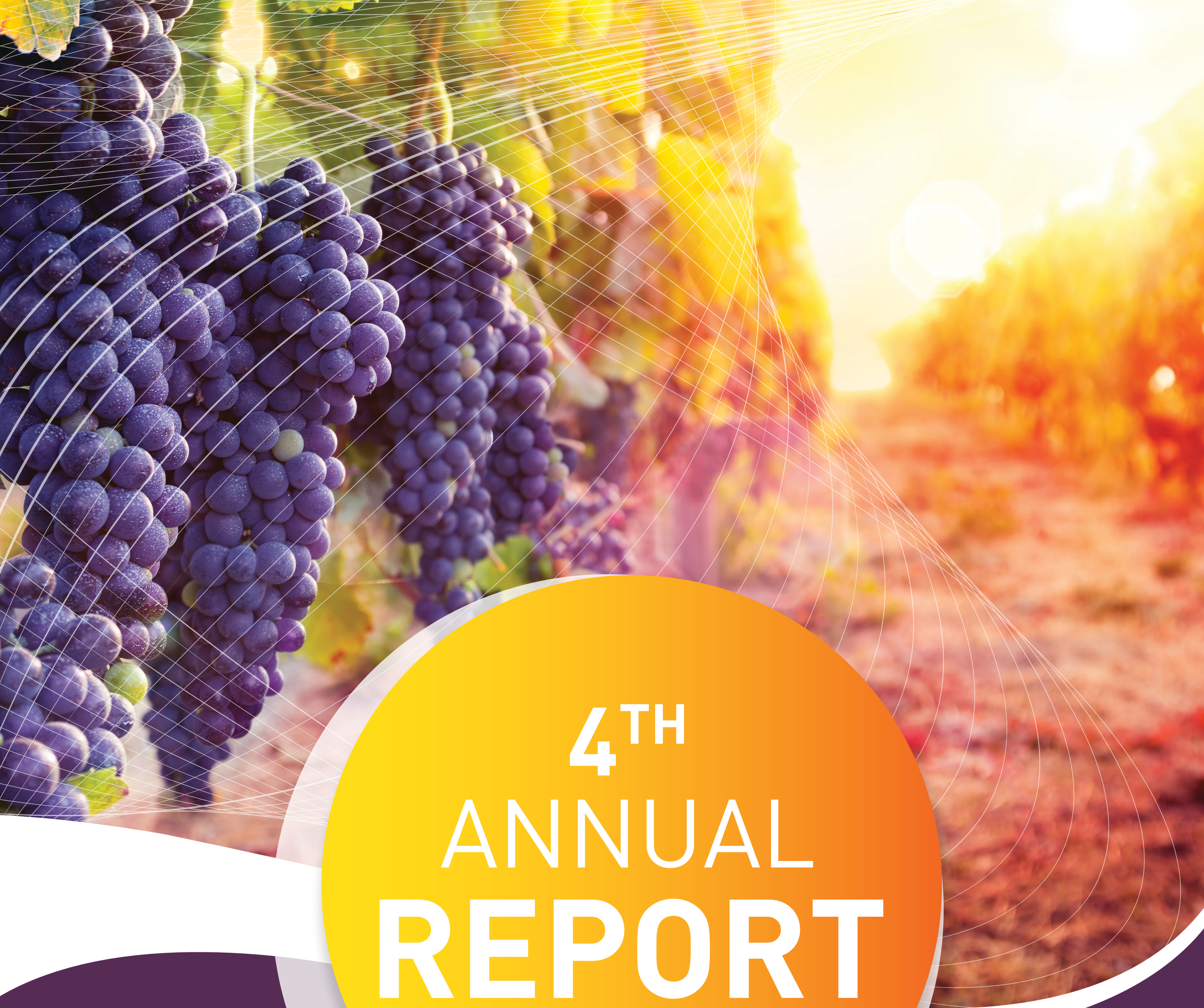


4TH ANNUAL REPORT 2016/2017

AMTA
FROM LAND TO NATION

AGRO-MARKETING & TRADE AGENCY

Table of Contents

AMTA Strategic Map

Acronyms

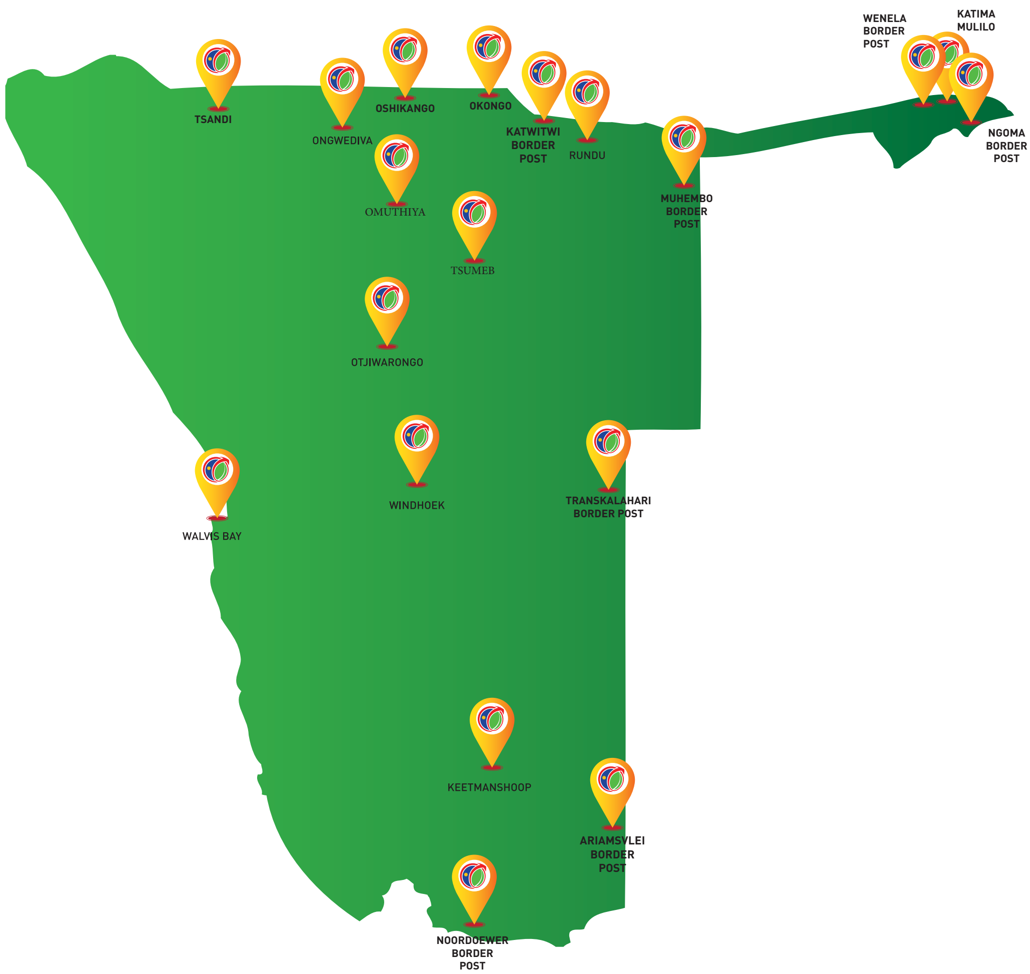
AGRIBUSDEV	Agriculture Business Development
AMID	Agricultural Marketing Information Database
AMTA	Agro-Marketing and Trade Agency
CAC	Codex Alimentarius Commission
CVL	Central Veterinary Lab
EU	European Union
FAO	Food and Agriculture Organization
FBO	Food business operators
FFI	Farms and Facilities Inspectorate
FPBH	Fresh Produce Business Hubs
FSS	Food Safety and Standards
GAP	Good Agricultural Practices
GMO	Genetically Modified Organism
HACCP	Hazard Analysis and Critical Control Points
ICT	Information and Communication Technology
MAWF	Ministry of Agriculture, Water and Forestry
MRL	Maximum Residue Level
MSP	Market Share Promotion
MT	Metric tonne
NAB	Namibian Agronomic Board
NCRST	National Commission on Research, Science and Technology
NHDI	National Horticulture Development Initiative
NHTT	National Horticulture Task Team
NSF	National Sanitary Foundation
NSFR	National Strategic Food Reserve
NSI	Namibian Standards Institution
OPM-DDRM	Office of the Prime Minister: Directorate for Disaster Risk Management
PPECB	Perishable Product Export Control Board
QA	Quality Assurance
QMS	Quality Management Systems
SAFEX	South African Future Exchange
SOP	Standard Operating Procedure
UNAM	University of Namibia

AMTA Mandate

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

AMTA Countrywide Presence



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:

AMTA FROM LAND TO NATION

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

AMTA GRAIN

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.

AMTA FRESH PRODUCE

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

NamFresh ASSURED QUALITY AND FRESHNESS

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 Ethos

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

Chairman's Foreword

Three years after its inception, I can confidently say that the Agro-Marketing and Trade Agency (AMTA) has left its mark throughout Namibia, contributing significantly to the operations of producers and traders, as well as the choices of consumers. AMTA has proven capable of lifting the industry's confidence with changes to best practices. As we continue to grow from strength to strength, we are advancing in the way we do things. It's remarkable to see the willingness of our stakeholders, especially farmers, to learn and cooperate. More than ever before, Namibian

> "As we continue to grow from strength to strength, we are advancing in the way we do things. It's remarkable to see the willingness of our stakeholders, especially farmers, to learn and cooperate."

producers are showing interest in changing old ways of farming in order to grow and operate within the supply chain. They understand what is required if Namibia is to compete with the international market. I firmly believe that we have the capabilities to do so. Opportunities abound and the support from government serves as motivation.

