










Monthly Agri-Review



Table 1: Key Indicators that Impacts the performance of the Agriculture Sector

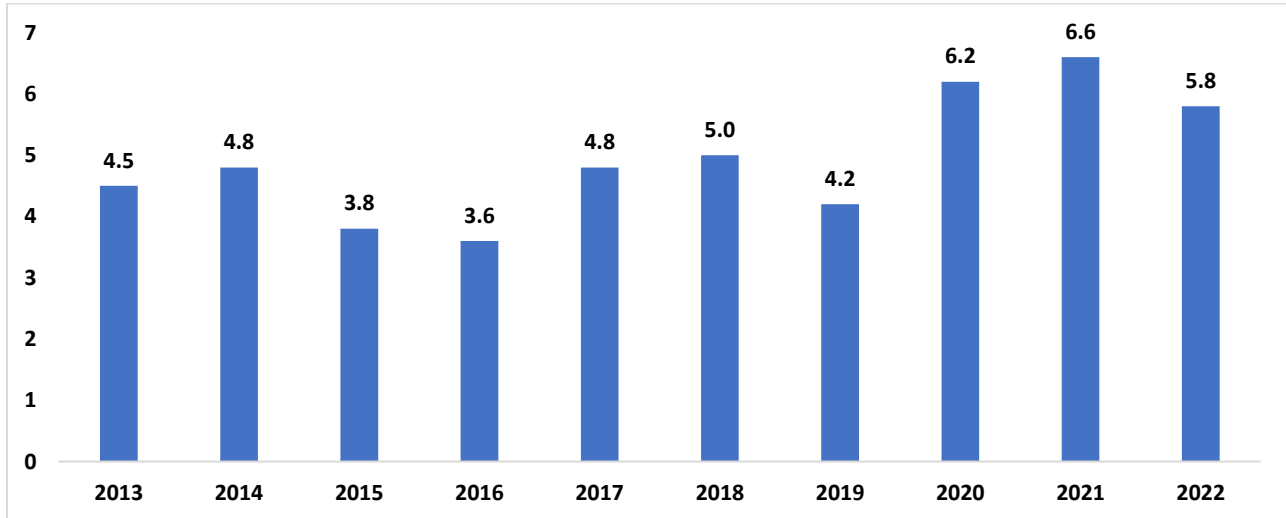
	Latest as of February 2024	M-O-M
Food inflation (y-o-y, %)	5.8	
NCPI (y-o-y, %)	5.0	
Repo rate %	7.25	
Prime rate %	11.50	
Average beef producer prices N\$	59.54 (Dec 2023)	
Average sheep producer prices N\$	52.74 (Dec 2023)	
Auction prices Weaners N\$	30.69 (Dec 2023)	

1. Performance of the Agri-sector

The agricultural sector's share of Gross Domestic Product (GDP) experienced consecutive declines in 2015, 2016, and 2019, witnessing drops of 3.8%, 3.6%, and 4.2% respectively. These declines can be attributed to below-average rainfall patterns since 2013, which have consistently hampered agricultural productivity, a trend that continues today.

Despite grappling with formidable obstacles such as high input costs and limited rainfall, the agricultural sector demonstrated resilience in 2023, particularly with a positive performance observed during the third quarter.

Figure 1: Agriculture % share to GDP, (2013 – 2022)



Source: NSA & HEI Research

2. Inflation

Namibia's inflation for February 2024 recorded a decline of 5.0%, compared to the 7.2% and 5.4% recorded in February 2023 and January 2024, respectively.

