

AGRO-MARKETING & TRADE AGENCY



2nd ANNUAL REPORT

31 March 2015



AMTA
FROM LAND TO NATION





AMTA BRAND

The purpose of the AMTA brand is to facilitate the marketing and trading of agricultural produce and promote food security in Namibia, through two main streams: grain and fresh produce. These brands are depicted as follows:



Ensures smooth marketing and trading of agricultural produce and manages Namibian food security and safety.



Represents the cereals and grains component of AMTA's operations. It is a brand representing the National Strategic Food Reserve, which ensures Namibia has secured food for emergency relief.



Represents the fresh produce component of AMTA's operations. It is a brand representing all locally traded agricultural fresh produce.



Represents food safety and quality assurance. It is a logo used to guarantee that produce has gone through the series of standard compliances through the entire value chain.



OUR VISION

To be a centre of excellence in facilitating food security and agricultural marketing and trade in Namibia



OUR MISSION

To enhance food security and facilitate agricultural marketing and trade in Namibia

To efficiently manage National Fresh Produce Business Hubs and the National Strategic Food Reserve

To promote industrialisation, value addition and standards compliance of agricultural products



OUR CORE VALUES

Integrity
Transparency
Accountability
Partnership
Service Excellence
Innovation



AMTA COUNTRYWIDE PRESENCE

AMTA's mandate is:

AMTA was established through a Cabinet Decision 7th/10.05.11/015, as a specialised Agency of the Ministry of Agriculture, Water and Forestry (MAWF), to coordinate and manage the marketing and trading of Agricultural Produce in Namibia.

1. To manage the National Fresh Produce Business Hubs and National Strategic Food Reserves towards attainment of food safety and security.
2. To implement the marketing, trade and research of agricultural products as well as control imports and exports of agronomic and horticultural products at ports of entry/exit in Namibia.
3. To inspect the facilities and farms for compliance with Good Agricultural Practice (GAP) and Hazardous Analysis Critical Control Point (HACCP) standards as well as specific crop marketing standards compliance in Namibia.

In performing its role, AMTA works closely with AgriBusDev and the Namibian Agronomic Board (NAB).



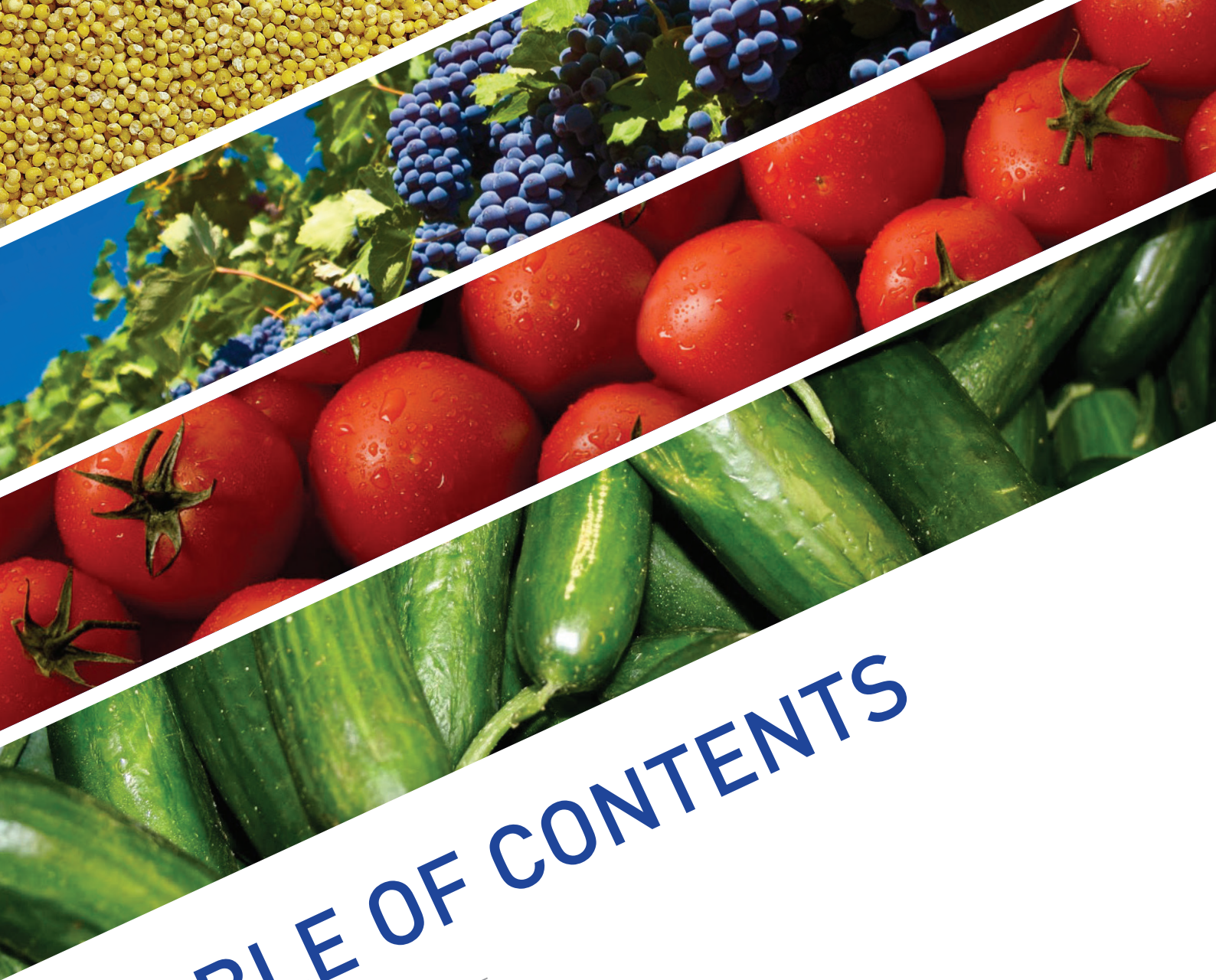
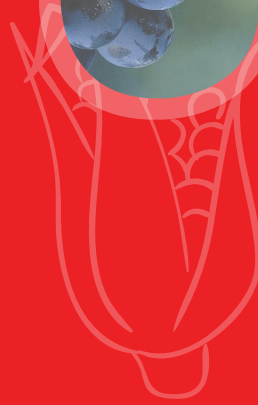
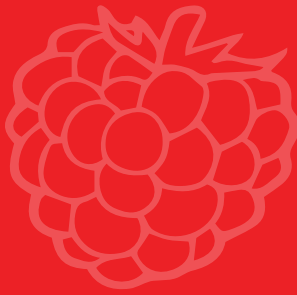


TABLE OF CONTENTS

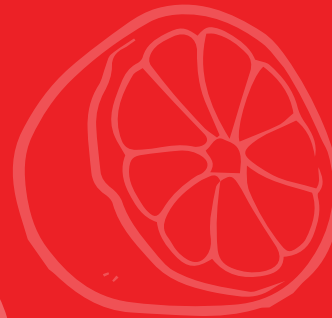
| | |
|-----|---------------------------------|
| 10 | CHAIRPERSON'S REPORT |
| 14 | MANAGING DIRECTOR'S REPORT |
| 18 | CORPORATE GOVERNANCE STRUCTURE |
| 26 | FRESH PRODUCE BUSINESS HUB |
| 38 | NATIONAL STRATEGIC FOOD RESERVE |
| 46 | STANDARDS AND TRADE |
| 66 | HUMAN RESOURCES |
| 72 | FINANCE AND ADMINISTRATION |
| 106 | NOTES |

ACRONYMS

| | |
|----------------------------|--|
| AGRIBUSDEV | Agriculture Business Development Agency |
| AMTA | Agro-Marketing and Trade Agency |
| FAC | Finance and Audit Committee |
| FDA | Food And Drug Assurance Laboratories (Pty) Ltd |
| FFI | Facilities and Farms Inspectorate |
| HRC | Human Resources Committee |
| HORTEC | Hortec Laboratories (Pty) Ltd (analytical laboratory, Western Cape) |
| H&K | Hearshaw and Kinnes Analytical Laboratory (Pty) Ltd |
| ISO 9001:2008(2015) | International Standars known as Quality Management Standards |
| MAWF | Ministry of Agriculture, Water and Forestry |
| MRL | Maximum Residual Level |
| MSP | Market Share Promotion |
| NAB | Namibian Agronomic Board |
| NFPBH | National Fresh Produce Business Hub(s) |
| NSFR | National Strategic Food Reserve |
| OPM/DDRM | Office of the Prime Minister: Directorate for Disaster Risk Management |
| PPECB | Perishable Products Export Control Board |
| TEC | Tender Evaluation Committee |
| TQM | Total Quality Management |



CHAIRMAN'S REPORT





Mr. Abraham Nehemia
CHAIRPERSON

CHAIRPERSON'S REPORT

I truly have confidence in AMTA and the role it plays in driving the engine to moving agricultural produce (agronomic) from land to nation and abroad. I have trust in its growth, improved competitiveness and future sustainability in Namibia's agricultural market and trade.

As we continue to grow as a nation, it is evident that there are real opportunities in the local, SADC, African, international and global markets. However, in order to fully capitalise on them we need to be the most competent, productive and efficient we can ever be.

This means we need advancement in the way we used to do things. We need to evolve in the way we farm, grow and operate within the supply chain so that we can compete with the very best in the world. I believe we have the ability to be the very best in the world.

Thinking ahead, AMTA's involvement with producers, traders and consumers is capable of lifting the industry's confidence with a step change in how we apply best practice, acquire new skills, adopt new technologies and innovate. Using our independent, evidence-based information and tools, we can equip our partners in specific sectors with the insights to cope with market volatility, increase productivity and profitability, and significantly improve their businesses.

Namibia's population of 2.8 million is growing at a steady pace. However, our country is still highly dependent on South Africa and other neighbouring countries for food supply and affected by climate changes. Our government works tirelessly at providing the necessary support to see that these trends are reversed, feeding more of the nation and grabbing more of our local market and finding means to improve our agricultural systems to cope with these challenges. In addition, we should be seizing export market growth.

Over the past year as Chairman of AMTA, I have been able to see at first hand the excellent skills and knowledge of AMTA staff and the quality of the projects they deliver for our Ministry and partners. However, our country is still highly dependent on South Africa and other neighbouring countries for food supply and affected by climate changes. We have to work smarter, be more responsive and more effective through best practices across the board and in delivering our services efficiently.

AMTA has restructured its delivery teams this past year to move towards a proactive organisation with the purpose of ensuring that it meets its targets as per the strategic objectives:

1. Establishing stakeholder partnerships
2. Building a reputable brand and agency
3. Stimulating demand for local fresh produce
4. Managing food reserves to support food security
5. Being a sustainable, effective SOE

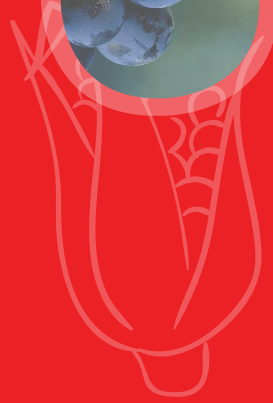
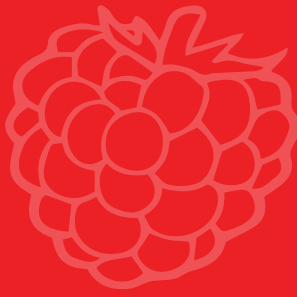
We have also been exploring ways of organising ourselves better to work more efficiently, evaluate what we do regularly so as to demonstrate that we can deliver measurable benefits on the ground. The AMTA board has made recommendations to the agency to introduce performance management systems to ensure effective service delivery.

The agency has had to introduce some new changes, policies and some internal restructuring to drive quicker decision-making, stronger leadership and agility in how we work. However, some key aspects of how we are organised will remain exactly the same. I want to thank my board members who continue to work extremely well in providing oversight and strategy.

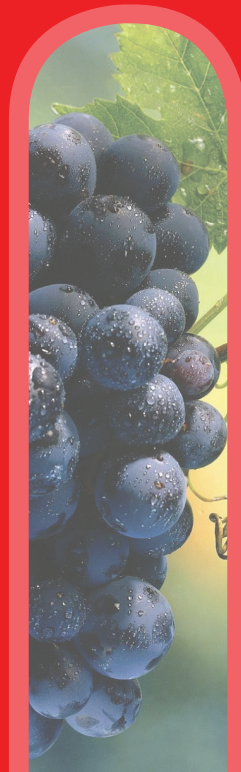
I want to thank our Honourable Minister John Mutorwa for his unwavering support and for the trust he has placed in me and the board. I want to thank all our sector specialists with sector-focused delivery, please continue with your services. I want to thank the AMTA management team and all staff members for carrying the AMTA flag high. Your commitments are noticeable. Continue to review how best to deliver the tools and information to support Namibian agriculture in facing up to the challenges and preparing for growth in the future.



Mr. Abraham Nehemia
Chairperson of the Board
Agro Marketing and Trade Agency



MANAGING DIRECTOR'S REPORT





Mr. Lungameni Lucas
MANAGING DIRECTOR

MANAGING DIRECTOR'S REPORT

I am pleased to share this report with you. In order to drive future operations, we have developed a five year Foundation Strategic Plan 2014-2019, which was launched by the Honourable Minister John Mutorwa on 12 March 2015.

Our Foundation Strategic Plan has 5 strategic objectives. These are establishing stakeholder partnership, building a reputable brand and agency, stimulating demand for local fresh produce, managing food reserves to support food security and being a sustainable, effective SOE. We have developed an integrated plan which considers sustainable management, risk management, building a reputable brand, value addition and innovation. Our strategy is fully integrated and we also believe in adoption of integrated reporting of our strategic plan.

We have developed various Human Resources and Financial Policies. We have also implemented the performance management system at all levels. We have developed a Total Quality Management System (TQMS).

The annual external audit was conducted and concluded that the Annual Financial Statements fairly present in all material effect the status of financial operation, financial position, cash flow and changes in equity of AMTA for the period which resulted in the issuance of an unqualified External Audit Report for the second consecutive year.

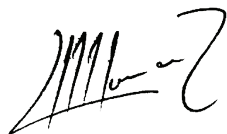
Our main supplier of grain was the Greenscheme Project, with additional produce being sourced from other farms. Our grain procurement strategy effectively managed to maintain 70% stock levels of the current silos' capacity. Namibia experienced severe drought, and as a result the National Strategic Food Reserves (NSFR) responded to emergency food requirements by releasing 1,266 MT grain from the silos.

In order to stabilise the production and ensure that there is consistent supply of fresh produce through the hubs, we have engaged relevant farmers in developing cropping programmes. During the period under review, 23% of the targeted throughput of fresh produce was achieved through these programmes.

AMTA was appointed as an agent of the Namibian Agronomic Board (NAB) and given the mandate to facilitate the implementation of marketing and trade of agronomic products, manage all ports of entry and exit in the country and to facilitate the inspections of facilities and farms for compliance to food safety and standards of agronomic products in Namibia. As one of its strategic objectives AMTA engaged grape farmers and Namport in exploring the possibility of exporting grapes through the Lüderitz Port.

The year under review has been demanding and the next year promises to be equally demanding. We will continue our growth strategy and capitalise on the excellent foundations we have put in place over the past two years. I look forward to another exciting year of implementation and action ahead and to the continued support of our stakeholders.

I extend my sincere gratitude to the Board of Directors for the guidance and insights its members have provided. I must also thank the Executive Management team and all our employees for their dedication and commitment to executing our foundation strategy.