I cannot ignore the challenges of the past financial year. The drought was a test of strength for the entire country. However, thanks to smart planning, the government's National Strategic Food Reserves were able to sustain us. Work has to continue no matter what, because our people can benefit greatly from this plan.

This report presents numerous activities carried out by AMTA during the reporting period, including reserve replenishment through grain procurement from Green Scheme Projects, small-holder farmers and resettlement farmers. Activities also comprised the release of grain from the reserve for drought relief programmes and contracting mahangu producers in order to promote mahangu surplus production for marketing purposes. In addition, AMTA performed routine maintenance on all its grain storage facilities and facilitated the scheduled servicing and calibrations of scales.

Another highlight of the reporting period was the thriving of the agronomic and horticultural sector in Namibia as a result of compliance with the rules and regulations of the Agronomic Industry Act, 1992 (Act No. 20 of 1992). Since the appointment of AMTA as an Agency of the Namibian Agronomic Board in August 2014, the execution of the rules and regulations enshrined in the Act has been part of AMTA's mandate.

For too long, Namibia's horticultural sector was challenged with meeting local demand with little response in terms of domestic capacity. The country depended heavily on the import of horticultural products, mainly from South Africa. In its efforts to address food security and food self-reliance gaps, the Namibian government saw the necessity of establishing infrastructure to support national policies and economic priorities through delegated mandates.

The National Fresh Produce Business Hubs, especially the ones in Rundu and Ongwediva supported by the Windhoek Collection Hub, have since created a paradigm shift for Namibian farmers and local consumers. Namibian farmers are now able to produce more as AMTA's marketing system, supported by Market Share Promotion, continues to be established. The National Development Priorities of food security and self-reliance are unfolding steadily as we head towards Vision 2030. The Windhoek Hub, which is to be the largest upon completion, is currently under construction, with the first phase of intensive bulk earth works concluded. Due to the magnitude of the project and other factors, the hub still has a long way to go before completion.

I applaud our Honourable Minister of Agriculture, Water and Forestry, John Mutorwa, for his continued support for the Board and me. I would like to thank AMTA management and staff for carrying this mandate, engaging stakeholders in all activities, building a respectable brand and agency, marketing fresh produce as widely as possible, successfully managing the food reserves on behalf of the government, and continuing to build a reputable SOE. It gives me great pleasure that AMTA has produced an annual report every year since its inception. Finally, I want to thank all our stakeholders and industry players for their willingness to work hand in hand with AMTA.

Abraham Nehemia
Chairperson of the Board

Managing Director's Foreword

"...our aim is always to be in tune with the vision of the agency, our line ministry, the Ministry of Agriculture, Water and Forestry (MAWF), and the country as a whole."

It is always a pleasure to report back on the activities of the Agro-Marketing and Trade Agency (AMTA). Another year has passed, much work has been done and it is time once again to present our annual report.

To date, the 2016/2017 financial year was the most challenging one in AMTA's history, with the drought hitting us hard and the economy not performing as well as anticipated. However, significant achievements could still be reported. The following are highlights of the period under review:

- Standards and Trade: Despite limited financial resources, the Division made remarkable progress in the implementation of compliance matters related to Market Share Promotion (MSP), control at ports of entry and exit, Specific Crop Marketing Standards, HACCP, GAP, the Food Safety Policy, Total Quality Management, and capacity building of technical staff who oversee compliance.
- Fresh Produce Business Hubs: Since the commissioning of the hubs in 2013 through the establishment of AMTA, the hubs (especially the two currently operating in Rundu and Ongwediva supported by the Windhoek Collection Hub) have created a paradigm shift for Namibian farmers and local consumers. Namibian farmers have been able to steadily increase production as AMTA's marketing system, supported by the Market Share Promotion scheme, continues to be established.
- National Strategic Food Reserve: The Division made significant progress during the reporting period in terms of replenishing the reserve through grain procurement from Green Scheme projects, small-holder farmers and resettlement farmers, supporting food security by releasing grain from the reserve for drought relief programmes, and contracting mahangu producers in order to promote mahangu surplus production for marketing purposes.
- Human Resources: Since its inception, the agency has grown substantially. As at 31 March 2017, AMTA's staff complement stood at one hundred sixty-seven (167), consisting of ninety-two (92) male and seventy-five (75) female employees.
- Finance and Administration: For a detailed overview of our finances for the 2016/2017 financial year, please refer to the Finance and Administration section in this report.

We made significant strides in terms of stakeholder engagement and capacity building in our effort to create increased awareness of AMTA's mandate. So as not to work in isolation from key stakeholders, our aim is always to be in tune with the vision of the agency, our line ministry, the Ministry of Agriculture, Water and Forestry (MAWF), and the country as a whole.

Moving forward, more work needs to be done, a challenge that my team and I gladly accept. This ship is still sailing and we are working around the clock to ensure that it stays afloat.

I would like to thank our stakeholders for participating in all our activities and for always showing the willingness to cooperate and implement AMTA's strategies and directives. In addition, I would like to wholeheartedly thank our Ministry and Board of Directors for their guidance and advice, and our management and dedicated staff for their hard work and support.

We look forward to more exciting years ahead. I am confident that together we can achieve AMTA's vision.

Lungameni Lucas
Managing Director

Mr. Desiderius Tshikesho
(Vice Chairman)

Mr. Josef Ihemba

Dr. Jessey Kamwi

Mr. Twewaadha
Alweendo

Mrs. Frieda Nakanyala

Mr. Abraham Nehemia
(Chairman)

Mrs. Geraldine Diergaardt

Mr. Bertus Van Wyk

Mr. Mesag Mulunga

Board of **DIRECTORS**

Mrs. Sofie Kasheeta

Mr. Fidelis Mwazi
Senior Manager: Standards and Trade

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

Mr. Lungameni Lucas
Managing Director

Mr. Reagan Kooper
Senior Manager: Finance and Administration

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

Senior **MANAGEMENT**

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

01

Standards and Trade Division

STANDARDS AND TRADE DIVISION

The thriving of the agronomic and horticultural sector in Namibia comes as result of compliance with the rules and regulations of the Agronomic Industry Act, 1992 (Act No. 20 of 1992). The execution of these rules and regulations in terms of compliance by the industry, as enshrined in the Act, was delegated to AMTA in August 2014 after the appointment of AMTA as an Agency of the Namibian Agronomic Board (NAB), and since then implemented by the Standards and Trade Division. Thus, the Standards and Trade Division's vision and mission were aligned to enhance AMTA's activities in order to make the agency the driving force behind compliance in the trade of agronomic and horticultural products in the country.

1.1 OVERVIEW OF STANDARDS AND TRADE DURING THE PERIOD 2016/2017

The reporting period marks the second year of the implementation or operationalisation of the Standards and Trade Division in AMTA. The Division was set up to ensure compliance of the agronomic and horticultural sectors to the rules and regulations of the Agronomic Industry Act, 1992 (Act No. 20 of 1992). Despite limited financial resources, the Division has made remarkable progress in the implementation of compliance matters related to Market Share Promotion (MSP), control at ports of entry and exit, Specific Crop Marketing Standards, HACCP, GAP, the Food Safety Policy, Total Quality Management, and capacity building of technical staff who oversee compliance.

During the 2016/2017 financial year, the Division maintained a high standard of providing marketing intelligence information to the agronomic and horticultural sectors through data collection and forecasting of local production. The aim of market intelligence is to facilitate easy access to local fresh produce in order to influence the upward trajectory of local production in the horticultural industry. The highest MSP obtained in the 2016/2017 financial year was 50% in Quarter 3 of 2016, compared to an MSP threshold of 44% in the previous reporting period. The Division was successful in the operationalisation of the Agricultural Information Marketing Database (AMID) for generating different permits and issuing receipts not part of the system. The AMID system is a database tool used to issue import, export and in-transit permits and receipts for all agronomic and horticultural products for regulatory purposes. In addition, it is used to capture data from invoices of import, export and local purchases of agronomic and horticultural products in Namibia, which enables AMTA to collect information on the country's total traded and consumption demand. During the reporting period, AMID was installed and operationalised at the three (3) remaining border posts, namely Ngoma, Katwitwi and Muhembo.

The Division also made progressive work in terms of inspecting a total of 200 facilities and 272 farms based on the current Standard Operating Procedures (SOPs). It is worth mentioning that for the second year in a row, AMTA, through the Standards and Trade Division, and in partnership with the Perishable Product Export Control Board (PPECB) South Africa performed conformity inspections on marketing standards on table grapes destined for various international markets. Inspections were conducted at sixteen (16) pack-houses at Aussenkehr, Noordoewer, Komsberg and Naute. At the same time, four (4) date pack-houses at Naute, Komsberg, Mariental and Aussenkehr were inspected before products were cleared for export.

The Division made good progress in the implementation of food safety aspects in the agronomic and horticultural sectors. Maximum Residue Level (MRL) sampling was conducted at a national level in the agronomic and horticultural subsector, with a total of 443 samples being collected and analysed. At the same time, the Division progressed well in terms of the standardisation of AMTA documentation of policies, forms and work procedures.

The Division made significant progress with both local and international stakeholder engagement, which included, among other things, road shows in different agronomic and horticultural zones, such as Zambezi, Kavango, North Central, South and Orange. Stakeholder engagement focused on disseminating information about and raising awareness of AMTA's operations by making use of various platforms, such as NHTT, trade fairs, face-to-face meetings, field visits, road shows, as well as community engagement in Ongwediva and Rundu. In addition, AMTA made use of broadcast media (NBC radio and TV, Kosmos Radio, One Africa TV) and print media, including various magazines and local newspapers (The Namibian, New Era, Republikein, Namibian Sun, Confidante, Kundana, Windhoek Observer) to further this aim. Information sessions for lecturers were held at UNAM.

