



**REPUBLIC OF NAMIBIA**

**MINISTRY OF AGRICULTURE, WATER AND FORESTRY**

**NAMIBIAN AGRICULTURE  
MARKETING AND TRADE POLICY  
AND STRATEGY**

October 2011

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## FOREWORD

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Twenty one years after independence, the Ministry of Agriculture, Water and Forestry took stock of its achievements to date and developed a five year strategic plan. The strategic plan created an opportunity to redirect Ministerial efforts to specific strategic focus areas in line with Vision 2030. These focus areas include the development of a policy and legal environment as well as product, market and infrastructure development that would redirect resources towards increasing agriculture production. This would in turn enhance food production to feed the growing Namibian population, reduce the country's reliance on imports, employment creation and increase agriculture's contribution to the national economy. Furthermore, processing and value addition to agricultural commodities would be needed to ensure that the country reaps maximum benefits from its agricultural resources.

Although the international marketing of Namibia's agriculture products is relatively well developed with exports destined for markets such as the EU and other markets, the marketing of these products internally has not witnessed a similar development. There has been minimal focus on mainstreaming the development of marketing of agricultural products both in the domestic and international markets. The marketing system in the domestic market are thus fragmented, non-transparent, based on foreign pricing systems and does not promote equitable benefit sharing across all role players in the value chain.

It is also important to note that only a small percentage of products produced within the country are destined for the domestic market. Therefore, while appreciating the presence of Namibian products in international markets, consumer demand in the domestic market is serviced by imported products, which is an undesirable trend. This means that Namibian originating products do not claim a fair share of the domestic market. Furthermore, the current marketing situation favours large scale agricultural producers and processors at the expense of small and medium scale producers of agricultural products. Another constraining factor is that most of the retailers operating in the domestic market are foreign-owned and procurement decisions are made through their agencies based outside the country. As a result, only a small percentage of Namibian products are marketed to consumers through the retail shops.

In order to address this situation and to meet the national objectives, the Ministry of Agriculture, Water and Forestry needs to develop and adopt appropriate policies and strategies that would improve Namibia's agricultural marketing and trade in the domestic and international markets. A subset of these policies and strategies would be a framework that would guide the marketing of agriculture products in both the local and international markets.

In this regard, the Ministry has formulated a Namibian Agriculture Marketing and Trade Policy and Strategy. The main aim of this Policy and Strategy is to guide the agricultural sector towards utilising the opportunities in both the domestic and international markets that would result in the country reaping maximum benefits to achieve the objectives of Vision 2030.

This Policy will serve as the roadmap for the marketing of Namibia's agriculture products in the domestic and international markets. We must promote a culture where consumers will opt for Namibian originating agriculture products over foreign products in both domestic and international markets. This cannot only be achieved by ensuring that the products produced are

of exceptional quality and comply with international standards, but it also requires that the products need to be visible and accessible to the consumers.

The implementation of this Policy will be the responsibility of MAWF in collaboration with key stakeholders. As such the Agriculture Marketing and Trade Policy and Strategy was developed through a consultative process involving all key stakeholders. Let me take this opportunity to thank all role players for their meaningful and constructive contributions to the finalisation of this Policy and Strategy. I would also like to state that MAWF will remain flexible in making appropriate amendments and improvements during the implementation of the Policy and Strategies contained in this document. With the support of the key stakeholders, I am confident that we will realise tangible and beneficial results for all involved in the agriculture value chain as well contribute to the industrialisation objectives of Vision 2030.

A handwritten signature in dark ink, appearing to read 'John Mutorwa', with a long horizontal stroke extending to the right.

**JOHN MUTORWA**

**HONOURABLE MINISTER OF AGRICULTURE, WATER AND FORESTRY, MP**

**OCTOBER 2011**

## ABBREVIATIONS

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1. AU – African Union
2. CAADP – Comprehensive Africa Agriculture Development Programme
3. DRC – Democratic Republic of Congo
4. EFTA – European Free Trade Area
5. EU – European Union
6. FMD – Foot and Mouth Disease
7. FTA – Free Trade Area
8. GDP – Gross Domestic Product
9. GSPs – Generalized System of Preferences
10. ICT – Information Communication Technology
11. LMIS – Livestock Marketing Incentives Scheme
12. MAWF – Ministry of Agriculture, Water and Forestry
13. MBN – Meat Board of Namibia
14. MERCOSUR – Common Market of the South (America)
15. MFN – Most Favoured Nation
16. MHSS – Ministry of Health Social Services
17. MIT – Ministry of Information and Technology
18. MME – Ministry of Mines and Energy
19. MOF – Ministry of Finance
20. MTI – Ministry of Trade and Industry
21. MWT – Ministry of Work and Transport
22. NAB – Namibian Agronomic Board
23. NBT – Namibian Board of Trade
24. NCAs – Northern Communal Areas
25. NCC – Namibian Competition Commission
26. NDP3 – Third National Development Plan
27. NEPAD – New Economic Partnership for Africa’s Development
28. NPC - National Planning Commission
29. NSI – Namibian Standards Institution
30. PPP – Public-Private-Partnership
31. PTA – Preferential Trade Agreement
32. R&D – Research and Development
33. SA – South Africa
34. SACU – Southern African Customs Union
35. SADC – Southern African Development Community
36. SPS – Sanitary and Phyto-sanitary
37. UK – United Kingdom
38. USA – United States of America
39. VCF – Veterinary Cordon Fence
40. WTO – World Trade Organization

## INTRODUCTION

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In recognising that there is a link between production, marketing (domestic marketing) and trade (import and export) functions, this policy and strategy paper focuses on domestic marketing and trade within the agricultural and agro-industrial sectors.

The Agriculture Marketing and Trade Policy and Strategy is developed with the aim of contributing to the achievement of the agriculture sector's objectives as reflected in Vision 2030, NDP3 and the National Agriculture Policy in concert with other policies and strategies across the agricultural value chain. The Agriculture Marketing and Trade Policy and Strategy is further aiming at serving as a policy input in the overall national marketing and trade policy, and should have to be implemented taking due cognisance of the complementarities of other sectoral economic policies.

For the purpose of this Policy and Strategy Paper, agriculture-related industries are understood to include sectors related to (i) inputs such as seed, fertilizer, pesticide, and agricultural machinery; (ii) processing and manufacturing; (iii) transportation, storage, retailing; and (iv) service and information such as finance, administration, and R&D. As new industrial areas using agricultural produce continue to emerge and evolve, the understanding of the agriculture-related industry should have to be more adaptable and adjusted accordingly.

The concept of marketing in this Paper is framed to refer to the selling and distribution of agriculture produce and products within domestic market. Agricultural marketing also covers services involved in moving agricultural products from the farms to the consumers. Numerous interconnected activities are involved, ranging from cropping programmes, production and harvesting, cleaning and sorting, grading, packaging, transportation, storage, agro- and food processing, distribution, advertising and selling. The latter list of activities is not exhaustive, as marketing actually entails all other activities that a business does in the course of conducting its business.

The trade concept in the context of this paper refers to the international trade, which is the importation and exportation of the agricultural produce and products. The rationale of covering marketing and trade under the same Policy Paper is their obvious interactions and the fact that marketing and trade are two sides of the same coin.

