



Horticulture Industry in Namibia June 2023





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1. Background

Horticulture plays a substantial role in the Namibian agricultural sector and the economy at large. The production of horticultural products for Namibia consists of specially controlled products such as gem squash, beetroot, sweet potato, potatoes, butternuts, pumpkin, cabbage, lettuce, tomato, cucumber, onions, green/colored pepper, carrot, watermelons, sweet melon, and sweetcorn. The horticultural products are produced in both the commercial and communal areas under the irrigation system and take place in the Karst (Otjozondjupa Region), Central, South Orange River, Kavango, North Central, and the Zambezi region. The industry is faced with challenges including high production costs, drought, and pest diseases. These challenges affect the production of horticulture products leading to insufficient production for the domestic market. The country is not self-reliant in the production of fresh fruits and continues to be a net importer of fresh fruits such as apples, oranges, bananas, pears, and avocados from South Africa. According to the Namibia Agronomic Board (NAB) (2023), about 96% of fruits are imported and only 4% are produced locally. The most consumed horticultural product in Namibia is potatoes followed by onions and carrots.

The production of most of the vegetable lines for Namibia has improved in the past 10 years after the implementation of the Market Share Promotion Scheme by the Agro-marketing and Trade Agency. The Namibia Agronomic Board (NAB) observes the production of specially controlled products by closing borders in instances where local production exceeds local demand for that particular horticultural product. Open and closed border periods for special controlled products are an import restriction mechanism facilitated through the NAB's Horticulture Special Control Products (SCP) Scheme. The scheme allows for the implementation of import restrictions on selected horticultural products during times of sufficient local production, which encourages fresh produce traders to source locally produced horticultural products. The scheme started with only two products (potatoes and onions) in 2012 and currently, there are 20 products under this scheme which include the following, potato, onion, cabbage, butternut, tomato, carrot, sweet pepper, English cucumber, sweet potato, beetroot, gem squash, watermelon, sweet melon, pumpkin, sweetcorn, lettuce (iceberg), and spinach.

The implementation of the scheme is a growth-at-home strategy to develop the crop industry by stimulating horticultural production in Namibia and promoting local sales of locally produced fresh fruit and vegetables by means of encouraging importers such as wholesalers, catering companies, and retailers to source locally. The country banned the importation of special controlled horticultural products for June 2023 like butternut, cabbage, green/colored pepper, onions, sweet potato, round tomato, pumpkin, gem squash, and cucumber.

