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## *Section Six*

# **AGRICULTURAL TRADE IN NAMIBIA**

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## Agricultural Trade in Namibia

By Mr Jurgen Hoffmann, Namibian Agronomic Board

I would like to address internal trade in Namibia as well as natural resources. Production is driven by demand, i.e. what can be sold. Thus one can say that production is stimulated by consumer demand and trade.

Trade in a liberalised environment is beneficial but, there is also a danger in liberalisation. If our own interest is not taken into account, if we look at the following quantification of Namibia's production capability vis-à-vis demand it is evident that Namibia cannot produce to meet it's demand.

	<b>Demand</b>	<b>Namibia Production</b>
Mahangu	70000 tonnes	all
Maize	70000tonnes	50%
Wheat	50000tonnes	15%
Vegetables/Fruit	80000tonnes	7.5%
Beef	?	
Chicken	20000 tonnes	10%
Dairy production	15000tonnes	50%
Sugar	75000tonnes	none
Vegetable oil	20000tonnes	none

To illustrate the point made above, that there could be danger in liberalisation we can take the example of vegetable oil production which came to an end once the market for this product was deregulated. It has to be added though that this led to a 20% reduction in the consumer price.

If we have to address research areas in internal trade it should be pointed out that a number of initiatives are already in place with regard to the following commodities; millet, maize and wheat. Areas that need attention are the horticultural sector, dairy products and poultry sector. With regard to the horticultural sector; the export possibilities as well as production and quality issues need to be addressed. Regarding poultry; production, marketing and trade of chickens need attention.

Furthermore, two areas that need particular attention for research at this stage are GMO's and diversification. GMO's could be beneficial to production, for example cotton, but such a technology could also be a threat to trade. There is thus a need to address this issue prudently. Concerning diversification, there is need to identify niche markets as well as export possibilities for organically produced fruits and vegetables.



This brings me to the second area of importance to agricultural trade which is our natural resources.



Namibia is an arid country and as such the availability of water is a major concern. The value of water as well as the allocation and sharing of water should be addressed. It is thus important for Namibia to have a policy on the value of water. Other complimentary issues that have a bearing on agricultural trade and which need



to be researched are bush encroachment, climate, desertification and soil conditions.



In conclusion I would like to stress the following points:



- Namibia is amongst the most arid countries in SADC, thus issues pertaining to the Namibian situation are not always relevant to most other SADC countries.
- One advantage of Namibia is its stable political and economic environment and this should be exploited.
- One of the biggest threats, however, to Namibia is its overpowering neighbour to the south, who wants to marginalize Namibia in most areas under discussion today.
- It is important that policy matches implementation. Policy recommendations are subject to political, developmental and economic considerations. The technical implementation of policy is of paramount importance.

