



NAMIBIAN  
AGRONOMIC BOARD

# POTATO VALUE CHAIN DEVELOPMENT SCHEME *Modalities*

2025–2030

# 01. OVERVIEW

Potato is the number one horticultural product highly consumed in Namibia, with an annual domestic demand of about 30 000 tons, valued at approximately N\$246 million, for formal markets. However, local production only covers about 34% (N\$84 million or 8,203 tons) of the annual domestic demand, and 66% (N\$162 million or 21,488 tons) is import mainly from South Africa. On the other hand, Potato alone makes up 28% of the total value of imported horticultural products of N\$587 million per annum and contribute about 22% to the total value of locally produced horticultural products of N\$388 million per annum.

In 2012, potatoes were introduced as a Special Controlled Product under the Special Controlled Products Scheme (SCPS). This scheme implements close border periods for imports during periods of sufficient local production, protecting local producers and promoting local production in Namibia. Also, under the Horticulture Value Chain Support Project, the Ministry of Agriculture, Fisheries, Water and Land Reform (MAFWLR) provides a 50% subsidy on potato seeds and 60% on fertilisers, but only limited to 0.5ha per farmer.

Furthermore, the NAB, in collaboration with Comptoir Du Plant, a French company, conducted field trials on 6 French seed potato varieties in 2021/2022, and 4 varieties were identified as best performing, better than the varieties commonly planted in Namibia and imported from South Africa. Though the commercialisation of these varieties was hindered by the absence of quality assurance and plant breeders' rights regulations in Namibia. Importation of these varieties from

France turned out to be more expensive for many farmers due to the high exchange rate and high shipping costs.

Despite the abovementioned interventions, potato production in Namibia is not increasing, and importation of fresh and primary processed potato products remains high. Some of the biggest challenges that hinders potato production includes limited access to high quality seeds, high cost of basic inputs such as seeds, fertilisers, agrochemicals, and electricity, limited access to finance, and lack of know-how on best potato production practices. Lastly, the production cost for potatoes in Namibia is equally high, and it is estimated to be around N\$200,000.00 per hectare (ha).

Therefore, the Potato Value Chain Development Scheme (PVCDS) is aimed at ensuring that start up farmers have access to high quality certified seeds, fertilisers, and agrochemicals through a subsidy programme, and supported by training and mentorship, market security, and access to affordable finance for primary production.

It is believed that these interventions will stimulate local production and increase the Market Share Promotion (MSP) - share of local production to domestic demand from the current actual MSP of 40% to at least 50% in the next 5 years, and though the overall targeted MSP for the next 5 years is 56%. These interventions are well aligned with the NAB Crop Value Chain Development Strategy for 2025/26 to 2029/30, which identified potato as one of the priority crops for value chain development.

# 02. GOAL & OBJECTIVES

The goal of this programme is to increase the contribution of potato to MSP from the current 34% to at least 67% in the next 5 years, ultimately contributing significantly towards increasing the current overall Actual Horticulture MSP of 40% to at least 56% by 2030.

**The specific objectives of this programme are to:**

1. Provide farmers with a subsidy for high-quality/ certified potato seeds, fertilisers, and agrochemicals.
2. Enhance capacity building for farmers through training, mentorship, and mechanisation support, to ensure high productivity.
3. Ensure access to affordable finance and secured market access for locally produced potatoes.