2. Analysis

2.1 Horticulture Production

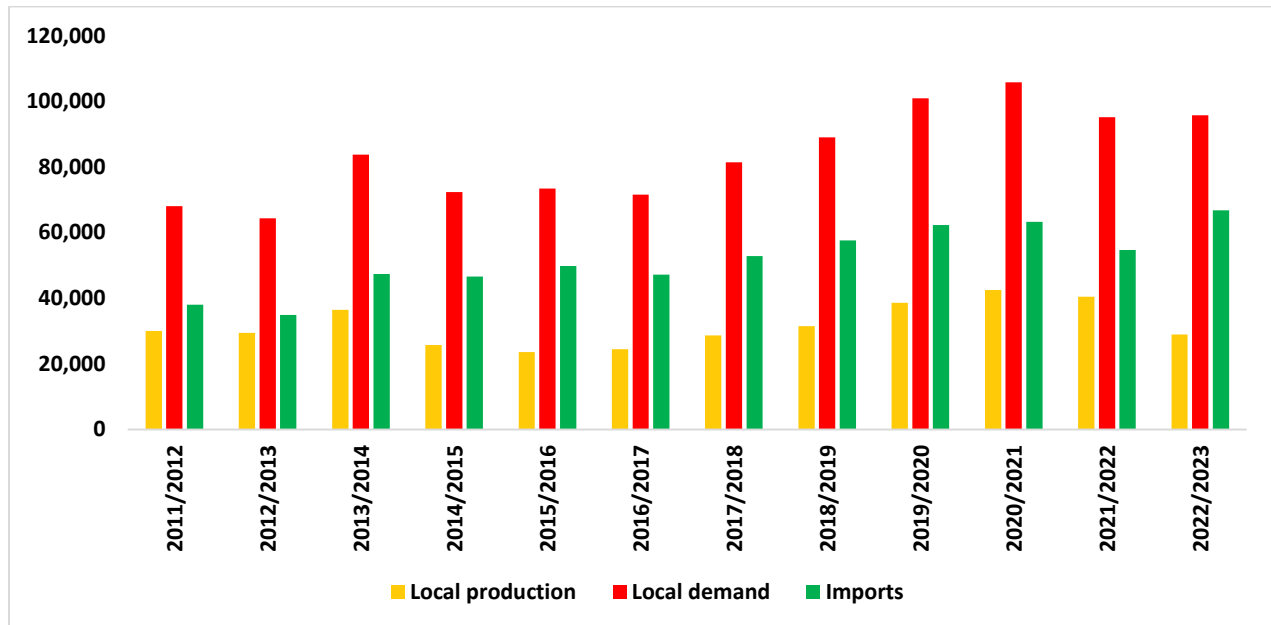
The production of horticultural products has been driven by local demand over the years with a gradual increase in local production. Closing of borders has led to local production increasing significantly from 5% in 2005 to 47% to date and local demand increased from 68 056 tons in 2011 to the current 95 734.23 (2022/2023). In essence, the scheme stimulated local production as farmers are guaranteed 100% market access whenever there is a sufficient local supply of specific products. During 2022/2023, the country imported 66 824 tons of horticultural products valued at N\$ 524 million. During the period under review, local demand for horticultural products amounted to 95 734 tons, and out of the horticultural products demanded, only 30% were produced locally and the remaining 70% were imported (Figure 1). During 2022/2023, Namibia imported a total of 29 893 fruits valued at N\$ 288 million whereby apples accounted for the highest tonnage of fruits imported with 32% followed by bananas at 21%, and oranges at 16% (Figure 2). During the first quarter of 2023, apples were the main horticulture product imported to the tune of N\$24.8 million, followed by Vegetable seeds and Onions in second and third position with N\$20.8 million and N\$13.4 million, respectively (Figure 3). Onions and Tomatoes featured amongst the top traded products in both exports and imports for the period under review.

In terms of export, the Namibian fruit industry is dominated by grape, tomato, and date. During the 2022/2023 harvesting season grapes continued to prosper as the sector recorded the highest-ever grapes production, which saw the country export 48,963 tons of grapes (Figure 4), generating over N\$ 1.1 billion in revenue. According to the Namibia Agronomic Board (NAB) fourth quarter agri-review for 2022, grapes harvested from April to December 2022 exceeded that of the complete season of 2021 by 16.6% (43 799 tons in 2022 and 37 711 tons in 2021). Nearly all grapes produced are exported (e.g., 99.5% in 2022 and 99.1% in 2021). Namibian grapes were exported to countries such as the Netherlands (40%), the United Kingdom (28%), Germany (15%), and South Africa (9%) during 2022/2023. During the first quarter of 2023, grapes topped the export list recording foreign earnings of N\$79.9 million. The export of date and tomatoes were also significant posting values of N\$58.2 million and N\$19.8 million, respectively.

According to the Namibia Statistics Agency (NSA), the horticulture products import value amounted to N\$ 2.9 billion in 2022. The highest value of imported horticultural products was recorded for September 2022 at N\$ 362 million and the lowest value for July 2022 at N\$149 million (Figure 5). The decline in the importation of horticultural products for that period was attributed to the import restrictions imposed by the Namibia Agronomic Board on some horticulture products such as beetroot, butternut, cabbage, carrot, colored pepper, onions, and sweet potatoes. South Africa dominates the importation of horticultural products for Namibia.

