



Overview of Global Value Chains in Namibia: The case of the agricultural sector

Dr Emma Haiyambo



PURPOSE

- The paper aims to assess the status of Namibia's integration in the Agricultural Global Value Chains (AGVCs) and explore potential options to expand the country's participation.
- The paper analyses the current landscape of agricultural value chains in Namibia while exploring challenges and opportunities for industry growth

Outline

Introduction

Agricultural value chains in Namibia

- Animal value chain
- Crops value chain
- Fruit value chain

Challenges within the Agriculture Sector

Namibia's export trade in agricultural products

Challenges pertaining to trading in agricultural products

Conclusion and Policy Recommendations

Introduction



- **What are AGVCs?**

- ✓ Various stages of bringing an agricultural product from production to the final consumer
- ✓ Literature shows a large and significant effect of AGVCs fast-tracking countries' development process.

- **Why is participation in AGVCs important:**

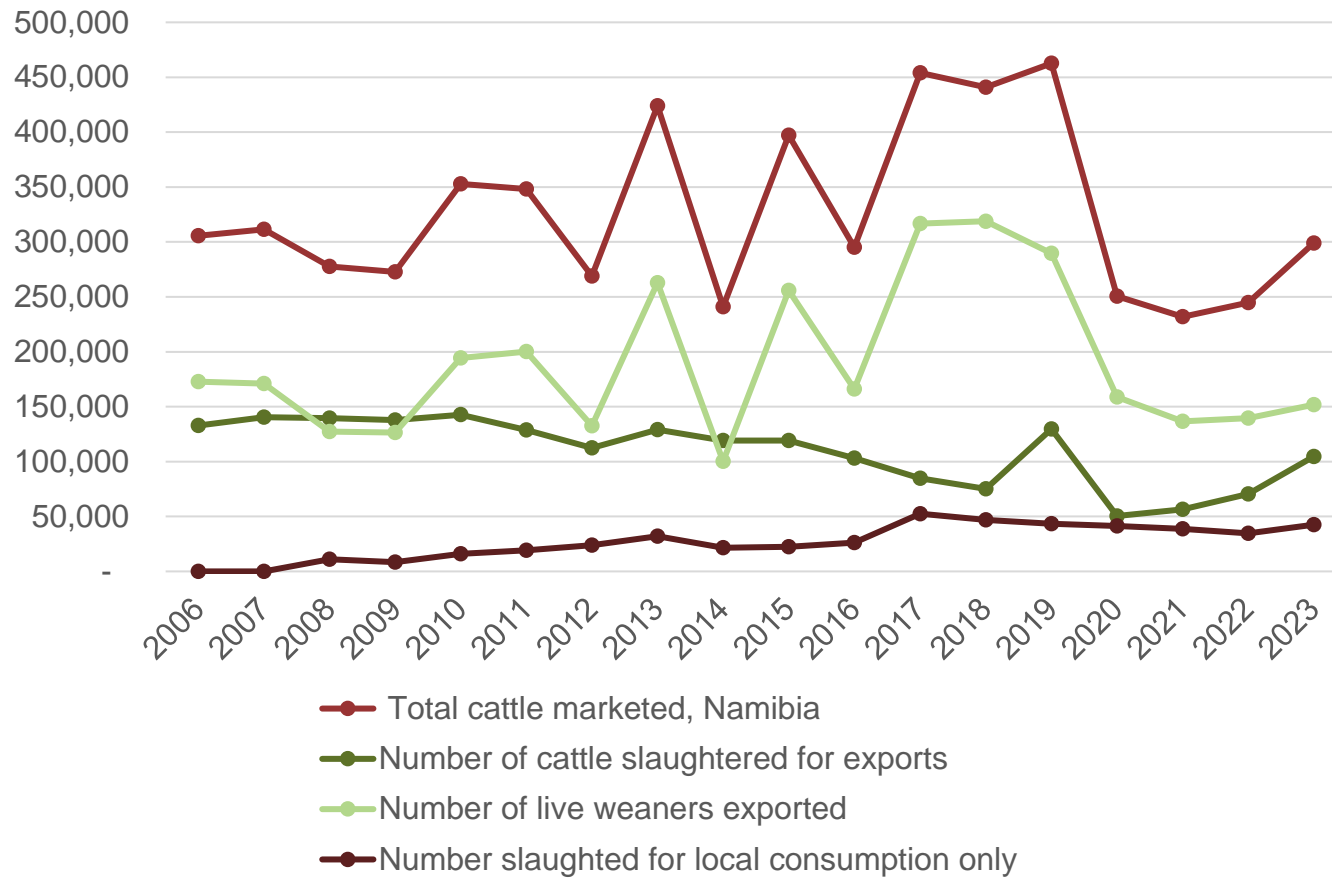
- ✓ Increased job creation
- ✓ Economic growth
- ✓ Technological transfers
- ✓ Food security
- ✓ Rise in (rural) incomes and reduction in poverty