Table 2: Food Items with High Inflation, February 2024

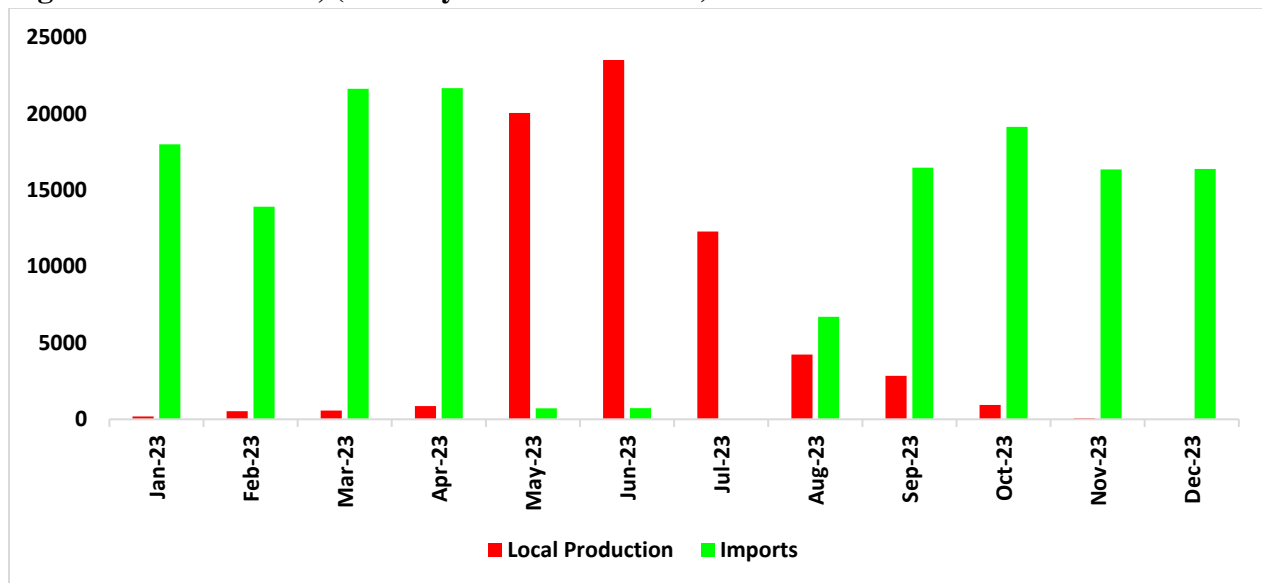
Cabbage	39.9
Grapes	38.9
Mealie/ corn cob	35.7
Potatoes	28.5
Citrus fruits	28.2
Pears	19.1
Broccoli, cauliflower	16.0
Fresh, chilled & frozen fish	15.6
Green pepper/Paprika	15.0
Baby milk powdered	14.9

3. Crops production

Local crop production significantly dropped by 44.0% to 19 940 tons during the third quarter of 2023, compared to 35 614 tons in the corresponding quarter of 2022. The decline was driven by poor production observed across all monitored crop types, namely white maize, wheat and pearl millet. White maize production stood at 19 343 tons (a share of 97.0 %), pearl millet recorded a volume of 597 tons (a share of 3.0%) while wheat recorded no production. This was attributed to insufficient and irregular rainfall received during the 2022/23 rainfall season. As such, grain imports increased by 34.1% during the quarter under review in order to complement the low level of crop production to cater for domestic demand.