The document provides background information under Section 1, where it describes the legal framework, key indicators of the agriculture and agro-industries and Namibia's agriculture marketing and trade. This is followed by a compilation of policy statements and pronouncements under Section 2. These first two Sections provide a basis and context for the development of policy objectives and strategies that are contained in Sections 3 and 4. Lastly, the document identified main role players in the implementation of the policy and strategies (Section 5) and describes the mechanism for the monitoring, evaluation and revision of the Policy and Strategies.

## EXECUTIVE SUMMARY

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The Agriculture Marketing, Trade Policy and Strategy is developed with the aim of contributing to the successful performance of the agriculture sector, as well as to complement other policies and strategies across the agricultural value chain. The Policy and Strategy paper deals separately with two intertwined concepts of marketing and trade.

The Policy Framework is outlined drawing from the MAWF's mandate, Vision 2030, NDP3, 2009 SWAPO Party Manifesto, MAWF Strategic Plan and subsidiary policies, schemes and projects. The Legal Framework for the Policy and Strategy is defined on the basis of the Namibian Constitution and major acts in the agriculture sectors. The key indicators of the agriculture and agro-industries include the sector's contribution to GDP at 5.5% in 2008, the growth rate of 12% per annum in the same year and the employment of 16% of the country's active workforce (2008 Labour Survey). In terms of the prevailing agriculture marketing and trade profile, system and related services, salient issues include the higher domestic market value of agriculture products at more than N\$5 billion and a trade deficit of N\$1.3 billion in 2009.

An efficient and effective marketing system is required to facilitate the Namibian agriculture sector to gain an increased share of and profit from the domestic market and for potential buyers to find quality local products at competitively prices. It is of utmost importance to develop an integrated approach to underpin the marketing system that includes provision of tailor-made marketing infrastructure and services. An efficient marketing system encompasses the entire agriculture value chain and specifically improves the competitiveness of the agro-industry.

From the trade perspective, Namibia focuses on guarding against unfair trade practices by foreign trading partners at all times, with the view to ensure the sustainable existence of its domestic agriculture and agro-industrial sectors. The key consideration is given to the development of a stable, predictable and sustainable agro-industry as well as to food security and strong linkages across the agriculture value chain. Namibia aims to ensure that all agricultural and agro-industrial products, both imports and Namibian originating products, destined for the domestic market meet the set minimum quality, technical regulations, standards and food safety requirements.

In order to expand the market scope and economy of scale for the domestic agricultural industries, Namibia participates in trade liberalization initiatives both in regional and multilateral forums as well as at a bilateral level. In undertaking trade negotiations, due cognizance is taken to safeguard sensitive industries by limiting their exposure to fast paced liberalization.

It is considered essential to apply measures such as production incentives in the form of marketing infrastructure development, promotion of ancillary services, tax based incentives and infant industry protection in order to kick-start, develop and sustain the downstream agricultural and related industries.

The local agro-industry is being encouraged to develop corporate strategies to enter the regional markets and to ensure that Namibia claims her fair share of these markets. Namibia further encourages export of non-traditional, high value agricultural products to niche markets.



It is necessary to adopt a "marketing orientation" approach as opposed to a "production orientation" approach, whereby production is based on market needs, contrary to the approach where a country only engages in marketing once it has products to market. The main marketing objectives include stimulating downstream agro-industries, improving competitiveness of the agricultural industries, increasing the local products' share of the domestic market and increasing agriculture contribution to the national economy.

Trade is an essential element of any economic development effort. All countries need to import at least some goods and services for reasons such as the fact that there are products that are either essential to the economic well-being or that consumers desire and not naturally available or cannot be produced in the country; and that some products that satisfy domestic needs can be produced at a relatively low cost or efficiently by other countries, and therefore available at affordable prices. A country needs to export due to production surplus, high returns in the export markets, foreign currency earning, and/or expanding market scope to create economies of scale for industries.

Namibia shall implement a number of overarching strategies for the marketing of agricultural produce and agro-industrial products in general to realize policy objectives set out in this document. In addition, specific strategies are set for the livestock and meat as well as the cereals and horticulture industries. Namibia shall further implement a number of trade-related strategies, taking into account the need for competitive sourcing of production inputs, food security, safeguarding national interests and expanding the market scope for the local industry.

A number of public and private sector and civil society institutions have been identified as key role players in the implementation of the Agriculture Marketing, Trade Policy and Strategy. The MAWF is designated as the leading implementer and coordinating institution. The relevant line ministries would be expected to contribute to the successful implementation of the strategies under this Paper by ensuring that their programmes take into account and cater for the requirements of agriculture marketing and trade. The agricultural regulatory and statutory boards are expected to spearhead the development and management of the national marketing and trade initiatives, the development and enforcement of standards, the maintenance of a competitive domestic market while ensuring fair competition versus international businesses. The private sector and civil society are expected to play a driving role in business and economic development, information dissemination and consensus building across the value chain.

A mechanism for the continuous monitoring and evaluation of the policy implementation shall have to be devised, which will serve as a feedback system and tool to ensure that the Policy is focused on the core target and a source of information for future planning.

# 1. BACKGROUND

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## 1.1. POLICY FRAMEWORK

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- 1.1.1. The Vision of the MAWF is “to be recognised as the leading contributor to food security, agro-products competitiveness, increase and equitable access to our natural resources for improved livelihood, wellbeing and wealth for all.”
- 1.1.2. The Mission of the MAWF is to “promote and manage the sustainable utilization and development of agricultural, water and forest resources for a prosperous Namibia through stakeholder partnerships”.
- 1.1.3. Vision 2030 foresees “land being used appropriately and equitably, significantly contributing towards food security at household and national levels, and supporting sustainable and equitable growth of the Namibian economy, whilst maintaining and improving land capacity”. Vision 2030 further calls for “ensuring that all Namibians have equitable access to land and other natural resources, and that these resources are sustainably and efficiently used, while maximizing Namibia’s comparative advantages.” This further requires reducing inappropriate resources use practices and creating database for information-sharing and programme management.

To realize the above stated objective, Vision 2030 identified a number of strategies, including for the agricultural marketing and trade, which include encouraging local value-adding through domestic processing and improving awareness of market requirements for agricultural produce and agro-industrial products, as well as monitoring market responses to Namibian agricultural and agro-industrial products.

- 1.1.4. Under the Third National Development Plan, the agriculture sector is called upon to increase agricultural production at national and household levels by volume and value, through support to, inter alia, increased productivity, diversification, market efficiencies and exploiting trade opportunities.
- 1.1.5. The goals for the agriculture sector under NDP3 are sustainable crop and horticultural improvements including through the optimal and sustainable utilization of soils; and sustainable livestock improvement including through optimal and sustainable utilization of rangeland.
- 1.1.6. The 2009 SWAPO Party Manifesto designates the agricultural sector as one of the basis for wealth creation and economic development, with marketing as one of the complementing means to production and agro-processing for achieving such objectives.
- 1.1.7. To help attain the national objectives, the overall goal of the National Agricultural Policy is to increase and sustain the levels of agricultural productivity, real farm incomes and national and household food security. The National Agricultural Policy aims at improving the profitability of agriculture and increase investment in agriculture; contribute towards the improvement of the balance of payments; and expand vertical integration and domestic value addition for agricultural products; amongst others.
- 1.1.8. The MAWF Strategic Plan outlines the strategic focus areas to be achieved, including the creation of stakeholder synergy, product and market development and infrastructure development. The Plan further identified objectives to be achieved through initiatives

or projects, by which the agriculture sector would realize job creation and increase agriculture contribution to the national economy.