Overview of the Namibian agricultural value chains

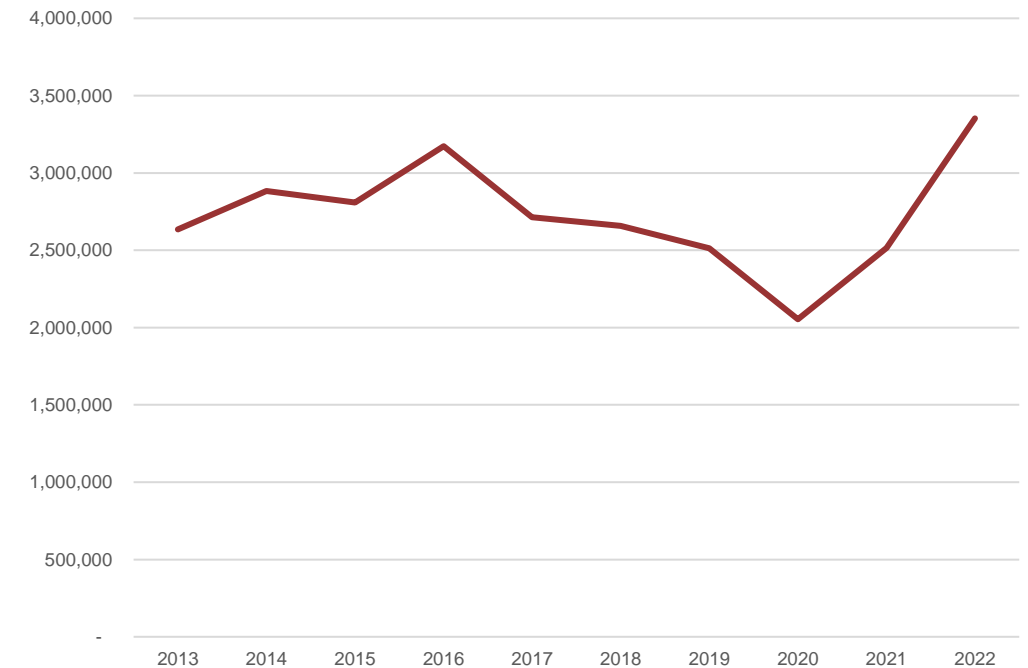
Beef value chain

Number of cattle marketed in Namibia



Source: Livestock and Livestock Board of Namibia

Number of cattle (herds)



Source: DVS

Beef value chain - Key Challenges and Constraints

01 Access to markets

Access to domestic and international markets for smallholder and/or communal farmers remains a major bottleneck due to a lack of market infrastructure, including abattoirs.

02 Access to feed

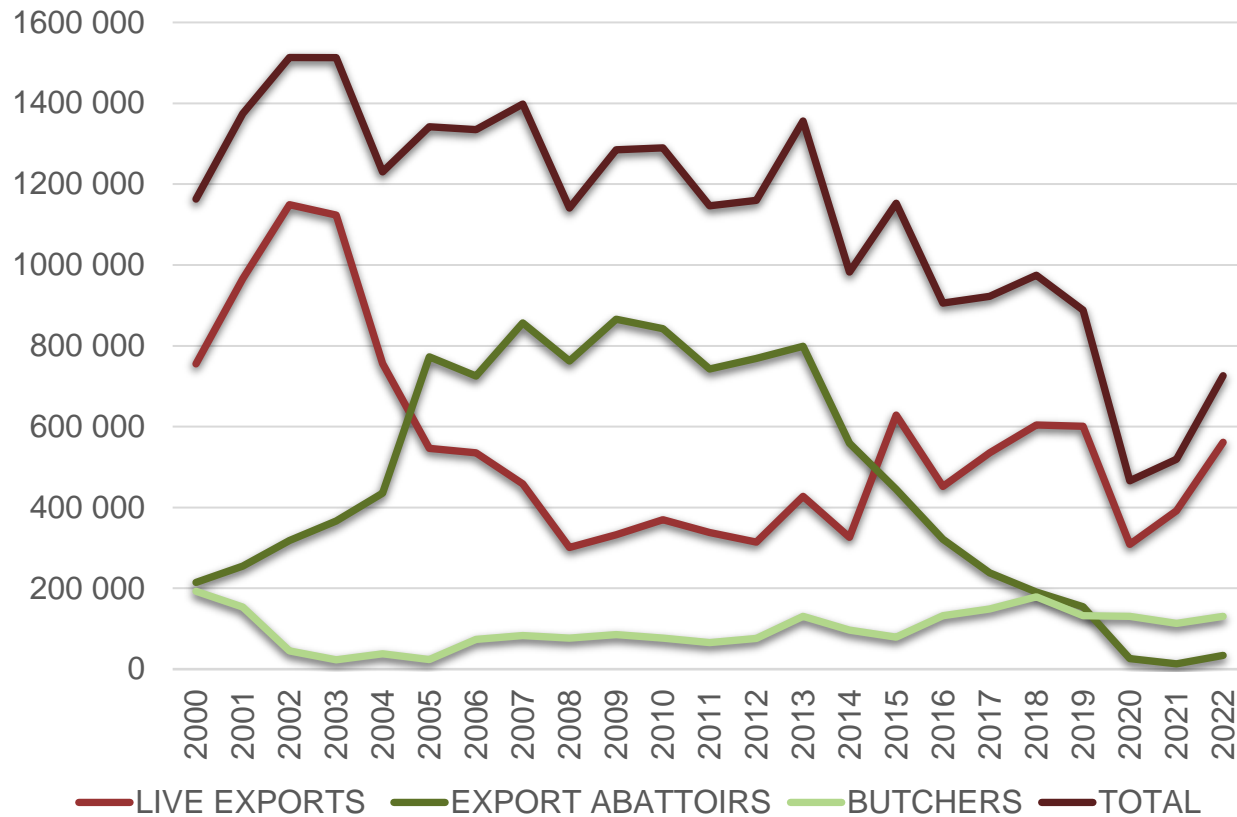
A lack of access to feed inputs due to inadequate domestic feed production .

