



**NAMIBIA UNIVERSITY**  
OF SCIENCE AND TECHNOLOGY

Faculty of Natural Resources and Spatial Sciences

# Farming in the Namibian Communal Context

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Abbreviated title, Place, Date

10 June 2019



# Content

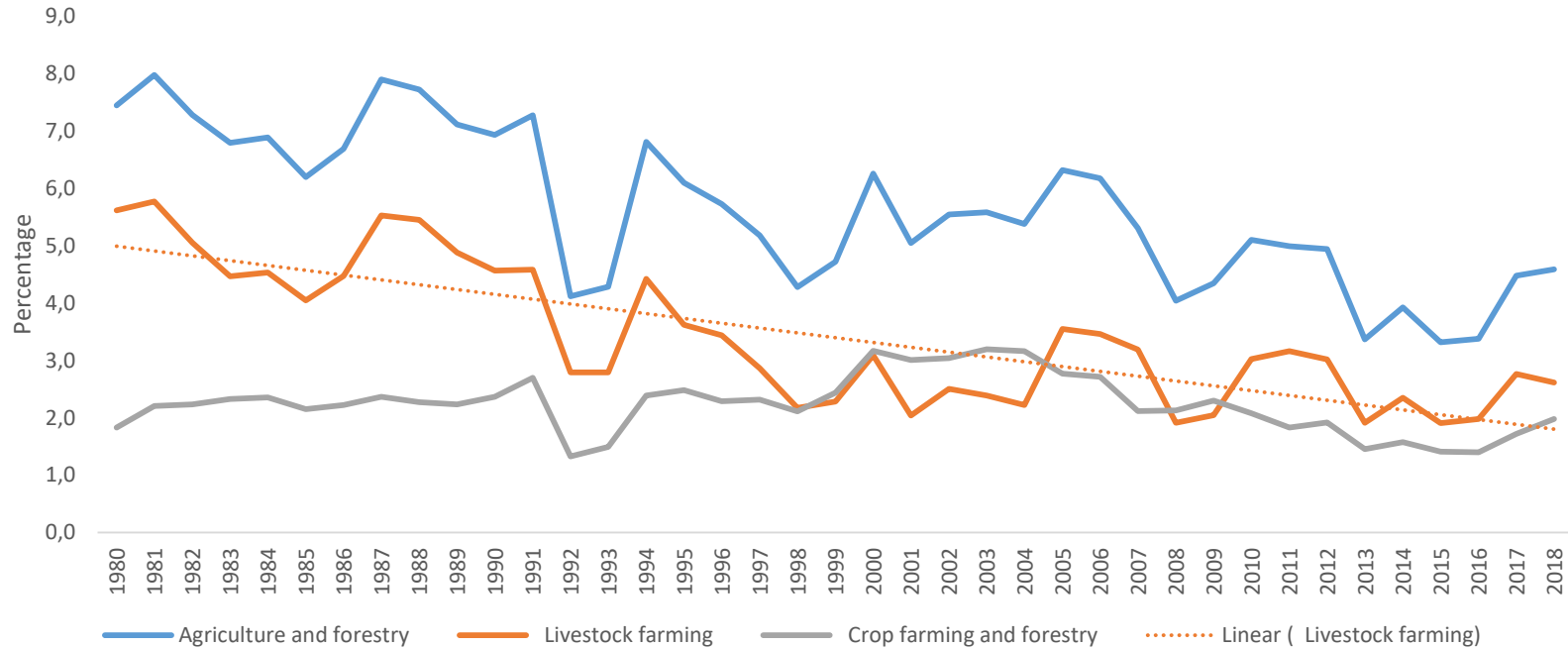
1. Introduction
2. Percentage contributions to GDP
3. Farming area
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5. Livestock loses (number & values: SVC)
6. Livestock marketing channels
7. Marketing challenges (auction & permit systems)
8. Strategies for improvement