# 03. BENEFICIARIES & PRODUCTION TARGETS

- All new and existing potato farmers (small-scale producers) from all production areas of Namibia, planting between **0.5ha to 2ha**, targeting a total of at least **89ha per annum or 445 ha in 5 years**. The beneficiary farmers should at least have the basics items in place for irrigated potato production to take place, and this will be established through a thorough field assessment.
- For farmers planting above 2ha, only the first 2ha will be subsidised.
- The scheme targets a total of 45 farmers per year to benefit from the scheme, and the subsidy will be proportionally divided amongst all the potato production zones on a first-come first-serve basis. Each farmer will only benefit for two consecutive seasons from the subsidy, and thereafter, other farmers will also be given a chance.
- The target is to increase local production of potatoes by approximately **11,797 tons or N\$83 million (144%) per annum** by 2030, from the current **8,203 tons** to at least **20,000 tons (N\$140 million) per annum**, in the next five years or **4,005 tons (89ha)** increase per annum in two planting seasons in a year, and this intervention will reduce the current potato imports to only 33% by 2030, meaning increasing production to 67% by 2030.
- This intervention will create over 1,500 permanent and seasonal jobs, mainly at production and packhouse levels.



# 04. SCHEME PROVISIONS

Provision	First Season	Second Season
<b>1. Certified Seed Subsidy</b>	NAB will provide a 50% subsidy on certified potato seeds based on the 100 bags per hectare of 25kg each) per ha	NAB will provide a 25% subsidy on certified potato seeds based on the 100 bags per hectare of 25kg each) per ha
<b>2. Fertiliser Subsidy</b>	NAB will provide a 50% subsidy on basal dressing fertiliser limited to 400kg/ha and top-dressing fertiliser at 600kg/ha, all calculated and limited to a maximum value of N\$200 per 50kg bag.	NAB will provide a 25% subsidy on basal dressing fertiliser limited to 400kg/ha and top-dressing fertiliser at 600kg/ha, all calculated and limited to a maximum value of N\$200 per 50kg bag.
<b>3. Agrochemicals Subsidy</b>	NAB will provide a 50% subsidy on the total cost of pesticides and fungicides purchased, and sufficient for the production area (ha) targeted.	NAB will provide a 25% subsidy on the total cost of pesticides and fungicides purchased, and sufficient for the production area (ha) targeted.
<b>4. Capacity Building</b>	NAB and partners to provide training and mentorship on best potato production practices, marketing and standard to all beneficiary farmers, and NAB will cover the full costs, free of charge.  These funds will also be used to purchase or hire of basic low technology machines for planting and harvesting, as part of mechanisation support. This support will be provided for a period of five (5) years for all the beneficiaries.	
<b>5. Access to Finance</b>	Ensure access to affordable finance by beneficiary farmers for production purposes. This support will be provided for a period of five (5) years for all the beneficiaries.	
<b>6. Market Access</b>	NAB will work closely with buyers to ensure that potato farmers have access to secured markets, through offtake agreements. This support will be provided for a period of five (5) years for all the beneficiaries.	

# 05. REQUIREMENTS

- Must be registered with the NAB as a producer.
- The applicant must be a Namibian citizen (Proof of Identification to be attached to the application).
- Proof of land ownership issued by the relevant authorities, headman, or traditional authority.
- Must have a functional irrigation system (drip, sprinkler, and center pivot) and a reliable source clean and quality water for irrigation.
- Must have soil sample results for the targeted field.
- Must be willing to enter into an offtake agreement with traders (buyers).
- Must provide proof of funds to cover operational costs for potato production.
- Must undertake to plant certified potato seeds from reputable suppliers (documentary proof to be provided).