03 High utility bills

The cost of doing business for producers (water, electricity, operations, and maintenance of equipment/facilities) are high and persistently on the rise.

Small stock - sheep and goats

Number of Small Stock Marketed



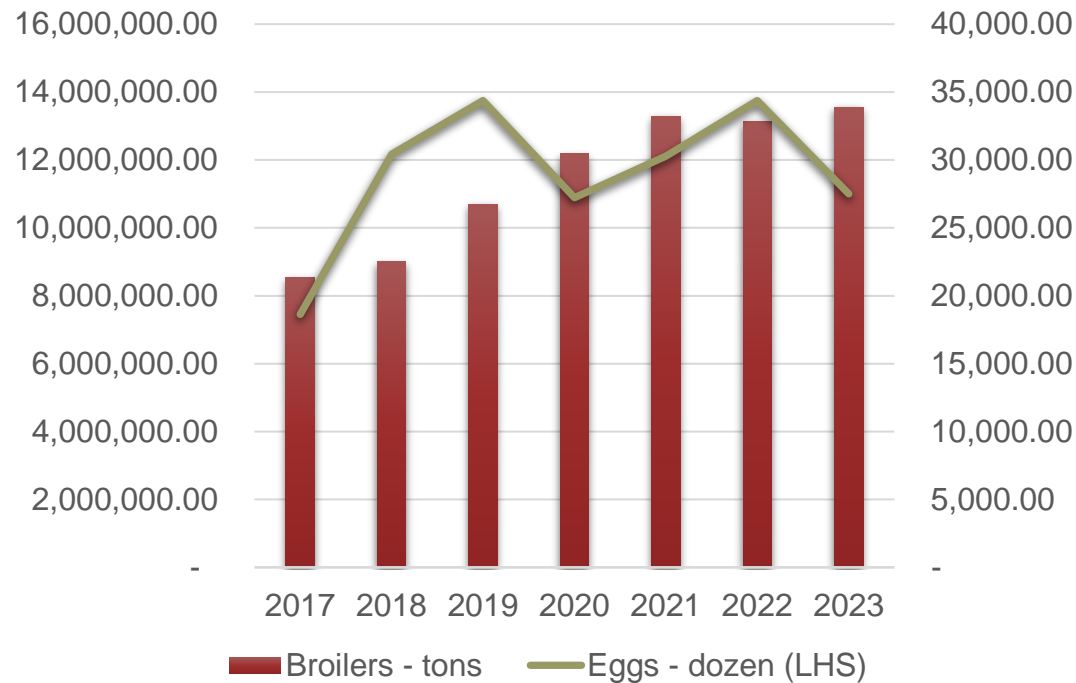
Key Challenges and Constraints

- ✓ Small stock marketed has been on a downward trend since the early 2000s
- ✓ Due to recurring droughts
- ✓ 2019 drought – exacerbated the decline (closure of Mariental-based abattoir)
- ✓ Upward trend due to the re-opening of abattoir in 2023.