# 1. Introduction

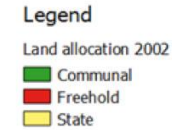
- Red meat sector (cattle and sheep) is a major component of the agri-food system in Namibia
- Livestock production is a ***major source of income for the rural population***
- The sector support about 77% of rural population (247,813 HH) in Namibia (Sherbourne, 2017)
- Livestock is a principal way of poverty **alleviation in rural areas**

## 2. Percentage contribution to GDP



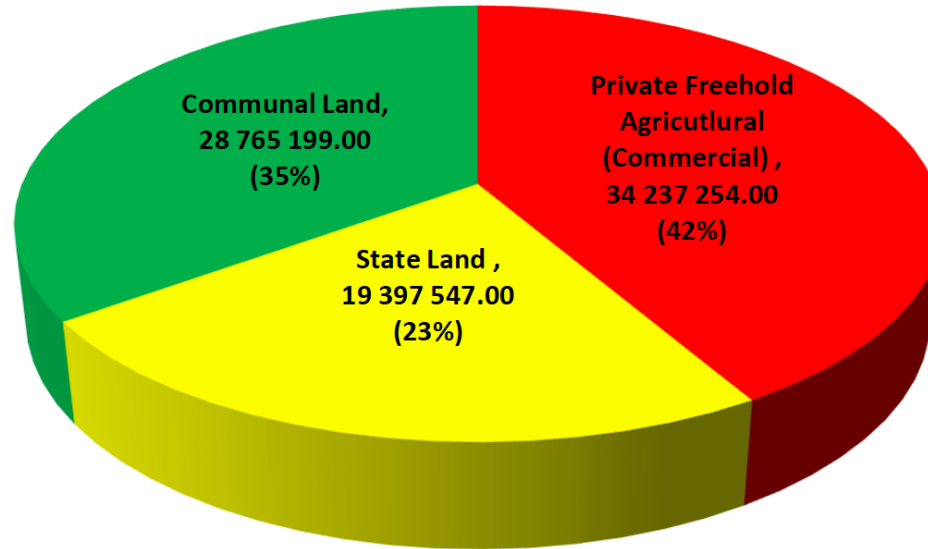
Source: National Accounts (Namibia Statistics Agency: NSA), 2018

APPENDIX E Plate Date



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### 3. Farming area (hectares) .../



*Source: Namibia Statistics Agency, 2018*

## 4. Production

### Cattle

- Population (2015)

1) 2.7 million (country-wide)

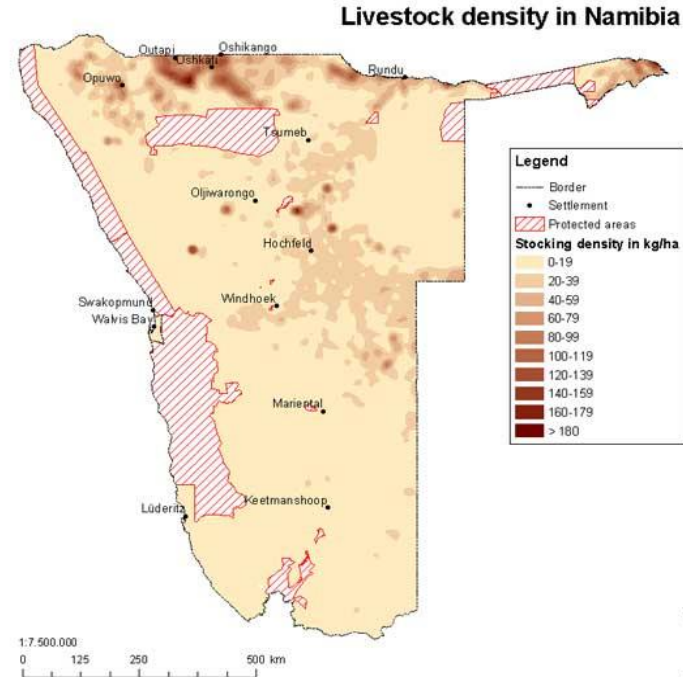
2) 570,927 – Southern  
communal areas  
(SVC)