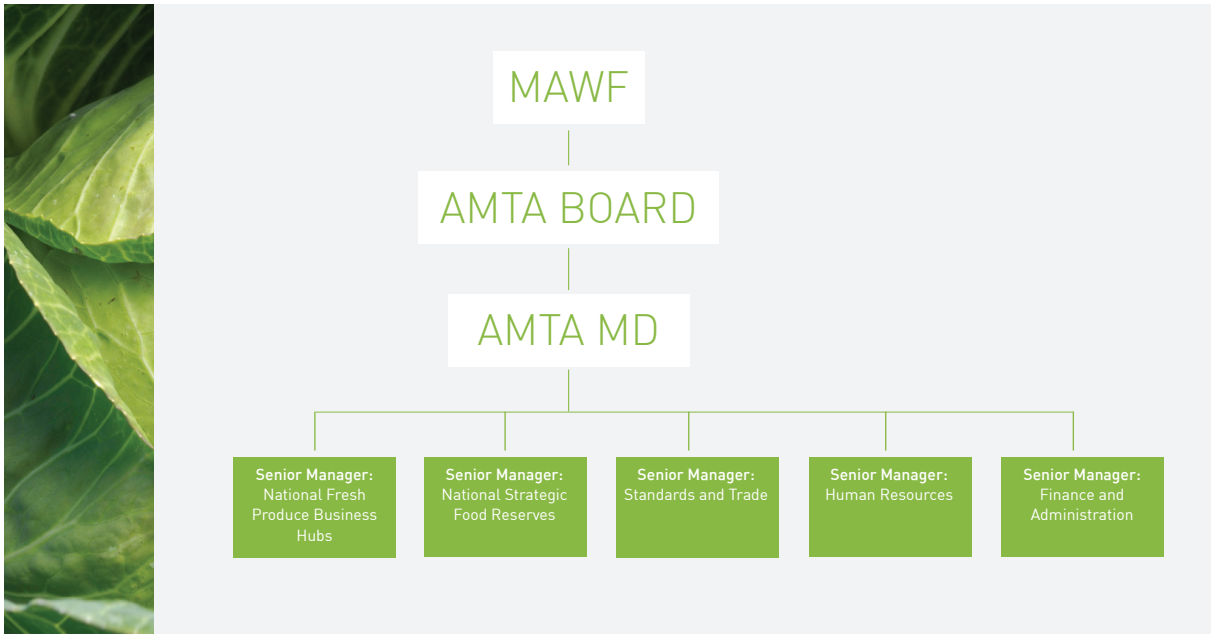


Mr. Lungameni Lucas
Managing Director



CORPORATE GOVERNANCE STRUCTURE

1. CORPORATE GOVERNANCE STRUCTURE



1.1 AMTA BOARD

The AMTA board was established and appointed by the Minister of Agriculture, Water and Forestry as per the State-Owned Enterprise Act to oversee the overall operations of AMTA and act as guardian and advisors thereof. There are eight (8) board members with special skills to ensure that the agency is well advised from a pool of masterminds as follows:

- Mr. Abraham Nehemia (Chairman)
- Mr. Desiderius R. Tshikesho
- Mrs. Sofie Kasheeta
- Mr. Mesag Mulunga
- Dr. Jessey A. Kamwi
- Mr. Twewaadha Alweendo
- Mr. Bertus van Wyk
- Ms. Frieda Nakanyala
- Mr. Josef Ihemba

1.2 SENIOR MANAGEMENT STRUCTURE

AMTA has five (5) units managed by the following Senior Managers:

- Mr. Alfeus Siyamba (National Fresh Produce Business Hubs)
- Ms. Wilhelmina Handunge (National Strategic Food Reserve)
- Mr. Fidelis Nyambe Mwazi (Standards and Trade)
- Mr. Seth /Awa-Eiseb (Human Resources)
- Mr. Reagan Kooper (Finance and Administration)

1.3 ESTABLISHMENT OF AMTA BOARD'S SUB COMMITTEES

The Board has established the following sub committees to advise on the performance of its duties.

1.3.1 Tender Evaluation Committee (TEC)

The TEC is responsible for ensuring implementation of and compliance with the Agency Procurement Policy and ensures that the agency conforms to ethical practices objectively, accountably and transparently.

The TEC consists of the following members:

- i) Mr. Mesag Mulunga – Chairperson
- ii) Mr. Josef Ihemba – Member
- iii) Dr. Jessy Kamwi – Member
- iv) Mr. Lungameni Lucas – Ex-Officio

1.3.2 Finance & Audit Committee (FAC)

The FAC advises the Board on matters relating to financial reporting, and internal and external auditing processes, monitors internal control processes and ensure that sound corporate governance systems are in place.

The FAC consists of the following members:

- i) Mr. Bertus Van Wyk – Chairperson
- ii) Mrs. Sophia Kasheeta – Member
- iii) Mr. Lungameni Lucas – Ex-Officio

1.3.3 Human Resources Committee

The Human Resources Committee (“HR Committee”) is responsible for overseeing the management assessment, acquisition, succession and compensation matters in accordance with the established Terms of Reference thereof.

The FAC consists of the following members:

- i) Mr. Desiderius Tshikesho – Chairperson
- ii) Ms. Frieda Nakanyala – Member
- iii) Mr. Tweewaadha Alweendo – Member



BOARD OF DIRECTORS

Mr. Desiderius
Tshikesho
(Vice Chairman)

Mr. Josef
Ihemba

Dr. Jessey
Kamwi



Mrs. Frieda
Nakanyala

Mr. Twewaadha
Alweendo

Mr. Bertus
van Wyk

Mr. Mesag
Mulunga



Mr. Abraham Nehemia
(Chairman)

Mrs. Sofie Kasheeta

SENIOR MANAGEMENT

Mr. Seth /Awa-Eiseb
Senior Manager: Human
Resources

Mr. Fidelis Mwazi
Senior Manager: Standards &
Trade



Mr. Lungameni Lucas
Managing Director

Mr. Reagan Kooper
Senior Manager: Finance &
Administration

Mr. Alfeus Siyamba
Senior Manager Operations:
National Fresh Produce
Business Hubs



Ms. Wilhelmina Handunge
Senior Manager Operations:
National Strategic Food Reserve

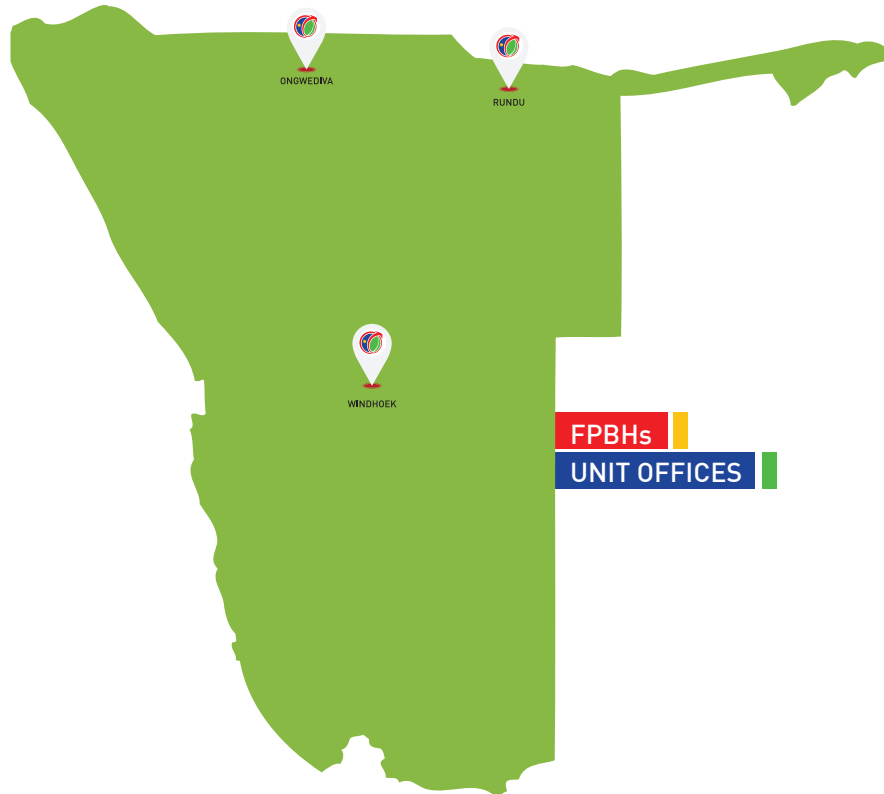


NATIONAL FRESH PRODUCE BUSINESS HUBS



Mr. Alfeus Siyamba

SENIOR MANAGER OPERATIONS:
FRESH PRODUCE BUSINESS HUBS



2. FRESH PRODUCE BUSINESS HUBS

2.1 INTRODUCTION

National Fresh Produce Business Hubs were established to facilitate marketing and trade of fresh produce in Namibia, and to promote industrialisation and value addition of local fresh produce. Currently there are two hubs in operation, with a capacity of 5,000m² each. They are located in Ongwediva (Oshana Region) and Rundu (Kavango East Region). A third business hub is under construction in Windhoek. Once completed, it will have a capacity of 10,000m².

2.2 FRESH PRODUCE SALES

2.2.1 Ongwediva Fresh Produce Business Hub

2.2.1.1 Throughput (Sales) Volumes

AMTA appointed six marketing agents to source and market produce on behalf of the farmers through the Ongwediva Fresh Produce Business Hub (OFPBH). The following table and graph show the throughput in tonnage per month for the period under review. The throughput has shown significant growth as depicted in Table 1. Most farmers are now using the hubs to market their produce as opposed to 2013/14 when the hubs opened doors.

The 2014-15 FY annual sales volume for OFPBH has generally increased by 48% compared to the 2013-14 FY for the months under comparison. This was good progress considering the fact that three (3) of our agents ceased operations between July and December 2014. However, the sales recorded in November 2013 were higher compared to November 2014 and this is attributed to November 2013 being the launch month for trading activities at the hub. Most farmers are now using the hubs to market their produce as opposed to 2013/14.

A lot of initiatives were implemented to attract farmers to the hubs thereby gaining their confidence.

Table 1 shows the sales volume in tonnes for the FY 2014/15 in comparison to FY 2013/14.

| Financial Year | Sales Volumes in Tonnes | | | | | | | | | | | | Totals |
|----------------|-------------------------|-------|-------|-------|-------|-------|-------|--------|--------|-------|-------|-------|--------|
| | April | May | June | July | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | |
| 2013-14 FY | - | - | - | - | - | - | - | 125.00 | 76.00 | 66.00 | 61.00 | 38.00 | 366.00 |
| 2014-15 FY | 24.15 | 26.41 | 34.42 | 49.82 | 93.12 | 72.12 | 55.96 | 35.01 | 144.64 | 79.64 | 74.47 | 72.28 | 762.04 |

Table 1: OFPBH sales (throughput) in tonnes for the FY 2014/15 vs FY 2013/14

Figure 1 below depicts a comparison of annual sales volume trends for the financial years 2013/14 and 2014/15.

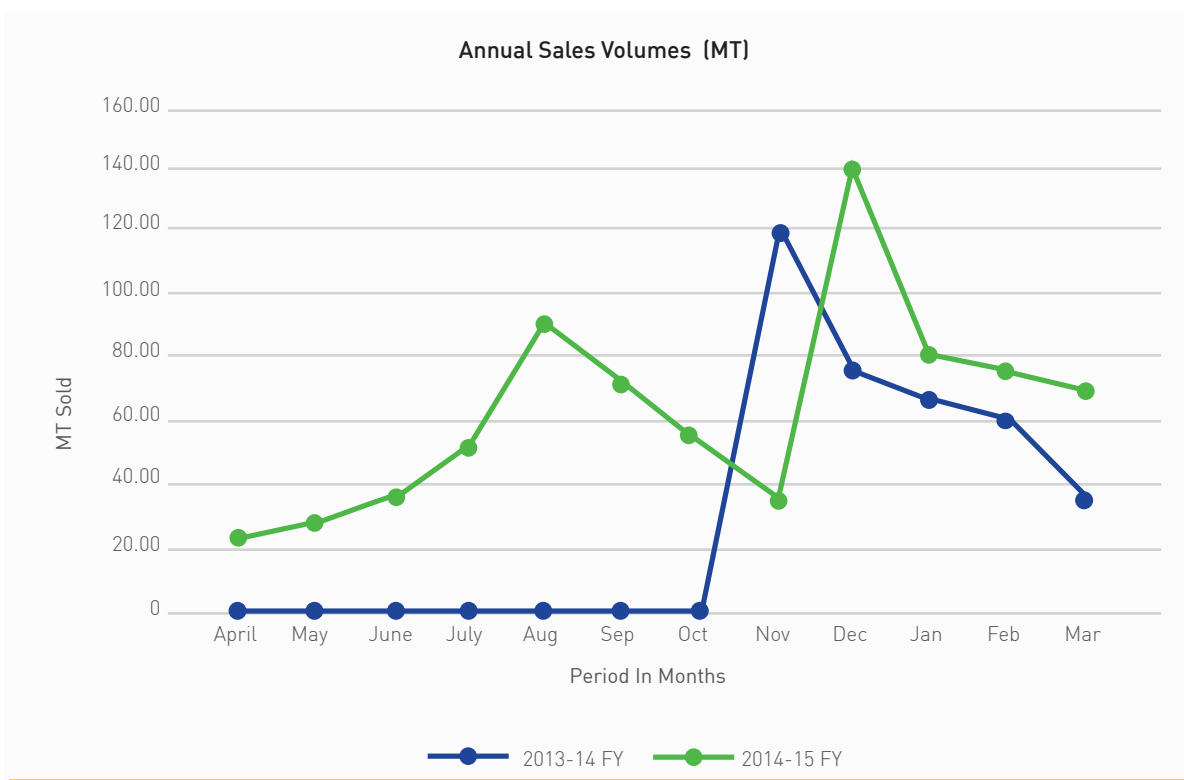


Figure 1: Annual sales volumes trend for 2013-14 FY & 2014-15 FY

2.2.1.2 Throughput Per Agent

The volumes of produce moved by each agent per month for the period under review are listed in the table below.

| Agent | Period in Months | | | | | | | | | | | | Totals |
|----------------------------|------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|
| | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 | |
| Lindsay Eleven Investments | 6.13 | 2.26 | 5.52 | 12.57 | 8.44 | 10.65 | 5.88 | 6.20 | 35.56 | 25.54 | 28.26 | 35.10 | 182.11 |
| Sweet Seasons | 2.68 | 0.11 | - | 0.10 | - | - | - | - | - | - | - | - | 2.89 |
| San Trading cc | 1.70 | 1.11 | 4.55 | 7.76 | 5.76 | 0.59 | - | - | - | - | - | - | 21.47 |
| Stampriet Farmers Market | 10.49 | 7.02 | 10.84 | 26.60 | 74.54 | 52.17 | 44.70 | 25.96 | 6.22 | 48.25 | 41.86 | 17.47 | 366.12 |
| Millenium FoodCo (Pty) Ltd | - | 14.71 | 4.61 | - | - | 8.62 | 3.03 | 0.38 | 47.75 | 5.85 | 4.35 | 19.71 | 109.01 |
| Yellow Stones Trading cc | 3.15 | 1.20 | 8.90 | 2.79 | 4.38 | 0.09 | 2.35 | 2.47 | 55.11 | - | - | - | 80.44 |
| Totals | 24.15 | 26.41 | 34.42 | 49.82 | 93.12 | 72.12 | 55.96 | 35.01 | 144.64 | 79.64 | 74.47 | 72.28 | 762.04 |

Table 2: OFPBH agent throughput for 2014-15 FY (annual throughput) in metric tonnes

The total throughput recorded at OFPBH during the FY 2014/15 totalled 762.04 MT. Stampriet Farmers Market took the biggest share of the total volume traded through the hub during the FY under review, recording a total of 366.12 MT. Lindsay Eleven Investments recorded the second highest with 182.11 MT, followed by Millennium FoodCo with 109.01 MT. The rest of the volumes were split among the three other agents as above. Figure 2 shows the graphic trend of agents' throughput for the FY 2014/15 in MT.

