

Development Dialogue Forum  
Towards a Food Secure Nation  
within the context of the National Development Plan  
NDP 4



**THE ROLE OF CROSS-BORDER TRADE IN  
ACHIEVING FOOD SECURITY IN NAMIBIA**

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# Introduction



- Namibia is a net food importing developing country. (WTO 2004)
- 37 countries are world wide classified by the WTO out of a total of 156 countries that are currently member states of the WTO.
- What does it mean:
- Namibia has certain preferences ( other than those of Least Developed Countries ) especially regarding the cross border trade.
  
- How do these preferences do play themselves out?
  
- The food balance of Namibia:
- Namibia exports about 80% of all its beef, 90% of all its lamb and sheep and about 95% of all its goats.
- Further , Namibia exports about 95% of all Fish caught in Namibian waters.

# Namibia's Food Balance



- However, Namibia imports about:
- 50% of its maize
- 75 % of its wheat
- About 5 000 tons of its Pearl Millet (Mahangu)
- 50% of its milk
- 75% of its pork
- 100% of its sugar
- 75% of its cheeses
- 90 % of its butter
- 70% of its chicken
- 65% of all fruit and vegetables
  
- That are used in the formal and partly in the informal sector of Namibia.

# Where do all the food comes from?



- Firstly, Namibia is a Member State of of SACU, (Southern African Customs Union), together with Botswana, Lesotho, South Africa and Swaziland.
- Botswana is also a NFIDC, while Lesotho is a LDC. The most important member is South Africa, because of size and developmental status it is far above the other member states of the SACU.
- Secondly, Namibia is also a Member State of SADC ( Southern African Development Community) with all in all 16 member states, including our neighbors Angola, Zambia and Zimbabwe.
- These are the major food producing countries in the region, from where our imports come from.
- There a a few other countries outside the region that contribute to the food supply, namely Brazil, The European Union member states, the USA and a few others.

# Food import sources



- Normally most of the maize that is milled in Namibia comes from South Africa, but also some maize has been imported from Zambia, both as staple food but also a feed.
- Namibia has also a very fast growing feed industry, which largest source is maize meal and maize milling residues.
- It is important that most of the maize is sourced from a SACU member state, because a customs union has no internal barriers to trade.
- However the case is quite different for the sourcing of wheat. The quality of the Namibian wheat harvest has to be blended with Hard red Winter wheat of the USA and A4 wheat of the EU to give it the requested quality of wheat flour that the Namibian bakers want. Therefore, most of the wheat is sourced outside the SACU, also because the SACU member states are all net importers of wheat.

## Food import sources II



- It is quite interesting that a quantity of Pearl millet is imported every year and it is hoped that that will come to an end in the near future.
- Currently about 5 000 ton of this commodity is imported from India although the quality is not as good as the locally sourced Pearl Millet it is necessary to the formal milling sector to augment the local harvest that comes into the commercial market.
- The dairy sector is totally unprotected and in effect Namibia can be seen as a very small part of the South African Market. Currently about 50% of the UHT and fresh milk is imported from South Africa as well nearly all the butter and cheese requirements of the Namibian market.
- The Namibian Government is trying to get a better hold on this essential commodity, but this is in an early stage. The active participation of the smaller scale producers of fresh milk is also challenged to contribute to this essential Namibian commodity

# Food import sources III



- More or less the same picture is seen in the swine/pork sector. Most of the Namibian requirements are imported from South Africa, and currently there are investigations under way to make the Namibian production more competitive with the bigger and better South African producers.
- Namibia imports 100 % of its sugar requirements, and all these imports come from South Africa. The quantities change between 70 000 and 85 000 ton whereby the higher figure is the more probable. Different schemes have been investigated, especially in the Caprivi region, but they all came not to execution, because the capacity of any sugar mill to be profitable must have a capacity of 150 000 tons of sugar per year, and that would create another surplus of an already overproduced commodity, and Namibia will not be a cheap sugar producer.

# Food import sources IV



- Butter and cheeses were about 75 years back a main export article of Namibia, but now all butter and most of the cheeses are imported again from South Africa. Some butter and cheeses are imported from the EU, but this is about 10% of the total requirements .
- Currently about 70% of all chicken are imported from South Africa in a frozen state, but a Namibian Company will satisfy the Namibian market in a short time and they will also bring fresh chicken that are not pumped up with up to 25 % of brine into the market.
- The Horticultural Market Share Promotion Action of the Namibian Agronomic Board, together with the Ministry of Agriculture have increased the Namibian market share of these commodities from 2,5% in 2005 to 37,5% in 2011. this is a great achievement and it will carried on until about 65% of all Namibian requirements are satisfied out of own production.



# Food import sources V



- This is the picture in the formal market, Namibia in total produces about 35% of all food commodities, the rest is imported. But at the same time Namibia exports most of its beef, lamb and all goats to either neighboring countries or to the Efta or the European Union, with little to other states.
- Also fish is sought all over the world and the Namibian fish and fish products have a good name, that is not necessarily coupled to Spanish importers, who make currently up the bulk of fish buyers .
- But the exports of meat and fish make up more than all the imports value wise and in abstract sense Namibia is self –sufficient.
- Also this is the picture only in the formal market, the majority of small – scale farmers are self sufficient in their food requirements. Their diet is dictated by the availability of the foods and it is wrong to think that these persons are only living of a subsistence diet of mahangu porridge and milk.