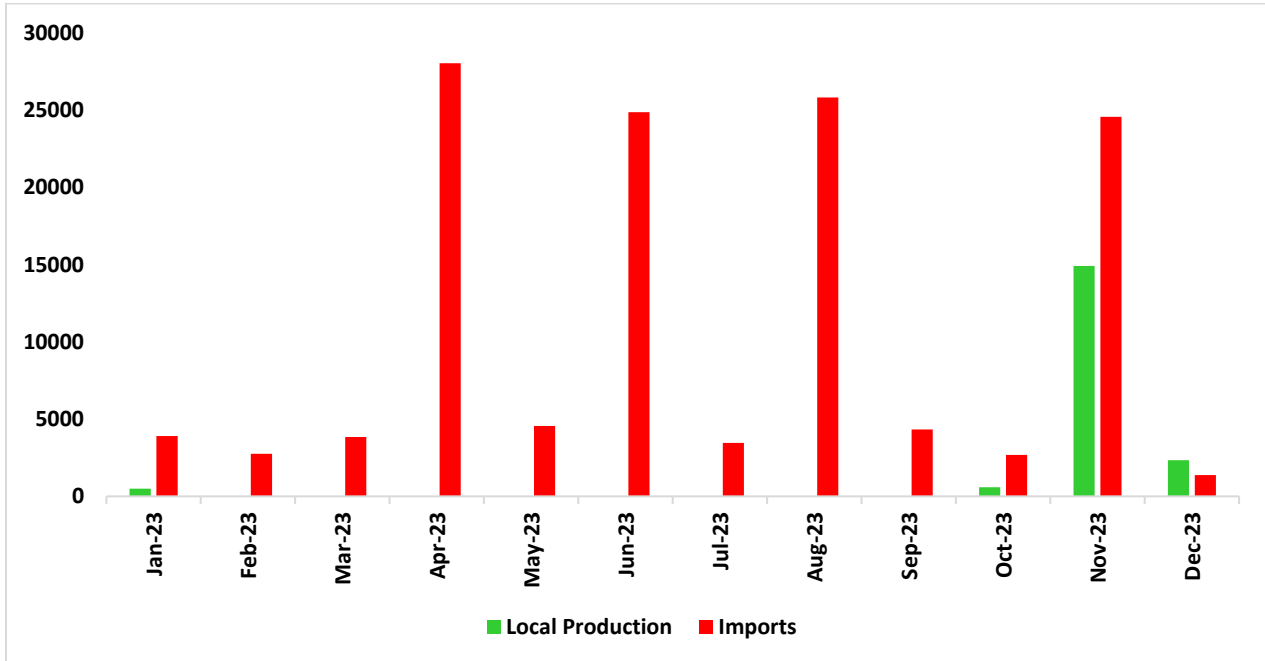
In terms of imports, cereal grains during the third quarter of 2023 were valued at N\$415.5 million a decline when compared to N\$438.0 million recorded in the corresponding quarter of 2022. Wheat was the main imported grain noting a bill of N\$394.0 million, followed by Maize (N\$14.2 million) and Rice (N\$3.8 million). Import for cereal grains during the quarter under review were mainly sourced from South Africa (52.6%), Poland (46.1%) and India (1.1%).

Figure 2: White Maize, (January – December 2023)



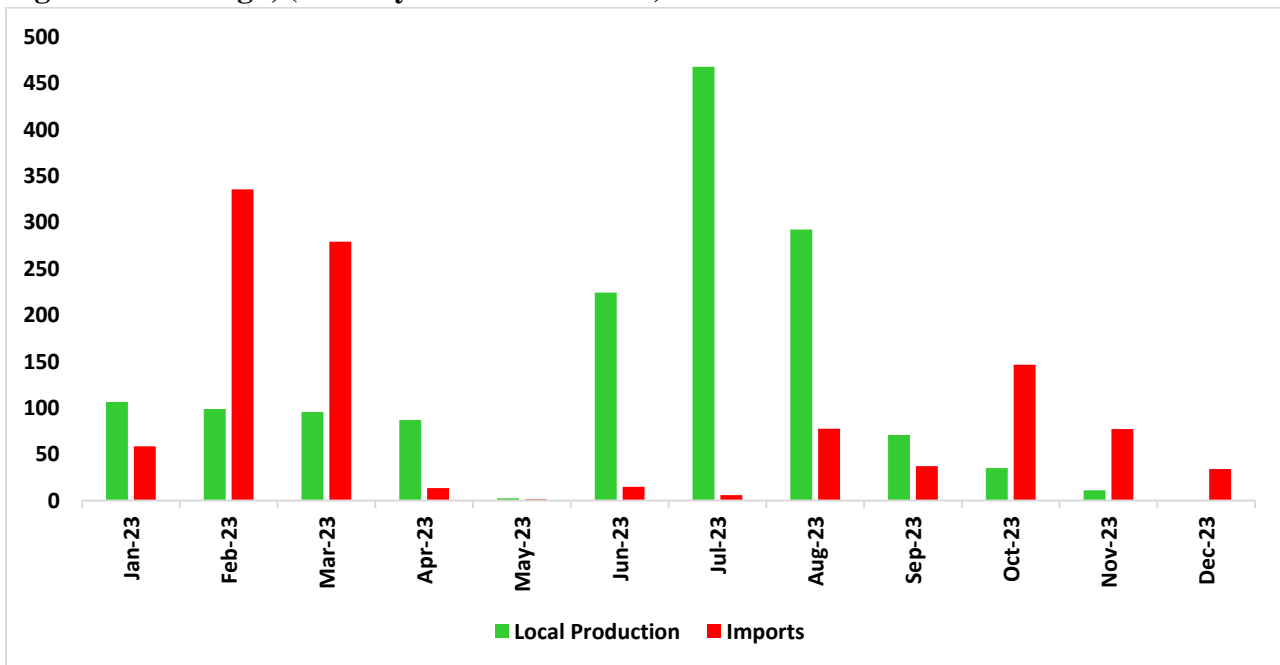
Source: Namibia Agronomic Board & HEI Research