Source: Bank of Namibia

Poultry and egg production numbers

Poultry and egg production numbers



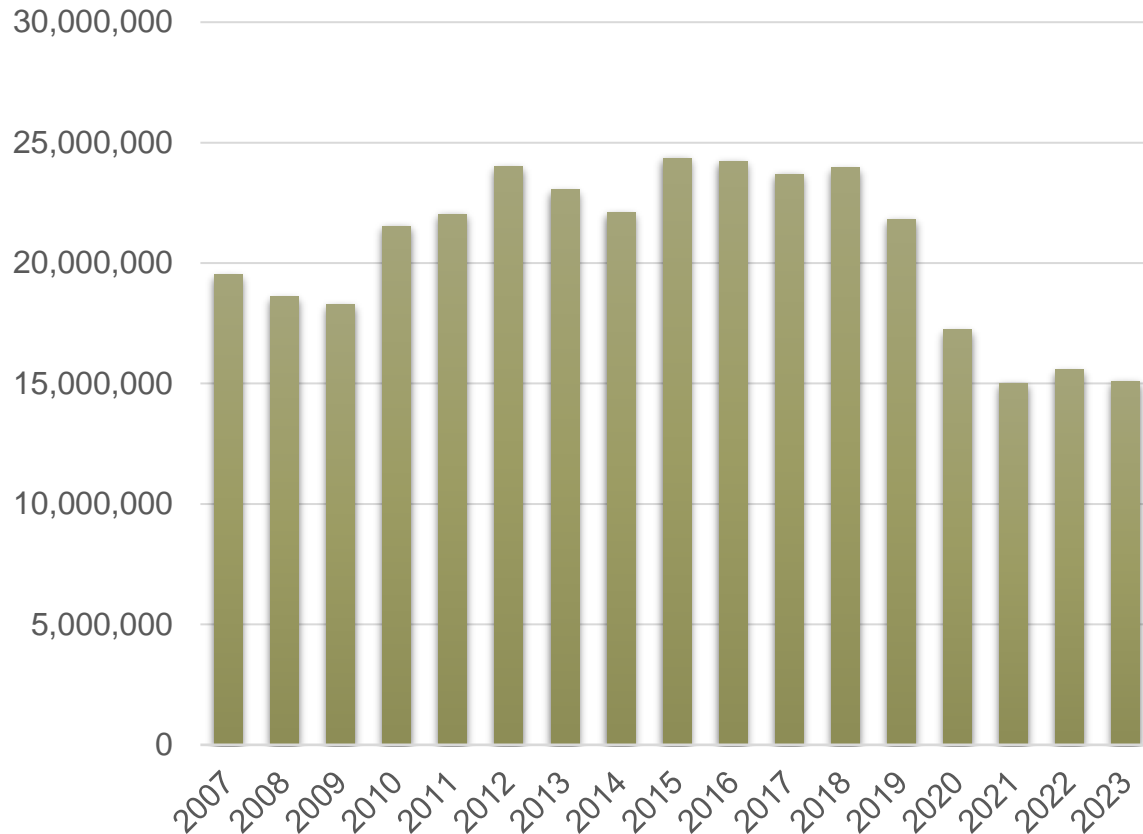
Source: Livestock and Livestock Board of Namibia

Key Developments

- ✓ Poultry production is on the rise – (market share promotion scheme)
- ✓ Poultry production is expected to be further augmented with the construction of the new private owned poultry farm in Okahandja
- ✓ Feed is the highest input cost in poultry production - about 70 percent of the total cost

Dairy industry

Milk production in Namibia (Liters)



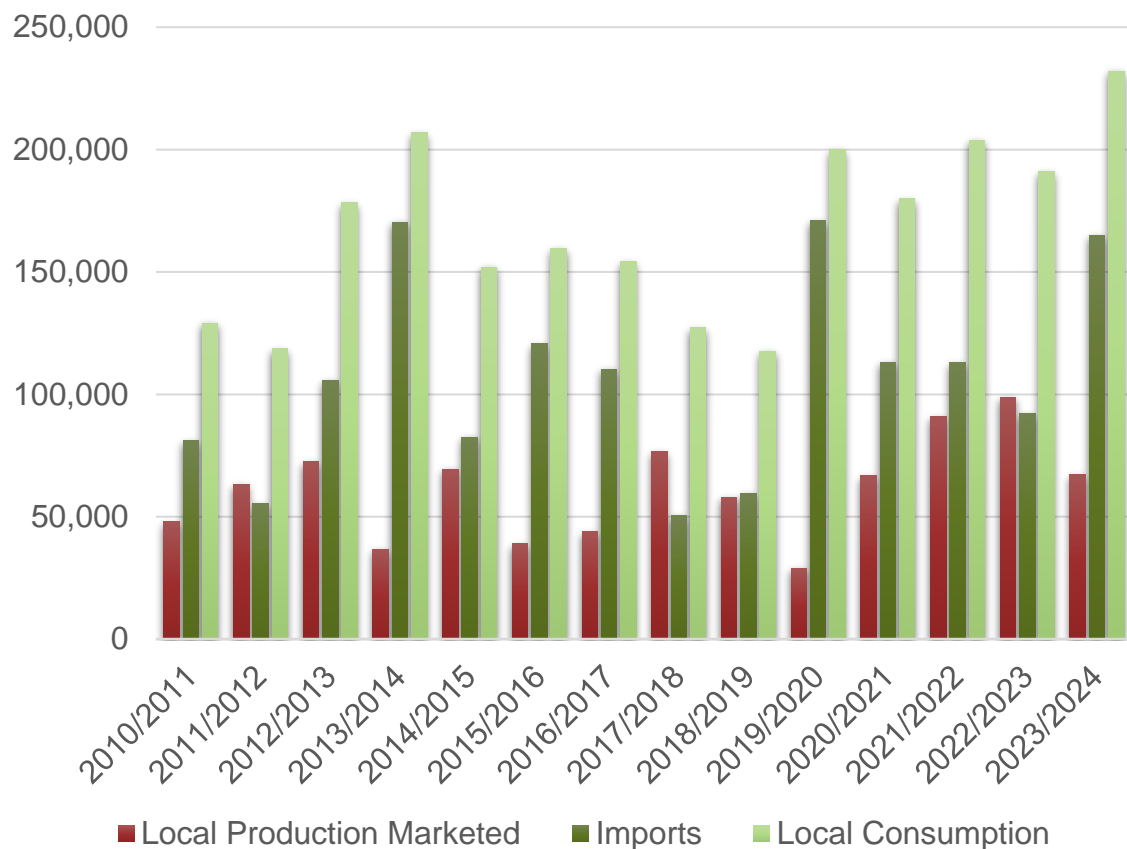
Key Challenges and Constraints

- ✓ Influx of cheaper dairy imports
- ✓ Milk products zero rated in SA, only fresh milk zero rated in Namibia
- ✓ Escalated feed expenses for cattle
- ✓ Recurring droughts impacting dam levels

