individual MSP, as part of local purchases to allow the individual importer to boost their permissible import value in the next quarter.
- All Adhoc amnesty applications must be submitted together with a signed copy of the written supply agreement/ growing program as proof of the agreement that existed between the trader and the producer. No verbal agreement shall be accepted for Adhoc

amnesty.

- If a producer fails to supply the agreed product quality, the trader may apply for Adhoc amnesty provided that the product quality requirements are stipulated in the signed supply agreement/ growing program.
- The supply agreement growing program must be signed by both parties before planting, as no overnight supply agreement/ growing program shall be approved.
- The importer will be required to provide the producer with whom he/she had a supply agreement, with verification of the non-supply form, which is to be completed by the producer himself or herself and given back to the trader, upon which the trader will complete the Ad-hoc Amnesty application form, and attach the verification of non-supply completed by the producer/supplier. (Forms can be obtained from the NAB office).
- The respective non-supplied produce must each be mentioned with quantity, approximate value, and date of such non-supply, in the verification of non-supply from the producer.
- On the verification of the non-supply form, the producer should state the reasons for the non-supply.
- It is required that the trader applies for ad-hoc amnesty as it happens rather than wait for the beginning of a new quarter, at least within 14 days maximum, when it can still be verified on the farm by NAB officers.
- If the application for ad hoc amnesty is approved by NAB, it shall be credited to the importer's local value as part of the quarterly MSP calculation, thus increasing the import value of a given importing trader.
- Should the producer, for unfair reasons, refuse to give/sign the verification of non-supply, the trader is required to inform the NAB without delay.

5.12 BLANKET AMNESTY

- Should the quarterly national MSP be less than the threshold, a blanket amnesty of the difference will be granted automatically to all importing traders.
- The purpose of the blanket amnesty is to generally assist importing traders who found it difficult to source locally, due to other reasons associated with unforeseen circumstances, to continue with their business of selling fresh fruits and vegetables without any obstruction.
- Blanket amnesty allows importers to increase their permissible import value for a given quarter based on the average national MSP achieved.
- Traders who submit their monthly returns after the finalisation of the minimum percentage (MSP) calculation before the beginning of the new quarter will not qualify for Blanket Amnesty, should there be any.

6. CONDITIONS UNDER WHICH TRADE OF NAMIBIAN FRESH PRODUCE MAY ACCOUNT FOR 100% OF MSP

6.1 INTRODUCTION

- All importers are required to achieve the minimum percentage of their local purchases as prescribed in this document. However, the reality is that the production of certain crops is

not 'evenly distributed throughout the country, which poses procurement challenges to importing retailers in remote areas such as Lüderitz, Karasburg, Keetmanshoop, Katima Mulilo, Gobabis, Swakopmund, Walvis Bay, Oshikango, etc. who finds it difficult to adhere to this requirement since it is not stipulated that the producers should ensure that their fresh produce will be accessible and available at affordable prices and acceptable quality to the traders.

It becomes imperative that exceptions for the above cases are implemented. Therefore, for this purpose, the amount bought by the secondary trader is multiplied by the percentage that the primary trader attained in the previous month, counted as apportioned local purchase.

- To stimulate horticulture production in Namibia and to promote local sales of locally produced fresh fruit and vegetables by encouraging importers such as wholesalers, retailers, and catering companies to source locally, 100% wholesalers of Namibian fresh produce shall adhere to these requirements.

6.2 OBJECTIVE

- The objective of this requirement is to enable primary traders to declare that other secondary traders have bought 100% local produce from them, in their quest to boost their local procurement percentage.

6.3 THE CONDITIONS

- Selling traders who want to be part of this arrangement would have to apply and get approval from the NAB. In their application will declare their undertaking and pledge commitment to the process. The purchasing of products from primary traders would be counted only once.
- This means that if a secondary trader declares to have bought 100% local produce from the primary trader, they cannot sell the same products to other traders as 100% local produce.