Last but not least, the Standards and Trade technical team, comprising 21 individuals, was trained and mentored in conducting conformity inspections on horticultural products according to specific marketing standards.

1.2 MARKET RESEARCH AND ADVISORY

The Market Research and Advisory Unit is a sub-unit under the umbrella of the Standards and Trade Division. The key responsibilities of the sub-unit are as follows:

- Implementation of the permit issuance and monitoring system for all controlled and uncontrolled agronomic and horticultural crops for both agronomic and horticultural product imports, exports, and in-transit, as well as permits for animal feed as outlined in the notice given by the Minister of Agriculture, Water and Forestry in December 2014
- Implementation of the Namibian Horticulture Market Share Promotion scheme.
- Implementation of the grain marketing mechanisms or industry agreements
- Implementation of the potato and onion marketing scheme and any other future schemes
- Maintenance and management of the Agricultural Marketing Information Database (AMID) system
- Conducting marketing intelligence and marketing research of all agronomic and horticultural products

1.2.1 HORTICULTURE

1.2.1.1 NAMIBIAN HORTICULTURE MARKET SHARE PROMOTION SCHEME (MSP)

The horticulture industry in Namibia has grown from strength to strength since the Namibian Agronomic Board established the National Horticulture Development Initiative (NHDI) 15 years ago. The initiative was realised after fresh fruit and vegetables were gazetted under Section 2 of the Agronomic Industry Act, 1992 (Act No. 20 of 1992). The Ministry of Agriculture, Water and Forestry started and funded the NHDI to promote the consumption of local fresh produce, import substitution, agro-processing and export marketing of local fresh produce.

The NHDI was implemented through the Namibian Horticulture Market Share Promotion scheme, commonly known as MSP. Under this scheme, importers are obliged to ensure that a minimum percentage (%) of their horticultural produce purchases consists of Namibian grown products, prior to qualifying for an import permit in a given quarter. If they do not meet the required percentage, they are curtailed in their imports, pro rata, in the subsequent quarter. Through mutual consesus, the MSP increased from 5% in 2005 to 44% currently.

However, the 2016/2017 financial year saw the actual average national MSP obtained reach 46% in Quarter 1 of 2016. This is an indication that we are indeed realising our potential of becoming a food secure nation in terms of horticulture fresh produce. It was projected that the maximum MSP percentage that Namibia can achieve in the long term is 60% (report by PricewaterhouseCoopers, 2008). However, there is potential for achieving 100% MSP, provided high technology is introduced to enable the production of fruits and vegetables under controlled environments. This signals the potential for increasing local production in the horticulture industry (report by PricewaterhouseCoopers, 2008). The local MSP could only be raised to 60% due to seasonality and given that a sizeable amount of fresh produce, mainly fruits, cannot realistically be produced in Namibia.

1.2.1.2 TREND OF MSP IN MONETARY VALUE AND PERCENTAGE FROM 2010 TO 2017

Figure 1.1 shows the trend of the monetary value of locally sourced fresh produce versus imported fresh produce, as well as the MSP threshold versus actual MSP obtained per quarter. In Quarter 1 of 2010, the MSP threshold was 30% compared to 26% actual MSP obtained at national level. In comparison to Quarter 1 of 2017, the MSP threshold was 44% and the actual MSP obtained was 39%, which is 13% higher than the actual MSP obtained in Quarter 1 of 2010. In monetary value,

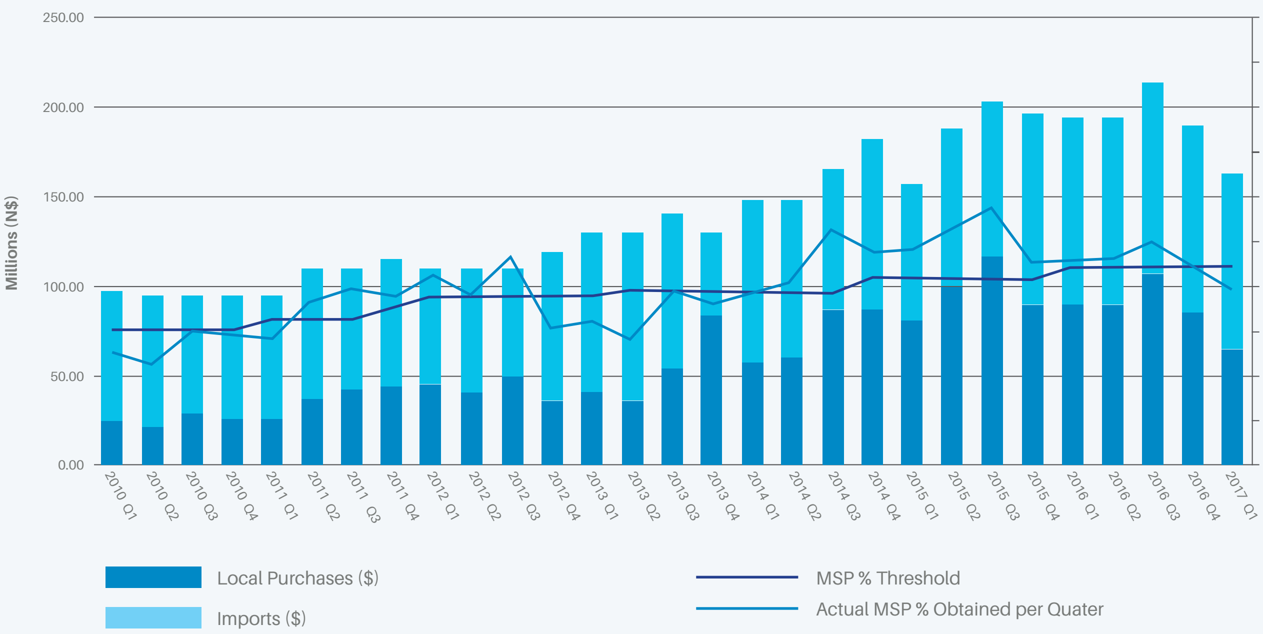


Figure 1.1: Trends of MSP percentage (%) and monetary value (N$) for local fresh produce versus imports from Quarter 1 of 2010 to Quarter 1 of 2017

when the actual MSP obtained for local and imported produce was 26% and 74% respectively in Quarter 1 of 2006, the total turnover at national level was N$25 million for local produce and N$73 million for imported produce.

In contrast, in Quarter 1 of 2017, the actual MSP was 39% for local produce and 61% for imports, with a total turnover of N$64 million for locally sourced fresh produce, and N$99 million for imported fresh produce. The total turnover only applies to purchases of fresh produce that have gone through the formal market.

These values show that the establishment of the MSP in 2005 has created an environment for substituting the import of horticulture commodities that can be produced locally, which in turn creates value for the farming industry by facilitating the increased production and income of producers. Similarly, the MSP adds value to the industry by providing easy access to and availability of local horticulture fresh produce, and facilitates a link between producers and traders through pre-determined planting programmes that guarantee availability of horticulture stock to traders. In addition, the advice and support of the Market Research and Advisory Unit provides an enabling marketing environment for business growth for both traders and producers.

1.2.1.3 MONTHLY MSP FOR THE 2016/2017 FINANCIAL YEAR

According to Figure 1.2, the highest actual MSP percentage obtained was 52% in May 2016, and the lowest was 36% in October 2016 and February 2017. The local MSP is mainly influenced by local availability of fresh produce, such as potatoes and onions.

1.2.1.4 MSP PER CATEGORY OF TRADERS FOR IMPORTED AND LOCALLY PRODUCED FRESH PRODUCE FOR THE 2016/2017 FINANCIAL YEAR

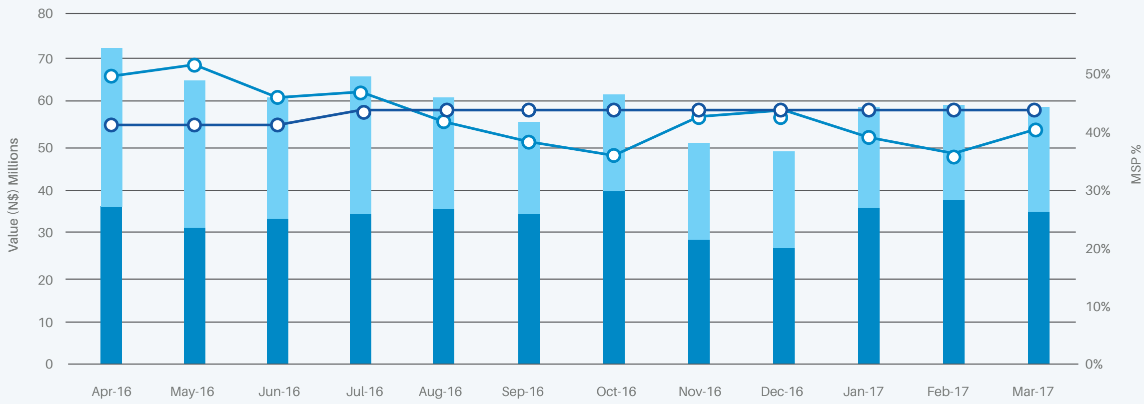
Traders or importers of fresh produce are categorised based on the size of turnover traded per financial year. Figure 1.3 indicates the MSP (%) obtained per category, depicting locally sourced and imported produce during the reporting period.