- 1.1.9. Several other subsidiary policies, schemes and projects that will support and compliment the implementation of this Policy and Strategy include the Policy for the Eradication of Trans-boundary animal Diseases in the Northern Communal Areas, Drought Policy, Green Scheme, Integrated Grain Storage Facilities, National Horticulture Development Initiative, Kalimbeza Rice Production, Development of Livestock Breeding and Marketing Infrastructure in Communal Areas, Improvement of Animal Health Status and Marketing in the NCAs, support to the development of Indigenous Plants and Mahangu, Development of Agricultural Technology Centres and Construction of Agricultural Development Centres. It is therefore important that these subsidiary policies, schemes and projects will have to be taken into account and synchronised with the implementation of the Agricultural Marketing and Trade Policy and Strategy.

## 1.2. LEGAL FRAMEWORK

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- 1.2.1. As guiding principles for the Namibian economic order, the Namibian Constitution based such on “a mixed economy with the objective of securing economic growth, prosperity and a life of human dignity for all Namibians” (Article 98). Accordingly, the ownership of the Namibian economy is in mixed forms through public, private, joint public-private, cooperative, co-ownership and small-scale family stakeholders, amongst others.
- 1.2.2. The following are the major acts that define the legal framework for the agricultural sector relating to agriculture marketing and trade in detail. It is important to note that this list is not exhaustive and there may be other acts that affect agriculture marketing and trade.
- (a) Agricultural (Commercial) Land Reform Act 6 of 1995
  - (b) Agronomic Industry Act 20 of 1992
  - (c) Meat Industry Act 12 of 1981
  - (d) Karakul Pelts and Wool Act 14 of 1982)
  - (e) Prevention of Undesirable Residue in Meat Act 21 of 1991
  - (f) Stock Brands Act 24 of 1995
  - (g) Cooperatives Act 23 of 1996
  - (h) Agricultural Pests Act 3 of 1973
  - (i) Abattoir Industry Act 54 of 1976
  - (j) Livestock Improvement Act 25 of 1977
  - (k) Control of the Importation and Exportation of Dairy Products and Dairy Product Substitutes Act 5 of 1986
  - (l) Meat Corporation of Namibia Act 1 of 2001
  - (m) Animal Disease and Parasite Act 13 of 1956
  - (n) Bio-Safety Act 7 of 2006
- 1.2.3. Namibia’s legal framework is further extended by several bilateral, regional and international treaties, agreements, protocols, declarations and conventions, to which Namibia is a signatory or a beneficiary, which all confer rights and impose obligations

that may have a direct impact on production, marketing and trade of agricultural products within Namibia and beyond. The most prominent of these trade agreements and schemes are the WTO Agreements, SACU Agreement, SADC Trade Protocol, SACU-EFTA FTA, SACU-MERCOSUR PTA, Namibia-Zimbabwe PTA, Namibia-DRC Trade Agreement, Cotonou Agreement, and GSPs.

- 1.2.4. Other bilateral, regional and international treaties, agreements, declarations particularly affecting the agriculture sector include NEPAD, CAADP, AU Maputo Declaration, SADC Dar-es-Salaam Declaration of Agriculture and Food Security, etc.

### 1.3. KEY INDICATORS OF THE AGRICULTURE AND AGRO-INDUSTRIES

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- 1.3.1. The Namibian agricultural sector remains the backbone of the Namibian economy. It is the second largest primary industry after mining, with a 5.5% (over N\$4 billion) contribution to GDP in 2008 (National Accounts, 2000-2008).
- 1.3.2. Nominal growth within the agricultural sector averaged approximately 12% per annum between 2000 and 2008, slightly below the overall average nominal annual GDP growth of 13% during the same period.
- 1.3.3. The agriculture sector also contributes significantly to manufacturing, with food processing making up about 2% of the manufacturing outputs. Other food and beverage industries, that have a high percentage of agriculture inputs, represent more than 50% of the manufacturing industries.
- 1.3.4. On average, 70% of the Namibian population relies on the agricultural sector for a livelihood. According to the Namibian Labour Force Survey (2008), the agricultural sector is the largest employer in the country, with 52,788 people employed, which constitute 16% of the country's active workforce. Table grapes production have become an important subsector, providing additional employment during peak (harvesting) seasons.

### 1.4. NAMIBIA'S AGRICULTURE MARKETING AND TRADE

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#### 1.4.1. Agricultural Market Profile

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- (a) Namibia has a market size for agricultural and agro-industrial products that is valued at more than N\$5 billion (computation from the National Accounts, 2000-2008). Of this, local industries have a market share of around one-third. The main local agricultural products are livestock (cattle, goats, sheep, pigs and poultry), crops and horticulture (maize, wheat, mahangu, cabbage, watermelon, potatoes, tomatoes, onion, grapes, dates, mangoes, etc.). On the agro-industrial side, processed meat (chilled, frozen, dried, canned) charcoal and leather products are major products.
- (b) Agricultural produce is the principal input into food processing industries in Namibia, mainly livestock that provides multiple derivative products such as meat products, biltong, canned beef, leather products, milk and other dairy products. From the crop products, significant processing activities include milling, pasta production and baking. Many food products are produced on a small scale and a

few of them are processed for domestic sales and fewer are exported. High value processing activities are also observed in the cosmetics and medicinal industries.

- (c) Almost all inputs for primary production in the agriculture sector, such as equipment and machinery, fertilizer, veterinary medicine and food supplements, are imported.

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#### 1.4.2. Agricultural Marketing System

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- (a) The agricultural marketing system in Namibia operates with targeted Government interventions, where the forces of supply and demand are expected to primarily shape the system. Such targeted Government interventions are made, mainly through statutory boards, to advance and protect the interests of agricultural producers, processors and consumers. The agricultural marketing system has many role players, including producers, agents, traders, processors, wholesalers, retailers, transporters, consumers and providers of agriculture related services such as logistics, storage, packaging and advertising. The main marketing channels are private sales, auctions and direct sale to butchers, abattoirs, millers, processors and speculators.
- (b) It is also apparent that the marketing systems for some agricultural subsectors such as the cattle marketed in the NCAs, controlled grains and goat marketing systems prove to be complicated, non-transparent and not in concordance with efforts to realize overarching national objectives.
- (c) The livestock subsector marketing system can be divided between small-stock on one side and cattle on the other, in both informal and formal marketing channels. In both cases, it consists of individuals buying livestock for different reasons which include slaughter, as an investment or for social functions such as funerals, customary celebrations, weddings and religious celebrations. Formal marketing consists of direct sales to butcheries, auctions and abattoirs or indirect sales through agents and traders whose roles are observed to be prominent in this subsector.
- (d) The cattle marketing system is further influenced by the VCF in the country. The area north of the VCF is composed of the FMD-protection zone, which covers the Kunene, Omusati, Oshana, Oshikoto, Ohangwena and Kavango regions and the FMD-affected zone which in the Caprivi region. The areas north of the VCF are commonly referred to as the NCAs. Because of the FMD status of these regions, cattle originating from these areas may not be marketed in the FMD-free zone, which is comprised of regions situated south of the VCF. However, beef produced in the NCA may be marketed in the rest of the country under strict conditions. This restriction is aimed at protecting access of beef produced in the FMD-free zone to almost all markets in the world, including the lucrative EU and EFTA markets. Beef produced in the NCAs may also be marketed to limited export markets in SADC, with South Africa, Angola and the DRC being the current market destinations, upon meeting certain conditions.