### Sheep

- Population (2015)

1) 1.9 million (country-wide)

2) 334,145- SCA



Map produced by  
SFB 389 'ACACIA', subproject E1  
University of Cologne 

Data source:  
Atlas of Namibia Project, 2002, Directorate of Environmental Affairs,  
Ministry of Environment and Tourism. <http://www.dea.met.gov.na> (2003)

# 5. Livestock losses (SVC)

Number of Livestock Loss	Hardap	Karas	Southern Kunene & Erongo	Omaheke	Otjizondjupa	Total
<b>Number of livestock lost: Theft</b>						
Cattle	52	39	209	338	321	959
Sheep	172	144	125	336	347	1124
Goat	233	138	174	375	337	1257
<b>Total</b>	<b>457</b>	<b>321</b>	<b>508</b>	<b>1049</b>	<b>1005</b>	
<b>Number of livestock lost: Predator</b>						
Cattle	15	11	56	107	202	391
Sheep	155	203	96	389	691	1534
Goat	169	152	182	637	722	1862
<b>Total</b>	<b>339</b>	<b>366</b>	<b>334</b>	<b>1133</b>	<b>1615</b>	
<b>Number of livestock lost: Diseases</b>						
Cattle	27	18	102	340	215	702
Sheep	99	89	64	227	171	650
Goat	139	134	114	314	267	968
<b>Total</b>	<b>265</b>	<b>241</b>	<b>280</b>	<b>881</b>	<b>653</b>	<b>9447</b>



# 5. Value of livestock losses (SVC) NAD

Value of livestock loss	Hardap	Karas	Southern Kunene & Erongo	Omaheke	Otjzondjupa	Total
	(N\$)	(N\$)	(N\$)	(N\$)	(N\$)	(N\$)
<b>Value of livestock lost: Theft:</b>						
<b>Cattle</b>	222378	165575	862223	1875368	1490958	4616502
<b>Sheep</b>	96750	84400	78705	193169	199242	652266
<b>Goat</b>	124899	69887	107445	266906	226218	795355
<b>Total</b>	444,027	319,862	1,048,373	2,335,443	1,916,418	<b>6,064,123</b>
<b>Value of livestock lost: Predator:</b>						
<b>Cattle</b>	64147	46701	231026	593682	938235	1873791
<b>Sheep</b>	87188	118981	60446	223639	396761	887013
<b>Goat</b>	90592	76977	112385	453385	484657	1217996
<b>Total</b>	241,927	242,658	403,857	1,270,705	1,819,653	<b>3,978,800</b>
<b>Value of livestock lost: Disease:</b>						
<b>Cattle</b>	115465	76419	420798	1886465	998617	3497764
<b>Sheep</b>	55688	52164	40297	130504	98185	376838
<b>Goat</b>	74511	67861	70395	223,490	179229	615486
<b>Total</b>	245,663	196,444	531,490	2,240,459	1,276,031	<b>4,490,088</b>

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Source: NAD, 2016

## 6. Livestock marketing system

### Live animal marketing

- Auctions (weekly)
- Permit days (weekly)
- Informal sales
- Contract marketing to abattoirs



## 7. Livestock marketing constraints: auction system

Constraint	Responsibility	Reason	Impact
1. Price spill over	-	*Increases in feedlot prices in SA	*Increase demand for export in Nam
		*Increase in livestock prices in SA	*Increases in SA speculators
			*Higher prices in Nam
2. High commission (6% - 8.5%)	*Auctions pens	*Corporate services	*High transaction Cost
		*Corporate services	*Affects participation
3. No auction pens	-	*Service delivery problem	*Travel to closest market
4. Poor animal quality	*Farmers	*Low land capacity	*Low price
		*Poor breeding mgt	*Low profitability
		*Lack of finance	
5. Discriminatory auction bidding	*Auctioneers	*Bias	*Differentiated price
			*Low profit
			*Discourage participation