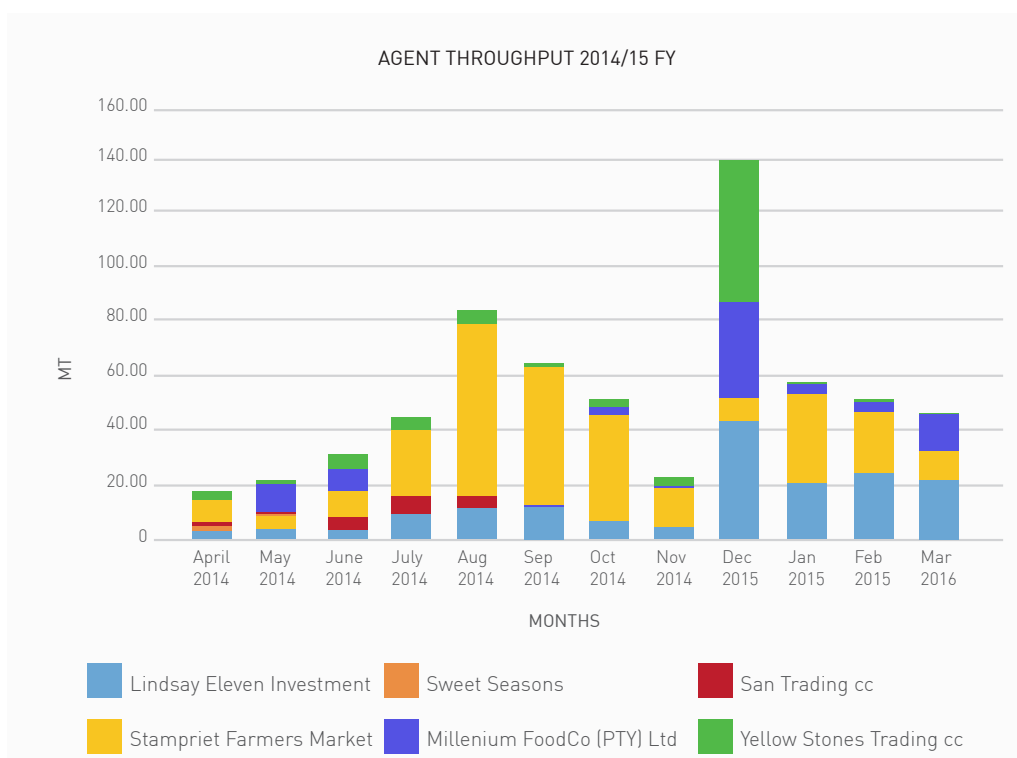


Figure 2: OFPBH agent throughput for 2014-15 FY (annual throughput)

2.2.1.3 AMTA Sales Revenue vs AMTA Commission For The FY 2014/15

During the financial year under review, the highest sales revenue and AMTA commission at OFPBH was earned in December 2014 followed by January 2015. The two recordings were attributed to the increased demand of fresh produce due to the festive season. A combined value of N\$2.08 million worth of sales revenue was recorded in December 2014 and January 2015, yielding to a total of N\$74,718.72 commission of AMTA at 3.6%.

| Financial Year | 2014/15 Financial Year | | | | | | | | | | | |
|--------------------------------------|------------------------|------------|------------|------------|------------|------------|------------|------------|--------------|------------|------------|------------|
| | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 |
| Total Monthly Revenue (N\$) | 310 204.99 | 216 647.62 | 164 892.85 | 511 422.56 | 566 261.57 | 491 430.07 | 531 937.43 | 346 643.37 | 1 265 694.02 | 809 826.04 | 511 964.03 | 727 026.69 |
| AMTA Monthly Commission (N\$) @ 3.6% | 11 167.38 | 7 799.31 | 5 936.14 | 18 411.21 | 20 385.42 | 17 691.48 | 19 149.76 | 12 478.84 | 45 564.98 | 29 153.74 | 18 430.71 | 26 172.96 |

Table 3: OFPBH (AMTA) commission generated vs sales revenue for 2014/15 FY

Figure 3 below depicts the trend of revenue generated from sales compared to AMTA commission earned on the sales revenue for the FY 2014/15.

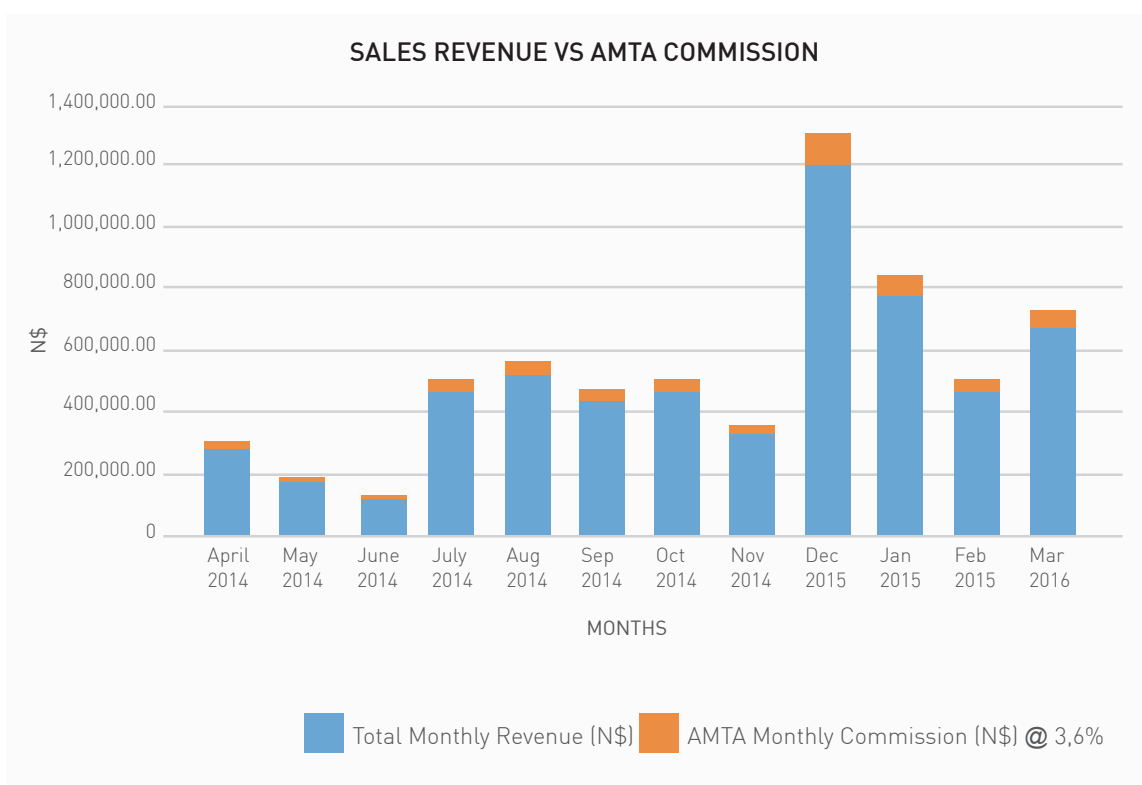


Figure 3: OFPBH graph for sales revenue vs AMTA commission generated for 2014/15 FY

2.2.2 Rundu Fresh Produce Business Hub

2.2.2.1 Throughput (Sales) Volumes

AMTA appointed six marketing agents to source and market produce on behalf of the farmers through the Rundu Fresh Produce Business Hub (RFPBH). The table and graph below show the throughput in tonnage per month for the period under review. The throughput has shown significant growth as depicted in Table 4. Most farmers are now using the hubs to market their produce as opposed to 2013/14 when the hubs opened doors.

| Financial Year | Sales Volume in MT | | | | | | | | | | | | |
|----------------|--------------------|-----|------|------|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| | April | May | June | July | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | |
| 2013-14 FY | - | - | - | - | - | - | - | 93 | 104 | 24 | 35 | 13 | 269 |
| 2014-15 FY | 33 | 29 | 36 | 60 | 40 | 64 | 76 | 72 | 225 | 63 | 58 | 107 | 863 |
| Target | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 |

Table 4: Sales volume (MT) 2013/14-FY vs 2015/15-FY

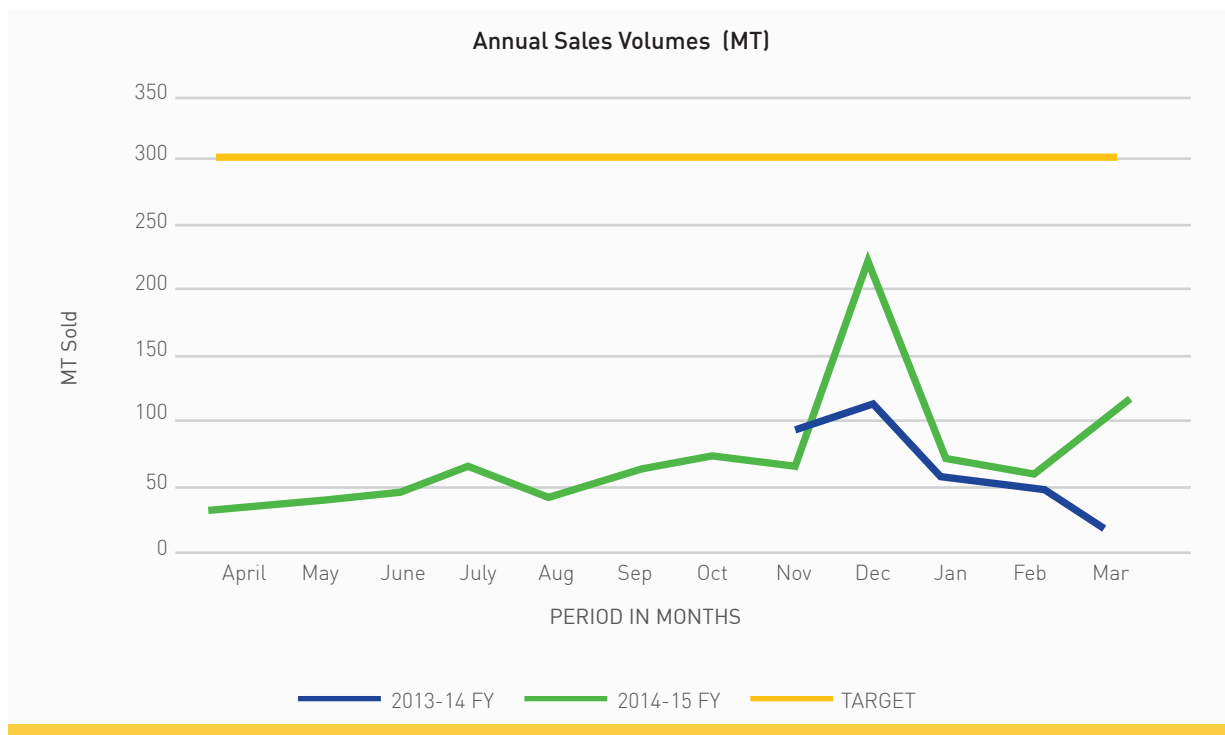


Figure 4: RFPBH annual throughput for 2013-14 FY vs 2014-15 FY

2.2.2.2 Throughput Per Agent

The volumes (MT) of produce moved by each agent per month for the period under review are listed in the table below.

| | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 | Total |
|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|------------|------------|
| Iihape | 0 | 1 | 3 | 0 | 0 | 45 | 54 | 18 | 178 | 29 | 12 | 0 | 340 |
| Oshetu | 30 | 20 | 27 | 4 | 39 | 19 | 18 | 51 | 43 | 34 | 44 | 39 | 368 |
| Progrow | 3 | 8 | 6 | 56 | 1 | 0 | 4 | 3 | 4 | 0 | 2 | 68 | 155 |
| Totals | 33 | 29 | 36 | 60 | 40 | 64 | 76 | 73 | 225 | 63 | 58 | 107 | 863 |

Table 5: RFPBH agent throughput for 2014-15 FY (annual throughput) in metric tonnes

The total throughput recorded at RFPBH during the FY 2014/15 totalled 863 MT. Oshetu Market Agent took the biggest share of the total volume traded through the hub during the FY under review, recording a total of 368 MT. Iihape Market and Promotions cc recorded the second highest with 340 MT, and Pro-grow recorded 155 MT during the period under review. Figure 5 below shows the graphic trend of agents' throughput for the FY 2014/15 in MT.

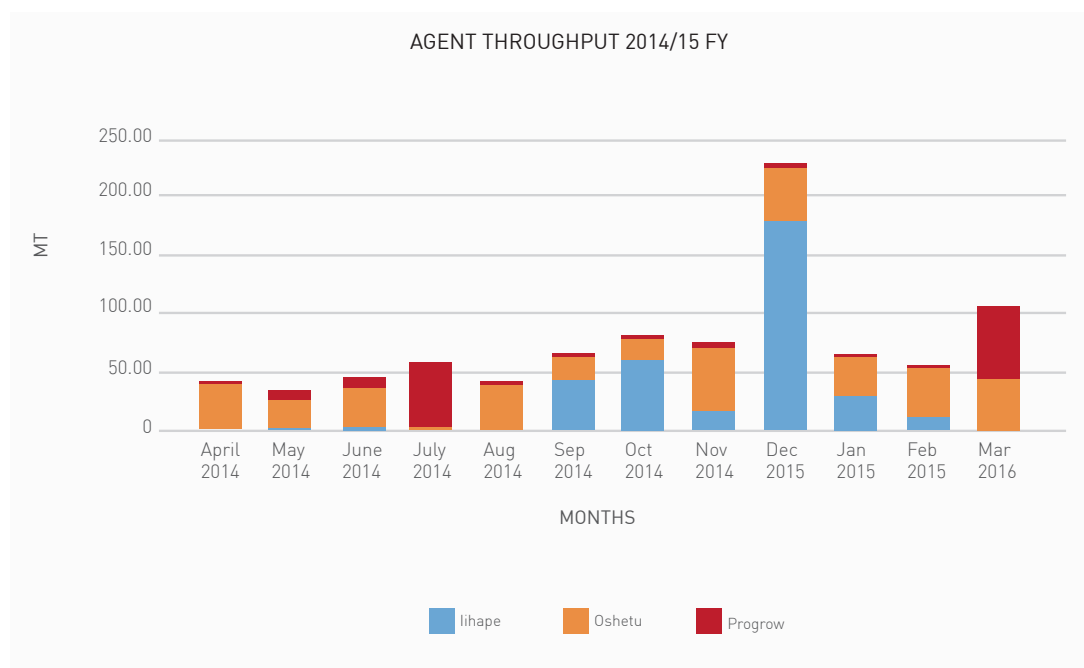


Figure 5: RFPBH agent throughput for 2014-15 FY (annual throughput)

As can be seen in Figure 5, December recorded the highest throughput. This was because of the increased demand for fresh produce and the abundant harvest due to the summer cropping season.

2.2.2.3 Sales Revenue vs AMTA Commission

AMTA is mandated to collect 3.6% of the produce sales traded through the hubs by the marketing agents. The collected commission from the sales revenue is depicted in the table below.

| | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 |
|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Monthly Sales | 211,471.00 | 130,013.00 | 388,083.00 | 467,188.00 | 393,761.00 | 366,573.00 | 473,461.00 | 963,795.00 | 732,645.00 | 576,594.00 | 743,909.00 | 897,508.00 |
| AMTA Comm | 6,619.96 | 4,069.97 | 12,148.69 | 14,625.02 | 12,326.33 | 11,475.33 | 14,821.39 | 30,170.97 | 22,934.00 | 19,057.00 | 23,757.00 | 27,087.00 |

Table 6: RFPBH (AMTA) commission generated vs sales revenue for 2014/15 FY

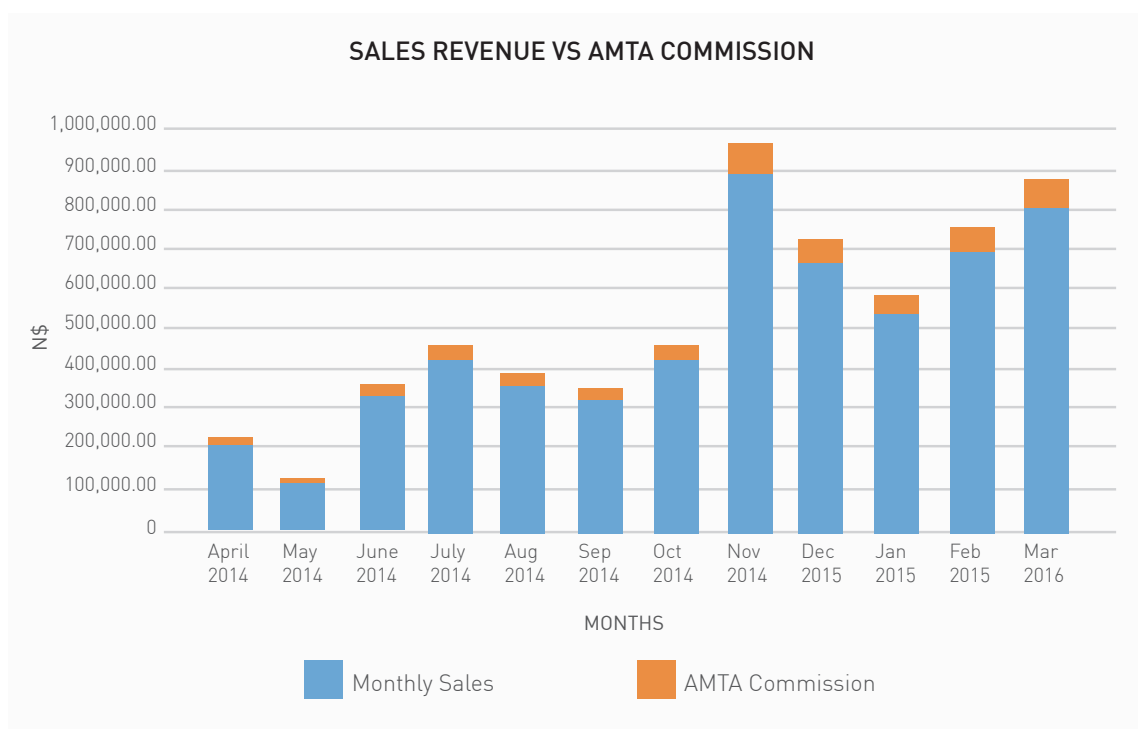


Figure 6: RFPBH commission generated from sales revenue for 2014/15 FY

The sales revenue and, ultimately, AMTA's commission was at its peak between November 2014 and March 2015. This is attributed to the high demand for fresh produce during the festive season in December and opening of school in January. Moreover, since AMTA has implemented a trading system helping producers, we have seen a significant increase.