- (e) It is also important to point out that the breed of cattle and the animal husbandry practices have a significant bearing on the size and condition of the cattle produced as well as on returns made on them. Most cattle produced in the FMD-free zone, which is predominantly composed of commercial farmers, are of a larger frame and better condition as compared to the cattle in the NCAs. The combination of both factors led to producers in the NCAs receiving relatively lower returns from the marketing of their animals in the formal domestic marketing channels compared to their commercial counterparts in the FMD-free zone. The MBN manages the carcass grading system, on the basis of which the price is set by local abattoirs. Meatco, which plays a leading role in setting the domestic price for beef, does so using the South African prices as the benchmark. This is despite the fact that production systems and marketing conditions are different in Namibia from those prevailing in South Africa. Government owns a number of slaughterhouses in the NCAs with relatively smaller slaughter capacities. Due to their current infrastructural setup, these slaughterhouses have not met the international markets' SPS requirements and therefore they are not currently eligible to export meat beyond the Namibian borders. The informal marketing channels on the other hand has proved to yield better returns for cattle producers in the NCAs, albeit that these channels can only handle small cattle volumes due to inadequate slaughtering facilities.
- (f) Regarding small-stock, goats and sheep originating from anywhere in the country may be marketed throughout the country. However, sheep and goat originating from the NCA has to meet animal health requirements before they can be marketed in the FMD-free zone or to export markets. The major challenge in the small-stock industry has been the export of small stock from Namibia to neighbouring countries despite Government efforts to curtail this trend. This phenomenon has the potential risk of threatening the sustainable existence of small-stock breeds in the country because the export of livestock, though slaughter-ready, might end up for breeding purposes. Producers attributed the trend of livestock exports to the low prices offered for their animals by the local abattoirs, relative to the prices offered in neighbouring countries, mainly South Africa.
- (g) For Swakara sheep, there is an agreement dating back to 1969 between SACU member states prohibiting the export of sheep out of the SACU region. The aim of this export ban is to protect the Swakara industry against the establishment of similar industries elsewhere outside the SACU region. Graded Swakara pelts are auctioned at international fur auctions and the average annual foreign exchange earned is in excess of N\$60 million. Swakara wool is processed within the country.
- (h) Another important feature of the domestic marketing system is the domestic market regulations that seek to promote the sustainable development of the livestock sector. Government has instituted levies on the export of all live animals with the exception of stud breeding animals that are subject to the Livestock Improvement Act.

- (i) Issues identified as hampering effective functioning of the efficient marketing of livestock in the country include:
  - (i) Unavailability of relevant market information throughout the value chain, especially on the part of the producers;
  - (ii) Producers reluctance to supply livestock to local abattoirs as a result of low prices, and
  - (iii) Insufficient marketing platforms across the country and lack of cooperation and integration from upstream to downstream industries.
- (j) On the side of crops, Government has declared white maize, wheat and mahangu as controlled products. Such declaration has enabled Government, through the NAB, to regulate the domestic marketing of these products in a manner that promotes the sustainable development of their domestic production, processing and value addition. It therefore follows that during harvesting time in Namibia, the NAB declares a closed border period during which only locally produced maize, wheat and mahangu can be marketed in the domestic market. Once the domestic production has been sold, the closed border is lifted and imports are allowed to enter the country. The domestic milling industry, where the largest percentage of the cereal is marketed, is relatively well developed. The domestic cereal market price is based on the South African import parity price and is set through NAB facilitated negotiating forums between the milling industry and white maize, wheat and millet producers.
- (k) For horticulture products, there is a trend to round trip the products to South Africa and supply the same products into the domestic market at higher prices, but labelled as South African produce. This practice is attributed to the absence of adequate horticultural storage, processing, marketing facilities and logistical service infrastructure in the country. Only a small percentage of the local produced goods reach the consumers via the major retail shops within the country. This is further compounded by the fact that most major retailers operating in Namibia are subsidiaries of foreign companies, and procurement decisions are made in those foreign countries, with their procurement systems biased against Namibian originating agricultural and agro-industrial products.
- (l) To date, however, Government through the NAB has put in place a “Market Share Promotion” scheme that requires retailers operating in the domestic market to source a given growing percentage of locally produced horticultural produce.

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#### 1.4.3. Agriculture-Related Marketing Services

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- (a) Agricultural marketing services include all the services that directly or indirectly support the effort to produce and deliver agricultural and agro-industrial products from the farm, through the value chain, to the final consumers. These services range from logistical management services, equipment hire and inputs supply, financing and banking facilities, storage facilities, packaging and branding, advertisement, transportation and delivery services, diagnostic, inspection and certification for quality, standards and health requirements.

- (b) There are currently limited business services that are specifically designed to cater for the needs of the agricultural sector, a situation that has an adverse effect on the efforts to increase agriculture sector's contribution to the realization of the national economic objectives.

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#### 1.4.4. [Agriculture Trade Profile](#)

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- (a) Namibia exports various agricultural products, which averaged more than 500 products lines at the six-digit Harmonized System (HS) of product classification code level during the 2008-2009 periods. In 2009, the top export products included malted beer, live bovine animals, meat (fresh, chilled and frozen), fresh grapes, sheep/lamb carcasses (fresh, frozen and chilled), fermented beverages, live goats, non-alcoholic beverages, spirits and wine.
- (b) During the 2009 period, Namibia had a negative balance of trade in agricultural products, averaging more than N\$1 billion. In 2009, Namibia imported agricultural products valued at N\$5.9 billion versus an export value of N\$4.6 billion. This translates into an agriculture trade deficit of N\$1.3 billion. A glimpse at Namibia's exports and imports over a series of years illustrates a state of the agricultural industry with a high potential, but with marginal exploration of such potential to the benefit of the country.
- (c) The current limited range of Namibia's agricultural export products indicates that there is still room for export product diversification. The challenge is for Namibia to develop export markets for targeted agricultural products that are not currently exported. The current main export markets include the Southern African region (SA and Angola) and Europe (UK, Spain, Switzerland and Norway) while access to the US market is being negotiated. Namibia, with the facilitation of her competent authorities, has been able to meet the technical sanitary and phyto-sanitary requirements for her exports to those countries. The challenge is to attain certification and eligibility for accessing and taking advantage of new export markets such as those of emerging economies including Brazil, India, China, Russia and the Middle East.
- (d) The range of imported agricultural and agro-industrial products is close to 600 lines at six digit HS code level during the 2009 period, of which sugar and confectionary, cigarettes, frozen chicken, unroasted malt, malted beer and prepared food feature prominently. Over 80% of agriculture products are imported from and via South Africa.
- (e) Out of the top 25 export products, only 20% have undergone some degree of processing and even fewer that could be regarded as having reached the final phase of value addition. The current limited range of Namibia's agro-industrial products is testimony to the fact that there is room for increasing this range through value addition. It is also common knowledge that value added agro-industrial products are less price volatile to international shocks than raw agricultural produce. Conversely, of the agricultural and agriculture-related products imported, 80% are in processed form, which not only demonstrates the domination of the local market by processed agricultural imports, but more



importantly points to the viability of the local market to potentially support growth of local agricultural industries.