Figure 1.3 shows that the category of large traders – which is classified as having a turnover of between N$4 million and N$7 million – bought the highest amount of local fresh produce and obtained 47% MSP during the reporting period, consequently achieving the lowest import market share of 53%. On the other hand, the lowest local market share was 38% for the category of very large traders, consequently achieving the highest import market share of 62%. The lower MSP for this category of traders implies fewer purchases of local fresh produce, mainly due to seasonality and lack of commitment to buy local fresh produce.

1.2.2 HORTICULTURE TRADE MATTERS

Fresh fruits and vegetables are gazetted as controlled crops in Namibia and any import, export and in-transiting must be done through a permit issued by AMTA. Import permits for fresh fruits and vegetables are strictly only issued to registered importers, who are required to comply with MSP rules and procedures.

HORTICULTURE: MONTHLY ACHIEVED (APRIL 2016 TO MARCH 2017)



	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Local purchases value	36 332 965	34 482 690	29 242 195	31 379 482	25 937 880	21 766 836	22 694 610	22 239 644	21 378 646	23 561 841	21 705 864	23 598 269
Import value	36 920 232	32 159 950	33 858 437	34 908 584	36 049 211	34 513 785	40 086 214	29 474 046	27 285 772	36 333 699	37 999 688	35 228 202
Actual MSP% obtained	50%	52%	46%	47%	42%	39%	36%	43%	44%	39%	36%	40%
Actual % threshold	42%	42%	42%	44%	44%	44%	44%	44%	44%	44%	44%	44%

Figure 1.2: Monthly MSP in percentage (%) and monetary value (N$) for local and imported fresh produce, for the period April 2016 to March 2017

HORTICULTURE: MONTHLY PURCHASES VERSUS IMPORTS MARKET SHARE % ACHIEVED PER TRADER CATEGORY DURING 2016/2017 FINANCIAL YEAR

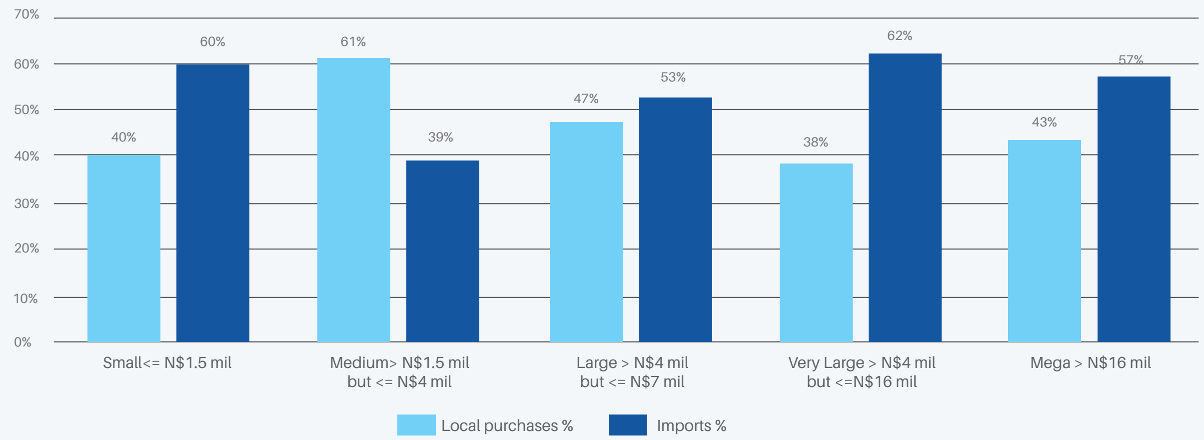
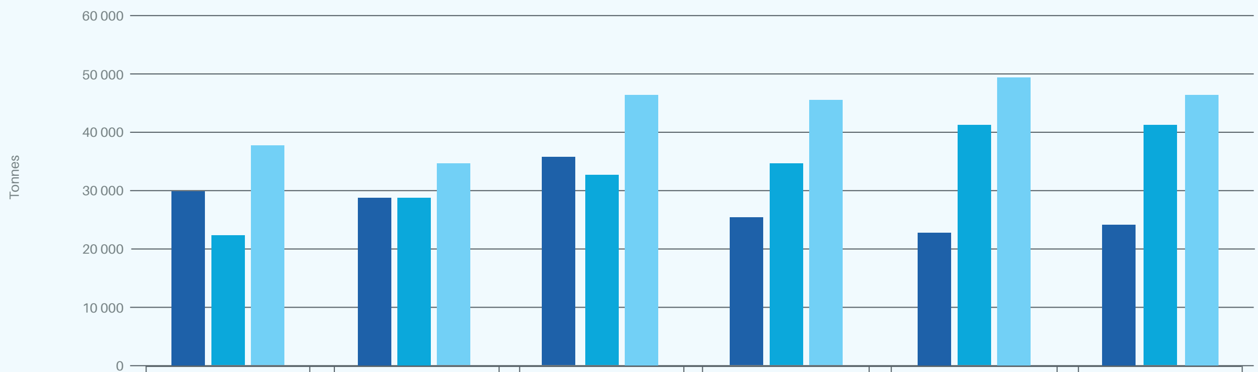


Figure 1.3: MSP obtained per category of traders for fresh fruit and vegetables in the 2016/2017 financial year

1.2.2.1 HORTICULTURE TRADE STATISTICS FOR THE PERIOD 2011 TO 2017

Figures 1.4 and 1.5 show the performance of the horticulture industry in Namibia, both in terms of import, export and local purchases in tonnage and value for the period 2011 to 2017. During the reporting period, Namibia imported 47,143 MT of fresh produce, while locally sourced fresh produce stood at 24,442 MT. In terms of monetary value, local fresh produce totalled N$210 million, while imported fresh produce totalled N$414 million. Exports accounted for 41,412 MT and N$680 million. Table grape exports make up the biggest portion of export tonnage and value. The decline in imports may be attributed to availability of local fresh produce, which resulted in an increase of local purchases, although domestic demand reduced slightly.

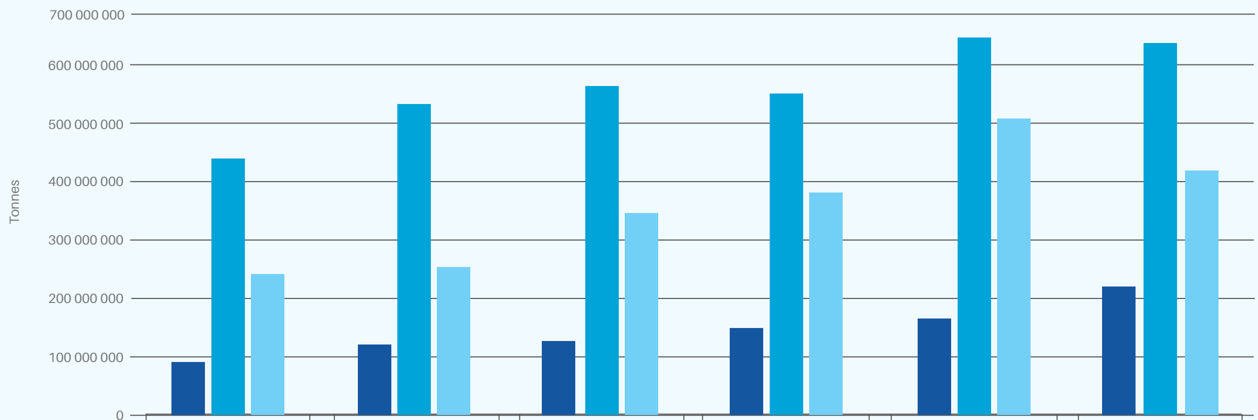
HORTICULTURE: TRADE VOLUME (TONNES) FOR THE PERIOD 2011 - 2017



	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Domsetic	30 009	29 411	36 412	25 728	23 579	24 442
Export	22 429	29 610	32 782	35 380	41 742	41 412
Imports	38 047	34 925	47 347	46 631	49 859	47 143

Figure 1.4: Performance of locally sourced and imported fresh produce in tonnages for the period 2011 to 2017

HORTICULTURE: TRADE VOLUME (TONNES) FOR THE PERIOD 2011 - 2017



	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Domsetic	95 095 704	110 072 355	126 603 369	151 738 006	174 208 986	210 832 020
Export	438 314 866	537 134 417	568 912 638	553 879 469	659 749 520	646 684 620
Imports	230 419 386	261 084 006	331 383 467	389 502 009	503 738 995	414 896 456

Figure 1.5: Performance of locally sourced and imported fresh produce in monitory value for the period 2011 to 2017

1.2.2.2 TOP 10 FRESH PRODUCE LOCAL PURCHASES VERSUS IMPORTS (TONNES) FOR THE 2016/2017 FINANCIAL YEAR

According to Table 1.1, potatoes had the highest tonnage for both local purchases and imports during the reporting period. It is also clear that during the reporting period, the top 10 locally purchased types of fresh produce contributed 19,074 MT to the total domestic demand, while imports contributed 37,240 MT, which works out to a combined total of 56,314 MT of the total domestic demand of 71,585 MT.