2.3 COMPARATIVE ANALYSIS

Figure 7 below depicts the trend of fresh produce transacted (throughput) at our two hubs since November 2013. Progress has been recorded as shown below, albeit at a slow pace, except for the months of September to December 2014 where significant progress has been recorded. This is because during this period, the demand for fresh produce was significantly higher, especially in the north central regions.

| FPBHs Volume Transacted (Nov'13 to Mar'15) | | | | | | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 |
| 218 | 180 | 90 | 96 | 51 | 57 | 55 | 70 | 110 | 142 | 205 | 180 | 206 | 438 | 169 | 143 | 181 |

Table 7: Annual throughput trend for 2013-14 FY & 2014-15 FY

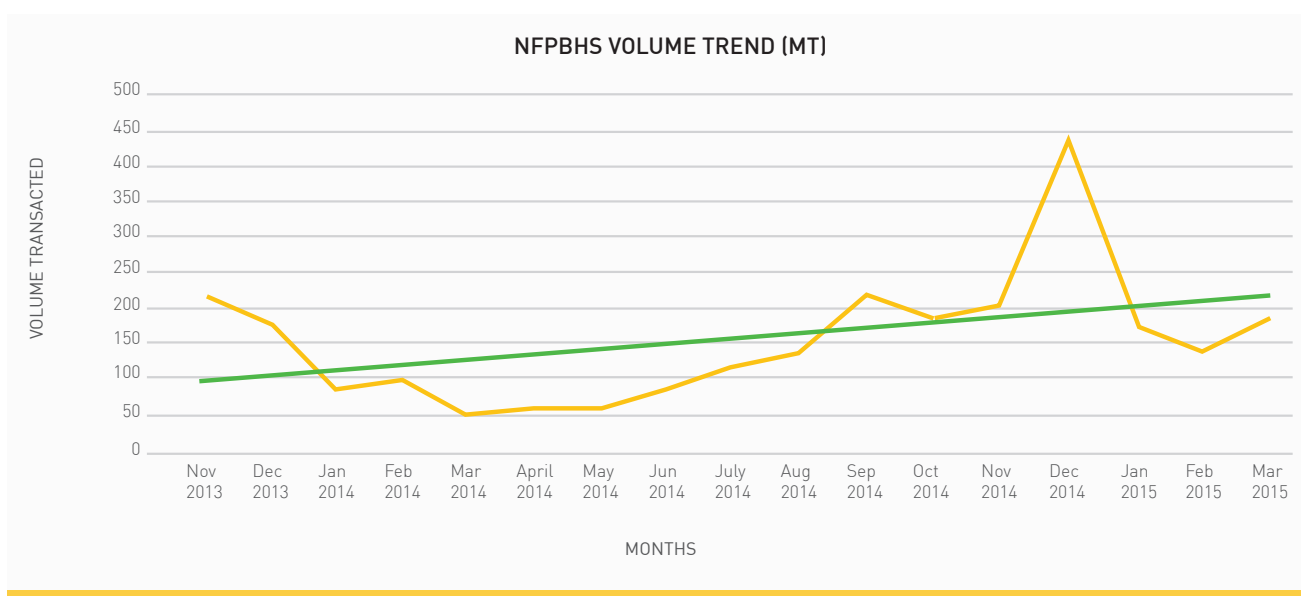


Figure 7: Annual throughput trend for 2013-14 FY & 2014-15 FY

| Hubs | Volume (MT) | Revenue | AMTA Comm | NAB Levy | Agent Levy | Farmers' Payment |
|--------------|-----------------|---------------------|-------------------|-------------------|-------------------|---------------------|
| OFPBH | 762.04 | 6,453,942.24 | 99,093.00 | 90,355.19 | 451,775.96 | 5,712,718.09 |
| RFPBH | 863.00 | 6,345,001.00 | 199,093.00 | 88,830.01 | 444,150.07 | 1,514,297.00 |
| TOTAL | 1,625.04 | 12,798,943.2 | 398,186.00 | 179,185.20 | 895,926.00 | 7,227,015.09 |

Table 8: Annual throughput volumes, revenue, commission, levies and farmers' payments: Ongwediva vs Rundu

AMTA is mandated to collect 3.6% of the produce sales traded through the hubs by the marketing agents. The collected commission from the sales revenue is depicted in Table 8.

The financial year under review has recorded a total of 1,625.04 MT for both hubs to the value of N\$12,798,943.24. AMTA earned a total of N\$431,434.92 in commission (at 3.6% for produce sold). The agents earned a total of N\$895,926.03 (7% sales commission) and NAB levy of N\$179,185.20 (at 1.4%). An amount of N\$7,227,015.09 was paid over to the farmers during the reporting period.

2.4 SHORT PAYMENT FARMERS PERIOD

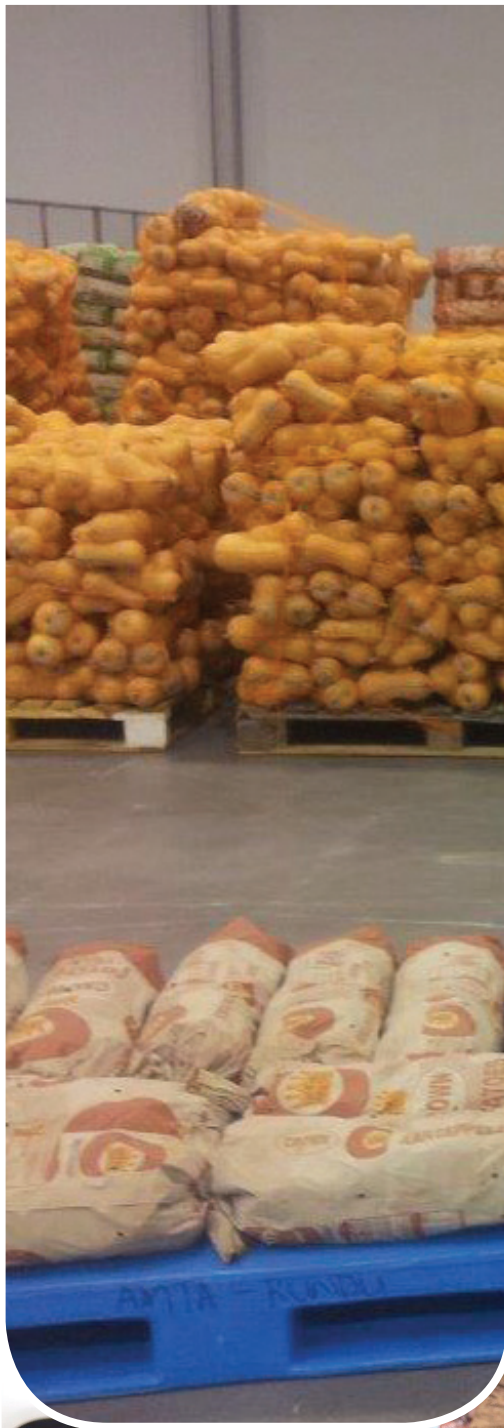
The hubs have embarked on a programme to pay farmers within five (5) days of delivery whether the produce was delivered to wholesale agents or to the commission agents. This is done to earn the trust of farmers and reduce their loss due to produce spoilage associated with the commissioning system.

2.5 CROPPING PROGRAMME DEVELOPMENT

During the period under review, a cropping programme for Etunda, Olushandja, Kavango East and West as well as Zambezi region was developed by AMTA, AGRIBUSDEV, and DAPEES for the 2015/16 financial year. This will ensure consistent supply of produce to the FPBHs and help drive local production of fresh produce as well as the demand for local fresh produce.

2.6 POTATO-WASHING AND VALUE-ADDITION FACILITY

The agency through the Ministry of Agriculture, Water and Forestry intends to set up a potato-washing facility to add value to local potatoes and penetrate the market of washed potatoes in the country. Currently, only two farmers in the country are washing potatoes. In addition, there are plans to set up packaging and processing facilities at the hubs in order to add value and diversify the available range of locally produced fruits and vegetables.

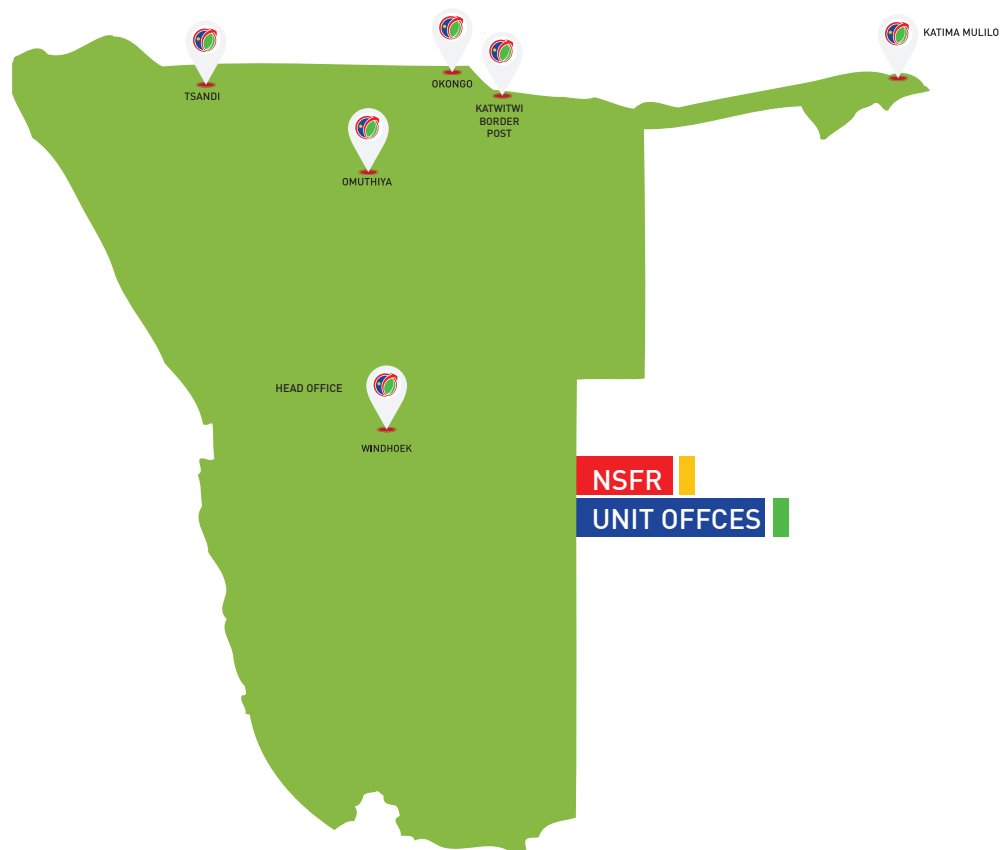


The background is a solid yellow color. It features several white line-art illustrations of food items: a raspberry in the top left, a citrus slice in the top right, a whole onion in the middle right, a large rose in the middle left, a citrus slice in the bottom right, and a leafy vegetable in the bottom left. Two vertical, rounded rectangular windows are positioned in the center, one above and one below the text, both filled with a close-up photograph of light-colored, oval-shaped grains.

NATIONAL STRATEGIC FOOD RESERVE (NSFR)



Ms. Wilhelmina Handunge
SENIOR MANAGER OPERATIONS: NATIONAL
STRATEGIC FOOD RESERVE



3. NATIONAL STRATEGIC FOOD RESERVE (NSFR)

3.1 INTRODUCTION

The functions of the National Strategic Food Reserve (NSFR) are to purchase and store grain, to manage stored stock and to release grain to be used in times of need. Therefore, during the reporting period the NSFR department purchased, stored and managed substantial quantities of grain compared to the previous reporting period (2013/14). Annually, the grain procurement period start from the 1st of May to the end of October. Producers who market grains to NSFR include the subsistence farmers who market the surplus mahangu, Affirmative Action Loan Scheme (AALS) Farmers and Green Schemes Projects, which are the main suppliers. These producers deliver their products to the grain storage facilities (silos) in the regions.

3.2 LOCATION OF SILOS

The government of the Republic of Namibia through the Ministry of Agriculture, Water and Forestry constructed silos that are being managed by AMTA. NSFR is therefore managing five silos that are based in Zambezi (Katima Mulilo), Kavango East (Rundu), Ohangwena (Okongo), Oshikoto (Omuhiya) and Omusati (Tsandi) regions. The surplus maize grain from Zambezi subsistence farmers resulted in an increase of 20% of marketed quantities of grain compared to the 2013/2014 marketing season. This is due to better rainfall received in some parts of the region.



Truck delivering grain to the silos

3.3 GRAIN PROCUREMENT

During the reporting period, a total of 12,935 MT (486 MT of mahangu and 12,449 MT of maize) grain was marketed to the National Strategic Food Reserve. This includes 947 MT surplus maize grain that AMTA purchased from subsistence farmers in Zambezi region – a volume that local millers could not absorb. The surplus maize grain from Zambezi subsistence farmers resulted in an increase of 20% of marketed quantities of grain compared to the 2013/2014 marketing season. This is due to better rainfall received in some parts of the region.



Silos used to store grain

| Silo Centre | Storage Capacity (MT) | Quantity (MT) | Utilised Capacity (%) | Available Storage Capacity (%) |
|---------------|-----------------------|---------------|-----------------------|--------------------------------|
| Katima Mulilo | 7,400 | 5,236.93 | 70.80 | 29.20 |
| Rundu | 4,000 | 3,889.74 | 97.20 | 2.80 |
| Tsandi | 3,000 | 2,724.00 | 90.80 | 9.20 |
| Omuthiya | 3,500 | 597.85 | 17.10 | 82.90 |
| Total | 17,900 | 12,448 | 69.50 | 30.50 |

Table 9: Maize marketed to the silo centres during 2014/15

Note: For effective management of stored stock, at least 25% of the storage capacity at each centre is left open as a breather

| Silo Centre | Storage Capacity (MT) | Quantity (MT) | Utilised Capacity (%) | Available Storage Capacity (%) |
|--------------|-----------------------|---------------|-----------------------|--------------------------------|
| Okongo | 500 | 369.44 | 73.90 | 26.10 |
| Omuthiya | 500 | 116.97 | 23.40 | 79.60 |
| Total | 1,000 | 486.34 | 48.60 | 51.40 |

Table 10: Mahangu marketed to the silo centres during 2014/15

Note: For effective management of stored stock, at least 25% of the storage capacity at each centre is left open as a breather

The chart below depicts the quantities of maize marketed to NSFR from 2009/2010 to 2014/2015 grain marketing seasons.