## 7. Livestock marketing constraints: auction ....

Constraint	Responsibility	Reason	Impact
6. Collusion btw bidders and buyers	*Auctioneers	*To protect the interest of buyers	*Low price
		*To bias price towards the buyer	*Discourage participation
			*Barrier
7. Bidders bid too low	*Auctioneers	*To arrive at a certain price	*Low price
		*To bias price towards the buyer	*Discourage participation
8. No Weighing scales at auctions	*Auctioneers	*There're Few Livestock	*Low price
		*Poor quality	*Low profit
			*Sale at give-away price
9. High transaction cost	*Farmers	*Know the game	*Selling to speculators
		*Poor finance	*Selling livestock at give-away prices
10. No price information prior to auctions	*Auctioneers	*Inflation, *No transport facility	*Lack price knowledge
	*Farmers	*Poverty	*Get wrong price signal
		*Lack of market infrastructure	*Low auction price

## 7. Livestock marketing constraints: auction .../

Constraint	Responsibility	Reason	Impact
11. Bank charge on auction cheques	-	*Transaction charge	*Transaction cost
		*Service charge	*Increase financial burden
12. Poor animal pre-handling at auctions	*Auctioneers		*Livestock death
		*Lack of care	*Increased Livestock stress level
		*Negligence	*Bruises on livestock
			*Low price
13. Preferential bidding at auction	Auctioneers	*Support buyers	*Unflavoured farmers get less price
	*Farmers	*Biased	*Favourites get better price

## 7. Livestock marketing constraints: permit system

Constraints	Responsibility	Reasons	Impacts
1. They're agent of buyers	*Speculators	*For speculative profit	*Low price
			*Low profit
2. Speculators do not have permit	*Speculators	*Alleged conduct	*Livestock theft
		*Not investigated	*Illegal dealing
3. Specs buy at low price	*Speculators	*Speculative profit	*Low price
	*Farmers		*Low profit
4. Specs buy till late in evening	Speculators	*Market momentum	*Buy stolen Livestock
			*Encourage theft
5. One agent can buy for many buyers	*Speculators	*Speculative profit	*N competition
		*To make more money	*Low price
6. No scale	*Farmers	*Ploy to cheat	*Low price
			Low profit

## 8. Strategies for improvement



Strategic element	Objective	Key role player/s
1. Limited access to market information	Improving knowledge, skills and information along the value chain	NNFU, GRN, AGRIBANK, Meat Board
2. Strengthening management of farmers associations	Promoting and strengthening groups and associations to provide the industry with a common voice	NNFU, AGRIBANK
3. Livestock marketing infrastructure	Improving existing- and providing new – physical infrastructure to support the growth of the livestock sector in communal areas	GRN- MAWF
4. Improve access to livestock transportation permit	Reduce transaction cost of farmers by introducing's more permit issuing avenues- mobile permit office	GRN-MAWF

## 8. Strategies for improvement .../

Strategic element	Objective	Key role player/s
5. Promotion of the common Industry Vision	Increase harmony and togetherness along the value chain	Meat Board as the primary driver
6. Regular and constant investigation for unfair market practices	Improving competition and livestock prices	Competition Commission of Namibia & Anti-corruption Commission (ACC)
7. Lack of a communal livestock marketing policy	Improving overall livestock marketing through regulation of livestock marketing avenues "such as permit days	GRN- MAWF
8. Improve access to telecommunication and road network	Improve access for transportation of livestock and communication along the value chain	GRN- MAWF



## 8. Strategies for improvement .../

Strategic element	Objective	Key role player/s
9. Emergency preparedness	Provision of cushion for livestock producers during drought & disease outbreak	GRN- MAWF, AGRIBANK, Meat Board
10. Improve access to production inputs	Reduction of transaction cost and other associated costs	AGRBANK & retail outlets
11. Research & extension support	Rendering more effective services through R&D and extension	GRN-MAWF, AGRIBANK, Meat Board etc



# Thank you!

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