

NAMIBIA AGRICULTURAL AND TRADE POLICY BRIEF

THE CONTRIBUTION OF ENABLING POLICIES AND REGULATIONS TO THE PERFORMANCE OF NAMIBIA'S AGRICULTURAL SECTOR

- Agriculture production is dominated by subsistence farmers.
- The implementation of various policy instruments, alongside supporting programmes and schemes, had positive impact on production, resulting in Namibia achieving 55 percent self-sufficiency in vegetable production and 45 percent self-sufficiency overall.
- Crop production has increased due to land expansion, as yields have remained low and, in some cases, – maize has seen a marginal increase.
- Crop and livestock production have displayed growth patterns, while cereals have experienced fluctuations, largely due to the impact of droughts and adverse weather conditions that have significantly hampered crop yields and production.
- Namibia is a net exporter of cattle meat, mostly exported to Europe, South Africa and China.
- Namibia can use trade measures to leverage science and technology, adopt sustainable production practices, and improve market access by reducing tariffs on goods and services related to science and technology.

Agricultural sector overview

Agriculture production in Namibia is dominated by subsistence farmers. Commercial agriculture is practiced on some 6,000 farms, primarily in the southern and central parts of Namibia, where a system of freehold land tenure prevails. There are about 250,000 households engaged in subsistence farming, mainly in northern Namibia and the former reserves of central and southern Namibia, where the tenure system is communal. These farmers primarily produce for their own consumption.

Communal farmers commonly grow millet, while maize and sorghum are also cultivated in some areas. In addition, most subsistence farmers rear small numbers of cattle, goats, and sheep. The largest portion of agricultural land in Namibia is freehold agriculture (commercial) land at 39,728,364 hectares (48 percent) followed by communal land at 28 720 443 hectares (35 percent) while state land only constitutes 13 906 437 hectares (17 percent) in Namibia¹ (Namibia Statistics Agency, 2018).

The Agricultural sector's contribution to GDP remains minimal. Over the past 10 years, Agriculture's contribution to GDP (excluding fishing) has been approximately 4 percent. In 2020, the livestock and meat subsector accounted for slightly more than 50 percent of total gross agricultural production, while the tubers and roots accounted for close to 16 percent, cereals for 3 percent and vegetables 6 percent. Hence, subsistence farming remains an important driver of the agricultural economy.

¹ Computed from Namibia Statistics Agency data, 2018.

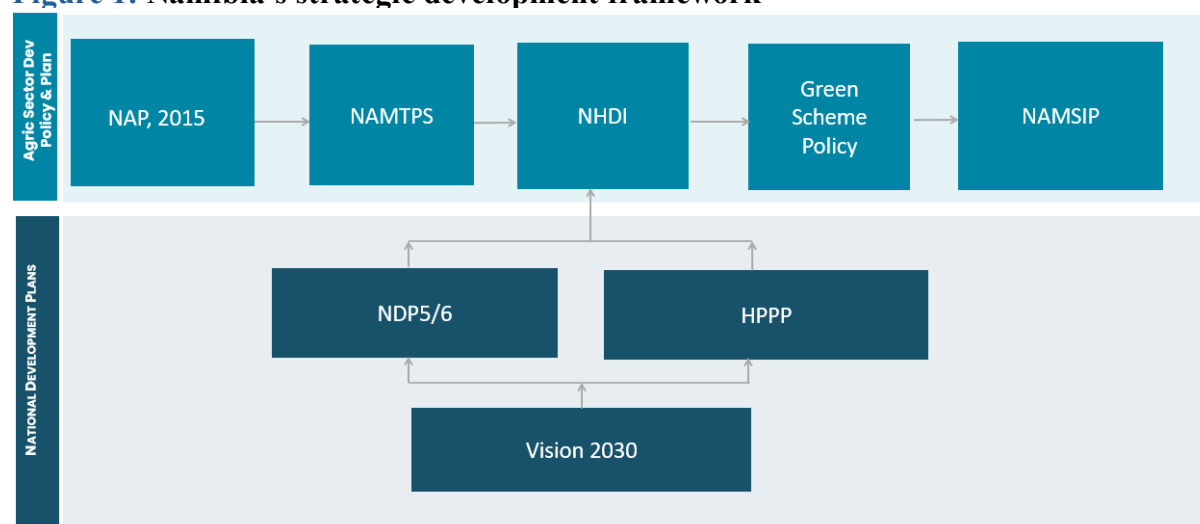
The growth of the agriculture sector in Namibia has been consistently lower in comparison to the overall growth of the economy. Between 1990 and 2020, the national economy grew faster than the agricultural sector in real terms.