6.4 THE ON-WHOLESALE (100% NAMIBIAN PRODUCT)

- Must have been a wholesaler for at least 12 months period, and must have achieved the MSP minimum percentage, including credits and amnesty, for at least the past 12 months.
- Must apply in writing to the NAB and must get approval in writing, before the sold product can be counted as 100% Namibian.
- Must undertake not to buy any 100% rated produce, i.e. she cannot do both wholesaling and purchase other 100% rated produce. From this follows that any Namibian produce can only be 'on wholesale once.
- Must undertake, in cases when she sells both 100% Namibian and imported fresh produce to the same trader, to issue separate invoices.
- The invoice for imported fresh produce must then be marked "100% imported".

6.5 THE PROCESS

- The Primary Traders would write out invoices for such transactions, and file them

accordingly.

- Those invoices would have to be forwarded together with the regular monthly returns by the latest the tenth of the subsequent month, as is the normal procedure.
- This would mean that if a certain trader has bought only 100% local produce from another trader, the purchase will be recorded as local as opposed to an apportioned purchase whereby the amount bought by the retailer will be multiplied by the percentage that the primary trader attained in the previous month. This would allow the secondary trader to boost his local percentage.
- Such invoices will be scrutinized by NAB through spot checks, to ensure that the invoices issued are in line with what the primary trader has procured from the producers.

6.6 MEASURES

- Any irregularity would result in revoking such an arrangement (between the traders and NAB, and the local percentage granted to the secondary trader would be based only on the local percentage attained by a primary trader in the previous month.

6.7 LEVIES

- No levies are payable on such secondary sales because the levy would have been paid already by the primary purchaser.

7. EYE-CATCHING DISPLAY OF NAMIBIAN FRESH PRODUCE IN STORES

- The eye-catching display is a resolution of the Namibian Agronomic Board which requires all traders of fresh fruits and vegetables to display all Namibian-produced fresh fruit and vegetables on their shelves, especially for loose sale, for consumers to identify them as Namibian products when buying.
- The packaged Namibian product or fresh produce which are already labelled “Product of Namibia” doesn’t need to be identified with a poster as Namibian products, since they are already labelled as such on the packaging.
- Traders who do not comply with this requirement will have their import permits withdrawn or not issued to them.
- The trader may use any labels, logo, or brand names of his/ her choice, as long as he/ she is permitted to use such specific logo, label, or brand name by the owners.
- Wholesalers or distribution centers that are not retailing are excluded from these requirements but are still required to identify Namibian products when advertising via media channels.

8. SPECIAL CONTROLLED PRODUCTS SCHEME

8.1 INTRODUCTION

- All special controlled products (as determined by the NAB) are subject to a close border period or import restriction when these products are locally available from producers both in terms of quality and quantity. The production of the special controlled products is monitored by NAB to inform the decision to either close the border for importation or not

and is communicated to all traders monthly via email.

- The special import permit is issued for the products listed in Table 1 monthly, separate from the mixed fruits and vegetable import permit.

8.2 DESCRIPTION

- These rules and procedures are relevant for the application of Special Controlled Products Import Permits. The mixed fruit & vegetables, as well as Special Controlled Products, form part of the MSP rules.