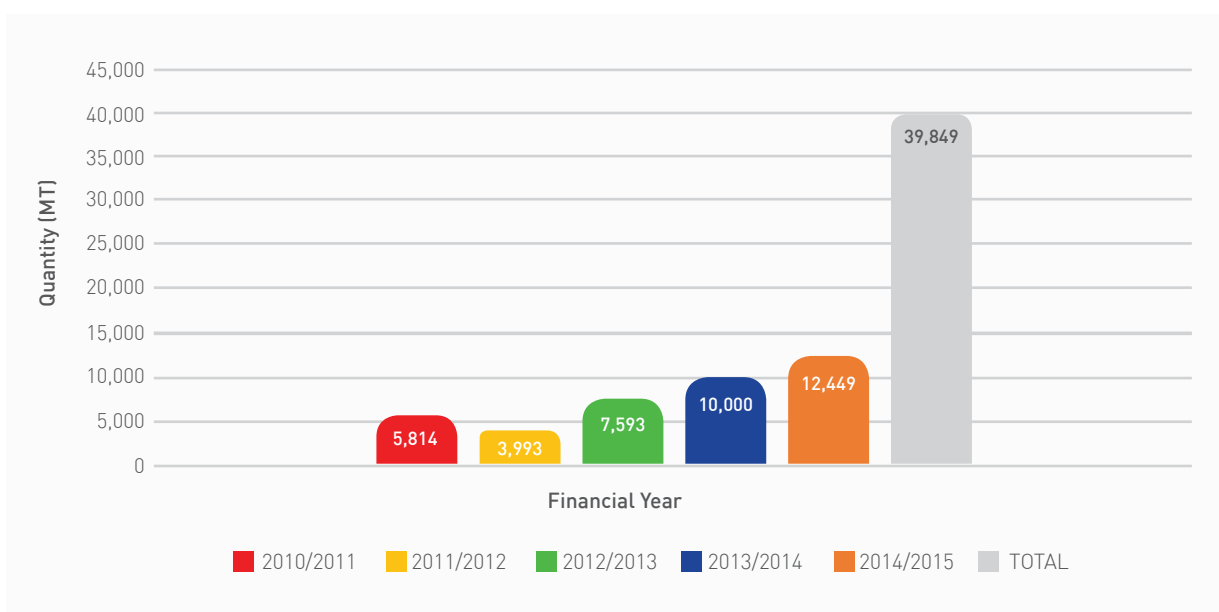


Figure 8: Maize marketed to the silo centres from 2010 to 2014

Figure 8 shows the quantities of mahangu marketed since the 2010/11 marketing season. Compared to the 2013/14 marketing season, the quantity of mahangu marketed during the reporting period has increased by about 84%. This is attributed to good rain received in some mahangu-producing regions such as Kavango East and West and Zambezi.

It has been noticed that when the rainfall was relatively good some mahangu producers produced reasonable surplus mahangu, which they market to the NSFR. Figure 9 below depicts the quantities of mahangu grains marketed to NSFR over the years.

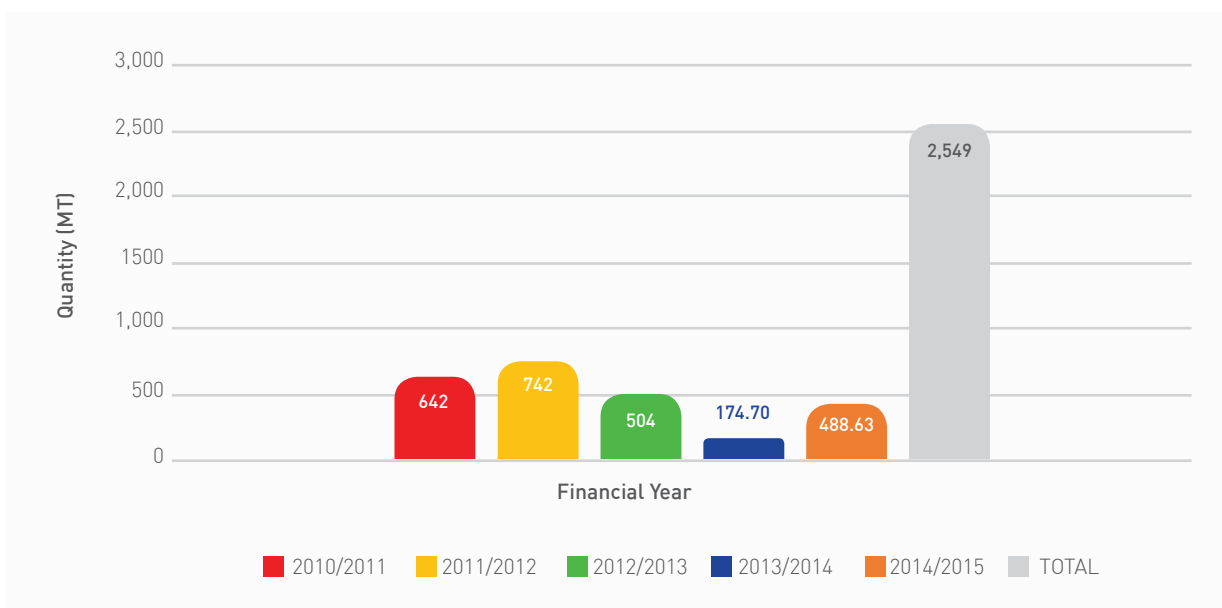


Figure 9: Mahangu marketed to the silo centres during 2010 to 2014

Figure 9 shows the quantities of mahangu marketed since the 2010/11 marketing season. Compared to the 2013/14 marketing season, the quantity of mahangu marketed during the reporting period has increased by about 84%. This is attributed to good rain received in some mahangu-producing regions such as Kavango East and West and Zambezi.

The department spent approximately N\$47 million on grain procurement and related activities, such as grain transportation and casual labourers' payments.

3.4 GRAIN SOLD AND RELEASED FROM THE NSFR

During this period, a total tonnage of 592 MT of maize and 34.6 MT of mahangu were marketed to the Office of the Prime Minister, Directorate Disaster Risk Management (OPM-DDRM) to respond to food shortage in some parts of the country. Furthermore, in the same period a total tonnage of 639.3 MT of maize was marketed to private commercial millers to create storage space.

| BUYER | TYPE OF CROP SOLD IN MT | | TOTAL IN MT |
|--------------------|-------------------------|--------------|-----------------|
| | Maize | Mahangu | |
| DDRM-OPM | 592.00 | 34.60 | 626.60 |
| PRIVATE MILLERS | 639.30 | 0 | 639.30 |
| TOTAL IN MT | 1,231.30 | 34.60 | 1,265.90 |

Table 11: Maize quantities sold to DDRM and private millers over the years

3.5 GRAIN STORAGE FACILITIES' CAPACITY AND UTILISATION

The current national storage capacity is 18,900 MT, which is 28% of the 67,000 MT targeted national storage capacity. The grain quantities purchased during the reporting period utilised 63% of the current storage capacity.

3.6 GRAIN STORAGE FACILITY RENOVATION, EXPANSION AND CONSTRUCTION

During the year under review, the NSFR facilitated the expansion of Omuthiya Silo, which included two 1,250 MT bins and one 1,000 MT bin, a chemical storeroom, a guard house, a public ablution facility, two staff houses and an office.

The NSFR also facilitated the renovation of Katima Mulilo Silo premises. This renovation included, among other things, the connection of an ablution facility to a sewer system, interlocking the area around the two new bins, extension of the side wall of the weighbridge and area around the pre-cleaner as well as installation of a water metre on site. The division also facilitated renovations at Rundu Silo that included construction of a duty room, ablution facilities, a main gate, and a roof over the hopper and side covers at the grain releasing and loading zone.

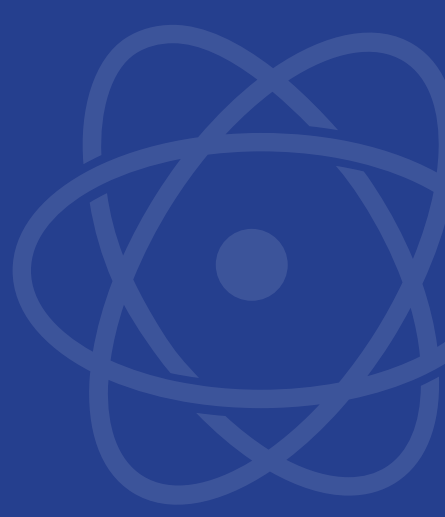
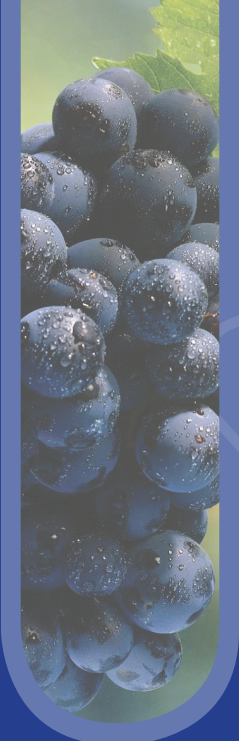
About 4,3213 m² (4.3 ha) of land was acquired during this period for the expansion of the Rundu-based grain storage facilities (silo) that will be expanded in the near future.

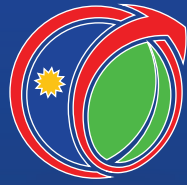
3.7 GRAIN GRADING EQUIPMENT PURCHASED

In compliance with local, regional and international food standards on grain grading, the equipment that draws representative samples from delivered consignments for analysis of moisture content and presence of pests or unwanted objects was purchased for all the silos during the period under review.



STANDARDS AND TRADE





Mr. Fidelis Nyambe Mwazi
SENIOR MANAGER: STANDARDS AND TRADE



4. STANDARDS AND TRADE

4.1 INTRODUCTION

The Standards and Trade Division was established during the period under review to implement the marketing, trade and research of agricultural products, as well as control imports and exports of agronomic and horticultural products at Namibia's ports of entry/exit. This is done using the Market Share Promotion (MSP) rules which came into effect in 2002 as part of the development of the National Horticulture Development Initiative. The National Horticulture Development Initiative has been implemented through the Horticulture MSP Scheme. Under this scheme, importers are obliged to ensure that their total horticultural produce sales consist of a minimum percentage of Namibian-grown products, prior to qualifying for an import permit in a given quarter or have their imports curtailed, pro rata, in the subsequent quarter. The initial MSP was 5% in 2005, but has over the years been steadily increasing by mutual consensus between producers and traders to 41.5% in the reporting period.

Standards and Trade also facilitates the inspections of facilities and farms for compliance to Good Agricultural Practice (GAP) and Hazardous Analysis Critical Control Point (HACCP) standards, as well as specific crop marketing standards in Namibia. Furthermore, the division monitors and guides the implementation of food safety regulations which are to be developed and enforced countrywide. In that regard, the division is tasked to provide services of conformity inspections. Furthermore, by taking samples of produce for laboratory analysis, the division is able to determine the contents of chemicals found in the products in terms of Maximum Residual Level (MRL) rules, making it possible to advise the industry on the use of chemicals in line with GAP. Therefore, the Standards and Trade Division is comprised of 4 subdivisions, namely: Market Promotion and Research, Border Control Inspectorate, Facilities and Farms Inspectorate, and Food Safety and Standards.

4.1.1 Border Control

The Border Control Inspectorate is responsible for controlling and managing import, export and in-transit of agronomic produce (fresh produce, grains, grain products) and agronomic input (animal feed, fertiliser, pesticides, herbicides) in terms of verification and compliance documentation, as well as official declaration status of consignments at all ports of entry and exit. All consignments for import, export and in-transit should be accompanied by the following documents as per the Agronomic Industry Act (AIA), 1992 (Act No. 20 of 1992):

1. Import Permit
2. Export Permit
3. In-transit Permit
4. Certificate of Conformity
5. Import and Export Authorisation from MAWF

Hence, AMTA has recruited forty-two (42) border inspectors that are deployed to nine (9) borders or ports of entry and exit in Namibia, namely Noordoewer, Ariamsvlei, Oshikango, Walvis Bay, TransKalahari, Muhembo, Katwitwi, Ngoma, and Wenela, in order to implement its mandate on border control as outlined in Table 12, which also indicates operating hours per border. Therefore, the collection of the agronomic levies as outlined in the AIA cannot be achieved without an efficient and effective border control system.

| Name of the Border | Number of Inspectors | Operating Hours | Region |
|------------------------------|----------------------|-----------------|---------------------|
| 1. Noordoewer Border Post | 6 | 24 hours | Hardap Region |
| 2. Ariamsvlei Border Post | 6 | 24 hours | Hardap Region |
| 3. TransKalahari Border Post | 6 | 07h00 - 00h00 | Omaheke Region |
| 4. Oshikango Border Post | 6 | 07h00 - 18h00 | Ohangwena Region |
| 5. Walvis Bay Port | 4 | 08h00 - 19h00 | Erongo Region |
| 6. Katwitwi Border Post | 4 | 07h00 - 18h00 | Kavango West Region |
| 7. Muhembo Border Post | 4 | 07h00 - 18h00 | Kavango East Region |
| 8. Ngoma Border Post | 4 | 07h00 - 18h00 | Zambezi Region |
| 9. Wenela Border Post | 4 | 06h00 - 18h00 | Zambezi Region |

Table 12: Number of AMTA inspectors available at ports of entry and exit

4.1.2 Trucks With Agronomic Products And Inputs

During the period under review, all trucks that carried agronomic produce and inputs for import, export and in-transit were sealed and recorded on a monthly basis at all nine border posts. Such practices ensure that no one can tamper with the consignments during transportation to their respective destinations and that all products carried in a given truck are in compliance with the permit rules and regulations. The trucks are only unsealed by AMTA inland inspectors at the first point of off-loading. The inspectors then inspect consignments in terms of compliance of items declared on the permits and invoices. The importers are not allowed to break the seal in the absence of AMTA inspectors. Tables 13 to 16 show the number of trucks for imports, exports and in-transit of agronomic products and inputs that were handled in the reporting period.

| Total Number of Agronomic Imports Trucks | | | | | | |
|--|---------------|----------------|--------------|-------------|------------------|---------------------|
| Month | Fresh Produce | Grain Products | Animal Feeds | Fertilisers | Plant Protection | No of Trucks/ Month |
| Dec-14 | 101 | 107 | 114 | 3 | 0 | 325 |
| Jan-15 | 238 | 430 | 669 | 1 | 0 | 1,338 |
| Feb-15 | 204 | 354 | 111 | 3 | 1 | 673 |
| Mar-15 | 166 | 252 | 92 | 7 | 3 | 520 |
| Trucks per Products | 608 | 1,036 | 872 | 11 | 4 | 2,531 |

Table 13: Number of trucks carrying imports of agronomic products and inputs per month from December 2014 to March 2015

| Total Number of Agronomic In-transit Trucks | | | | | | |
|---|---------------|----------------|--------------|-------------|------------------|---------------------|
| Month | Fresh Produce | Grain/Products | Animal Feeds | Fertilisers | Plant Protection | No of Trucks/ Month |
| Dec-14 | 129 | 60 | 10 | 0 | 0 | 199 |
| Jan-15 | 461 | 120 | 0 | 0 | 0 | 581 |
| Feb-15 | 295 | 164 | 9 | 0 | 0 | 468 |
| Mar-15 | 748 | 200 | 0 | 0 | 0 | 948 |
| Trucks per Products | 1,504 | 484 | 19 | 0 | 0 | 2,007 |