Figure 3: Wheat, (January – December 2023)



Source: Namibia Agronomic Board & HEI Research

Figure 4: Mahangu, (January – December 2023)

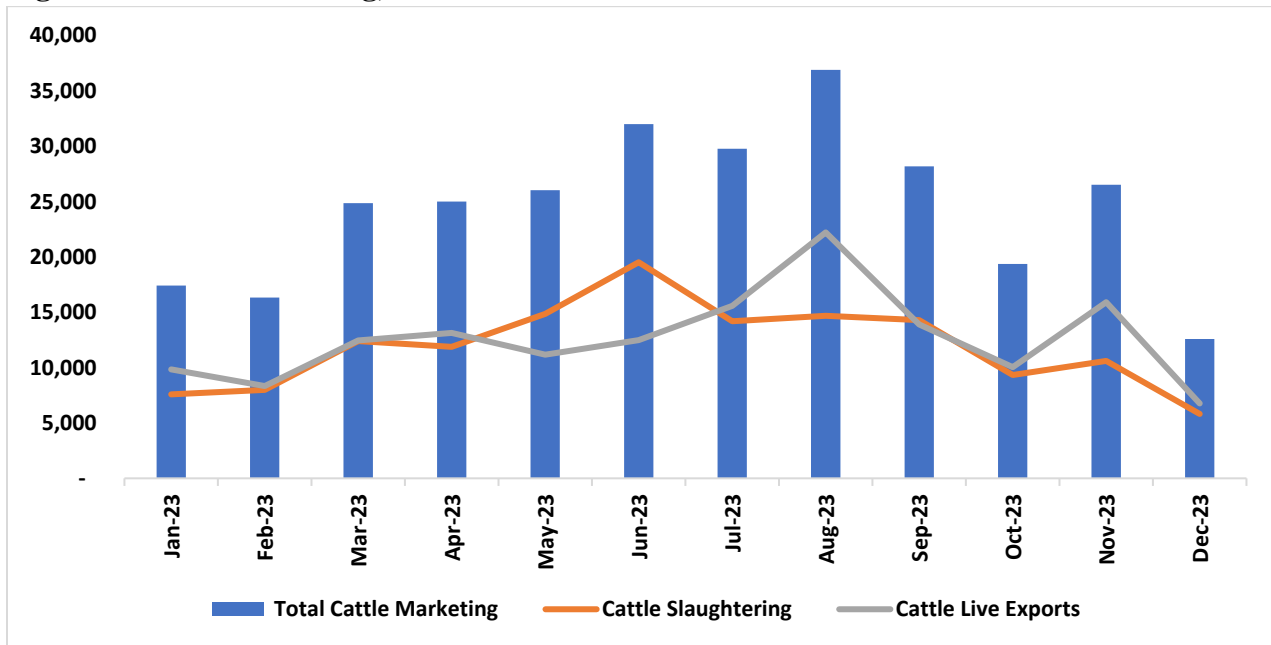


Source: Namibia Agronomic Board & HEI Research

4. Livestock Marketing

In 2023, the total number of cattle marketed reached 294,938 across all marketing channels, marking a significant 17.6% increase from the 250,751 recorded in 2022. Of this figure, 151,808 were exported live to neighboring SADC member states, 104,549 were processed at local A-class abattoirs, and 38,581 were slaughtered at various B & C class abattoirs supervised by the Livestock and Livestock Products Board of Namibia (LLPBN) nationwide. This growth was attributed to heightened production levels in 2023 alongside favorable pricing conditions. However, looking ahead to 2024, the industry faces ongoing challenges such as climate change, escalating input costs, and the persistent threat of animal diseases, which continue to pose significant risks.