# Indigenous Food Sources



- Mahangu porridge and milk are the basic ingredients of the staple diet but a diversity of other greens and herbs are adding spice and also now and then a goat and a pig are butchered and fowls are eaten as well as fish when the efundja comes from Angola or the perennial streams are in the vicinity.
- But noodles and other pasta as well as rice are consumed more and more, whereby pasta is produced in Namibia while rice is imported and is not grown in Namibia.

# Food security and NDP 4



- NDP 4 has ranked Agriculture as the ninth DO ( Desired Outcomes) of all. The target is: Agriculture experiences average annual real growth of 4% per annum over the NDP 4 period. This is above the inflation of currently 6% and it is sincerely hoped that this target will be achieved .
- The NDP 4 relies heavily on the Green Scheme as promoter of food production. It has also to be mentioned that most of the current Green Scheme projects are rather old and well established and new projects are in the pipeline whether they can become productive in the next 5 years is not sure. An example is the Naute dam project, that will give the necessary impetus to production of wheat and maize as well as vegetables .
- Another project of the NDP 4 is the re assessment of the Veterinary Cordon Fence and better conditions for the sale of livestock North of the VCF.

# Food Security and NDP 4



- Other challenges are weather misfortunes and the eradication and prevention of bush encroachment. Both are the tasks of the Ministry of Agriculture , Water and Forestry, who in any case can do very little against drought and bush encroachment up to now has been an activity that nearly always executed by the private sector.
- The private sector is any case not mentioned once in the agricultural part of the NDP 4 and nevertheless it will have to shoulder the burden of trying to achieve the possible outcome of NDP 4.
- The country will in any case rely heavily not only in the next 4 years but much longer on trade over its borders for food and feed for the emerging nation.

# Namibia's regional and international food imports



- AS STATED, Namibia imports currently wheat and white maize grains on regional and international level. In 2011 Namibia imported 81 000 ton of white maize with an approximate value of N\$ 227 000 000 and wheat about 70 000 tons with an approximate value of N\$238 000 000. Horticultural Products were imported for N\$ 217 000 000 and processed agricultural products for about N\$ 300 000 000, the last figure is a rather wild estimate. 🍷

# Future



- Although Namibia strives in NDP 4 to get a better self sufficiency ratio as under the NDP 3 there are some realities that must be taken into consideration.
- 1.) For a rather long period Namibia will be not self sufficient for all its staple food requirements. The reasons are manifold, the climate is not reliable, Namibia has had 10 years of above rainfall and we tend to forget how Namibia looked like 15 years back when for 3 years the rainfall was about 150 mm to 200 mm in the high rainfall areas and massive drought aid had to be supplied to the Northern regions.
- 2. ) The two still minor staples, rice and wheat will take a long time before we can even speak of a measure of self sufficiency as well as sugar because all these crops must be irrigated and water is becoming a scarce commodity.
- 3.) Fruit and vegetables can only feasibly produced in Namibia up to 60% of the demand, all these commodities have to be imported for the foreseeable future.

# Sourcing the difference



- It is of importance that the SACU with South Africa as the main provider will be enhanced and built upon if Namibia will have a reliable source of staples and processed agricultural products. Rail and road connections are well established as is the wholesaler network.
- \* The imports from the Rest of the World are minor, with the exception of wheat from the USA and malted barley from Germany.
- \* Furthermore, quite a lot of processed agricultural products are imported from South Africa, but also since the TDCA ( Trade and Cooperation Agreement between South Africa and the European Union) has been implemented more and more European Union Products are coming into Namibia via South Africa. Direct imports from the EU to Namibia are still subject to tariffs, while more than 90% of all EU goods are entering South Africa tariff free.

# Value of agricultural imports 2011



- Maize: 81 000 ton at an average value of N\$ 2 800/ton
- N\$ 226 800 000
- Wheat : 70 000 ton at an average value of N\$ 3 400/ton
- N\$ 238 000 000
- Sugar: 80 000 ton at an average value of N\$ 2 800/ton
- N\$ 224 000 000
- Horticulture and Fruit: 18 000 ton at an average value of N\$ 7 500/ton
- N\$ 217 662 871
- UHT milk and dairy products: UHT milk only 6 000 ton with an average value of N\$ 60 000 000
- Malted Barley: 23 500 ton at an average value of N\$ 4 500/ton
- N\$ 105 750 000



# Value of agricultural Imports II



- Processed agricultural products: the value of these products can not be computed. They incorporate all cereals such as Weetbix; a lot of meat products such as Prima/Enterprise products from South Africa but also European products such as Swiss chocolates and prepared foods in tins from Germany as well as hams from Denmark.
- The estimated value of all processed agricultural Products can maybe taken at:
  - N\$ 300 000 000
  - The sum of all food imports into Namibia in 2011 are ( a rough estimate only) will therefore be:
    - N\$ 1 370 550 000
    - A really impressive figure.

# Summary



- It is important that Namibia maintain good relations with the main sources of its food imports.
- The agricultural sector will not only in the primary production sector but also in the agro processing sector improve its capacity, not only to create the urgent necessary workplaces, but also to save the outflux of valuable funds.
  - There is room for improvement.
  - Thank you for attention!