Table 1.1: Top 10 fresh fruits and vegetables: tonnage of local purchases and imports for the 2016/2017 financial year

TOP 10 FRESH FRUITS AND VEGETABLES: TONNAGE OF LOCAL PURCHASES AND IMPORTS (2016/2017 FY)			
Top 10: LOCAL PURCHASES		Top 10: IMPORTS	
Product	**Tonnage**	**Product**	**Tonnage**
Potatoes	5, 544	Potatoes	17, 047.96
Onions	2, 960	Apples	6, 545.13
Tomatoes	2, 718	Bananas	3, 972.63
Cabbage	1, 609	Onions	2, 643.78
English Cucumbers	1, 604	Oranges	1, 742.20
Carrots	1, 542	Tomatoes	1, 474.27
Lettuce	1, 185	Carrots	1, 293.83
Butternut	691	Pears	849.45
Peppers	646	Peppers	839.14
Watermelons	574	Avocados	832.58
	19, 074		**37, 240.98**

1.2.2.3 FRUIT TRADE STATISTICS

According to Figures 1.6 and 1.7, a total of 18,032 MT (N$191,585,189) of fruit were imported during the reporting period, whereas 758 MT (N$8,250,400) were locally sourced and 24,069 MT (N$8,250,400) were exported. Export tonnage declined during the reporting period due to low yields experienced by table grape producers, as a result of unfavourable climatic conditions. In terms of fruit, Namibia currently only exports table grapes and dates. It is clear that Namibia is a net importer of fruits as very low volumes are produced locally. Therefore, there is substantial potential for Namibia to increase local production of both tropical and subtropical fruits for both the domestic market and export, given our favourable climate for producing such fruits.

1.2.2.4 HORTICULTURE EXPORTS TONNAGE AND VALUE FOR THE 2016 / 2017 FINANCIAL YEAR

Figures 1.8 and 1.9 indicate the total tonnage of horticultural products exported during the reporting period. The figures show that the biggest export based on tonnage and monetary value was table grapes, which were exported mainly to Europe and Asia during the reporting period. Onions and potatoes were exported to Angola and South Africa only, while the remaining fresh produce, apart from dates, was exported to South Africa only. Dates were exported mainly to Asian and European countries.

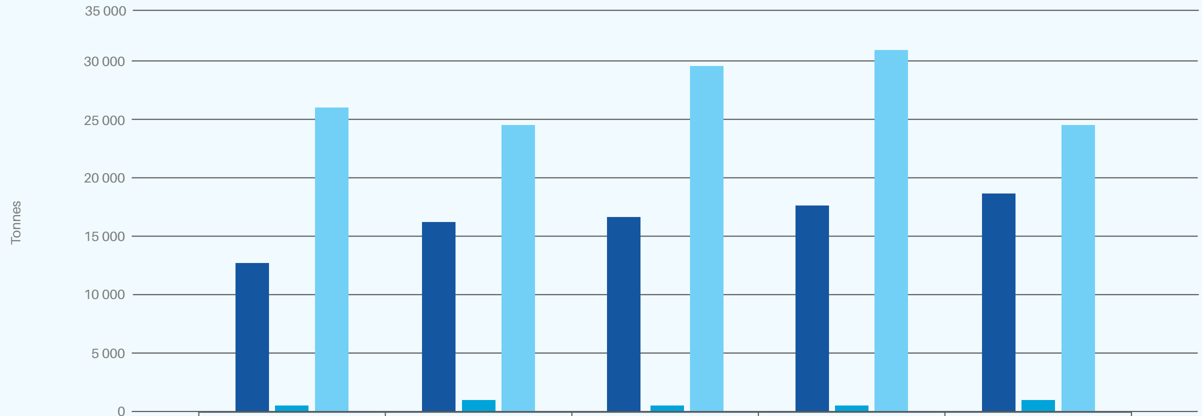
1.2.2.5 EXPORT: TABLE GRAPE TRADE ANALYSIS FOR THE 2010 TO 2016 HARVESTING/ EXPORT SEASON

Figure 1.10 shows the trend of table grape exports to international markets from the 2010 to 2016 marketing seasons. During the 2015/2016 harvesting season, 23,775 MT with an estimated value of N$567 million were exported mainly to Europe and Asia. The decrease in volume of table grape exports in the 2016 harvesting/export season was attributed to abnormally low and high temperatures that affected the grapes during the budding, flowering and fruiting stages.

1.2.3 SPECIAL CONTROLLED PRODUCT SCHEME

The special controlled product scheme involves intensive monitoring throughout the year of the local production of crops that fall under the scheme in order to inform the decision of closed border and open border periods. During times of sufficient local production, borders are closed for import of these special controlled crops, and during open border periods, these special controlled products can only be imported with a special import permit, separate from the mixed fruits and vegetable import permit. Pro-rata based special import permits are issued to importers when the expected local production is lower than the demand for that particular product line. However, in order to ensure successful implementation of the special controlled product scheme, the six-month local production forecast is updated on a monthly basis and field verification is carried out three times a year in all seven horticultural zones, namely Zambezi,

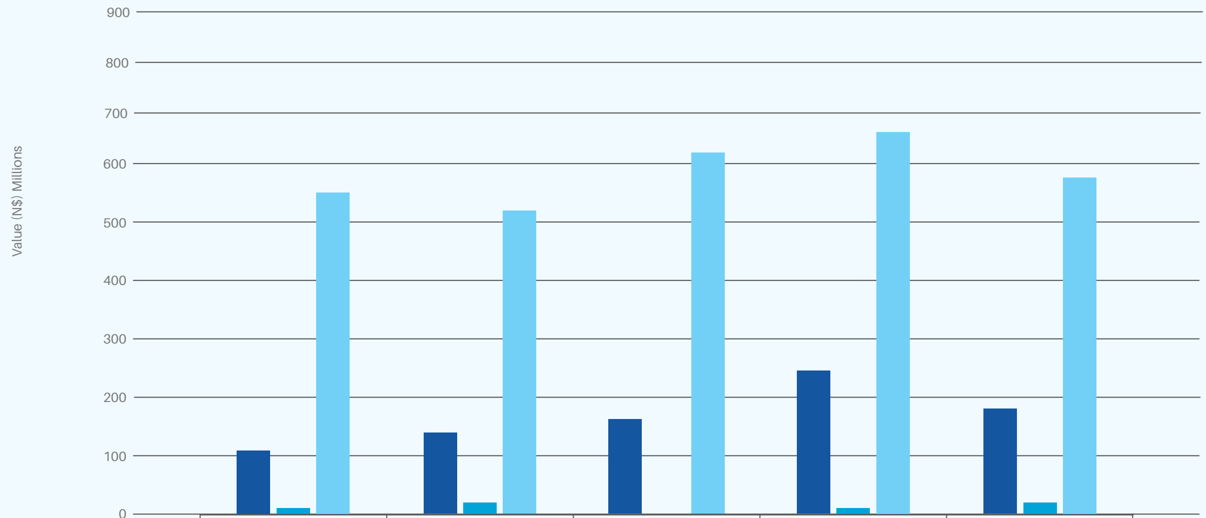
FRUITS : TOTAL TONNAGE TRADED DURING THE 2012/2013 TO 2016/2017 FINANCIAL YEAR



	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Imports	12 371	16 351	16 741	17 736	18 032
Local Purchases	569	790	364	560	758
Export	25 862	24 508	29 573	31 754	24 069

Figure 1.6: Total tonnage of fresh fruits imported, exported and locally sourced from 2012 to 2017

FRUITS : TOTAL VALUE TRADED DURING THE 2012/2013 TO 2016/2017 FINANCIAL YEAR



	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Imports	115 385 679	139 564 089	176 021 565	245 220 505	191 585 189
Local Purchases	5 614 909	7 090 983	3 239 730	5 584 751	8 250 400
Export	547 586 638	519 239 973	626 102 190	672 741 232	572 467 576

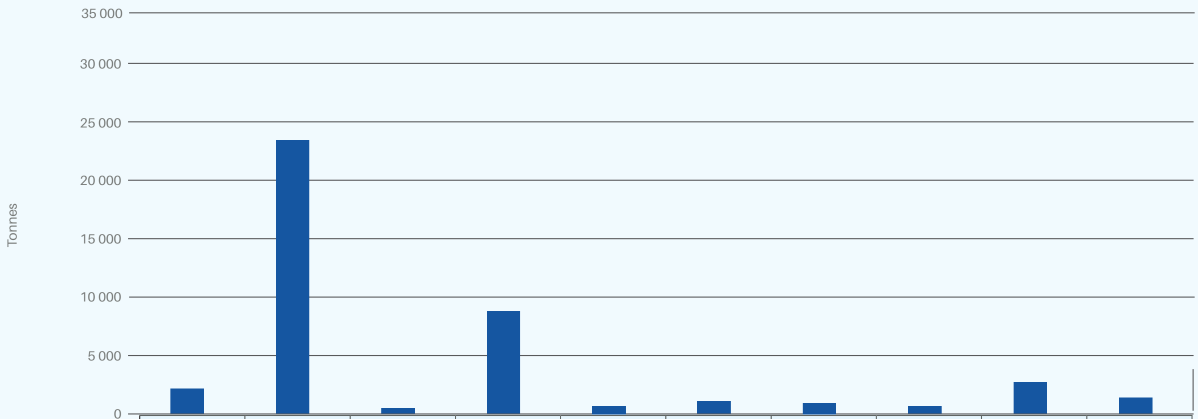
Figure 1.7: Total value of fresh fruits imported, exported and locally sourced from 2012 to 2017

Kavango, North Central, Karstland, Central, South and Orange River. In addition to potatoes and onions, two more crops, namely cabbage and butternut, were added to the special controlled product scheme in November 2016. The successful implementation of the special controlled product scheme saw an increase in the domestic market share of butternut, cabbage and onions during the reporting period, as shown in Figure 1.11. The domestic market share is expected to increase further in the next financial year.