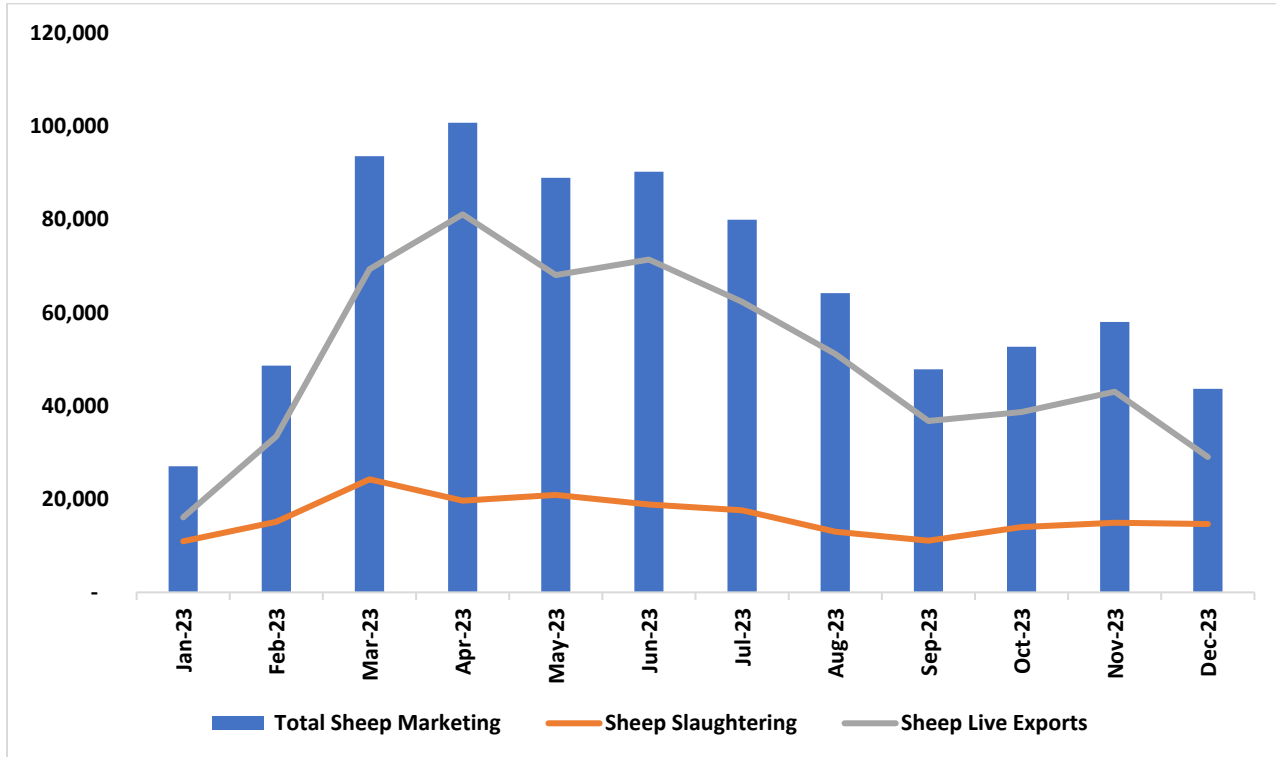
Figure 5: Cattle Marketing, Jan – Dec 2023



Source: Meat Board of Namibia & HEI Research

Sheep marketing saw a significant boost in performance in 2023, with a notable increase of 37% to 795,145 sheep compared to 581,873 recorded in 2022. Additionally, live exports experienced substantial growth, expanding by 41.3% from 424,807 heads in 2022 to 600,201 heads in 2023. South Africa maintained its position as the primary purchaser of sheep, with 99.7% of the live export market share. The surge in sheep marketing in 2023 was attributed to heightened demand from South Africa, as well as increased slaughtering activities facilitated by export-approved abattoirs catering to both domestic and international markets.