8.3 SPECIAL CONTROLLED PRODUCTS IMPORT PERMIT CONDITIONS

- If there is an insufficient supply of the specific Namibian product, based on the NAB production forecast report, importers can request NAB to issue Special Controlled Products Import Permits to procure such quality and quantity of Special Controlled Product which is not available locally.
- In months where the local supply of Special Controlled Products is predicted to be less than the estimates for that period, the Special Controlled Products Import Permit will be issued based on a pro-rata calculation.
- All producers are obliged to supply NAB with production information related to the production of the special controlled products monthly for the production forecast report.
- Producers, who have not declared their exports shall not be issued with an export permit during the time of insufficient local supply of the specific special controlled products.
- NAB undertakes to monitor the production of all the special controlled products to manage close and open border periods.
- During the time of sufficient local supply, the border will be closed for the importation of such Special Controlled Products.
- NAB will notify all the importers in writing before the border is closed for importation and such communication must be accompanied by the production forecast report for the special controlled products.
- For the general MSP, NAB undertakes to collect production data for the top monitored crops, apart from the special controlled products, and releases production forecast reports monthly.
- When issuing a Special Controlled Products Import Permit to a trader, such trader's historical purchases and increase in demand will be considered together with the estimated and available locally produced produce. As the basis for calculation of the Special Controlled Products Import Permits, the historical use for the equivalent time during the preceding year plus estimated growth, less the locally available produce plus 10 percent. E.g. Historical demand in kg + the trader's growth estimate in kg predicted available local produce in kg = value in kg of import permit plus 10 %.
- When there is a shortage of specific types of Namibian-produced Special Controlled Products due to unforeseen circumstances, normal Ad-hoc Amnesty rules apply.
- Actual quantities and values are captured on the Agricultural Marketing Information Database (AMID) from supplier invoices. The name of the product, tonnage/kg, grade, size, and value of the product should be visible on the invoices.
- The original invoice should be attached, and the exclusion must be listed for example as

“Zebra Butternuts” not just butternuts, or “Red Cabbage” not just cabbage.

8.4 INCLUSIONS \ EXCLUSIONS

The following products are excluded from this scheme, and the importation of these exclusions listed below can be imported through the Mixed Fruits and Vegetable Import Permit.

List of special controlled products: inclusions and exclusions

INCLUSIONS: (Products Not allowed to be imported, only during the open border period) and only imported using the special import permit during the open border period.

EXCLUSIONS: (Products allowed to be imported with no restriction), and are imported using the mixed fruits and vegetable import permit.

Table 1: Special controlled products, inclusions, and exclusions.

Special Controlled Product	INCLUSIONS	EXCLUSIONS
Beetroot	All types, size groups, and container sizes of fresh, chilled, Whole or Cut red-fleshed Beetroot, except the “Exclusions”.	Yellow, white, and golden fleshed Beetroot. All frozen, dried, cooked, and preserved beetroot (Whole or Cut). Including Juice/Jam
Butternut	All types, size groups, and container sizes of fresh, chilled, Whole, or Cut Butternut, except the “Exclusions”.	Zebra Butternut and Baby Butternut. All frozen, dried, cooked, and preserved Butternuts (Whole or Cut).
Cabbage	All types, size groups, and container sizes of fresh, chilled, Whole, or Cut Green Cabbage, except the “Exclusions”.	Chinese cabbage, Baby Green Cabbage, Baby Red Cabbage, Mixed Baby Red & Green Cabbage, Large red cabbage, Savoy Cabbage. All frozen, dried, cooked, and preserved Cabbage (Whole or Cut).
Carrot	All types, size groups, and container sizes of fresh, chilled, Whole, or Cut orange-fleshed Carrots, except the “Exclusions”.	Red, Purple, White, Black, and Yellow Fleshed Carrots. All frozen, dried, cooked, and preserved carrots (Whole or Cut). Including Juice Jam
Colour Bell Pepper	All types, grades, size groups, and container sizes of fresh, chilled, Whole, or Cut Colour Bell Peppers (red and yellow) Single line or Robot peppers, except the “Exclusions”.	All Orange, Brown, Black, Purple, and White Bell Peppers, Fresh, Chilled, Whole, or Cut. All frozen, dried, cooked, and preserved Colour Bell Peppers.
Cocktail/Cherry Tomatoes	All types, grades, size groups, and container sizes of fresh, chilled, Whole, or Cut red Round Cocktail/ Cherry Tomatoes, and Mini Plums, except the “Exclusions”.	All yellow and orange Cocktail/ Cherry Tomatoes, Cocktail/ cherry tomatoes on vine varieties (All colours), and Exotic Mixed Tomatoes. All frozen, dried, cooked, and preserved Cocktail/Cherry Tomatoes and Mini Plum Tomatoes.