# 06. IMPLEMENTATION MODALITIES

- All interested farmers will be required to apply for the subsidy by completing and applying form to the NAB, in person or via email.
- Its only certified potato seeds that will be accepted for the subsidy and hence a copy of the certificate from the suppliers to demonstrate that the seeds are certified by the competent authority must accompany the application, as well as a valid quotation of the seeds, fertilisers, and agrochemicals to be bought. Proof that the seeds to be purchased are certified will be required, and such a certificate must be issued by the competent authority in that country, and verification may be conducted to ensure that the seeds are indeed of high quality and disease/ pest free.
- The seed supplier will be responsible for delivering the seed to designated points within various production zones to ensure accessibility for subsidy beneficiaries.
- The farmer is required to provide proof of funds available to cover the cost of production for the targeted production hectares e.g. bank statement or proof of production loan acquired, or any authentic proof of funds. The farmer has the option to source a loan from any financial institution of their choice or to use their own funds, as long as there is proof of funds.
- The farmers will also have an option to secure a production loan from Agribank to ensure that there is no limitation in achieving the targeted yield of 45 tons per hectare of quality potato.
- The farmer is also required to take samples for testing at an accredited laboratory at their own cost and attach the results of the soil samples (with fertilisation recommendation) to the subsidy application.
- Upon approval, the farmer will be required to first pay their portion of the total value of the quotation/ invoice to the supplier of their choice and submit proof of payment to the NAB, and only then will the NAB pay the subsidy portion to the supplier directly, before the farmer collects the items.
- The NAB will review the application and field assessment may be carried out through a standardised checklist to ensure that the farmers meet the following basic requirements: land availability, reliable source of quality water for irrigation, functional irrigation system, cropping area must be fenced and the farmer must be willing to farm potatoes on commercial basis and enter into an offtake agreement with a trader.
- The NAB and other partners will ensure that all participating farmers are trained on potato production best practices before planting, as well as market/ standard related matters, and such farmers will be offered with continuous mentorship, all free of charge but financed by NAB.
- The implementation of this scheme will be closely monitored and assessed by NAB on a quarterly basis to ensure that the objectives are achieved. This will also involve regular field visits to the fields of the participating farmers.
- The beneficiaries will be phased out after the second harvest of the two seasons, to allow other farmers the opportunity to also benefit from the program.

# 07. PARTNERSHIP

In order to ensure the successful implementation of the programme and better coordination, the NAB will partner with the following organisations:

Organisation	Nature of partnership
Agribank of Namibia and Other financiers	Provision of finance for production of potato
Namibia Agricultural Input Suppliers Association (NAISA)	Supply of certified seed, fertilisers and agrochemicals
National Association of Horticulture Producers (NAHOP), Potato and Onion Producers Association (POPA), and Ministry of Agriculture, Fisheries, Water and Land Reform (MAFWLR) and others	Training and mentorship of farmers on best potato production practices  Soil sampling and fertilisation recommendation
Namibian Association of Traders in Fresh Produce (NATFP) and Agro-Marketing and Trade Agency (AMTA)	Provision of secured markets through offtake agreements, as well as training of market requirements, quality and food safety standards, and value addition.



# 08. FINANCIAL IMPLICATION

The implementation of this scheme is estimated to cost around N\$5.5 million per annum, or N\$27.5 million in five (5) years. This cost includes the 50% and 25% subsidy for certified seeds, fertilisers, and agrochemicals, as well as the cost for capacity building (training and mechanisation support) and 10% administrative cost to be used by the NAB to implement the project.

Provisions	Quantity/ Ha	Unit Price N\$	Cost/ Ha N\$	Subsidy Per Ha N\$	Subsidy For Max. 2ha N\$	Subsidy On 45 Farmers (89ha) Per Year, In Two Seasons.
1. Certified Seed Subsidy	100 bags	500	50,000	25,000	50,000	2,250,000
2. Basal Fertilisers Subsidy	8 bags	1,000	8,000	4,000	8,000	360,000
3. Top Dressing Fertiliser Subsidy	12 bags	1,500	18,000	9,000	18,000	810,000
3. Agrochemicals (Pesticides/ Fungicides)	Various	2,000	2,000	1,000	2,000	90,000
<b>A. Subtotal Cost</b>			<b>78,000</b>	<b>39,000</b>	<b>78,000</b>	<b>3,510,000</b>
4. Capacity Building (Training, Mentorship and mechanisation)						1,500,000
C. Total Cost (A+4)						5,010,000
Administration Cost at 10%						501,000
<b>GRAND TOTAL PER YEAR</b>						<b>5,511,000</b>
<b>TOTAL COST IN 5-YEARS</b>						<b>27,555,000</b>





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