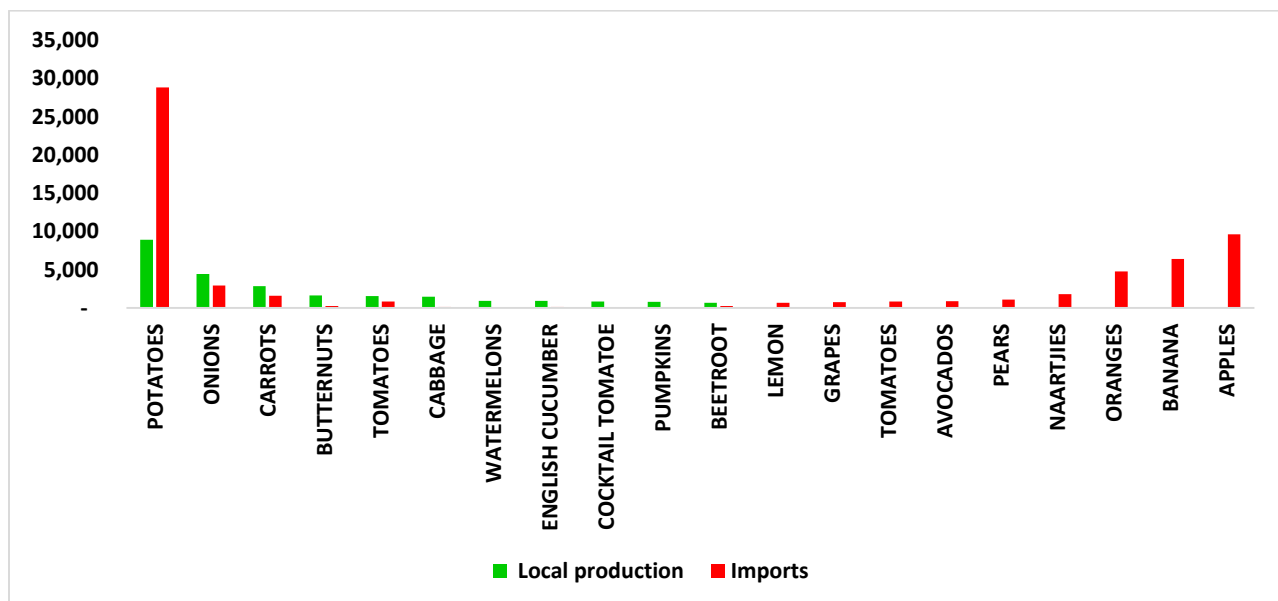


Figure 1: Horticulture Products (2010-2022)



Source: Namibia Agronomic Board & HEI RESEARCH

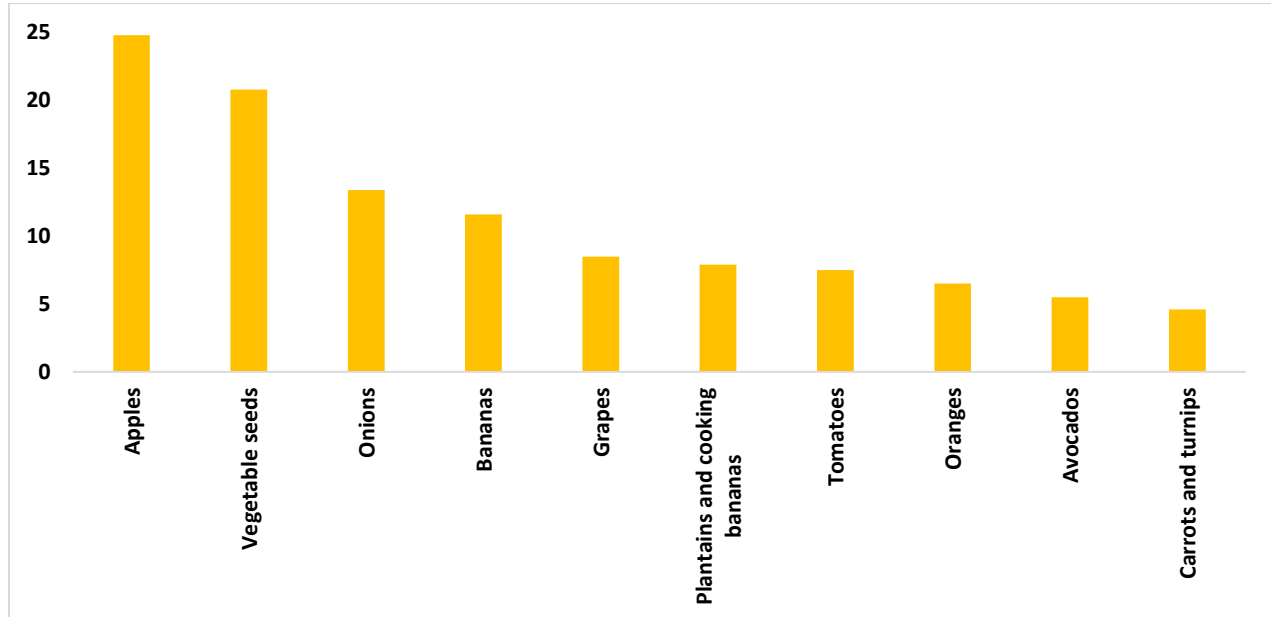
Figure 2: Horticulture local purchases and imports (2022/2023)