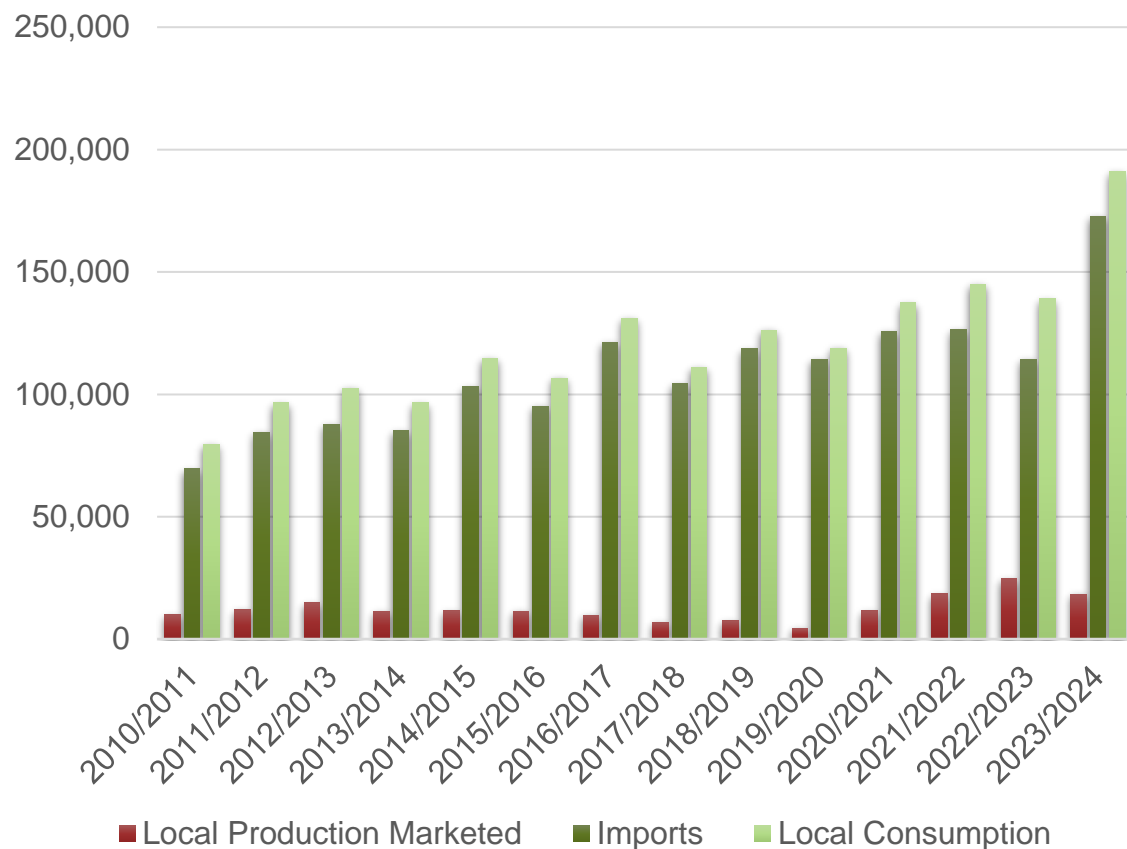
Source: Agricultural Union

Crop production

White Maize - 2010/2011 to 2023/2024



Wheat - 2010/2011 to 2023/2024



Source: Namibia Agronomic Board

Source: Namibia Agronomic Board

Fruit production

Grape production

Country	1995	2022	Relative Change
Brazil	836,545.00 t	1,450,805.00 t	+73%
China	1,741,700.00 t	12,600,000.00 t	+623%
India	700,000.00 t	3,401,000.00 t	+386%
Namibia	2,298.00 t	37,927.67 t	+1550%
Russia	300,560.00 t	889,500.30 t	+196%
United States	5,372,600.00 t	5,372,800.00 t	+0%

Source: FAOSTAT

Challenges within the Agriculture sector



Delays in implementation of regulations and bills

High transportation costs



Lack of skills

Poor-quality storage facilities



High cost of manufacturing

High input costs such as seeds and fertilizer





Namibia's export trade in agricultural products

Namibia's trading arrangements and key provisions



Namibia global trade

Namibia global trade in US\$, 2018-2023

	2018	2019	2020	2021	2022	2023
Exports	7,488	6,439	5,424	4,461	6,005	5,488
<i>Of which Agricultural exports</i>	1,098	1,029	815	1,019	1,079	970
%	7	7	5	9	8	
Imports	8,289	7,715	6,613	6,446	7,958	7,239
<i>Of which agricultural imports</i>	878	987	834	1,073	1,030	
%	11	13	13	17	13	
Trade balance	-800.6	-1275.9	-1188.6	-1985.3	-1953.0	-1751.1