1.2.3.1 PERFORMANCE OF SPECIAL CONTROLLED PRODUCTS FROM 2012 TO 2017

Figure 1.11 shows that due to closed border periods for some of the special controlled products, namely cabbage and butternut, local purchases of 100% Namibian fresh produce has increased overall since 2012, thereby reducing imports. However, the import of potatoes remained high, while local purchases decreased due to the lack of washing facilities for potatoes and the domestic market demand for washed potatoes.

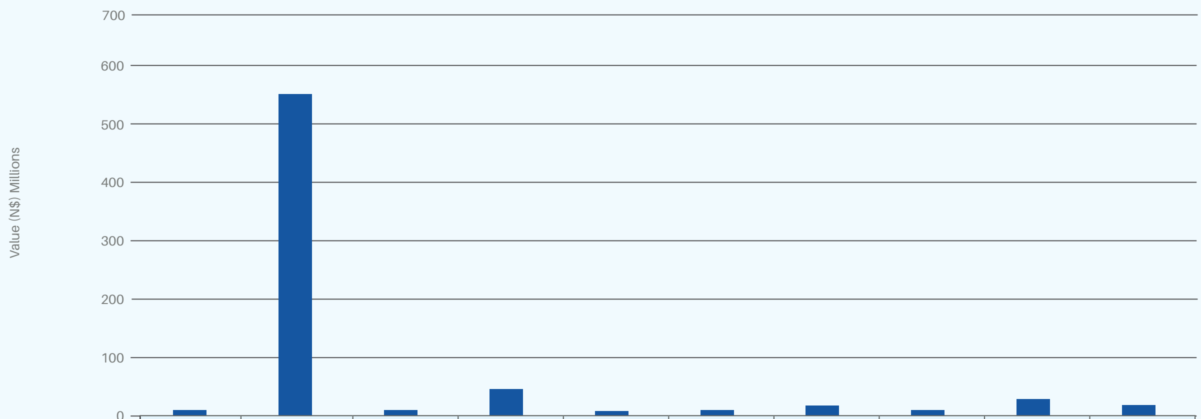
HORTICULTURE : EXPORT TONNAGE FOR THE 2016/2017 FINANCIAL YEAR



	Butternut	Table Grapes	Dates	Onions	Potatoes	Water-melons	Sweet Melons	Pumpkins	Tomatoes	Green Peppers
Tonnage	1 700	23 884	184	8 807	349	911	764	339	2 930	1 543

Figure 1.8: Tonnage of horticultural products exported during the 2016/2017 financial year

HORTICULTURE : EXPORT VALUE (N$) FOR THE 2016/2017 FINANCIAL YEAR



	Butternut	Table Grapes	Dates	Onions	Potatoes	Water-melons	Sweet melons	Pumpkins	Tomatoes	Green Peppers
Value	5 513 762	556 818 704	5 648 873	46 796 531	1 659 900	5 755 260	7 201 890	725 848	23 436 464	16 977 305

Figure 1.9: Monetary value of horticultural products exported during the 2016/2017 financial year

1.2.3.2 SPECIAL CONTROLLED PRODUCTS CLOSED AND OPEN BORDER PERIODS FOR THE 2016/2017 FINANCIAL YEAR

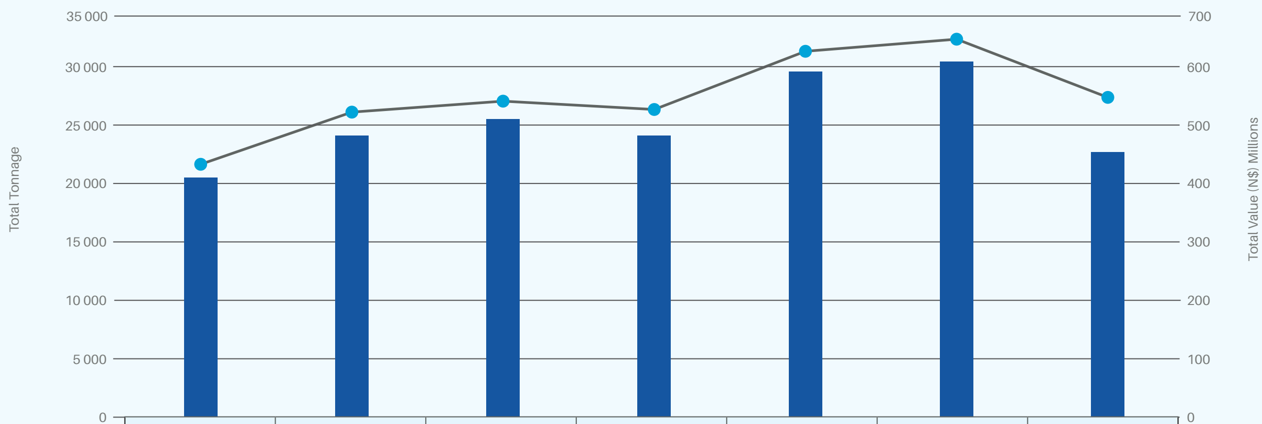
The closed border period for onions normally starts in June and ends in mid-December each year. The implementation of closed and open border periods for butternut and cabbage only started in November 2016, with these crops potentially being self-sufficient almost throughout the year. No closed border periods have been implemented for potatoes since 2014 due to insufficient local supply of washed potatoes required by the formal domestic market. The decision to close or open the border for import of the special controlled products depends solely on the six-month local production forecast report, updated on a monthly basis.

1.2.4 AGRONOMIC

1.2.4.1 AGRONOMIC TRADE MATTERS

White maize, pearl millet and wheat are already gazetted controlled crops and any import, export and in-transiting can only be done by obtaining a permit from AMTA. In order to grow the grain industry in

TABLE GRAPES: EXPORT TONNAGE VERSUS VALUE FOR THE YEAR 2010 TO 2016



	2010	2011	2012	2013	2014	2015	2016
Tonnage	20 429	24 610	25 782	24 408	29 423	31 554	23 775
Export Value N$	431 278 866	519 544 417	544 286 973	515 279 973	621 152 190	666 141 232	566 818 704

Figure 1.10: Trend for the total tonnage and value of table grapes exported from the 2010 to 2016 harvesting seasons

Namibia, these grain crops are managed under the grain marketing scheme that involves closed border periods when there is sufficient local supply of these products. During the reporting period, no closed border period was instituted due to insufficient local supply. Import of grain products (white maize, pearl millet and wheat) into Namibia is not allowed as resolved by the Namibian Agronomic Board, unless these are special products that cannot be produced by local grain processors. Import permits for grain (white maize, pearl millet and wheat) are strictly only issued to registered importers whose milling facilities are registered.

1.2.4.2 WHITE MAIZE GRAIN STATISTICS

White maize is a staple grain in Namibia and is grown almost exclusively for human consumption. Namibia produces white maize under both rain-fed conditions and irrigation. Figure 1.12 shows the trend for white maize grain purchased locally (43,948 MT) and imported (110,229 MT) during the reporting period. Compared to the previous reporting period (2015/2016), there was an increase of 4,787 MT in the amount of white maize grain purchased locally by formal millers, leading to a decrease in imported grain during the reporting period. The decline in import tonnage presents an opportunity for Namibian producers to increase production of white maize in order to fill the import gap.

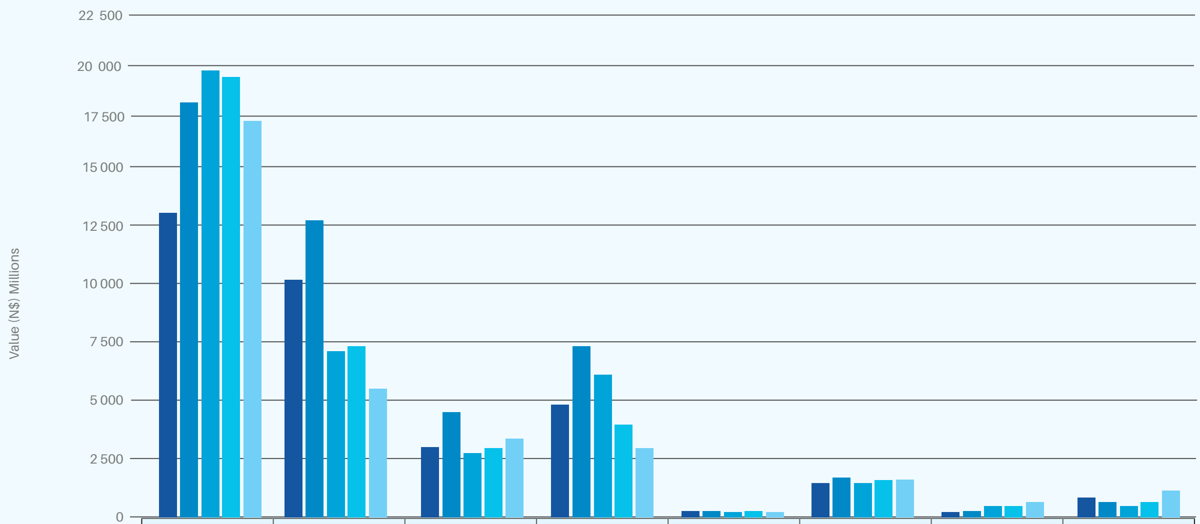
Figure 1.13 shows that the domestic floor price for white maize increased from N$2,614.00 per MT in 2010 to N$5,598.90 per MT in 2017. The high price per tonne of white maize during the reporting period was mainly influenced by the shortage of maize in major international markets, as a result of severe drought. The Namibian Agronomic Board determines the domestic floor price for white maize using the SAFEX price formula.