Policy and regulatory environment

The implementation of various policy instruments, alongside supporting programmes and schemes, has had positive impact on production, enabling Namibia to achieve 55 percent self-sufficiency in vegetable production and 45 percent self-sufficiency overall. However, much of this growth in food production has been driven by the expansion of farmland, rather than significant improvements in crop yields.

Progress in achieving food security is evident, as the number of undernourished people declined from approximately 0.7 million in 2008-2010 to 0.4 million in 2020-2022. In percentage terms, this represents a reduction from 32 percent to 17 percent. Vision 2030, launched in June 2004, is a multi-sectoral framework for Namibia's long-term development. It envisions "A prosperous and industrialised Namibia, developed by its human resources, enjoying peace, harmony, and political stability" by the year 2030. National Development Plans (NDPs) are five- year plans that serve as the main vehicles to achieve the objective set in Vision 2030 (Figure 1).

Figure 1: Namibia’s strategic development framework



Source: Author’s elaboration

The Harambee Prosperity Plan (HPP) is an action plan for Namibia that aims to accelerate development in priority areas to achieve prosperity. The HPP complements the National Development Plans (NDPs) and Vision 2030 and introduces flexibility to Namibia’s planning system.

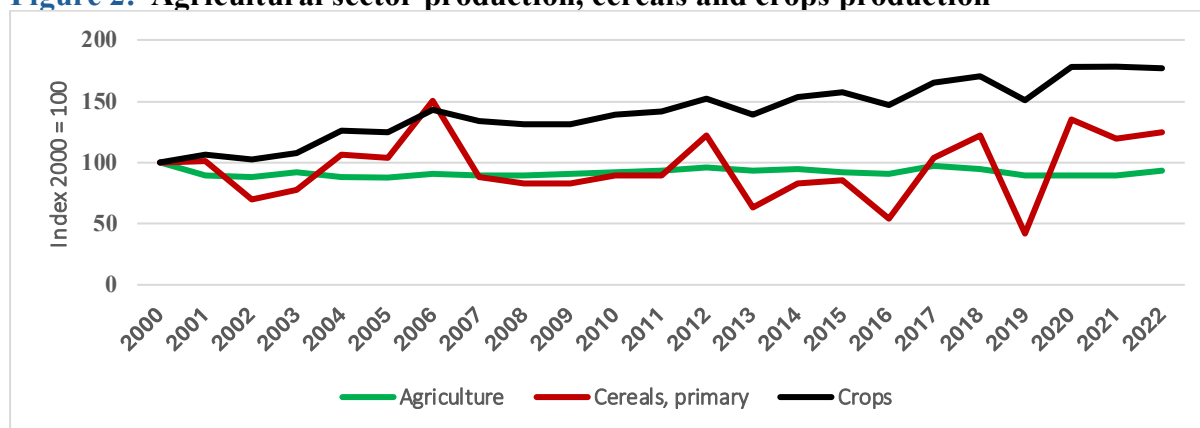
Agricultural sector development policies and plans include the Namibia Agricultural Policy, 2015 (NAP), Namibia Agricultural Marketing and Trade Policy and Strategy (NAMTPS), Namibia Horticulture Development Initiative (NHDI), Greens Scheme Policy and the Namibia Agricultural Mechanisation and Seed Improvement Project (NAMSIP) (Figure 1).