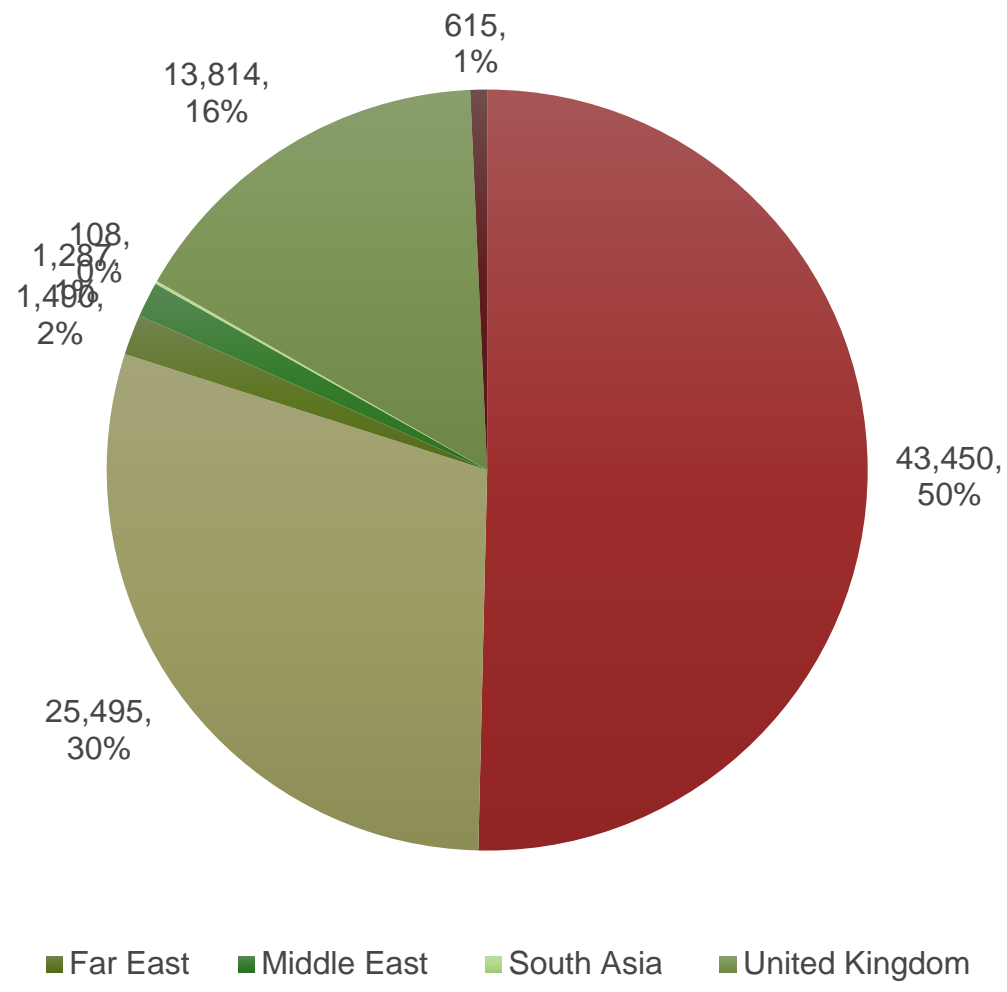
- ✓ In 2023 - exports totalled US\$5.5 billion, imports US\$7.2 billion
- ✓ % of agricultural exports: 7%
- ✓ Trade imbalance underscores the need for strategic interventions

Namibia's trade in agricultural products - 2023

Exported product	Value (US\$ mill) _2023	Export partners
Grapes	72,9	Netherlands, United Kingdom, Germany, South Africa, Spain, Belgium, Ireland
Live bovine animals	58,6	Netherlands, United Kingdom, Germany, South Africa, Botswana
Live sheep and goats	48,6	Germany, Netherlands, United Kingdom, South Africa, Spain
Meat of bovine animals, frozen	31,9	Netherlands, South Africa, China, Malta, Ireland
Pasta	27,3	South Africa, Italy, Zambia, Zimbabwe, Norway
Meat of bovine animals, fresh	24,3	Zimbabwe, Netherlands Antilles, Norway, Uganda, Netherlands
Onions, shallots, garlic, leeks...	9,9	Netherlands, United Kingdom, Ireland, Portugal, Kenya
Tomatoes	9,1	United Kingdom, Malaysia, Nigeria, Austria
Dates, figs, pineapples etc	7,8	Netherlands Antilles, Maldives, South Africa, Tanzania, Malaysia
Meat of sheep or goats	5,1	Malaysia, Maldives, United Arab Emirates, Norway, Netherlands Antilles