Figure 6: Sheep Marketing, Jan – Dec 2023



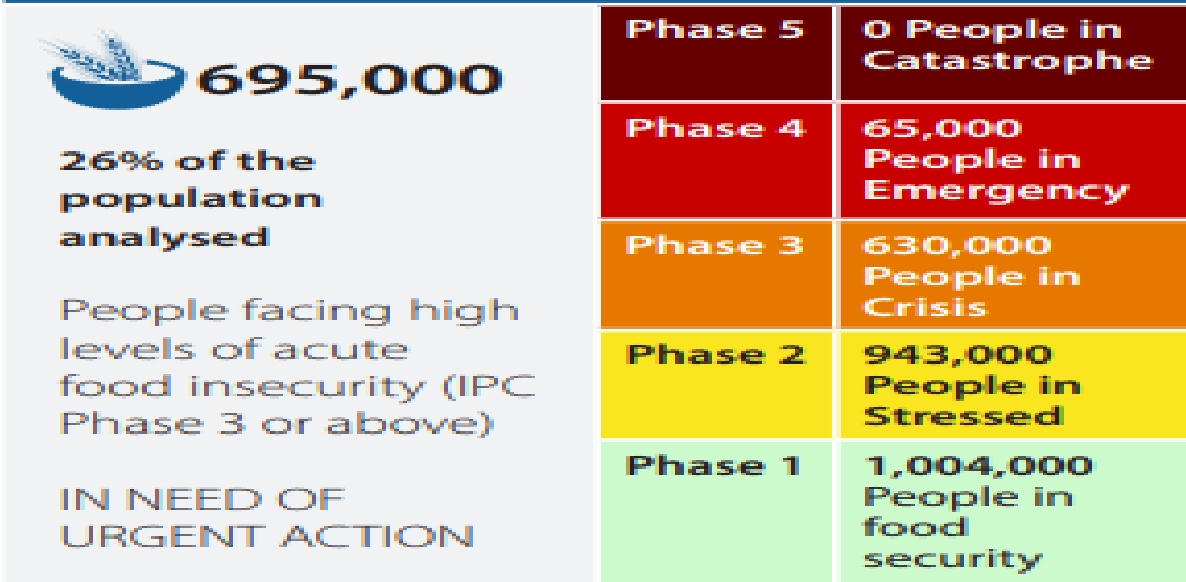
Source: Meat Board of Namibia & HEI Research

Similarly, goat marketing witnessed a 4.9% uptick to 150,592 goats, contrasting with the 143,568 goats marketed in 2022. This growth is attributed to a rise in live exports, which increased by 7.2%. However, the sector's overall performance, albeit slight, was dampened by reduced slaughtering activities at domestic abattoirs, declining by 36.6% throughout 2023.

5. Worsening Food Insecurity in Namibia

Food insecurity occurs when individuals lack the physical and financial means to access sufficient food at the household level. According to the Namibia Integrated Food Security Phase Classification Acute Food Insecurity Report (July 2023-June 2024), the food security situation is expected to deteriorate from October 2023 to March 2024, with an estimated 695,000 people (26% of the population) projected to be in IPC Phase 3 or higher. Namibia's worsening food security can be attributed primarily to climatic shocks such as droughts, dry spells, erratic rainfall, price shocks, economic decline, and unemployment.

1st PROJECTION: OCTOBER 2023 - MARCH 2024



INTEGRATED FOOD SECURITY PHASE CLASSIFICATION (IPC) & CADRE HARMONISÉ (CH)

Phase 1 Minimal	Phase 2 Stressed	Phase 3 Crisis	Phase 4 Emergency	Phase 5 Catastrophe/Famine
Households are able to meet essential food and non-food needs without engaging in atypical, unsustainable strategies to access food and income	Households have minimally adequate food consumption but are unable to afford some essential non-food expenditures without engaging in detrimental coping strategies	Households have food consumption gaps with high or above usual acute malnutrition OR accelerated depletion of livelihood assets that will lead to food consumption gaps	Households have large food consumption gaps resulting in very high acute malnutrition and excess mortality OR face extreme loss of livelihood assets that will lead to food consumption gaps	Households have an extreme lack of food and other basic needs. Starvation, death and destitution are evident

Action for disaster risk reduction and livelihoods protection
➔
Urgent action required