## 2. POLICY STATEMENTS AND PRONOUNCEMENTS

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### 2.1. DOMESTIC MARKETING

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#### 2.1.1. Livestock and Meat Industry

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- (a) There is recognition of the need to facilitate and to make it easier for livestock farmers, especially small scale and subsistence farmers in rural areas as well as meat producers, to profitably sell their livestock and livestock products to the domestic market and for potential buyers to have access to products that are in the market. This requires both an efficient and effective marketing system.
- (b) An improved livestock and livestock products marketing system is likely to increase participation of livestock farmers in the formal agricultural market that would result in higher income and encourage improved production in terms of quality and quantity. This requires an integrated approach to underpin the marketing systems as well as an understanding of the farming community's circumstances. It is also necessary to provide tailor-made marketing infrastructure and services to reduce transaction costs, increase access to information and increase participation in the formal market.
- (c) While the efficient marketing for livestock and livestock products would improve the price that the farmers derive from their livestock, thereby positively impacting on their income and poverty reduction, the spill-over effects include increased availability and supply of inputs for the agro-industry.
- (d) It is indispensable that an efficient marketing system encompasses the entire agricultural value chain, and thereby improves the competitiveness of agro-industry products, especially against related imported products. This, in turn, would result in an increased share of locally originating agro-industry products in the domestic market.
- (e) It is on the basis of the above that Namibia shall have to:
  - (i) Utilize its policy space to preserve breeding material and discourage uncontrolled exports of livestock and unrestricted export of breeding material;
  - (ii) Promote value addition to diversify the product range;
  - (iii) Promote the optimal utilization of the domestic market for Namibian products;
  - (iv) Develop, promote, maintain and improve, where appropriate, sanitary requirements and ensure compliance with standards and quality of livestock and livestock products marketed in Namibia;
  - (v) Support and ensure that Namibian products meet local standards;
  - (vi) Devise, maintain and improve, where appropriate, the efficient and effective marketing system for livestock and livestock products in order to stimulate production;
  - (vii) Develop domestic livestock and livestock products markets through amongst others promotion of local consumption of locally originating meat and meat products;

- (viii) Ensure that local standards meet the minimum international standards;
- (ix) Promote the integration of the informal market into the mainstream economy;
- (x) Promote the development of a competitive agro-industry; and
- (xi) Ensure equitable distribution of benefits across the value chain.

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### 2.1.2. Cereals and Horticulture Industry

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- (a) The Namibian horticulture sub-sector is implementing efforts for its development in order to provide the best quality produce for the domestic market, while creating employment and stimulating the economy. Efforts in this sub-sector aim at contributing to Namibia's self-reliance in terms of the production, processing and marketing of fruits and vegetables. A well-developed and efficient marketing system is one of the means necessary to realize this objective.
- (b) In developing the domestic market for local fresh produce and agro-industrial products priority is put on instituting regulations and developing infrastructure necessary for an orderly marketing of cereals and horticulture produce.
- (c) It is Namibia's priority to increase income generation from cash crops and the commercialization of indigenous plant resources. In this regard, Government is committed to develop an effective marketing framework and infrastructure for food and fresh produce to support producers, especially small scale and subsistence farmers in particular and rural areas in general. Through the same programme, Government aiming to eliminate the prevailing practice of exporting fresh produce and re-importing the same produce labelled as foreign products for selling in the domestic market at higher prices.
- (d) Through the Dry Land Crop Production Programme, Government provides support to subsistence farmers to increase their production output in order to have sufficient surplus for marketing and income generation. Through the marketing efforts, the availability of farming inputs such as seed, fertilizer, pesticides, cultivating equipment, technology and management services would be improved and accessed at competitive prices. The marketing programme is expected to further result in a profitable sale of the production surplus.
- (e) It is on the basis of the above that Namibia shall have to:
  - (i) Utilize its policy space to preserve plant genetic resources and crop germ plasmas for indigenous plant species (discourage uncontrolled exports);
  - (ii) Promote processing and value addition to diversify the product range;
  - (iii) Promote the optimal utilization of the domestic market for Namibian products;
  - (iv) Develop, promote, maintain and improve, where appropriate, the phyto-sanitary requirements, ensure compliance with standards and quality of cereals and horticulture products marketed in Namibia;
  - (v) Support and ensure that Namibian products meet local standards;

- (vi) Devise, maintain and improve, where appropriate, the efficient and effective domestic marketing system for all crops and crop products in order to stimulate the domestic production of crops;
- (vii) Develop the domestic market through, amongst others, promotion of local consumption of locally originating produce;
- (viii) Support research and development of the domestic market as well as support efforts by cereal and horticulture producers and other stakeholders to orient agricultural and agro-industrial production towards market demands; and
- (ix) Promote integration of the informal market into the mainstream economy.

## 2.2. AGRICULTURE TRADE

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### 2.2.1. Agriculture Imports

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- (a) Namibia is taking advantage of the policy space within the context of bilateral, regional and multilateral trade agreements to create an environment conducive for the promotion of an increased share of Namibian originating agricultural and agro-industrial products in the domestic market. A secure domestic market for Namibian originating agricultural and agro-industrial products is regarded as necessary for ensuring the sustainable growth of the agriculture sector and limiting exposure to the risks of external market shocks. It is further necessary for promoting the development of a stable, predictable and sustainable agro-industry, while contributing to food security and strong linkages across the value chain.
- (b) It is common knowledge that some countries have favourable conditions that enable their farmers, processors and manufacturers to produce at relatively lower costs. Such conditions are not only created by abundant production-factor endowments, well developed production skills and advanced production technologies, but also come as a result of lax regulatory environment, huge production subsidies and unfair trade practices by some unscrupulous traders in these countries such as dumping and predatory pricing aimed at destroying the domestic production and industries in other countries. In addition, Government support for the development of the agriculture and agro-industrial sectors in these countries have been provided over an extended period of time.
- (c) It is also important to note that unlike in some of the competing countries, Namibia is faced with a further long-term challenge of redressing the current imbalance in the distribution of agricultural resources caused by the past colonial era. Through the available policy space, Namibia will have to focus on guarding against unfair trade practices by foreign trading partners at all times, with the view to ensure the sustainable existence of its domestic agriculture and agro-industries.
- (d) Namibia aims to ensure that all agricultural and agro-industrial products, both imports and Namibian originating products, destined for the domestic market

meet the set minimum quality standards, technical regulations and food safety requirements, not only to protect human, plant and animal health, but also to serve as a measure to shield domestic agricultural industries against unfair competition from sub-standard, low quality imports. It is therefore important for the competent authorities to ensure regular updates of domestic SPS requirements as well as the standards for agro-industrial products, while strengthening the enforcement mechanism and capacity.