Table 14: Number of in-transit trucks carrying agronomic products and inputs per month from December 2014 to March 2015

| Agronomic Trucks Import December 2014 To March 2015 | | | | | | | | | | | |
|---|------------------|-------------|---------|----------|-------|--------|-----------|--------|------------|----------------|--------------|
| Month | Products Names | Border Name | | | | | | | | | |
| | | Walvis Bay | Muhembo | Katwitwi | Ngoma | Wenela | Oshikango | Ariams | Noordoewer | Trans-Kalahari | No of Trucks |
| Dec-14 | Fresh Produce | 0 | 10 | 0 | 15 | 0 | 0 | 8 | 30 | 38 | 101 |
| | Grain | 15 | 0 | 0 | 0 | 0 | 0 | 6 | 46 | 40 | 107 |
| | Fertiliser | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 |
| | Plant P | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Animal F | 0 | 0 | 0 | 0 | 20 | 0 | 61 | 1 | 62 | 144 |
| | SUB-TOTAL | | 15 | 10 | 0 | 15 | 20 | 0 | 75 | 77 | 143 |
| Jan-15 | Fresh Produce | 0 | 0 | 0 | 0 | 0 | 0 | 30 | 85 | 89 | 204 |
| | Grain | 18 | 0 | 0 | 0 | 0 | 0 | 26 | 41 | 269 | 354 |
| | Fertiliser | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 2 | 3 |
| | Plant P | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Animal F | 0 | 0 | 0 | 0 | 0 | 0 | 106 | 3 | 158 | 267 |
| | SUB-TOTAL | | 18 | 0 | 0 | 0 | 0 | 0 | 162 | 130 | 518 |
| Mar-2015 | Fresh Produce | 0 | 11 | 0 | 14 | 0 | 0 | 37 | 74 | 30 | 166 |
| | Grain | 0 | 0 | 0 | 4 | 9 | 0 | 142 | 28 | 69 | 252 |
| | Fertiliser | 3 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 |
| | Plant P | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Animal F | 0 | 0 | 0 | 0 | 80 | 0 | 10 | 2 | 0 | 92 |
| | SUB-TOTAL | | 3 | 15 | 0 | 18 | 189 | 0 | 189 | 104 | 99 |

Table 15: Number of trucks carrying imports of agronomic products per month per border from December 2014 to March 2015



AMTA cooler truck

| Agronomic Trucks In Transit December 2014 to March 2015 | | | | | | | | | | | |
|---|---------------|-------------|----------|----------|----------|-----------|------------|------------|------------|----------------|--------------|
| Month | Product Names | Border Name | | | | | | | | | |
| | | Walvis Bay | Muhembo | Katwitwi | Ngoma | Wenela | Oshikango | Ariams | Noordoewer | Trans-Kalahari | No of Trucks |
| Dec-14 | Fresh Produce | 2 | 6 | 3 | 0 | 10 | 60 | 15 | 40 | 5 | 139 |
| | Grain | 0 | 0 | 0 | 0 | 0 | 30 | 10 | 5 | 15 | 60 |
| | Fertiliser | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Plant P | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Animal F | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB-TOTAL | | 2 | 6 | 3 | 0 | 10 | 90 | 25 | 45 | 20 | 199 |
| Jan-15 | Fresh Produce | 0 | 0 | 0 | 0 | 0 | 148 | 30 | 107 | 10 | 295 |
| | Grain | 0 | 0 | 0 | 0 | 0 | 84 | 0 | 14 | 66 | 164 |
| | Fertiliser | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Plant P | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Animal F | 2 | 6 | 3 | 0 | 10 | 0 | 0 | 0 | 0 | 21 |
| SUB-TOTAL | | 2 | 6 | 3 | 0 | 10 | 232 | 30 | 121 | 76 | 480 |
| Feb-15 | Fresh Produce | 3 | 0 | 0 | 0 | 3 | 370 | 90 | 212 | 73 | 748 |
| | Grain | 0 | 0 | 0 | 0 | 0 | 125 | 4 | 2 | 69 | 200 |
| | Fertiliser | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Plant P | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Animal F | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB-TOTAL | | 3 | 0 | 0 | 0 | 3 | 94 | 94 | 214 | 142 | 948 |
| Mar-15 | Fresh Produce | 6 | 4 | 7 | 0 | 6 | 30 | 30 | 200 | 4 | 519 |
| | Grain | 1 | 0 | 0 | 0 | 1 | 112 | 112 | 7 | 45 | 337 |
| | Fertiliser | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Plant P | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Animal F | 1 | 0 | 0 | 0 | 1 | 9 | 9 | 0 | 0 | 11 |
| SUB-TOTAL | | 8 | 4 | 7 | 0 | 8 | 151 | 151 | 207 | 49 | 867 |

Table 16: Number of in-transit trucks carrying agronomic products per month per border from December 2014 to March 2015

4.1.3 Detained Trucks At The Borders From December 2014 To March 2015

Since AMTA deployed border inspectors at all ports of entry and exit to conduct inspections and verification of documents of agronomic products for in-transit, import and export and inputs, a number of trucks have been detained at the borders due to lack of relevant documentation. Consignments of agronomic products and inputs are only allowed to enter Namibia with the required documents from AMTA and MAWF as per the Agronomic Industry Act, 1992 as mentioned on page 49.

During the reporting period, AMTA's border inspectors discovered irregularities. A number of traders / importers with consignments of fresh produce from the Republic of South Africa (for example, apples, oranges and pears) were caught with extra boxes of produce valued at more than N\$3,125 without the valid import documents. By putting extra boxes in the trucks without the intention of declaring them to the inspectors, these importers engaged in illegal activity. Importers found guilty of carrying out such practices were given a penalty of N\$3,000 by AMTA, as per the Agronomic Industry Act, 1992.

| Month | Truck Import | | Truck In-Transit | | Reasons for Detention |
|--------|--------------|--------------|------------------|--------------|---|
| | Grain | Horticulture | Grain | Horticulture | |
| Dec-14 | 40 | 70 | 35 | 40 | <ul style="list-style-type: none"> • Truck exceeded limit of tonnage on permit • Truck has no AMTA permit • Permit has expired |
| Jan-15 | 30 | 50 | 10 | 5 | <ul style="list-style-type: none"> • Truck has no AMTA permit • Truck has no original AMTA permit • Permit not valid, limit exceeded • Permit has expired |
| Feb-15 | 20 | 30 | 15 | 3 | <ul style="list-style-type: none"> • Truck has no net cover to seal truck • Truck has no in-transit permit • Permit has expired |
| Mar-15 | 3 | 21 | 4 | 0 | <ul style="list-style-type: none"> • Permit has expired • Truck has no net cover to seal truck |

Table 17: Number of trucks detained at the border from December 2014 to March 2015

4.1.4 GRN/MAWF NOTICE TO ALL TRADERS AND PRODUCERS OF AGRONOMIC PRODUCTS AND INPUTS

MAWF released a notice to all importers of grain, fresh produce and their primary-processed products, fertilisers, farm feeds and pest control products in accordance with the Agronomic Industry Act 20 of 1992 and the Fertilisers, Farm Feeds, Agricultural Remedies and Stock Remedies Act 36 of 1947, that there will be increased inspection controls with effect from 15 December 2014. These measures are necessary to ensure food safety and adherence to import permit conditions (as detailed below).

1. All fresh produce importers will need to obtain an Annual Import Licence issued by Agro Marketing and Trade Agency, an agency of the Ministry of Agriculture, Water and Forestry upon satisfactory inspection of facilities where the imports will be stored and handled.
2. All fresh produce imports shall be allowed into the Republic of Namibia if they are accompanied at the border post of entry by:
 - a. A Phytosanitary Certificate from the country of origin, in the format provided by the International Plant Protection Convention for all fresh and minimally handled products;
 - b. An Attestation of Food Safety Status of the consignment by the country of origin for all fresh and primary processed produce;
 - c. A Grade Certificate or Official Attestation of Conformity for fresh produce for which there exists an international or Southern African Development Community (SADC) grading system;
 - d. Valid Plant Health Import Permit and Trade Import Permit issued by the Government of the Republic of Namibia.
3. All grain and primary processed grain products importers will need to obtain an annual Import License issued by the Agro Marketing and Trade Agency of the Ministry of Agriculture, Water and Forestry upon satisfactory inspection of facilities where these inputs will be stored and handled.

4. All grain and primary processed grain products shall be allowed into the Republic of Namibia if they are accompanied at the border post of entry by:

a. A Phytosanitary Certificate from the country of origin, in the format provided by the International Plant Protection Convention guidelines;

b. A Certificate of Analysis on key parameters including moisture, foreign matter and aflatoxins;

c. An Official Grade Attestation by the country of origin (where applicable);

d. Valid Plant Health Import Permit and Trade Import Permit issued by the Government of the Republic of Namibia.

5. All pest control products, fertilisers and farm feeds importers will need to obtain an Annual Import Licence issued by the Plant Health Division of the Ministry of Agriculture, Water and Forestry, upon satisfactory inspection of facilities where these inputs will be stored and handled.

a. All consignments of pest control products, fertilisers and farm feeds should be accompanied by a Certificate of Analysis from the manufacturer or distributor.

6. All consignments will be sealed at the border post of entry, un-sealed and inspected at the first point of destination.

7. In line with Gazette Notice No. 247 of 01 August 2014, these inspections at the border posts shall be carried out by the Agro Marketing and Trade Agency of the Ministry of Agriculture, Water and Forestry, who shall also be responsible for the collection of levies applicable at the point of termination of the imports.

4.2 FACILITIES AND FARMS INSPECTORATE

4.2.1 Introduction

The Facilities and Farms Inspectorate (FFI) carried out product conformity assessments on grapes at Aussenkehr. The aim was to gather information for FFI unit and provide theoretical and practical knowledge of grape inspection to AMTA to be used at the Fresh Produce Business Hubs.

The fact-finding mission on farms and facilities was conducted during December 2014 to collect baseline information on agricultural establishments in all regions of the country that need to be inspected for food safety purposes.



AMTA officials visiting a farm in Katima Mulilo

4.3 FOOD SAFETY MONITORING PROGRAMME

4.3.1 Introduction

Independent sampling and analysis of local and imported agronomic products was carried out to test for compliance to food safety standards with the aim of controlling and maintaining the national food safety database. During the period under review, the division sampled various types of agronomic produce (maize, mahangu, wheat, rice and sunflower) from Food Business Operators (FBOs) (for example, silos and millers) and all government green-scheme facilities across the country. The samples were analysed at the accredited testing laboratories in South Africa (FDA, HORTEC, PPECB, H&K) and locally at MAWF-laboratories and analytical laboratories, respectively. All samples of crops were tested to check the Maximum Residue Level (MRL) of various pesticides. The following achievement during the reporting period should be noted:

- a) The national sampling plan, which was synchronised with the cropping plan, was completed and re-aligned with the MSP programme of all imports.
- b) Eighty percent (80%) coverage of sampling on all agronomic products from registered millers and green schemes was achieved. The number of samples of different agronomic produce was as follows: 84 - maize; 15 - wheat; 9 - mahangu; 15 - rice; 8 - sunflower. In addition, 8 samples of dates were collected at Aussenkehr, Komsberg and Naute, as well as one sample of apples from imports.
- c) For all agronomic products that were sampled and tested, a ninety eight percent (98 %) compliance to MRL and set Myco-toxins / Aflatoxins based on CODEX levels was achieved.
- d) In total, 87 soil samples and 29 water samples were collected, of which 7 were analysed for chemicals and 22 for microbiological substances. These samples were collected from the Olushandja cluster, Etunda cluster, Kalimbeza, Salem, and various green-schemes (Ndonga, Linelela, Kalimbeza, Vungu-Vungu).

4.3.2 Laboratory Development

- a) Two (2) technical assessment visits were done to RSA and stakeholder networking was established with external reference laboratories (HORTEC, PPECB, Micro-Chem, FDA, H&K, BEN).
- c) Rapid testing equipment was sourced for Ongwediva and Rundu mini-hubs for quality parameter testing.
- d) Discussions on staff placement within MAWF and CVL laboratory were carried out to capacitate staff members to use HPLC equipment for aflatoxin testing.
- e) Standard operating procedures (SOPs) and procedures on sampling were compiled.

4.3.3 Total Quality Management (TQM)

- a) All AMTA documents (internal departmental policies, SOPs-standard operating procedures, work instructions, forms etc.) were standardised in accordance with ISO 9001:2008(2015) Standard.



Safety at work is our priority



4.4 MARKET PROMOTIONS

4.4.1 Introduction

The purpose of corporate branding and promotions is to represent the AMTA brand on a corporate level and to enhance its brand equity. The objective of strategic communication and corporate branding is to establish stakeholder partnership in terms of effective communication and engagement, and subsequently to help develop a reputable AMTA brand. Therefore, it is important for AMTA to continue engaging all the relevant stakeholders to keep them abreast of all operations pertaining to its products and services.

During the period under review, the AMTA logo was amended by adding the full name of the agency: “Agro-Marketing and Trade Agency”. In addition, the AMTA website (www.amta.na) and Facebook page were set up, and AMTA’s first publications were released, including:

- Foundation strategy for the next five years, which is a road map for the agency
- Official brochure, which is a detailed brief on the agency
- First Annual Report October 2013-March 2014



AMTA marketing officers at an expo



Kalimbeza rice grown in Namibia



From left to right: Mr. Abraham Nehemia (Chairperson), Hon. John Mutorwa (Minister of Agriculture, Water and Forestry), and Mrs. Sofia Kasheeta (Board member) at an AMTA event



ANYONE CAN BUY FROM THE HUB

4.4.2 Stakeholder Engagement

As per the strategic objective of establishing stakeholder partnerships, the Agro-Marketing and Trade Agency (AMTA) engaged different stakeholders to ensure that there is active involvement in AMTA's activities and information-sharing with regard to the agency's operations. The engagements were in the form of meetings, farmers' days, information days, stakeholders' workshops, trade fairs, expos etc. Below are some of the key stakeholders engaged during the 2014/15 financial year.

| STAKEHOLDERS ENGAGED | PLACE | PERIOD | DEPARTMENT |
|---|---|----------------------------------|---------------------|
| Traders, Producers, Customs & Excise and Roads Authority | Tsumeb, Olushandja, Etunda, Ongwediva, Oshakati and Oshikango | 25 February 2015 to 3 March 2015 | Standards and Trade |
| OBJECTIVE: The objective of the meetings was to increase the stakeholders' understanding of and sensitise them to the importance of policies, marketing approach, standards and food safety, farms and facilities inspection as well as the importance of contract agreements. Hence various topics were presented and the expectation was that the stakeholders leave the meetings with a clear understanding of the implementation of different policies and laws under which AMTA operates. | | | |
| Ministry of Home Affairs and Immigration and the Namibian Police, Ministry of Agriculture, Water and Forestry, Ministry of Finance, Roads Authority, Nampont and Clearing Agents. | At all nine border post offices | 15 December to 24 December 2014 | Standards and Trade |
| OBJECTIVE: To introduce the AMTA staff and outline the main functions and operational procedures of AMTA at the borders. | | | |
| MAWF - Directorate of Agricultural Production, Engineering & Extension Services (DAPEES) | Rundu and Ongwediva | Between August 2014 and 2015 | FPBHs |
| OBJECTIVE: To collectively draft the cropping programme, to conduct global gap training for farmers and to monitor it. | | | |
| AGRIBUSDEV | All Green Scheme Projects | April 2014 to March 2015 | FPBHs |
| OBJECTIVE: The meetings looked at ways to implement the cropping calendar and to provide forecasts of expected harvests in line with the projects' operations. | | | |
| AGRIBANK | Rundu and Oshakati | January 2015 | FPBHs |
| OBJECTIVE: To provide input on the new products AMTA developed and intended to release into the market in August 2015. | | | |
| Traders, Producers and Farmers' Associations | Tsumeb | February 2015 | FPBHs |
| OBJECTIVE: For AMTA's technical team to arrange a cropping programme and discuss all aspects of synchronised cropping programmes, standard compliance and levies collection. | | | |
| Catering Companies (20) | Rundu, Ongwediva and Windhoek | November 2014 to March 2015 | FPBHs |
| OBJECTIVE: Catering companies around the country which provide catering services to government institutions were engaged on the procurement from the hubs as per cabinet directive. | | | |