1.2.4.3 WHEAT GRAIN STATISTICS

Wheat is marketed in terms of an agreement signed between processors and producers. Although there is market security for producers, wheat production did not increase significantly during the 2010/2011 to 2016/2017 period, because production can only take place under irrigation during the dry season. Wheat is a winter crop and is planted under irrigation in June or July every year in Namibia.

According to Figure 1.14, the local production of wheat remained low and almost stagnant from the 2010/2011 to the current financial year. During the reporting period, 121, 264 MT of wheat were imported, mainly from overseas, and only 9,822 MT were sourced from local producers by processors. The tonnage of wheat sourced locally decreased by 1,589 MT when compared to the 2015/2016 financial year. The

SPECIAL CONTROLLED CROPS: TONNAGE IMPORTED VERSUS LOCALLY PURCHASED 2012 TO 2017 FINACIAL YEAR

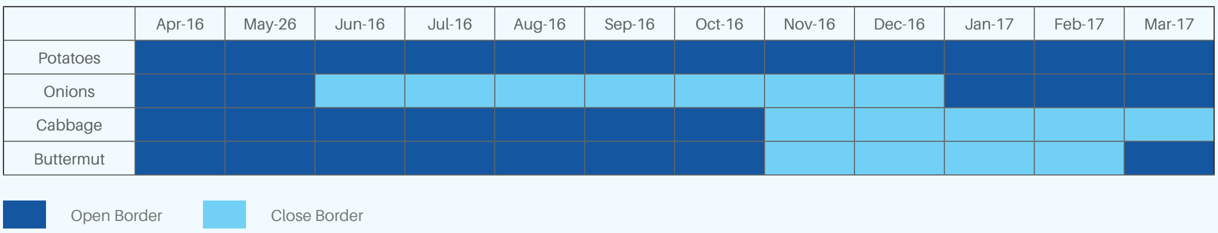


	Potatoes (Imports)	Potatoes (Local)	Onions (Imports)	Onions (Local)	Cabbages (Imports)	Cabbages (Local)	Butternut (Imports)	Butternut (Local)
2012/2013	13 079	10 129	3 083	4 386	238	1 447	89	541
2013/2014	17 789	12 985	4 534	7 477	248	1 603	231	489
2014/2015	19 869	6 625	2 748	6 318	178	1 453	272	307
2015/2016	19 651	7 055	2 798	3 703	221	1 478	288	455
2016/2017	19 048	5 544	2 644	2 960	140	1 609	314	691

Figure 1.11: Tonnage of locally purchased and imported special controlled products from 2012 to 2017

Table 1.2: Open and closed border periods implemented by AMTA during the reporting period

SPECIAL CONTROLLED PRODUCTS: OPEN AND CLOSE BORDER PERIODS FOR 2016/2017 FY



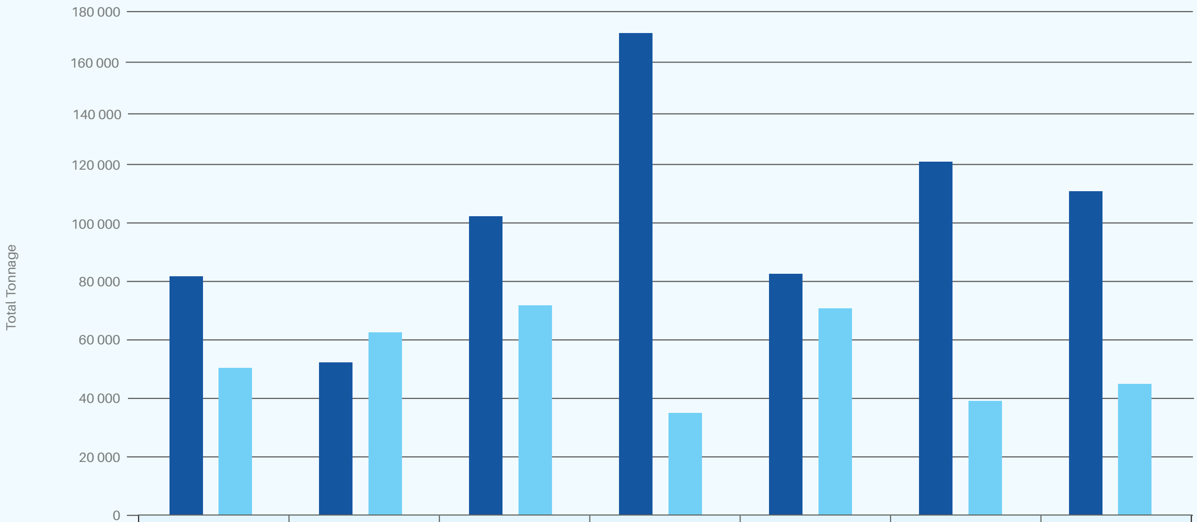
decrease may be attributed to economies of scale as compared to other field crops such as white maize, and also to water scarcity, since the crop is only grown during winter when there is no rain. The high import of wheat presents a huge opportunity for local wheat producers to increase local production.

According to Figure 1.15, the domestic price of wheat increased from N$2,699.74 in 2010 to N$4,707.48 in 2017, as determined by the Namibian Agronomic Board. The increase in domestic floor price per MT is necessitated by ever-changing market forces, i.e. supply and demand in international markets.

1.2.4.4 PEARL MILLET GRAIN STATISTICS

Figure 1.16 shows the trend for imported pearl millet versus locally sourced pearl millet. During the reporting period, 5,541 MT were imported, while only 1,584 MT were sourced locally. The increase in locally produced pearl millet compared to the 2015/2016 financial year is a result of good rains during the reporting period, and consequently resulted in a decrease in import tonnage. However, the significant gap between imported and locally sourced pearl millet presents an opportunity to increase local production in order to fill the import gap.

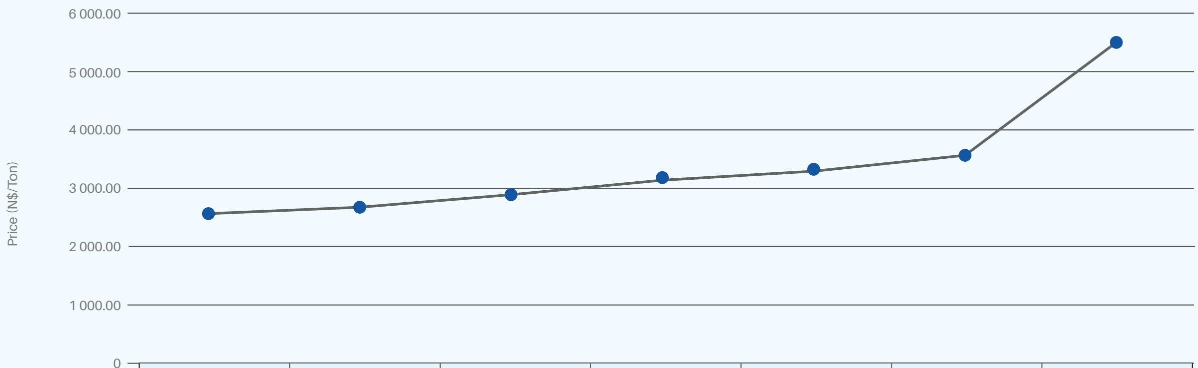
WHITE MAIZE (GRAIN): TONNAGE OF IMPORTS, LOCAL PRODUCTION MARKETED THROUGH FORMAL DOMESTIC MARKETS, DURING THE PERIOD 2010-2017 FINANCIAL YEAR



	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Imports	81 111	53 305	105 742	170 234	82 527	120 695	110 229
Local Purchases	47 691	63 228	72 438	36 694	69 433	39 161	43 948

Figure 1.12: Trend of white maize imports vs locally sourced tonnage for the period 2010/2011 to 2016/2017

WHITE MAIZE (GRAIN): DOMESTIC AVERAGE FLOOR PRICE PER TONNE FOR THE PERIOD 2010-2017 FINANCIAL YEAR



	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Floor price	2 614	2 831.31	2 998.00	3 169.00	3 302.00	3 617.00	5 598.90

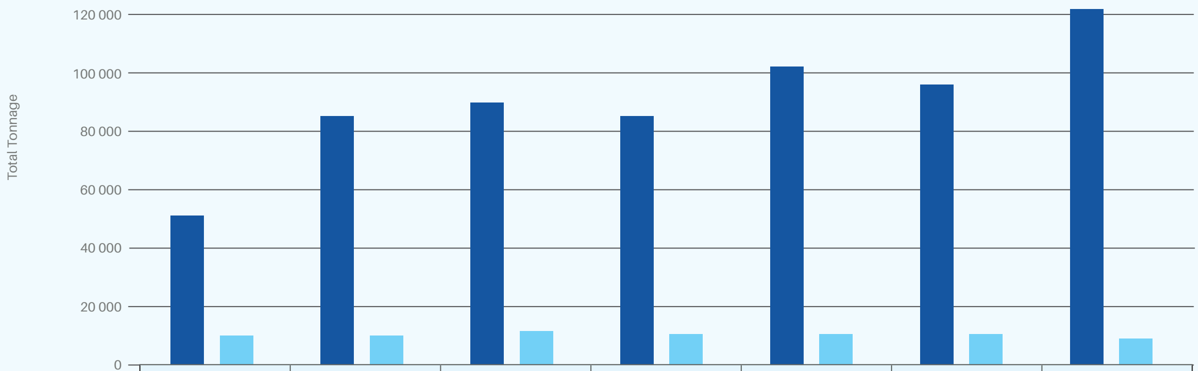
Figure 1.13: White maize domestic floor price per MT for the period 2010/2011 to 2016/2017

According to Figure 1.17, the domestic floor price per MT during the reporting period stood at N$4,386 per MT. The domestic floor price per MT for pearl millet is calculated based on local production cost per hectare, as set by stakeholders through the Namibian Agronomic Board.