Source: National Statistics Agency

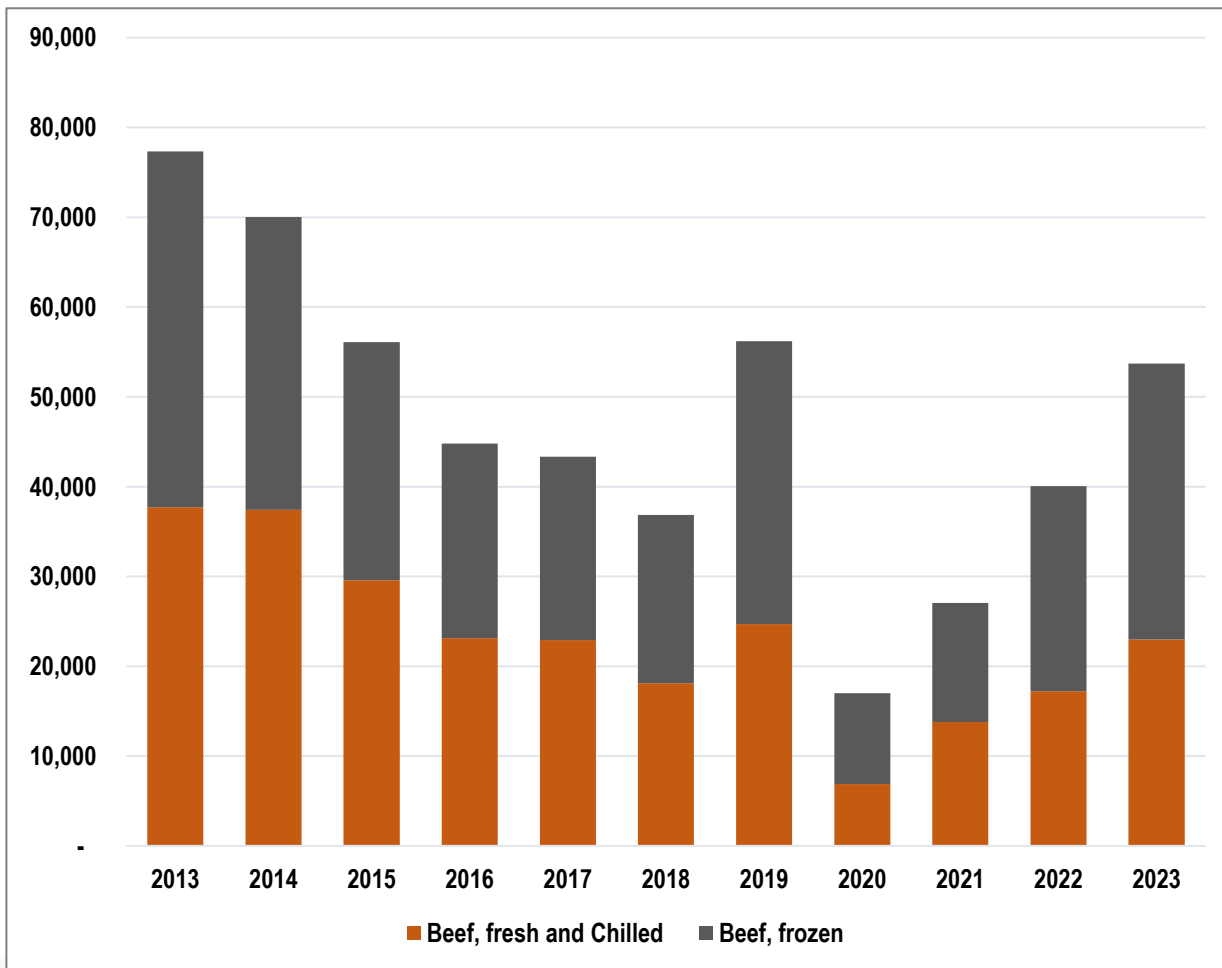
Export destination for Namibian fresh fruits and vegetables - 2022/2023