English Cucumber	All types, size groups, and container sizes of fresh, chilled, Whole, or Cut English Cucumber, except the “Exclusions”.	Preserved English Cucumber, and other types of cucumbers. All frozen, dried, cooked, and preserved English Cucumber (Whole or Cut).
Green Pepper	All types, size groups, and container sizes of fresh, chilled, Whole, or Cut Green Pepper, except the “Exclusions”.	All frozen, dried, cooked, and preserved Green Peppers (Whole or Cut).
Gem Squash	All types, size groups, and container sizes of fresh, chilled, Whole, or Cut Gem Squash, except the “Exclusions”.	All frozen, dried, cooked, and preserved Gem Squash (Whole or Cut).
Lettuce	All types, grades, size groups, and container sizes of fresh, chilled, Whole, or Cut light green/green Iceberg Lettuce as called Head Lettuce, except the “Exclusions”.	All Butterhead, Leafy, or Stem types of Lettuce of any colour. All frozen, dried, cooked, and preserved Lettuce (Whole or Cut) of any colour and shape.
Onion	All types, size groups, and container sizes of fresh, chilled, Whole, or Cut Onion, except the “Exclusions”.	White Salad Onions, Spring Onions, Red Onions. All frozen, dried, cooked, and preserved Onions (Whole or Cut).
Potato	All types, size groups, and container sizes of fresh washed, brushed, unwashed (soil-free), chilled, Whole, or Cut Potato Irish, except the “Exclusions”.	Washed white “loose sell” and or “pre-pack” types of potato; Washed baby potato. Red fleshed potatoes. All frozen, dried, cooked, and preserved Irish Potato (Whole or Cut).
Pumpkin	All types, size groups, and container sizes of fresh, chilled, Whole, or Cut Pumpkin, except the “Exclusions”.	All frozen, dried, cooked, and preserved pumpkins. All decorative types of Pumpkin.
Spinach	All types, grades, size groups, and container sizes of fresh, chilled, Whole, or Cut Spinach except the “Exclusions”.	Baby Spinach, coloured spinach, and all frozen and processed Spinach such as dried, cooked, and preserved spinach.
Sweet Potato	All types, size groups, and container sizes of fresh, chilled, Whole, or Cut Sweet Potato, except the “Exclusions”.	Yellow/Cream-fleshed Sweet potato (Zambian type), Purple Sweet Potato. All frozen, dried, cooked, and preserved Sweet Potato (Whole or Cut).
Sweet Melon	All types, size groups, and container sizes of fresh, chilled, Whole, or Cut Sweet Melon, except the “Exclusions”.	All Sweet melon Juices and Jam.
Sweetcorn	All types, grades, size groups, and container sizes of fresh, chilled, Whole, or Cut red-fleshed Yellow Sweetcorn, except the “Exclusions”.	White and Mixed Colour Sweetcorn. All frozen, dried, cooked, and preserved Sweetcorn (Whole or Cut) of any colour.
Tomato	- All types, size groups, and container sizes of fresh, chilled, Whole, or Cut tomatoes (Round and Jam Tomato), except the “Exclusions”.	-All small-size types of tomatoes, i.e. Cherry, Cocktail, Bacio, Romanita, Rigoletto, Medley mix, etc. All colours or shapes. All frozen, cooked, preserved, and dried tomatoes (Whole or Cut). Including Juice Jam Sauce Paste.