Source: Namibia Agronomic Board & HEI RESEARCH

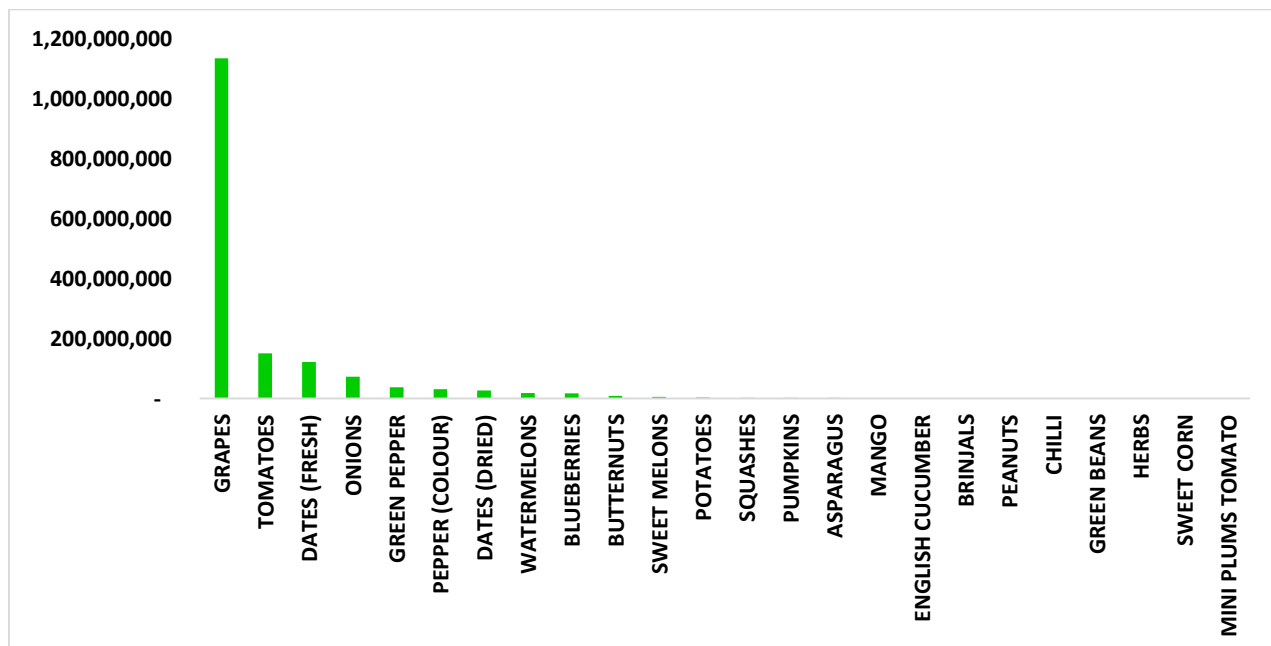


Figure 3: Top ten imported horticultural products in million N\$ for the first quarter of 2023



