Unlocking Investment Opportunities in the Horticulture Sector - Namibia Case Study

Presentation to Agriculture Thought Leadership Forum

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POLICY AND LEGAL FRAMEWORK

- AMTA is in existence for 5 years (since 2013)
- CABINET Decisions
  - 7th/10.05.11/015: Establishing AMTA
    - Mandate to promote national food security by:
      » Managing the National Strategic Food Reserves;
      » Managing the Fresh Produce Business Hubs; and
      » Facilitating trade, compliance to standards, marketing and product development in the agronomic sector
  - 2nd/11.03.14/008:
    » Requiring all OMAs to procure fresh produce locally, particularly from the Fresh Produce Business Hubs
POLICY AND LEGAL FRAMEWORK

• Government Notices
  – GN No 247 (2014)
    » Appointed AMTA to implement provisions on marketing, processing, handling and trade of agronomic products in Agronomic Industry Act 20 of 1992.
  – Ministerial Directive (Dec 2014) to AMTA
    » to implement border controls, standards controls on agronomic products and inputs, in line with the GN.
    » Appointed AMTA to collect agronomic levies on fresh produce and grain
  – AMTA: a SOE under MAWF, Registered as Section 21 Company
    » Bill to establish AMTA under an Act of Parliament now at CCL
AMTA - VISION
To be a centre of excellence in facilitating food security and agricultural marketing and trade in Namibia.

AMTA - MISSIONS
To enhance food security and facilitate agricultural marketing and trade in Namibia;

To efficiently manage Fresh Produce Business Hubs and the National Strategic Food Reserve;

To promote industrialisation, value addition and standards compliance of agricultural products.

AMTA - CORE VALUES
INTEGRITY
TRANSPARENCY
ACCOUNTABILITY
PARTNERSHIP
SERVICES EXCELLENCE
INNOVATION
AMTA CONCEPT
Facilitating agricultural marketing and trading system in Namibia
(More than that...Making it Happen)

1. ENSURING DOMESTIC FOOD SECURITY ON KEY COMPETITIVE CROPS
- Driving market-led production
- Production facilitation, logistics
- Ensuring competitiveness of domestic produce
- Infant industry production, anti-dumping measures through MSP

2. PROVIDING A MARKETING INFRASTRUCTURE
- Fresh produce hubs
- Grain silos
- A functional market system

3. PROMOTING VALUE ADDITION
- Handling and processing/packaging facilities
- Centralised handling-lowering costs of doing business (economies of scale)

4. PROMOTING COMPLIANCE FOR STANDARDS TO ENSURE FOOD SAFETY
- Capacity building on production standards
- Capacity building on handling and processing standards
- Legislation and Labs system – protecting Namibia agriculture

MARKET ACCESS
TECHNICAL REGULATIONS
TBT

AMTA FROM LAND TO NATION
AMTA GRAIN
FRESH PRODUCE
ASSURED QUALITY AND FRESHNESS
Divisions

- Fresh Produce Business Hubs (FPBH)
- National Strategic Food Reserves (NSFR)
- Standards and Trade
- Finance and Administration
- Human Resource

- **AMTA currently employs 157 personnel**
AMTA PRESENCE COUNTRY-WIDE

UNITS:

1) Border Control and Inland Inspectorate

2) Facilities and Farms (standards) Inspectorate

3) Food Safety and Quality Assurance (Lab Services)

4) Trade and Market Information
Namibian Horticulture Market Overview

**Trade Statistics:**
- Local consumption stands at over 81,451 MT during 2017/18 FY
- Of which 65% was imported
- Export stood at over 55,357 MT worth N$ 818 millions

Top 5 exports by value
- Grapes
- Tomatoes
- Dates
- Onions
- Peppers

**Policies and Regulations**
- Agronomic Industry Act 20 of 1992;
- National Horticulture Development Initiative;
- Namibian Agriculture Marketing and policy and Strategy; and
- Namibia Food Safety Policy
Main Objectives
• To increase local production of fruits and vegetables
• Reduce dependence on imported horticulture produce

Measures
• Market Share Promotion
• Import Levy
• Close Border Period for Special Controlled Products
Market Share Promotion (MSP)

- To promote local sales of locally produces fresh fruits and vegetables by restricting the direct importation of these produce by importers
- Started in 2005 @ 5%
- Currently @ 47%
- Aim to reach at least 60%
Import Levy

• Implemented as a form infant industry protection mechanism

• Currently set at 5% of imported produce value

• Local fresh fruits and vegetables are charged VAT, making them less competitive as compared to imports, say for instance, from South Africa
Close Border Period for Top 10 Crops

• Aim to provide market assurance to the local producers. *No imports allowed during close-border period when those certain produce are available locally.*

• Close monitoring of local production required not to disadvantage traders and consumers

• Timely communication to avoid disputes

• *Top 10: potatoes; onions; butternuts, tomatoes; cabbages; sweet potatoes; E. cucumbers; beetroots; green peppers; and carrots*
Other initiatives

HACCIDEP
- Procuring local produce to supply GRN institutions
- Targeted to existing and upcoming Small Scale Farmers

Fresh Produce Business Hub
- Provide trading platform for local fresh fruits and vegetables
- Serviced land for value addition on PPP
Challenges

- Institution arrangement and legal framework
- High input costs (seeds, fertilizers, pesticides, insecticides, etc)
- Barrier to formal market entry such as the 30 day payment schedule, especially for small scale farmers
- Distance to market a challenge for small scale farmers transporting smaller volumes
- Inconsistent production/supply of local horticultural produce
- Lack of long-term storage facilities for commodities such as potatoes and onions
- Unavailability of packaging materials and value addition facilities
- Limited fruit production in the country
- Limited water resources
HUB SET-UP

1. Marketing Hub
2. Meat Processing
3. Value Addition and related industries;
4. Service & Transport;
5. Retail outlets
6. Open market
7. Offices;
8. Water Reservoir and
Rationale

All the aforementioned initiatives are targeted at

- increasing local production;
- provide market for local fresh produce;
- encourage value addition of local produce;
- Stimulate investment in the local value chains
Thank You