Agricultural sector performance

Crop and livestock production have displayed a growth pattern, while cereals have experienced fluctuations, largely due to the impact of droughts and adverse weather conditions that have significantly hampered crop yields and production.

Cereals production increase sharply until 2006, only to decrease sharply until 2015 and the sector began to recover. Crop production has increased primarily due to land expansion, as yields have remained low., In some cases, maize has seen a marginal increase (Figure 2). Cereal production in Namibia has experienced fluctuations, largely due to the impact of droughts and changing weather patterns.

Figure 2: Agricultural sector production, cereals and crops production

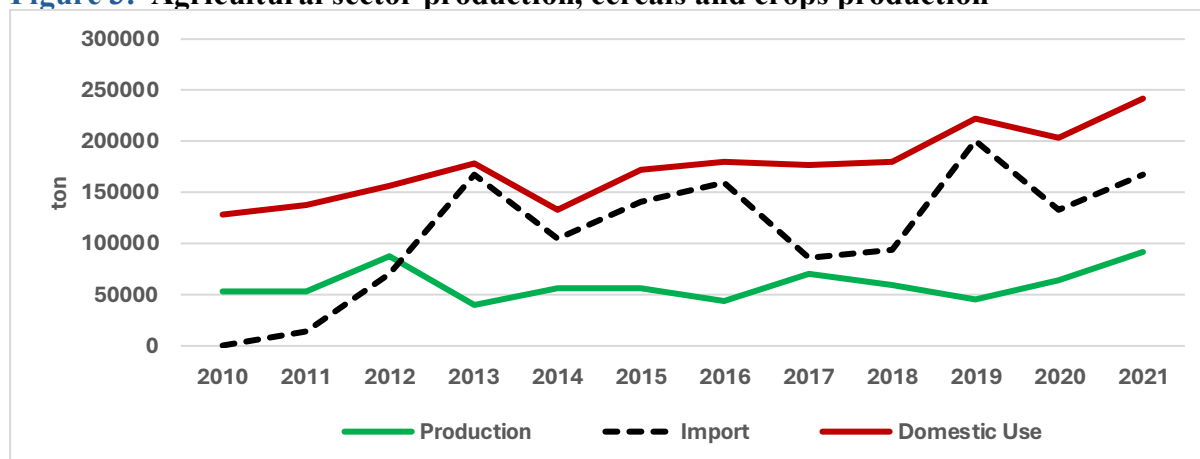


Source: FAOSTAT, 2024

In Namibia, the agriculture sector has increased output primarily through the expansion of cropland rather than productivity gains. Cereal production doubled between 2000 and 2022. The increase in production closely follows the pattern of the area under cultivation, which also increased during the same period. Compared to its regional neighbours, yields are low and remain stagnant, indicating a lack of improvement in productivity.

Furthermore, Namibia's cereal production exhibits greater variability compared to its vegetables, edible roots, and maize. Cereals such as wheat, millet and sorghum are staples of the national diet. The increase in almost all crops follows a similar pattern, showing that increase in production volume is due to increase in land area rather than yield improvements. Vegetable production has increased consistently with both potatoes and tomatoes following a similar pattern. Given Namibia's arid to semi-arid climate, crop farming is concentrated in specific regions with favourable environmental conditions and effective irrigation systems.