Table 18: List of stakeholder engagement activities

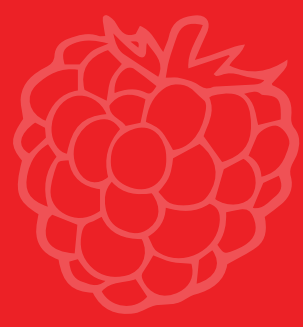
| | | | |
|--|---|--------------------------------|---------------------|
| Local media | NBC Oshiwambo and Rukavango Services, Social Media, Print Media, Newspapers | Throughout the year | FPBHs |
| OBJECTIVES: For interviews, promotion and marketing of fresh produce in the hubs and AMTA's overall modus operandi. | | | |
| Ethiopian Agricultural Expo | Addis Ababa, Ethiopia | 17 to 25 June 2014 | Standards and Trade |
| OBJECTIVE: AMTA, through officials of the Ministry of Agriculture, Water and Forestry, represented the country at the 7th Specialised Agriculture and Food Exhibition. | | | |
| Eenhana Expo 2014 | Eenhana, Ohangwena Region | 28 July 2014 to 02 August 2014 | Standards and Trade |
| OBJECTIVE: Marketing and public relations. | | | |
| Made in Namibia Expo | Windhoek | 29 to 31 July 2014 | |
| OBJECTIVE: The Made in Namibia Expo is an initiative of the Ministry of Trade to promote "growth-at-home" products and services. | | | |
| Ongwediva Trade Fair, Olufuko Festival, Windhoek Show | Ongwediva Trade Fair, Olufuko Festival, Windhoek Show | | |
| OBJECTIVE: These annual fairs, which cater for business-to-business trading on consumer goods, foodstuff, household textiles, telecommunications and agricultural products, attract local and international specialties. Their purpose is to engage and market to the public. | | | |

Table 18 (continued): List of stakeholder engagement activities



Stakeholder engagement





HUMAN RESOURCES





Mr. Seth /Awa-Eiseb
SENIOR MANAGER: HUMAN RESOURCES

5. HUMAN RESOURCES

AMTA appointed 91 staff members during the reporting period in comparison to 61 staff members appointed in the 2013 - 2014 financial year.

| Year | Female | Male | Total |
|--------------|-----------|-----------|-----------|
| 2013/2014 | 28 | 32 | 60 |
| 2014/2015 | 10 | 21 | 31 |
| Total | 38 | 53 | 91 |

Table 19: Number of employees appointed between 2013 - 2015

5.1 REGISTRATION WITH STATUTORY BODIES

- AMTA has been registered as a relevant employer with the Employment Equity Commission since October 2014. However, the effective date for reporting purposes has been set to start as of 1st of December 2013.
- All newly appointed 91 employees have been registered with the Social Security Commission.
- In terms of the Income Tax Act 24 of 1981, only employees earning above N\$50,000 should be registered as taxpayers. Hence, AMTA registered 60 of the 91 new employees as taxpayers with the Ministry of Finance.
- All newly appointed AMTA employees have been registered with Alexander Forbes, which administrates AMTA's Group Pension Fund.

5.2 ESTABLISHMENT OF JOB GRADING AND REMUNERATION STRUCTURE

AMTA has developed the salary grading and remuneration structure for 56 positions at its establishment.

5.3 HUMAN RESOURCE POLICIES AND PROCEDURES

AMTA has developed 14 critical human resources policies that are contained in the Human Capital Policy Manual.

5.4 PERFORMANCE MANAGEMENT SYSTEM

AMTA has successfully completed and implemented the performance management system (PMS).

5.5 CAPACITY DEVELOPMENT

For a dynamic organisation such as AMTA, it is imperative to develop, expose and strengthen the skills, instincts, abilities, processes and resources that AMTA staff need to survive, adapt, and thrive in the fast-changing world in order to remain competitive. This is done through trainings, workshops, exposure to similar industries etc.

AMTA officials were capacitated as follows:

| Official(s) | Place | Period | Department |
|--|--|-----------------------|---------------------|
| 3 x Silo Control Officers (SCOs) and 3 x Assistant Procurement Officers (APOs) | Windhoek | 3 to 6 March 2015 | NSFR |
| OBJECTIVE: To attend the phytosanitary and inspection courses | | | |
| 4 x SCOs | Windhoek | 27 to 30 April 2015 | NSFR |
| OBJECTIVE: To attend Global Good Agricultural Practices (GAP) | | | |
| 1 x SCO | Swakopmund | 3 to 6 March 2015 | NSFR |
| OBJECTIVE: To attend an ISO 17025 calibration and certification | | | |
| Border Inspectors | Windhoek | 13 December 2014 | Standards and Trade |
| OBJECTIVE: To advance the skills of agronomic inspectors in order to improve phytosanitary and agaric inspections | | | |
| Senior Border Inspectors | Windhoek | 3 to 6 March 2015 | Standards and Trade |
| OBJECTIVE: To train border inspectors in GAP integrated farm assurance | | | |
| NSFR Staff | Addis Ababa, Ethiopia | 28 to 31 October 2014 | NSFR |
| OBJECTIVE: To attend Africa Grain, Pulses and Technologies Congress and Expo | | | |
| NSFR Staff | Krugersdorp and Pretoria, Republic of South Africa | 20 to 23 January 2015 | NSFR |
| OBJECTIVE: To discuss possible improvements to the pre-cleaner designs with manufacturers FACET Engineering and ABC Hansen in order to meet departmental needs and specifications | | | |
| NSFR Staff | Johannesburg, Republic of South Africa | 11 to 12 March 2015 | NSFR |
| OBJECTIVE: To attend a Consumer Complaints Management Conference | | | |
| 80 AMTA Staff | Windhoek | July 2015 | HR |
| OBJECTIVE: Induction Course | | | |
| 2 AMTA Staff | Windhoek | October 2015 | HR |
| OBJECTIVE: To attend a workshop on the Labour Act | | | |

Table 19: Overview of capacity development activities

| | | | |
|---|---|---------------------------------|---------------------|
| Officials from the Ministry of Agriculture, Water and Forestry | Addis Ababa, Ethiopia | 17 to 25 June 2014 | Standards and Trade |
| OBJECTIVE: To represent Namibia at the 7th Specialised International Agriculture and Food Exhibition | | | |
| AMTA staff | Eenhana, Ohangwena Region | 28 July to 2 August 2014 | Standards and Trade |
| OBJECTIVE: Marketing and public relations at the Eenhana Expo 2014 | | | |
| AMTA staff | Windhoek | 29 to 31 July 2014 | Standards and Trade |
| OBJECTIVE: To attend the Made in Namibia Expo, which is an initiative of the Ministry of Trade to promote "growth-at-home" products and services | | | |
| AMTA staff | Ongwediva, Outapi and Windhoek | August, September, October 2015 | Standards and Trade |
| OBJECTIVE: To attend Ongwediva Trade Fair, Olufuko Festival, and Windhoek Show, which cater for business-to-business trading on consumer goods, foodstuff, household textiles, telecommunications and agricultural products, attract local and international specialties. Their purpose is to engage and market to the public. | | | |
| 2 x Hub Quality Control Technicians | Windhoek | July 2014 | FPBHs |
| OBJECTIVE: To participate in the workshop on science, technology and innovations (STI) indicators organised by the National Commission on Research, Science and Technology (NCRST) and NEPAD. The aim of the workshop was to introduce the concept to all stakeholders. | | | |
| 1 x Hub Quality & Standards Officer 2 x Quality Control Technicians | Swakopmund | March 2015 | FPBHs |
| OBJECTIVE: To participate in training on the ISO/IEC17025 requirements and internal auditing hosted by SADC Accreditation Services (SADCAS). The aim was to create internal capacity within the organisation to develop and implement laboratory quality management systems based on the requirements of the IEC/ISO17025 international standard. The knowledge and skills will enable AMTA to establish and manage a national agricultural laboratory in the near future. | | | |
| 8 x AMTA Staff from Rundu and Ongwediva FPBHs | Kenya | 15 to 22 June 2014 | FPBHs |
| OBJECTIVE: Exposure visit to horticulture producers in Kenya, one of the leading exporters of fresh produce in Africa, with the aim of observing and understanding the partnership between Kenyan government institutions and private sectors which are striving for standards compliance and business promotion and trade of fresh produce. | | | |
| 2 x AMTA Marketing Officers | South Africa | 17 to 21 November 2014 | FPBHs |
| OBJECTIVE: Exposure visit to South African potato and onion producers with the aim of learning about handling and storing mechanisms used by the selected producers, in order to maintain quality and optimise the shelf life of potatoes and onions. | | | |
| ±200 Horticultural Producers | Etunda, Olushandja, Kavango East & West and Zambezi regions | May 2014 to March 2015 | FPBHs |
| OBJECTIVE: FPBHs personnel with assistance from consultants from Kenya trained farmers on Global G.A.P. The purpose of the training was to develop capacity amongst farmers and to ensure that they are aware of and practise basic food safety standards. | | | |

Table 19 (continued): Overview of capacity development activities



FINANCE AND ADMINISTRATION





Mr. Reagan Kooper
SENIOR MANAGER: FINANCE AND
ADMINISTRATION

6. FINANCIAL REPORT

6.1 INFORMATION AND COMMUNICATIONS TECHNOLOGY

The IT division is responsible for ensuring that organisational ICT systems and infrastructure run smoothly by managing the organisation's hardware, software and communication systems, providing guidance and assistance on ICT issues to AMTA staff, maintaining information security and availability, and sourcing and installing ICT infrastructure to support organisational systems and applications.

Effective and efficient AMTA ICT infrastructure management, maintenance and ICT support to all AMTA offices & departments

- Governance: Provided operating parameters for the use of ICT systems and networks to individuals and operating units, and upgraded ICT security through enforced password policies and installation of anti-virus software on all AMTA laptops, desktops and servers.
- Infrastructure: Provided for an operating network and all equipment needed to align IT systems with established operating standards and systems through facilitation of internet connectivity at all AMTA offices, procurement and installation of desktops, laptops and printers for all AMTA offices, and servers for AMTA head office and regional hubs.
- Functionality: Provided capacity for storing and securing organisational electronic information through procured file servers for AMTA head office and regional hubs. Provided all AMTA departments with user assistance on software and hardware through daily monitoring and maintenance of Pastel accounting software, Fresh mark trading system, email systems, Microsoft application software and operating systems on AMTA laptops, desktops and servers. Ensured data assurance and information availability through daily backups.

AMTA ICT policy developed and endorsed

Developed AMTA ICT policy which has since been endorsed and communicated to staff for compliance and to outline and guide what constitutes acceptable use of AMTA's ICT assets, including the handling of different types of information as well as the rules regarding the interception and monitoring of electronic communication.

AMTA ICT assets database developed and regularly updated

Developed and implemented ICT asset database for better management of ICT assets through tracking and managing of AMTA ICT assets.

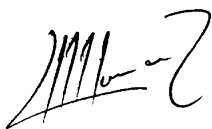
Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of Namibia to maintain adequate accounting records and are responsible for the content and integrity of the annual report. It is in their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the result of its operations and cash flows for the period ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements. The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control aimed at reducing the risk of error or loss in a cost effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future. The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 4. The annual financial statements set out on pages 5 to 23, which have been prepared on the going concern basis, were approved by the board on 26 November 2015 and were signed on its behalf by:



L Lucas
Managing Director



A Nehemiah
Chairperson of the Board

Windhoek, 26 November 2015

(Registration number 21/2013/0853)

Annual Financial Statements for the year ended 31 March 2015

Independent Auditors' Report

TO THE MEMBERS OF AGRO MARKETING AND TRADE AGENCY (AMTA) INCORPORATED ASSOCIATION NOT FOR GAIN

We have audited the annual financial statements of Agro Marketing and Trade Agency (AMTA) Incorporated Association Not for gain, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 5 to 23.

DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2015

Independent Auditors' Report

OPINION

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Agro Marketing and Trade Agency (AMTA) Incorporated Association Not for gain as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of Namibia.

Registered Accountants and Auditors
Chartered Accountants (Namibia)

BDO



Per: JSW de Vos
Partner

The directors submit their report for the year ended 31 March 2015.

1. REVIEW OF ACTIVITIES

1.1 MAIN BUSINESS AND OPERATIONS

The association is engaged in facilitating marketing and trading of agricultural produce, promoting food security in Namibia and operates principally in Namibia.

During the current financial year the association was appointed by the Government of Namibia to act as an agent of Namibia Agronomic Board for collecting levies on certain controlled products in terms of general notice no. 147 of 1 August 2014.

The operating results and state of affairs of the association are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net deficit of the association was N\$ 3,177,923 (2014: Surplus N\$ 5,649,717).

The deficit for the year is mainly attributed to significant increase in salaries and wages (employee costs) due increase in head count to 135 in the current period (31 March 2014: 53).

The association also went through a job evaluation exercise resulting in a new salary structure in the period under review.

2. EVENTS AFTER THE REPORTING PERIOD

The association are not aware of any matter or circumstance arising since the end of the financial year.

Independent Auditors' Report

3. DIRECTORS

The directors of the association during the year and to the date of this report are as follows:

| | |
|--------------|----------|
| L Lucas | Namibian |
| A Nehemia | Namibian |
| DR Tshikesho | Namibian |
| S Kasheeta | Namibian |
| M Mulunga | Namibian |
| JA Kamwi | Namibian |
| TE Alweendo | Namibian |
| B van Wyk | Namibian |
| F Nakanyala | Namibian |
| J Ihemba | Namibian |

(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2015

Statement of Financial Position

| Figures in Namibia Dollar | Note(s) | 2015 | 2014 |
|-------------------------------------|---------|--------------------|-------------------|
| Assets | | | |
| Non-Current Assets | 3 | 6,147,206 | 2,491,358 |
| Property, plant and equipment | | | |
| Current Assets | | | |
| Inventories | 4 | 43,886,756 | 319,782 |
| Trade and other receivables | 5 | 13,062,266 | 10,036 91,956,219 |
| Cash and cash equivalents | 6 | 119,102,855 | 92,286,037 |
| | | 176,051,877 | 94,777,395 |
| Total Assets | | 182,199,083 | |
| Equity and Liabilities | | | |
| Equity | | | 5,649,717 |
| Accumulated Surplus | | 2,471,794 | |
| Liabilities | | | |
| Current Liabilities | | | 7,781,168 |
| Trade and other payables | 7 | 38,583,712 | 81,346,510 |
| Deferred grant income | 8 | 141,143,577 | 89,127,678 |
| | | 179,727,289 | 94,777,395 |
| Total Equity and Liabilities | | 182,199,083 | |

Statement of Surplus or Deficit and Other Comprehensive Income

| Figures in Namibia Dollar | Note(s) | 2015 | 2014 |
|--|---------|--------------|--------------|
| Income | 9 | 53,496,281 | 17,665,860 |
| Cost of sales | 10 | (5,295,358) | (234,290) |
| Gross Surplus | | 48,200,923 | 17,431,570 |
| Other income | | 1,013 | - |
| Operating expenses | | (53,671,501) | (12,141,439) |
| (Deficit)/ Surplus before investment income and finance costs | 12 | (5,469,565) | 5,290,131 |
| Investment income | 14 | (99,121) | (8,544) |
| Finance costs | 15 | | |
| (Deficit)/ Surplus for the year | | (3,177,923) | 5,649,717 |
| Other comprehensive income | | - | - |
| Total (Deficit)/ Surplus for the year | | (3,177,923) | 5,649,717 |

(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2015

Statement of Changes in Equity

| Figures in Namibia Dollar | Note(s) | Accumulated Surplus | Total equity |
|---|---------|---------------------|------------------|
| Balance at 01 April 2013 | | - | - |
| Changes in equity | | | |
| Total comprehensive income for the year | | 5,649,717 | 5,649,717 |
| Total changes | | 5,649,717 | 5,649,717 |
| Balance at 01 April 2014 | | 5,649,717 | 5,649,717 |
| Changes in equity | | - | - |
| Total comprehensive income for the year | | (3,177,923) | (3,177,923) |
| Total changes | | (3,177,923) | (3,177,923) |
| Balance at 31 March 2015 | | 2,471,794 | 2,471,794 |
| Note(s) | | | |

Statement of Cash Flows

| Figures in Namibia Dollar | Note(s) | 2015 | 2014 |
|---|---------|---------------------|-------------------|
| Cash flows from operating activities | | | |
| Cash used in operations | 17 | (30,075,752) | 12,836,075 |
| Interest income | | 2,390,763 | 368,130 |
| Finance costs | | (99,121) | (8,544) |
| Net cash from operating activities | | (27,784,110) | 13,195,661 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 3 | (4,866,321) | (2,585,952) |
| Cash flows from financing activities | | | |
| Proceeds from government grant | | 59,797,067 | 81,346,510 |
| Net cash from financing activities | | 59,797,067 | 81,346,510 |
| Total cash movement for the year | | 27,146,636 | 91,956,219 |
| Cash at the beginning of the year | | 91,956,219 | - |
| Total cash at end of the year | 6 | 119,102,855 | 91,956,219 |

Accounting Policies

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of Namibia. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars.