Source: NSA & HEI Research

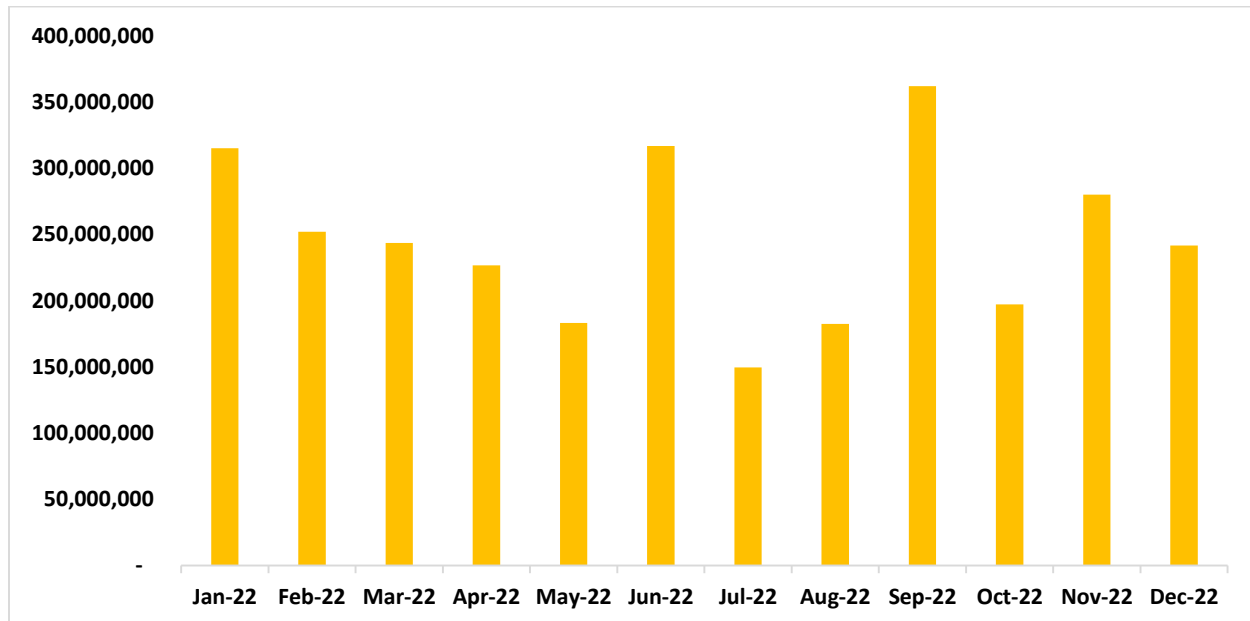
Figure 4: Horticulture export N\$ value for 01 April 2022 to 31 March 2023



Source: Namibia Agronomic Board & HEI RESEARCH



Figure 5: Imports of horticulture products (N\$), Jan – Dec 2022



Source: Namibia Statistics Agency & HEI RESEARCH

3. Recommendations

The Namibian economy is heavily reliant on imported horticultural products. Although some horticulture products have improved over the years such as carrots, cabbage, English cucumber, butternuts, beetroot, pepper, and pumpkins. Local production is still insufficient to meet local demand thus there is room for building the necessary efficiencies for increased production for local production to satisfy local demand. For the country to improve on the production of horticultural products and become competitive in international markets and also take advantage of the African Free Continental Free Trade Area, we recommend that investments in higher-yielding horticultural seeds, water availability, and basic training for farmers should increase substantially to boost local production. Additionally, providing affordable credit, subsidized ploughing, weeding services, and government support (fertilizer subsidies) to farmers will enable farmers to up-scale their production. This will also motivate a significant number of producers to enter the horticulture industry, which could increase production and lead to food security for Namibia.