- (e) It is on the basis of the above that Namibia shall have to:
- (i) Utilize its policy space to preserve a fair share of the domestic market for the Namibia originating agricultural and agro-industrial products;
  - (ii) Promote competitive sourcing of production inputs, for agricultural and agro-industrial products, and ensure availability of an assortment of high quality and affordable food products in the domestic market;
  - (iii) Promote the importation of appropriate technology and skills for increased agricultural production and improved value addition to diversify the agro-industrial product range;
  - (iv) Advocate for the maintenance and improvement of the provisions of regional and multilateral trade agreements that grant special and differential treatment to developing countries through adequate regulatory space;
  - (v) Use regulatory space to reduce the vulnerability of local farmers, the downstream industries and the rural poor to exogenous market factors;
  - (vi) Promote the development of the necessary legal, physical and logistical infrastructure to stimulate and instil competitiveness in the domestic agricultural and agro-industrial sectors and contribute to food security in the country;
  - (vii) Ensure that all imported agricultural and agro-industrial products meet the domestic SPS requirements, technical regulations and quality standards;
  - (viii) Ensure the enforcement of the MFN and National treatment of imported agricultural and agro-industrial products where applicable;
  - (ix) Ensure that all domestic regulations that have a bearing on the importation of agricultural and agro-industrial products originating in other countries are duly and appropriately notified to relevant authorities and institutions; and
  - (x) Promote, maintain and, where appropriate, improve the high quality, SPS measures and standards for agricultural and agro-industrial products marketed in Namibia.

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### 2.2.2. [Agriculture Exports](#)

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- (a) Namibia has a small market in terms of population size; the factor that has immense influence on the production cost structure of the domestic industries and the competitiveness elasticity. In order to expand the market scope and economies of scale for the domestic agricultural industries, Namibia participates in trade liberalization initiatives in both regional and multilateral forums as well

as at a bilateral level. In undertaking trade negotiations, due cognizance is taken to safeguard sensitive industries by limiting exposure to fast paced liberalization. These include appropriate setting of customs duties, liberalization phasing, developing standards (including technical, health and safety requirements), management of import and export licenses and management of trade remedies (anti-dumping, countervailing and safeguard measures).

- (b) It is a fact that Namibia is one of the developing countries whose agricultural trading pattern is characterized by the export of raw/unprocessed commodities while importing mostly processed products for consumption. This scenario is not surprising given the narrow or non-existence of downstream agricultural industries. It is, therefore, considered essential to apply measures such as production incentives in the form of production infrastructures and services, tax based incentives and infant industry protection in order to kick-start, develop and sustain the downstream agricultural and related industries.
- (c) As a member of SACU and SADC-FTA, Namibia has duty free access to a viable and growing regional market. The local agro-industry is being encouraged to develop strategies to access the regional market and ensure that Namibia claims her fair share of this market. This is very important in that it does not only serve as a launching pad to the international market, but also as a buffer zone against international competition.
- (d) As a small country, there is limited scope for developing industries capable of mass-production at low-cost for competing in the international market. It is for this reason that Namibia strives to position herself as a producer of high quality products that are marketed as premium products. In this respect, Namibia encourages the export of non-traditional, high value agricultural products to niche markets.
- (e) It is on the basis of the above that Namibia shall have to:
  - (i) Preserve the existing export markets and develop new markets to maintain a fair share of the international market for Namibian originating agricultural and agro-industrial products;
  - (ii) Advocate for the maintenance and improvement of the provisions of regional and multilateral trade agreements that grant special and differential treatment to developing countries through adequate regulatory space;
  - (iii) Use the regulatory space to reduce the vulnerability of local farmers, the downstream industries and the rural poor to exogenous market factors;
  - (iv) Promote the development of the necessary legal, physical and logistical infrastructure to stimulate the marketing and enhance competitiveness of Namibian originating agricultural and agro-industrial products in the domestic agricultural and agro-industrial sectors and contribute to food security in the country;
  - (v) Ensure the enforcement of the MFN and National treatment of imported agricultural and agro-industrial products where applicable;

- (vi) Ensure that all domestic regulations that have a bearing on the importation of agricultural and agro-industrial products originating in other countries are duly and appropriately notified to relevant authorities and institutions;
- (vii) Promote, maintain and where appropriate improve the high quality, SPS measures and standards for agricultural and agro-industrial products marketed in Namibia; and
- (viii) Ensure development of the agro-industry to promote export of value added products.

### 3. POLICY OBJECTIVES

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#### 3.1. DOMESTIC MARKETING

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- 3.1.1. The purpose of marketing is to gain a balance between making profits for the industry and creating more value for consumers. To achieve this, it is necessary to adopt a "marketing orientation" approach as opposed to a "production orientation approach". A marketing orientation requires the country to focus on identifying and understanding consumer needs and preferences, and produce accordingly, in order to satisfy such needs more effectively and efficiently. This leads to the conclusion that market preferences should direct production, contrary to some claims that the country should only engage in marketing once it has products to market.
- 3.1.2. In general therefore, the domestic agricultural marketing policy objectives are to:
- (a) Promote the marketing of Namibian originating agricultural produce in the domestic market;
  - (b) Increase the share of Namibian originating agricultural produce in the domestic market;
  - (c) Promote transparency of the domestic marketing systems for agricultural and agro-industrial products
  - (d) Increase the value of the agriculture sector's contribution to GDP;
  - (e) Stimulate the sustainable development of downstream agro-industrial activities;
  - (f) Promote, support and improve the competitiveness of Namibian agricultural and agro-industrial produce in the domestic market ; and
  - (g) Promote the development of an efficient and effective domestic marketing system.

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#### 3.1.3. Livestock and Meat Industry

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The policy objectives for livestock and meat industries are:

- (a) Improving the marketing of livestock to sustainably satisfy the demand of the local market as a production input into livestock farming and processing, at competitive prices;
- (b) Increasing the share of Namibian meat in the domestic market across the value chain;
- (h) Promoting the quality of livestock, meat and agro-industrial produce through backward and forward linkages in the meat industry; and
- (c) Promoting the safety of meat and meat products marketed in the country.



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### 3.1.4. Cereals and Horticulture Industry

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The policy objectives for the cereal and horticulture industries are:

- (a) Increasing the availability of originating agriculture crops and horticulture to the domestic downstream industry and local consumers in good (fresh) state and at competitive prices;
- (b) Improving access of the domestic market to a diversified range of Namibian agro-industrial products at competitive prices; and
- (c) Improving Namibia's national food security.

## 3.2. AGRICULTURE TRADE

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- 3.2.1. Trade, as acts of import and export, is an essential element of any economic development effort.
- 3.2.2. It was determined that no country is capable of being totally self-sufficient without incurring high cost. All countries need to import at least some goods and services for a number of different reasons. These reasons range from the fact that there are products that may be essential to the economic well-being or that consumers desire but are not naturally available or produced in the country. These products could be produced at a relatively low cost or efficiently by other countries, and therefore available at affordable prices.
- 3.2.3. There are even many reasons why a country needs to export. These include, but are not limited to production surplus, high returns in the export markets, foreign currency earnings, and/or expanding market scope to create economies of scale for industries.

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### 3.2.4. Agriculture Imports

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Namibia's policy objectives for import of agricultural products are:

- (a) Redressing unfair trade practices that result in global economic development imbalances;
- (b) Reducing the vulnerability of local farmers, the downstream industries and the rural poor to exogenous market factors;
- (c) Ensuring competitive sourcing of production inputs for agricultural and agro-industrial products and availability of an assortment of high quality and affordable food products in the domestic market;
- (d) Instilling competitiveness in the domestic agricultural industries and contribute to food security in the country; and
- (e) Ensuring that all imported agricultural and agro-industrial products meet the domestic SPS requirements and standards.