Watermelon	All types, size groups, and container sizes of fresh, chilled, Whole, or Cut Watermelon, except the “Exclusions”.	All Watermelon Juices and Jam.
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9. PRO-RATA BORDER CLOSURE BASED ON ONE OR TWO PRODUCERS

For the border to be closed for one or two producers having the same products, the following measures shall apply:

- There must be sufficient volumes of the product to cater to both the formal and informal market demand across the country during the entire close border periods. Such estimated volumes of the specific product must be accurate and ready to be delivered to the market.
- The producers must ensure that there are logistics in place to supply such products across the country, however, this must be coordinated by both producers and traders, including other distributors and AMTA Hubs. In cases where a producer fails to make logistical arrangements for the products to be delivered to the market, the NAB will consider opening the border for imports as a last resort.
- The products must be priced fairly by such producers. To avoid the pricing of products when one or two producers have the same product during the close border period, traders should notify the NAB immediately. The NAB will investigate complaints of over-pricing by producers by looking at the past five (5) year average producers’ price of the same product for the corresponding period to determine whether such price is outside the norm. The average production cost price and the weekly price monitoring reports will also be taken into consideration during the investigation and decision-making process.
- Should the producer’s price be found to be outside the norm of fair pricing, the NAB will first engage the concerned producer/s to reduce the price and if the producer/s fails to adhere, importers shall be allowed to import such a product for the benefit of the end consumer on the principles of pro-rata imports.

10. RULES REGARDING TRADING PRODUCERS AND PRODUCING TRADERS IN THE IMPLEMENTATION OF THE CLOSE BORDER PERIODS FOR SPECIAL CONTROLLED PRODUCTS

- The expected production tonnage of the specific special controlled products from such trading producers or producing traders shall not form part of the decision-making for the closing of the border for the importation of such products.
- However, the tonnage of special controlled products specifically produced for other traders based on an existing growing program shall be taken into consideration when deciding on the closed border period, provided there is a written growing program submitted to the NAB before the closure of the border for the importation of the special controlled product concerned.
- When completing the expected production data collection forms, both the trading producer and producing trader shall separate the tonnage of the special controlled products produced specifically for their trading out of the tonnage meant to be supplied to other traders in fulfillment of the growing program.

- These rules only apply to trading producers and producing traders' scenarios, whereby one or more of the directors of the producing entity is also part of the registered trading or producing entity.

11. INCENTIVES AND REWARDS

11.1 MSP INCENTIVES

- Permit holders can collect "credits" during a permit period to be utilized during a future permit period. Only credits collected during the foregoing twelve months will be valid.
- Credits imply percentage points over and above the set minimum percentage of purchases locally bought.
- To encourage exports, the committee also recommended that an export incentive of 1.25 of the total value of the horticultural products exported by traders should be introduced to encourage export traders, and such exports will contribute to the secondary MSP, as is currently the case.

11.2 REWARDS

- Both horticulture traders, producers, and other categories shall be rewarded during the National Agronomy and Horticulture Awards (NAHA), an event to be held each year by the NAB, in line with the rules and procedures outlined in the National Horticulture Awards Guidelines.
- The NAHA shall be rotated in different agronomy and horticulture zones of Namibia.

12. OFFENCES AND PENALTIES

12.1 MEASURES REGARDING TRANSGRESSION

- 12.1.1 Any person violating the MSP regulations shall be penalised in line with the nature of the offense and the validity period of the penalty, as outlined in Table 1.
- 12.1.2 The warning shall indicate the nature of the offense, applicable penalty, implications if further offenses are committed by the offender, and validity of the penalty. The offender shall sign the warning acknowledging receipt there-off.
- 12.1.3 The first written warning shall be valid for three (3) months, and this is in case of a minor offense.
- 12.1.4 The second written warning shall be valid for six (6) months, and this is in case of a serious offense. In terms of Major offenses, the Board has the right to blacklist/ suspend the registration of any person violating these regulations until there is compliance or for a period not exceeding twelve (12) months.
- 12.1.5 All warnings, suspension, and blacklist notices shall be signed off by the NAB CEO.
- 12.1.6 All offenses shall first be investigated by the NAB before the issuance of any penalty and the investigation report shall be used by the NAB as evidence, should there be a dispute.