These accounting policies are consistent with the previous period.

1.1 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Deferred Grant Income

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate resulting in the recognition of deferred grant income at the end of the financial period.

1.2 PROPERTY, PLANT AND EQUIPMENT

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Accounting Policies

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Average useful life |
|------------------------|----------------------------|
| Furniture and fixtures | 5 Years |
| Motor vehicles | 5 Years |
| Office equipment | 5 Years |
| IT equipment | 3 years |

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Accounting Policies

1.2 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 FINANCIAL INSTRUMENTS

Initial Recognition And Measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent Measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Accounting Policies

Trade And Other Receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade And Other Payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Accounting Policies

1.3 FINANCIAL INSTRUMENTS (CONTINUED)

Cash And Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.4 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating Leases – Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability/asset is not discounted. Any contingent rents are expensed in the period they are incurred.

1.5 INVENTORIES

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the

Accounting Policies

period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.6 IMPAIRMENT OF ASSETS

The association assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the association estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

Accounting Policies

1.6 IMPAIRMENT OF ASSETS (CONTINUED)

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.7 EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.8 EMPLOYEE BENEFITS

Defined Contribution Plans

The association provides for retirement benefits of its staff by way of a pension fund. The contribution by the members and the association to this fund are in accordance with fixed scales determined in consultation with actuaries. The contribution of the agency are dealt with as a charge against income in the year of payments.

Accounting Policies

1.9 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the association has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Contingent assets and contingent liabilities are not recognised.

1.10 GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that:

- the association will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Accounting Policies

1.10 GOVERNMENT GRANTS (CONTINUED)

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss.

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.11 INCOME

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the association has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the association retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the association;
- and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.12 BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Annual Financial Statements

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The association has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the association's accounting periods beginning on or after 01 April 2015 or later periods.

At the date of authorisation of these annual financial statements, the following Standards and Interpretations were in issue but not yet effective:

IFRS 7, Financial Instruments: Disclosures

Disclosure [Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures] – effective for annual periods beginning on or after 1 January 2015; and

Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9) – date of application is 1 January 2018.

IFRS 9, Financial Instruments

Reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9 – effective date of application is 1 January 2018.

Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures – effective for annual periods beginning on or after 1 January 2015.

IFRS 13, Fair Value Measurement

Amendments resulting from Annual Improvements 2011 – 2013 Cycle (scope of the portfolio exception in paragraph 52) – effective for annual periods beginning 1 July 2014.

IFRS 15, Revenue from Contracts with Customers

Original issue – effective for annual periods beginning 1 January 2017.

IAS 16, Property, Plant And Equipment

Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation) – effective for annual periods beginning 1 July 2014.

IAS 19, Employee Benefits

Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service) – effective for annual periods beginning 1 July 2014.

IAS 24, Related Party Disclosures

Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities) – effective for annual periods beginning 1 July 2014.

2. NEW STANDARDS AND INTERPRETATIONS (CONTINUED)

IAS 39, Financial Instruments Recognition and Measurement

Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception) – effective date of application is 1 January 2018.

The association does not envisage the adoption of these standards and interpretations until such time that they become applicable to the group's operations.

The board does not anticipate that the above standards and interpretations will have a material effect on the association's annual financial statements.

Notes to the Annual Financial Statements

Figures in Namibia Dollar 2015 2014

3. PROPERTY, PLANT AND EQUIPMENT

| | Cost / Valuation | Accumulated depreciation | Carrying Value | Cost / Valuation | Accumulated depreciation | Carrying Value |
|------------------------|---------------------|-----------------------------|-------------------|---------------------|-----------------------------|-------------------|
| Furniture and fixtures | 287,965 | (43,051) | 244,914 | 84,264 | (4,526) | 79,738 |
| Motor vehicles | 4,701,604 | (697,454) | 4,004,150 | 1,698,317 | (39,436) | 1,658,881 |
| Office equipment | 727,832 | (114,914) | 612,918 | 142,621 | (6,037) | 136,584 |
| IT equipment | 1,507,469 | (404,168) | 1,103,301 | 660,749 | (44,594) | 616,155 |
| Other assets | 227,403 | (45,480) | 181,923 | - | - | - |
| Total | 7,452,273 | (1,305,067) | 6,147,206 | 2,585,951 | (94,593) | 2,491,358 |

Reconciliation of Property, Plant And Equipment - 2015

| | Opening Balance | Additions | Additions from NAB | Depreciation | Total |
|------------------------|--------------------|------------------|-----------------------|--------------------|------------------|
| Furniture and fixtures | 79,738 | 156,720 | 46,981 | (38,525) | 244,914 |
| Motor vehicles | 1,658,881 | 2,068,010 | 935,277 | (658,018) | 4,004,150 |
| Office equipment | 136,584 | 582,682 | 2,529 | (108,877) | 612,918 |
| IT equipment | 616,155 | 794,906 | 51,814 | (359,574) | 1,103,301 |
| Other assets | - | 6,290 | 221,112 | (45,479) | 181,923 |
| | 2,491,358 | 3,608,608 | 1,257,713 | (1,210,473) | 6,147,206 |

Reconciliation of Property, Plant And Equipment - 2014

| | Opening balance | Additions | Depreciation | Total |
|------------------------|--------------------|------------------|-----------------|------------------|
| Furniture and fixtures | - | 84,265 | (4,527) | 79,738 |
| Motor vehicles | - | 1,698,317 | (39,436) | 1,658,881 |
| Office equipment | - | 142,621 | (6,037) | 136,584 |
| IT equipment | - | 660,749 | (44,594) | 616,155 |
| | - | 2,585,952 | (94,594) | 2,491,358 |

Notes to the Annual Financial Statements

Figures in Namibia Dollar 2015 2014

*During the year the Namibia Agronomic Board transferred property, plant and equipment to the value of N\$1,257,713 to AMTA.

4. INVENTORIES

| | | |
|---------|-------------------|----------------|
| Mahangu | 5,997,301 | 71,243 |
| Maize | 37,446,365 | - |
| Grapes | 443,090 | 248,539 |
| | 43,886,756 | 319,782 |

5. TRADE AND OTHER RECEIVABLES

| | | |
|-------------------------------|-------------------|---------------|
| Trade receivables | 1,768,379 | - |
| Prepayments | 212,101 | - |
| Other receivables | 316,688 | 10,036 |
| Value Added Tax | 25,139 | - |
| Namibia Agronomic Board levy* | 10,739,959 | - |
| | 13,062,266 | 10,036 |

* During the current financial year the association was appointed by the government to act as an agent of Namibia Agronomic Board for collecting levies on certain controlled products in terms of general notice no. 147 of 1 August 2014. The balance consist of outstanding levies from traders.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

| | | |
|----------------|--------------------|-------------------|
| Cash on hand | 13,139 | 1,772 |
| Bank balances* | 86,369,626 | 51,586,317 |
| Call deposits | 32,720,090 | 40,368,130 |
| | 119,102,855 | 91,956,219 |

N\$30,000 of the call deposit account is pledged as security to facilitate the processing of the managing director's corporate credit card application (maximum pledge of N\$10,000) and the fleet management facility (Maximum pledge of N\$20,000).

* N\$20,205,799 of bank balances consist of government projects fund held in trust for government specific projects.

Notes to the Annual Financial Statements

Figures in Namibia Dollar 2015 2014

7. TRADE AND OTHER PAYABLES

| | | |
|------------------------------|-------------------|------------------|
| Trade receivables | 3,353,716 | 4,548,712 |
| Government projects fund | 20,205,799 | 2,060,870 |
| Employee liabilities | 3,430,592 | 1,064,126 |
| Other payables | 627,737 | - |
| Deposits received | 253,128 | 107,460 |
| Namibia Agronomic Board levy | 10,712,740 | - |
| | 38,583,712 | 7,781,168 |

Government Projects Fund

Government projects fund consist of funds held in trust for government of Namibia specific projects i.e Dry Land Crop Production Program N\$13,473,218, Capacity Building N\$369,223 and procurement of ICT Equipment N\$6,363,358.

Namibia Agronomic Board levy

During the current financial year the association was appointed by the government to act as an agent of Namibia Agronomic Board (NAB) for collecting levies on certain controlled products in terms of general notice no. 147 of 1 August 2014. The balance consist of levies due to NAB, which is outstanding from traders (refer to note 5).

8. DEFERRED GRANT INCOME

| | | |
|---|-------------|------------|
| Grant/ Subsidy income received in advance | 141,143,577 | 81,346,510 |
|---|-------------|------------|

9. INCOME

| | | |
|----------------------|-------------------|-------------------|
| Sale of grain | 4,237,058 | - |
| Grant/subsidy income | 45,238,692 | 17,395,045 |
| Sale of grapes | 271,271 | 270,815 |
| Grants - Other | 3,749,260 | - |
| | 53,496,281 | 17,665,860 |

Notes to the Annual Financial Statements

Figures in Namibia Dollar 2015 2014

10. COST OF SALES

Sale of goods

| | | |
|---------------------|------------------|----------------|
| Cost of grain sold | 5,047,708 | - |
| Cost of grapes sold | 247,650 | 234,290 |
| | 5,295,358 | 234,290 |

11. EMPLOYEE BENEFITS

Defined Contribution Retirement Plan

The association participates in an Alexander Forbes Financial Services Limited pension fund, which is a defined contribution plan for all of its employees. The defined contribution plan is subject to the Pension Fund Act, Act 24 of 1956 of Namibia the fund is funded both by its members and association contribution, which are charged to profit of loss as they are incurred.

AMTA currently contributes 16% of the pensionable emoluments to the fund whilst the members contribute 7%.

12. (DEFICIT)/ SURPLUS BEFORE INVESTMENT INCOME AND FINANCE COSTS

(Deficit)/ Surplus before investment income and finance costs for the year is stated after accounting for the following:

Operating Lease Charges

| | | |
|---|------------------|----------------|
| Premises | | |
| • Contractual amounts | 1,767,919 | 274,276 |
| Equipment | | |
| • Contractual amounts | 128,822 | 19,984 |
| | 1,896,741 | 294,260 |
| Profit on exchange differences | 3,034 | - |
| Depreciation on property, plant and equipment | 1,210,473 | 94,594 |
| Employee costs | 33,812,868 | 7,693,507 |

Notes to the Annual Financial Statements

| Figures in Namibia Dollar | 2015 | 2014 |
|-------------------------------|-------------------|------------------|
| 13. EMPLOYEE COSTS | | |
| Direct employee costs | | |
| Salaries and wages | 33,282,835 | 7,544,180 |
| Indirect employee cost | | |
| Wages - casual | 417,333 | 104,315 |
| Total employee costs | | |
| Direct employee costs | 33,282,835 | 7,544,180 |
| Indirect employee costs | 417,333 | 104,315 |
| | 33,700,168 | 7,648,495 |

The increase in employee costs is mainly attributed to increase in head count to 135 in current period (31 March 2014: 53).

14. INVESTMENT INCOME

Interest income

| | | |
|------|-----------|---------|
| Bank | 2,390,763 | 368,130 |
|------|-----------|---------|

15. FINANCE COSTS

| | | |
|------|--------|-------|
| Bank | 99,121 | 8,544 |
|------|--------|-------|

16. TAXATION

No provision has been made for income tax as the association is exempt from taxation in accordance with section 16(1)(f) of the Income Tax Act of 1981.

Notes to the Annual Financial Statements

Figures in Namibia Dollar 2015 2014

17. CASH USED IN OPERATIONS

| | | |
|------------------------------------|---------------------|-------------------|
| (Deficit) / Surplus for the year | (3,177,923) | 5,649,717 |
| Adjustments for: | | |
| Depreciation | 1,210,473 | 94,594 |
| Interest received | (2,390,763) | (368,130) |
| Finance costs | 99,121 | 8,544 |
| Changes in working capital: | | |
| Inventories | (43,566,974) | (319,782) |
| Trade and other receivables | (13,052,230) | (10,036) |
| Trade and other payables | 30,802,544 | 7,781,168 |
| | (30,075,752) | 12,836,075 |

18. DIRECTORS' EMOLUMENTS

Executive

| | Emoluments | Other benefits* | Pension paid | Total |
|--------------------------|------------|-----------------|--------------|-----------|
| 2015 | | | | |
| For services as director | 665,438 | 575,948 | 106,470 | 1,347,856 |
| 2014 | | | | |
| For services as director | 348,160 | 145,264 | 43,138 | 536,562 |

* Other benefits comprise, medical aid, bonus, housing, vehicle, computer allowance and cellphone allowance.

No emoluments were paid to Non-executive Directors during the year, other than S&T allowances, flights and training costs incurred for N\$107,140 (2014: N\$45,012).

19. RISK MANAGEMENT

Capital Risk Management

The association's objectives when managing capital are to safeguard the association's ability to continue as a going concern in order to provide returns for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the association consists of debt, which includes cash and cash equivalents disclosed in note 6, and equity as disclosed in the statement of changes in equity.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial Risk Management

The more important financial risk to which the association is exposed, and the ways in which they are managed are described below:

Liquidity Risk

The association's risk to liquidity is a result of the funds available to cover future commitments. The association manages liquidity risk through an ongoing review of future commitments and credit facilities.

Interest Rate Risk

As the association has no significant interest-bearing assets, the association's income and operating cash flows are substantially independent of changes in market interest rates.

Notes to the Annual Financial Statements

| Figures in Namibia Dollar | 2015 | 2014 |
|--|------------------------------|--------------------------------|
| Cash flow interest rate risk | Current interest rate | Due in less than a year |
| Trade and other receivables - Non interest bearing | - % | 13,037,127 |
| Cash and cash equivalents | - % | 119,108,505 |
| Trade and other payables - Non interest bearing | - % | (42,332,972) |

20. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

| 2015 | Due in less than a year | Total |
|--|-------------------------|--------------------|
| Trade and other receivables - Non interest bearing | 13,037,127 | 13,037,127 |
| Cash and cash equivalents | 119,108,505 | 119,108,505 |
| | 132,145,632 | 132,145,632 |
| 2014 | Due in less than a year | Total |
| Trade and other receivables - Non interest bearing | 10,036 | 10,036 |
| Cash and cash equivalents | 91,956,219 | 91,956,219 |
| | 91,966,255 | 91,966,255 |

Notes to the Annual Financial Statements

| Figures in Namibia Dollar | 2015 | 2014 |
|---|--|--------------|
| 21. FINANCIAL LIABILITIES (CONTINUED) | Financial liabilities at amortised cost | Total |
| 2015 | | |
| Trade and other Payables - Non interest bearing | 42,332,972 | 42,332,972 |
| 2014 | Financial liabilities at amortised cost | Total |
| Trade and other Payables - Non interest bearing | 7,781,168 | 7,781,168 |

22. FAIR VALUE INFORMATION

Fair Value Hierarchy

IFRS 13 requires that an entity discloses for each of the assets and liabilities measured at fair value the level in the fair value hierarchy into which the fair value measurements are categorised in their entity. The fair value hierarchy reflects the significance of the inputs used in making the fair value measurements. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

(Registration number 21/2013/0853)

Annual Financial Statements for the year ended 31 March 2015

Notes to the Annual Financial Statements

No significant unobservable inputs were used as level 3 inputs and thus there is no relationship established between unobservable inputs to fair value.

There were no transfers between level 1 and level 2 for the reporting period ended 31 March.



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AMTA

FROM LAND TO NATION