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### 3.2.5. Agriculture Exports

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Namibia's policy objectives for export of agricultural products are:

- (a) Expanding Namibia's economic space to enlarge economies of scale for agro-industry;
- (b) Taking full advantage of the liberalized regional and global market on the basis of the country's competitive advantage;
- (c) Promoting and further liberalizing trade with a view to achieve product and export market diversification;
- (d) Increasing the export of agro-industrial products in order to maximize the returns on investment and increase the agricultural sector's contribution to foreign currency earnings;
- (e) Reducing the export of agricultural commodities that are susceptible to international price fluctuations in order to protect farmers against potential losses; and
- (f) Discouraging the export of raw materials and live animals.

## 4. IMPLEMENTATION STRATEGIES

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### 4.1. DOMESTIC MARKETING

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- 4.1.1. In general, Government shall implement and promote the following overarching strategies for the marketing of the agricultural and agro-industrial products:
- (a) Adopt a market orientated approach as a way of delivering a greater level of customer satisfaction, profitability and sustainability;
  - (b) Provide support to marketing initiatives that encourage and support inter-linkages across the value chain of the agriculture sector, with emphasis on value addition and promotion of industrialization, while aiming at equitable benefit sharing by all role players;
  - (c) Develop an aggressive marketing programme for locally originating agricultural products as a way of stimulating demand, thereby boosting domestic production, diversification and value addition, as well as increasing the overall agriculture contribution to GDP;
  - (d) Improve the current and design new incentives aimed at promoting the marketing of Namibian originating agricultural and agro-industrial produce and products in the domestic market;
  - (e) Develop and provide core infrastructure for the marketing of locally originating agriculture products, including through PPP and devise complementary support services for ensuring all-season supply of good quality products;
  - (f) Develop and promote the utilization of a fully integrated and efficient national agricultural and agro-industrial marketing infrastructure for storage and processing, information technology centres, internet and telecommunication coverage, feeder roads, water supply and electricity connection at all designated agriculture hubs;
  - (g) Establish a framework for an efficient, effective and sustainable system for the management of marketing infrastructure for the originating agriculture products;
  - (h) Develop efficient and effective logistical systems for the marketing agriculture products;
  - (i) Provide high priority for the establishment of a marketing intelligence system, a marketing information database and information dissemination system that are readily accessible to the industry, including the setting up of information technology centres across the country as an integral part of the market infrastructure;
  - (j) Maintain an updated database on the marketing of agricultural and agro-industrial products both in the domestic and international markets;
  - (k) Put appropriate regulations in place to promote and ensure sustainable availability of Namibian originating agricultural and agro-industrial produce in the domestic market;
  - (l) Develop guidelines for regulations necessary for the promotion of the domestic marketing of locally originating agricultural and agro-industrial produce;

- (m) Provide support for the marketing of national brands and improvement of labelling and packaging of Namibian originating agricultural and agro-industrial products for market distinction, recognition and visibility;
- (n) Utilize public procurement and introduce proportional market share promotion schemes to create domestic market share for locally originating agricultural products;
- (o) Support and intensify R&D for product development (invention of new agriculture products, improvement of existing agriculture products), market development (identification of new, niche market and understanding the current markets) as well as to nurture a market-oriented agriculture product industry;
- (p) Develop and improve, where appropriate, regulations that discourage the export of raw materials and live animals;
- (q) In the short to medium term, design and provide marketing incentives to agricultural producers and agro-industries in order to improve their competitiveness both in the domestic and international markets; and
- (r) Provide market inspection services, certification and accreditation to ensure compliance with domestic market regulations, SPS and public health measures and standards for agro-industrial products.

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#### 4.1.2. Livestock and Meat Industry

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- (a) Devise and provide incentives for fodder production in order to enhance value addition to livestock by way of feed-lotting and processing of meat, hides and skins;
- (b) Improve the marketing conditions of the NCAs in order to bring them on par with those in the FMD free zone through:
  - (i) Availing of quality breeding material to improve the genetic pool;
  - (ii) Continued animal vaccinations and surveillance services to improve and maintain the animal health status of the NCAs;
  - (iii) Implementation of the traceability system;
  - (iv) Upgrading of NCA abattoirs;
  - (v) Continued implementation of the LMIS;
  - (vi) Promotion of contract slaughtering at state-owned abattoirs; and
  - (vii) Training of producers on market demands and product improvement through appropriate animal husbandry practices.
- (c) In the medium term, provide marketing incentives through the LMIS in order to mitigate the lower prices in relation to grades produced by NCA farmers through formal marketing channels;
- (d) Devise and provide incentives for the development and improvement of downstream meat and hide processing industries;
- (e) In the FMD Free zone:
  - (i) Design and provide the necessary incentives to maintain eligibility of access to lucrative export markets, such as subsidies for the traceability system;

- (ii) Provide incentives for the development and improvement of the meat and hide processing industries;
- (iii) Continue to conduct market research and negotiate access to identified external markets potentially suitable for Namibian livestock products; and
- (iv) Provide incentives for the domestic meat industry to participate in international agricultural trade fairs and exhibitions.
- (f) Provide laboratory testing services to ensure that external market requirements are not violated;
- (g) Support diversification into broiler production and supply for the domestic market; and
- (h) Support the expansion of pork production and supply for the domestic market; and
- (i) Support the expansion of dairy production and supply for the domestic market.

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#### 4.1.3. Cereals and Horticulture Industry

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- (a) Introduce a system and mechanism to facilitate technology acquisition, transfer and adaptation;
- (b) Regulate the domestic market through the close-border-period initiative to the benefit of domestic cereal production;
- (c) Implement the Mahangu Marketing Plan which provides for improved production and marketing of mahangu in the country;
- (d) Utilize public procurement and the Market Share Promotion Programme to the benefit of domestic horticultural production and to support the marketing of cereal produce of communal farmers in particular and the domestic production of horticultural produce in general, and the agro-industrial sector;
- (e) Ensure the sustainable management of the cereal marketing infrastructure and linkages to state-owned staple food storage facilities;
- (f) Implement the development of Fresh Produce Business Hubs which will result in the integrated domestic horticultural marketing infrastructure and system in the country;
- (g) Ensure the sustainable management of the fresh produce business hubs marketing infrastructure; and
- (h) Support diversification into oil seed production and other for processing and value addition; and
- (i) Provide incentives for agro-industrial development.

## 4.2. AGRICULTURE TRADE

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### 4.2.1. Agriculture Imports

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Cognizant of the necessity to access production inputs and assortment of food products on competitive terms, while safeguarding the interest of the domestic industry and taking into account the need for self-sustenance, Government shall:

- (a) Negotiate appropriate trade agreements that grant special and differential treatment to developing countries in order to address unfair trade practices;
- (b) Intensify the monitoring and detection of unfair trade practices and strengthen regulations and systems to apply trade remedies timeously (safeguard, countervailing and anti-dumping measures);
- (c) Utilize the infant industry protection measures available under regional trade agreements to nurture new industries and promote product diversification taking into account the costs for the national economy;
- (d) Maintain an appropriate import management regime to ensure that import regulations are fully enforced, especially for products designated as controlled products;
- (e) Improve the enforcement of domestic regulations, SPS requirements, technical regulations, standards and quality assurance to prevent inferior and low quality agricultural imports in the domestic markets and to level the playing field for local industries;
- (f) Participate in regional trade initiatives through SACU and SADC;
- (g) Negotiate agreements that facilitate competitive imports of inputs for agro-industries where domestic manufacturing of inputs does not meet the desired level;
- (h) Improve capacity for the importation of agricultural inputs and food products; and
- (i) Minimize the distorting effects food aid could have on domestic markets.