The Erongo and Hardap regions are forecasted to be in IPC Phase 2, labeled as Stressed, while the remaining regions are expected to be in IPC Phase 3, referred to as Crisis. The Erongo region is likely to maintain its status in IPC Phase 2, due to government interventions and potential job opportunities in the mining sector. Conversely, the Khomas region is anticipated to move into IPC Phase 3, Crisis. The Hardap region's improvement from IPC Phase 3, Crisis to IPC Phase 2, Stressed is expected due to planned government interventions providing drought relief and food

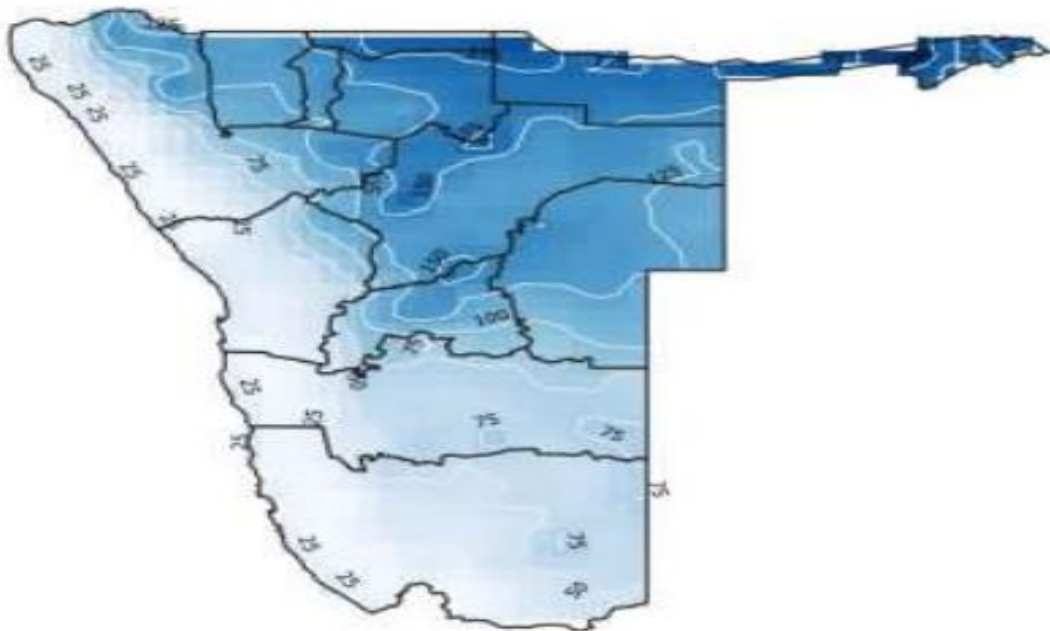
support. The food security situation is anticipated to worsen by 4% during this period, as it represents the first half of Namibia's lean season, leading to rising prices and depletion of household food stocks, particularly in regions where harvests were poor.

6. Rainfall Performance

Rainfall performance from the beginning of the season up to January 2024, shows mostly below normal rainfall performance for the country. Northern Kunene and most of the North Eastern quadrant of the country received rainfall between 40mm to 200mm and above. A few stations in the north and north east recoded amounts higher than 200mm, with Sachona (259mm), Enguwantale (209mm), Eheke(205mm), Kasheshe (204mm) and Kaisosi (203mm). Projections for the month of February 2024, indicates a likely hood of below normal rainfall over most of the country. A slight improvement is expected over the southeastern parts of the Karas region, and parts of Ohangwena and Oshikoto regions. Prospects for the southwestern Namib are normal.

It is paramount to state that dry conditions are expected to continue over the country. The period from 1 February to 30 April 2024 is projected to experience suppressed rainfall. There is a high likelihood of below-normal rainfall for the same period (Namibia Meteorological Service, Climate Watch).

Figure 7: Rainfall Forecast in Millimeters for February to April 2024



Source: Namibia Meteorological Service & HEI Research

7. Recommendations

- Increase investment in climate resilience initiatives across the agricultural sector, including research and development of drought-resistant crops, infrastructure for water management, and capacity building for farmers to adapt to changing climatic conditions
- Avail more agricultural equipment's such as tractors to farmers for agricultural ploughing
- Timely delivery and distribution of drought relief food distribution for the Marginalized Communities