Table 1: Offenses and penalties schedule.

Nature of Offense	Penalty (Minor Offense)	Penalty (Serious Offense)	Penalty (Major Offense)
1. Offenses and penalties related to registration or licensing			
a. Falsifying or forging registration documents			Reject registration applications/ Documents and blacklist the applicant, and report to the police
b. Providing false information relating to the production, processing, storage, and marketing of controlled products.		Final written warning, and request for corrective action.	Suspend registration, and/ or blacklist the client.
c. Production and Trading of horticultural products without a valid NAB license or certificate/ card of registration.		Final written warning plus obtain a license/ certificate/ card within the prescribed time frame.	Suspend operations until such time when there is compliance, and where applicable confiscate the product.
2. Offenses and penalties related to the submission of specified information or returns			
a. Failure to provide the NAB with specified information or returns in a specified manner and at the specified time.	First written warning	Final written warning and in case of importing traders suspend Import permits until there is compliance	Suspend registration for a specified period, or until such time when there is compliance.
b. Falsification of information related to returns/ invoices submitted to the NAB.			Suspend registration for a specified period, or until such time when there is compliance.
3. Offenses and penalties related to interfering with the operations of the NAB official			
a. Obstructing, hindering, or delaying an NAB official from performing his/ her duties in terms of the MSP rules and procedures.	First written warning	Final written warning	Suspend registration
b. Refusing to answer any duty-related questions from the NAB official, without any reasonable cause.	First written warning	Final written warning	Suspend registration
c. Removing, tampering, destroying, or making an alteration to anything seized by the NAB official in the		Final written warning	Suspend registration

exercise of his or her powers in terms of the MSP rules and procedures.			
4. Offenses and penalties related to levies/ fees			
a. Outstanding levies/ fees over 60 days plus.	Over 60 days in arrear with levies/ fees: Issue First Written Warning and Suspend import permits until such time when there is compliance.	Over 60 days in arrear with levies/ fees: Issue a Final Written Warning and Suspend import permits until such time when there is compliance	Over 120 days plus in arrears: Suspend registration and handover to the lawyers.
b. Submitting forged proof of payment			Suspend license or registration, blacklist, and report to the police
5. Offenses and penalties related to growing programs/ supply agreements between producers and traders			
a. Deliberate non-compliance to several growing programs or supply agreements for the same product, and in the same period.	First written warning, after thorough investigation.	Final written warning after thorough investigation.	Suspend registration, after a thorough investigation.

13. APPEAL PROCEDURES

The purpose of this section is to ensure that appeals submitted to the Board in respect are dealt with efficiently and effectively. The following procedure shall apply:

13.1 APPEAL PROCEDURES TO THE BOARD:

- Should the offender refuse to sign either the first, second, or third written warnings, this does not warrant any of these written warnings invalid but is subject to a formal appeal process.
- The offender may appeal to the Board chairperson in writing against any of the written warnings within five (5) working days from the date of issuance of such written warnings.
- The Board may convene an arbitral panel of three (3) adjudicators to resolve a dispute by way of arbitration.
- If the offender refuses to sign the warning and also fails to appeal within the specified time frame, the Board shall execute its powers (1) to cancel all existing import permits issued to the offender; and (2) to refuse the issuance of new import permits to the offender until such time that the warning letter is signed in terms of Sections 10(n)(i) and (p)(i) of the Agronomic Industry Act, (Act 20 of 1992).

13.2 APPEAL AGAINST THE DECISION OF THE BOARD:

Subject to Section 11 of the Agronomic Industry Act, (Act of 1992) where under this Act a decision of the Board is subjected to a right of appeal to the Minister, the person aggrieved by the decision may within fourteen (14) days after notification of the decision, appeal with the Minister, who may confirm, vary or set aside the decision as he or she deems fit.