### 4.2.2. Agriculture Exports

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Exports play an important role in agriculture development, especially for smaller countries like Namibia, where there is limited economies of scale to support larger agricultural projects. In order to increase the export of agricultural products, Government shall:

- (a) Promote diversification of export markets and improve market access for processed agricultural products through bilateral, regional and multilateral trade negotiations;
- (b) Conduct market research and product promotion to develop and maintain niche markets for high value produce;

- (c) Maintain an appropriate export management regime to would ensure that export regulations are fully enforced, especially for products designated as controlled products;
- (d) Facilitate development of linkages between agriculture production and processing industries with a view to increase surplus for exports; and
- (e) Negotiate market access agreements for meat products from the NCA.

## 5. INSTITUTIONAL MECHANISM

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### 5.1. MINISTRY OF AGRICULTURE, WATER AND FORESTRY

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The MAWF is the leading implementer of this policy, and is responsible for:

- (a) Identifying key products for promotion;
- (b) Coordinating the involvement of other stakeholders;
- (c) Enhancing production through national projects such as the Green Scheme;
- (d) Providing diagnostic infrastructure;
- (e) Conducting inspection and certification;
- (f) Promoting and enforcing standards;
- (g) Disseminating market information;
- (h) Ensuring conforming to the laws including international agriculture agreements and treaties;
- (i) Conducting research of international markets; and
- (j) Conducting market intelligence.

### 5.2. LINE MINISTRIES

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- 5.2.1. The relevant line ministries include the MICT, MHSS, MME, MOF, MTI, MWT, and NPC, and they would be expected to contribute to the successful implementation of the strategies under this Policy Paper by ensuring that their programmes take into account and cater for the requirements of the agriculture marketing and trade.
- 5.2.2. As a sectoral policy and strategy, the Agriculture Marketing and Trade Policy and Strategy should serve as an input into the overall national trade policy, and therefore it is expected to contribute to the success of trade promotion, export promotion and investment attraction, as well as benefits from other national programmes regarding quality and standards, industrial development and consumer protection.
- 5.2.3. For a successful implementation of the Agriculture Marketing, Trade Policy and Strategy and for this Policy and Strategy to have significant impact on the livelihood of the Namibian people and positive contribution to the overall development of the country, it would not only be necessary to ensure sufficient budgetary allocation, but more importantly ensure that project planning, development and execution are emphasized. These would require reliable generation of statistical data, implementation of customs duties and appropriate public procurement regimes.
- 5.2.4. For both marketing of and trade in agricultural products, the availability of transport infrastructure such as roads, track ports, airports and harbours is necessary. It is important for the Ministry of Works and Transport to always take into account and respond to the needs of the agriculture sector as the lifeline of the majority of the Namibian people and the sector that have the highest propensity of poverty reduction.
- 5.2.5. Electricity is a crucial input in the economy of the country and the agriculture sector is no exception. For the successful implementation of the strategies under this Policy



Paper, it is necessary that the agriculture electricity needs are identified and catered for within the national electrification programmes.

- 5.2.6. ICT plays an important role in the productivity and competitiveness of the agriculture sector, and more so as a means of marketing and trade. Efficient market information has positive benefits to all agriculture stakeholders from farmers to consumers. Accurate, sufficient and real-time information facilitates informed commercial decisions to be made, and ICT is the main catalyst in this regard.
- 5.2.7. It is therefore necessary that the ICT systems be devised with the needs of the agriculture sector in mind.
- 5.2.8. Considering that the MTI is in the process of revising the Foreign Investment Act and incentives for manufacturers and exporters, there is need for consultations between the MTI, MAWF and MOF to ensure that the necessary incentives are developed for the promotion of agricultural production, processing, marketing and trade.

### 5.3. AGRICULTURAL STATUTORY BOARDS AND REGULATORY INSTITUTIONS

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- 5.3.1. The agricultural statutory boards in Namibia include the NAB, Meat Board and Karakul Board. These agricultural statutory boards would be required to spearhead the development and management of national marketing and trade initiatives as mandated by in terms of their specific legislations.
- 5.3.2. The regulatory institutions include the NSI, the NCC and the NBT. These institutions are responsible for the development and enforcement of standards, maintain a competitive domestic market and ensure fair competition versus international businesses.
- 5.3.3. The Agricultural Bank of Namibia and the Development Bank of Namibia would be required to attract investment to the agricultural and agro-industrial sectors.

### 5.4. PRIVATE SECTOR AND CIVIL SOCIETY

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- 5.4.1. The role of the Government is more to create a favourable environment for the private sector to play a driving role in business and economic development by undertaking Greenfield\* investment, increasing production capacity, acquiring and adapting investment, attracting technical assistance and developing human resource capacity, amongst others.
- 5.4.2. The private sector is also expected to enthusiastically carry out its share of social responsibilities.
- 5.4.3. Government would continue to encourage and support public-private-partnership cooperation in the planning and execution of major agricultural projects to accelerate the implementation of the strategies under this Policy Paper.
- 5.4.4. Harmonious labour relation is indispensable for the development of the agricultural sector as it has a direct impact on investment, productivity and competitiveness in both the domestic and international markets. It is, therefore, required that a mutual

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\*Greenfield investment is an investment in an area where no facilities exist.

beneficial relationship be maintained, improved and nurtured between the employers and employees in the agricultural sector.

- 5.4.5. An agricultural consultative platform would be required for information dissemination and soliciting, consultation and dialogue, brainstorming and consensus building across the value chain, as well as to serve as technical and advisory bodies, not advocacy, in the implementation of the strategies in this Policy Paper.
- 5.4.6. Such an agricultural consultative platform is expected to have knowledge and skills in agricultural production, processing and marketing; plant and animal health; quality and standards; market and product development; branding, labelling and packaging; commercial law; contract laws; economics; international trade and industrial development.
- 5.4.7. The agricultural consultative platform is specifically expected to:
  - (a) Promote scientific analysis with respect to market research, standards and quality assurance;
  - (b) Promote conformity to SPS measures and observation of international conventions and regulations;
  - (c) Devise reporting and notification mechanism to bodies which Namibia is party to;
  - (d) Advise on state interventions, incentives on technology and production, diagnostic systems and application of pest and herbicides, overall plant and animal health situation, consumer protection to feed into the national negotiating team.

## 6. IMPLEMENTATION, MONITORING, EVALUATION AND REVISION

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- 6.1.1. The implementation of the strategies under this Policy Paper is expected to be a concerted effort by a host of role players within the Government, private sector and civil society as well as with the support of the international cooperating partners, all under the coordination and supervision of the MAWF.
- 6.1.2. Monitoring and evaluation are different but complementary functions that mutually reinforce each other. Monitoring is a continuing function that uses the systematic collection of data on specified indicators to provide management and the main stakeholders of an on-going development intervention with indications of the extent of progress, achievement of objectives and progress in policy implementation. Evaluation is the systematic and objective assessment of policy implementation with the aim to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability. In results-based management, use is made of a results chain which shows how activities, through a number of intermediate causal links, are expected to result in the realization of the goals set under the policy. Monitoring and evaluation, therefore, serves as a feedback system and tool to keep the Policy focused on the core target and source of information for future planning.
- 6.1.3. A mechanism for the continuous monitoring and evaluation of the policy implementation shall have to be devised.
- 6.1.4. This Policy shall be reviewed and revised after a five year implementation period.