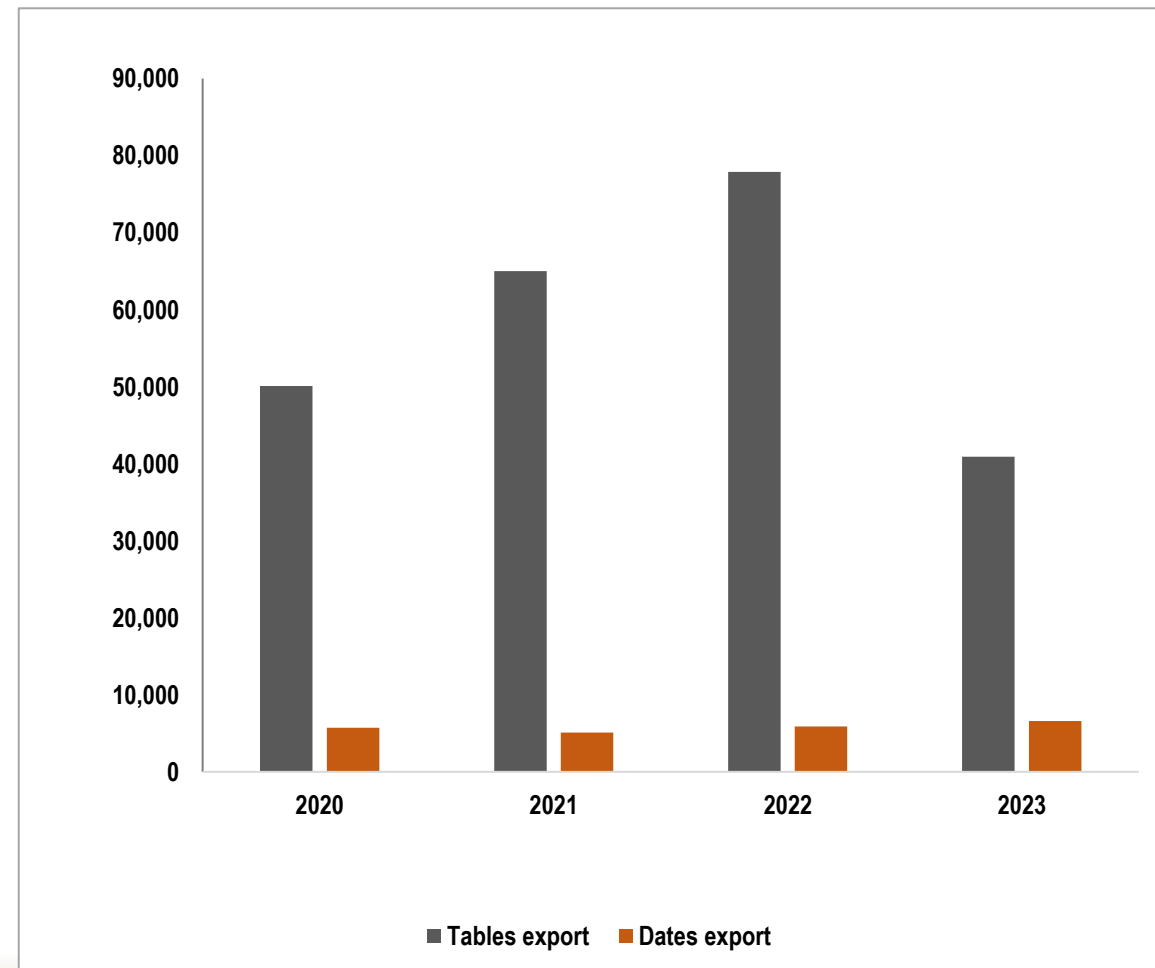
Source: Namibia Agronomic Board

Namibia's trade in agricultural products - 2023

Namibia beef exports in USD \$'000, 2013 -2023



Namibia export of grapes and dates USD \$'000



Challenges pertaining to trading in agricultural products



Lack of access to market for NCA farmers

No Halal certifying institution in the country



Transportation costs and distance

Limited external branding initiatives



Stringent quality controls

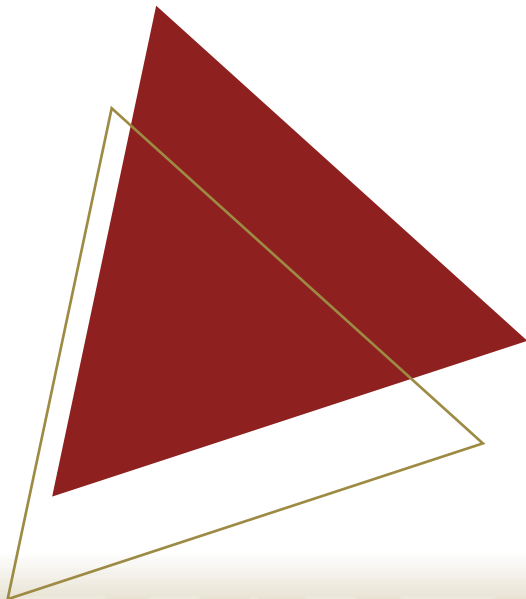
Not exploiting available markets/trade agreements





CONCLUSION

- Namibia's agricultural sector has grown significantly in the last few years, introducing new products and increasing export destinations.
- A key challenge within the livestock sub-sector remains recurring drought and erratic rainfall, which have severe implications for the agricultural sector.
- The cost of producing agricultural products is defined by higher input prices in Namibia, regardless of production enterprise.
- The horticulture industry faces many challenges, such as adverse climate change events (droughts and floods), high input costs, and pest and disease outbreaks.



Policy Recommendations

Improving the ease of doing business

The government needs to find a solution to the issue of high electricity costs.

Improving rural infrastructure and supporting small-scale farmers

The government needs to invest in rural infrastructure to make it easier for farmers, especially small scale and subsistence farmers in rural areas to reach the markets

Enabling policies

The government should finalize long-standing bills and regulations to boost investor confidence.

The government should consider making importation of semi-skilled workers possible, especially for certain industries where there are limited skills

Cross-cutting policies

Improving value chains

Animal products

Support the design and implementation of marketing strategies to enhance the brand identity of Namibian beef products and highlight their premium qualities at the retail shelf.

Create a more resilient and sustainable agricultural system by applying the circular agriculture principles to increase feed production.

Crop products

Investment in fertilizer manufacturing in Namibia is required to reduce the burden of fertilizer costs thereby reducing input costs

Raw materials imported into the country that are used as intermediate goods to produce finished goods should not be subjected to unnecessary levies

Fruit products

Invest in capacity-building programmes that are focused on farmers and other interested parties in the agro-processing of fruits and vegetables

The country needs to diversify into different varieties of the products the country produces to which it has a competitive advantage

THANK YOU