Figure 3: Agricultural sector production, cereals and crops production

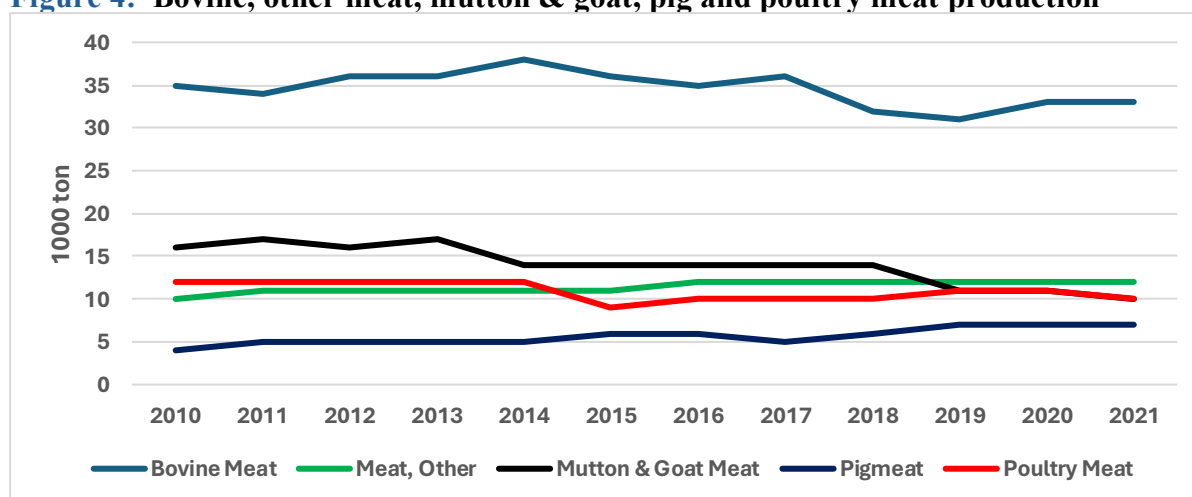


Source: FAOSTAT, 2024

Namibia is known for its beef cattle and small stock, with notable breeds like Bonsmara, Brahman, and Hereford for cattle, and Dorper and Damara for sheep. Goats are also prevalent, particularly in the northern regions. The country's extensive farming system relies on hardy breeds that can withstand arid conditions. Poultry meat production is a growing segment and has grown significantly in the past few years.

Namibia's poultry production is characterised by a mix of extensive and semi-intensive systems. While some commercial farms utilize more intensive production methods with modern technology and equipment, many smaller-scale operations rely on traditional or semi-intensive practices (Figure 4).

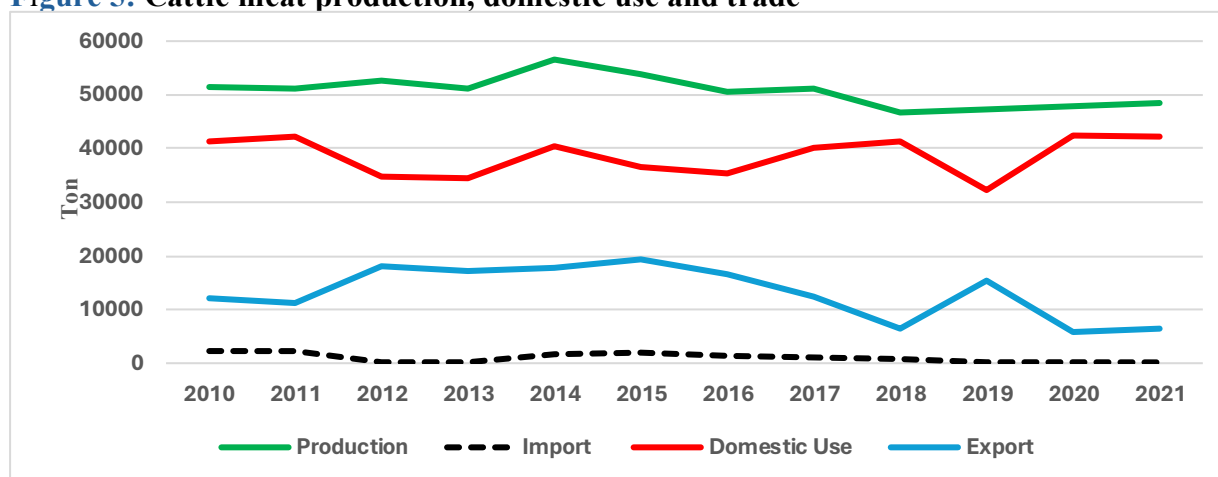
Figure 4: Bovine, other meat, mutton & goat, pig and poultry meat production



Source: FAOSTAT, 2024

Namibia is a net exporter of cattle meat, mostly exported to Europe and to South Africa and China. Cattle farming is the largest segment of Namibia's livestock production. Livestock farming remains a foreign exchange earner for Namibia. In 2016, Namibia became the first and only African country eligible for beef export to the United States (Figure 5).

Figure 5: Cattle meat production, domestic use and trade



Source: FAOSTAT, 2024

Poultry meat production plays a role in enhancing food security in Namibia. It provides a source of affordable and nutritious protein for the local population. The country's poultry sector primarily focuses on supplying the local market limited export activity. Small-scale and medium-scale poultry farms contribute to the production of chicken meat for domestic consumption. The consumption of poultry has grown significantly in Namibia in the past 10 years with domestic production averaging 10,000 tons during this period. However, to meet this increasing domestic demand, Namibia relies on import. The growth of the poultry industry has the potential to reduce reliance on imports and improve food self-sufficiency. The sector has immense potential for growth.

Main challenges facing Namibia's agricultural sector

Challenges such as *drought, high feed costs, water unavailability, and lack of infrastructure* hamper overall production and trade in Namibia. Trade measures to reduce reliance on imports depend on whether the goal is import-substitution or achieve greater food self-sufficiency. Both tariff and non-tariff measures (NTMs) can be used to limit imports, but their economic and non-economic costs must be carefully weighed. Tariffs and quotas are among the simplest tools for targeting specific products. A well-balanced mix of appropriate tariffs and NTMs can help protect domestic sectors and reduce import dependence. However, introducing trade barriers would require significant adjustments to Namibia's external trade commitments and domestic production, which could jeopardize access to key export markets due to the risk of trade retaliation.

Strategies to address key challenges

Increasing agricultural productivity will require a multi-faceted approach, including investments in infrastructure, science, and technology. Namibia is a small, open economy, with agriculture being one of the main pillars for economic development, hence agricultural trade policy is of critical importance. Recognizing that agriculture is an important leverage for transforming the agrifood system, for boosting economic development, to ensure food security and poverty reduction, the current agri food system is largely unsustainable.

Namibia can use trade measures to leverage science and technology, adopt sustainable practices, and improve market access by reducing tariffs on goods and services related to science and technology. However, because of its SACU membership, Namibia cannot unilaterally impose tariffs, thus limiting its policy space in tariff.

Considering the pressing challenges of climate change, environmental sustainability and increasing food demand, the Government of Namibia should seek to revisit its approach to food and agricultural sector strategy and policies, including agricultural trade policies. To enhance yields, farmers and agricultural stakeholders can implement various strategies, such as adopting advanced farming techniques, improving soil health, and optimizing water management.

Efforts to boost productivity and competitiveness should focus on a comprehensive approach that includes promoting sustainable intensification of production, leveraging science, technology, and innovation across the entire value chain, and implementing supportive trade policies that enhance yields. Other measures include reducing import tariffs on production inputs, securing land tenure, and improving infrastructure with policies supporting sustainable water and land use. Hence a food system approach to agricultural planning and policy development is strongly recommended.

Some of Namibia's agricultural legislation is outdated, with several key laws still rooted in the colonial era, limiting the sector's ability to fully address modern challenges such as climate change, technological advancements, and sustainable practices. Many of these regulations were designed under different socio-economic conditions and no longer reflect the realities of today's agricultural environment.

As the country strives to achieve its broader development goals under Vision 2030 and the upcoming Sixth National Development Plan (NDP6), it is essential to modernize agricultural laws to enhance food security, promote economic diversification, and ensure sustainability. Renewing these legislations will provide a framework that supports innovation, strengthens resilience against climate risks, and improves competitiveness in both local and international markets.

Modernizing legislation will also ensure inclusiveness by addressing the needs of smallholder farmers, particularly those in marginalized communities, while fostering a more equitable agricultural sector. Updating Namibia's agricultural legislation is not only necessary but urgent to enable the sector to contribute effectively to poverty reduction, employment creation, and economic growth, through a food system approach.

References

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