1.2.5 AGRICULTURAL MARKETING INFORMATION DATABASE (AMID) SYSTEM

The Agricultural Marketing Information Database (AMID) system is an online database that AMTA uses to issue import, export, and in-transit permits. The system is also used to issue electronic permit receipts at every port of entry or exit for agronomic and horticultural produce. The issuance of permit receipts enables

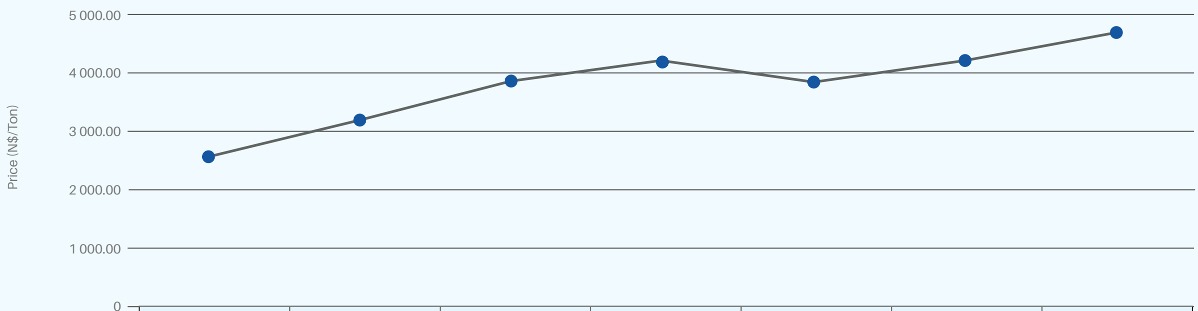
WHEAT GRAIN TONNAGE OF IMPORTS VS LOCAL PRODUCTION MARKETED THROUGH FORMAL DOMESTIC MARKETS DURING THE PERIOD 2010-2017 FINANCIAL YEAR



	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Imports	69 519	84 543	87 726	85 257	103 035	95 190	121 264
Local Purchases	10 038	11 930	14 819	11 312	11 600	11 411	9 822

Figure 1.14: Wheat imports vs locally purchased wheat in tonnage for the period 2010/2011 to 2016/2017

WHEAT GRAIN: DOMESTIC AVERAGE FLOOR PRICE PER TON FOR THE PERIOD 2010-2017 FINANCIAL YEAR



	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Floor price	2 699.74	3 138.49	3 947.95	4 197.02	3 923.11	4 259.66	4 707.48

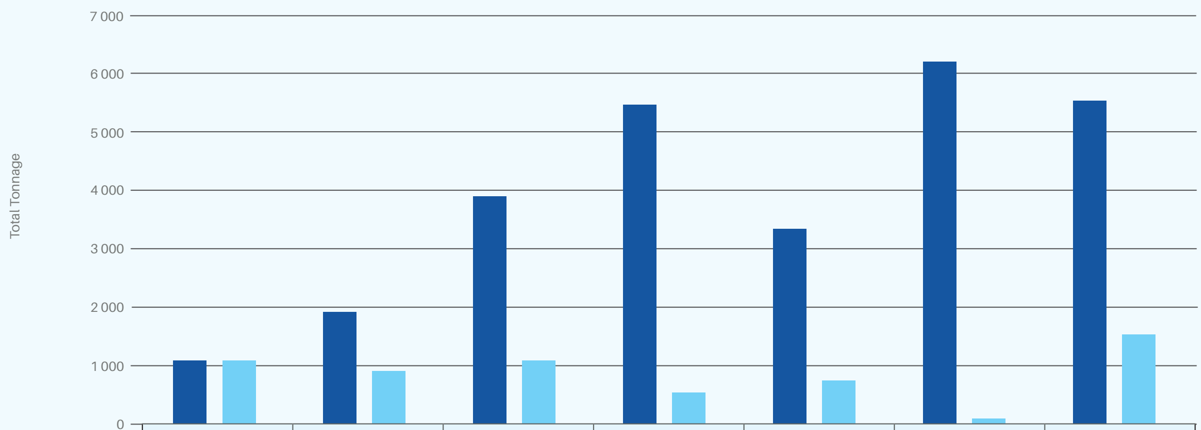
Figure 1.15: Wheat domestic floor price per MT for the period 2010/2011 to 2016/2017

AMTA to immediately monitor all permits issued and provides real time data or statistics on the total number of consignments that enter or exit Namibia. The system is also used to capture data on import, export, in-transit and local purchases from supplier invoices that are submitted to AMTA by traders and millers on a monthly basis for the purpose of levies and statistics.

1.2.5.1 DECENTRALISATION OF PERMIT SERVICES

During the reporting period, the issuance of agronomic and horticultural import, export and in-transit permits was decentralised to the Tsumeb AMTA office in order to service clients in the North, and to reduce the flow of permits through the head office for the purpose of enhancing service delivery. In addition, export permits were issued for the first time at the temporary AMTA permit office in Aussenkehr during the 2016/2017 table grape harvesting season. The temporary permit office exclusively issued export permits to table grape exporters only, while some permits were also issued from the head office and emailed directly to the clients without having to courier the original permits. All permits were issued on the AMID system.

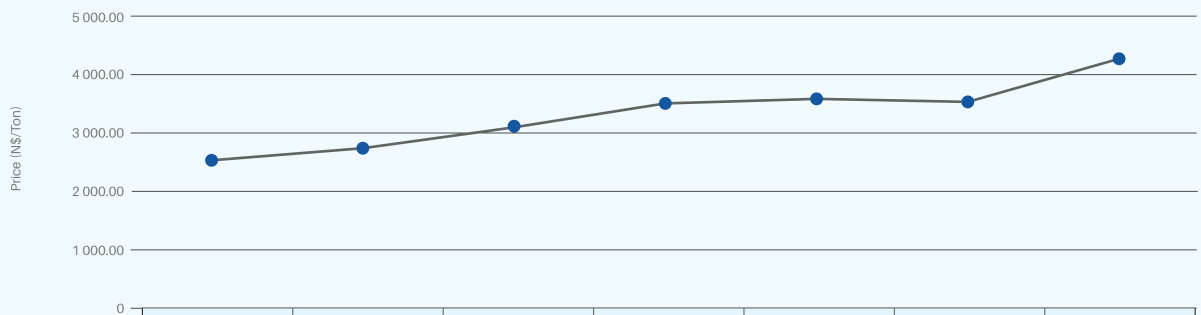
PEARL MILLET GRAIN: TONNAGE OF IMPORTS VERSUS LOCAL PRODUCTION MARKETED THROUGH FORMAL DOMESTIC MARKETS DURING THE PERIOD 2010-2017 FINANCIAL YEAR



	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Imports	1 034	1 860	3 863	5 485	3 332	6 096	5 540.79
Local Purchases	1 064	975	1 040	532	750	111.34	1 584.09

Figure 1.16: Tonnage of imported vs local pearl millet for the period 2010/2011 to 2016/2017

PEARL MILLET GRAIN: DOMESTIC FLOOR PRICE TONNE FOR THE PERIOD 2010-2017 FINANCIAL YEAR



	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Floor price	2 668	2 872	3 041	3 504	3 504	3 475	4 386

Figure 1.17: Pearl millet domestic floor price per MT for the period 2010/2011 to 2016/2017

1.2.5.2 INTRODUCTION OF PERMIT RECEIPT MONITORING AT REMAINING THREE BORDER POSTS

The AMID system has been operational in the Noordoewer, Ariamsvlei, Trans-Kalahari, Oshikango, Walvis Bay and Wenela border posts since the 2015/2016 financial year. During the reporting period, the AMID permit receipt system was successfully introduced at the remaining three (3) border posts, namely Katwitwi, Muhembo and Ngoma, bringing the total number of border posts using AMID to nine (9). All consignments of horticultural and agronomic products entering or existing Namibia through the nine active border posts are now monitored and controlled using the AMID system, through receipting of each and every permit to validate the authenticity of the permit and to make sure that permit holders do not exceed permit monetary value and tonnage.

1.3 BORDER CONTROL AND INLAND INSPECTORATE

The Border Control Inspectorate, a sub-unit under the Standards and Trade Division, is responsible for controlling and inspecting agronomic products, fertilisers and pesticides at Namibian ports of entry and exit as per the ministerial notice dated 15 December 2015. These activities involve document verification and physical inspections of agronomic produce at borders and specific in-land sites. Figure 1.18 indicates all import, export and in-transit trucks carrying consignments of fresh produce, grains/grain products, animal feeds, fertilisers, herbicides and pesticides into, out of and through Namibia and recorded at the different ports of entry and exist during the 2016/2017 financial year.

Figure 1.18 shows an observable increase in imported produce during the first two quarters of the financial year when compared to the last two quarters. This can be attributed to a closed border period for potatoes, onions and maize implemented during the last two quarters.

1.3.1 IN-TRANSIT DATA

There was an observable increase of in-transit produce in Quarter 2 of the financial year. This can be attributed to the fact that a high number of in-transit trucks carried potatoes, onions and maize through Namibia to Angola. During the last two quarters, the number of in-transit trucks decreased due to low demands for agronomic produce in the Angolan market.

1.3.2 EXPORT OF AGRONOMIC PRODUCTS

There was an observable increase in the export of produce in Quarter 3 of the financial year when compared to Quarters 1, 2 and 4. This can be attributed to the seasonal export of table grapes.

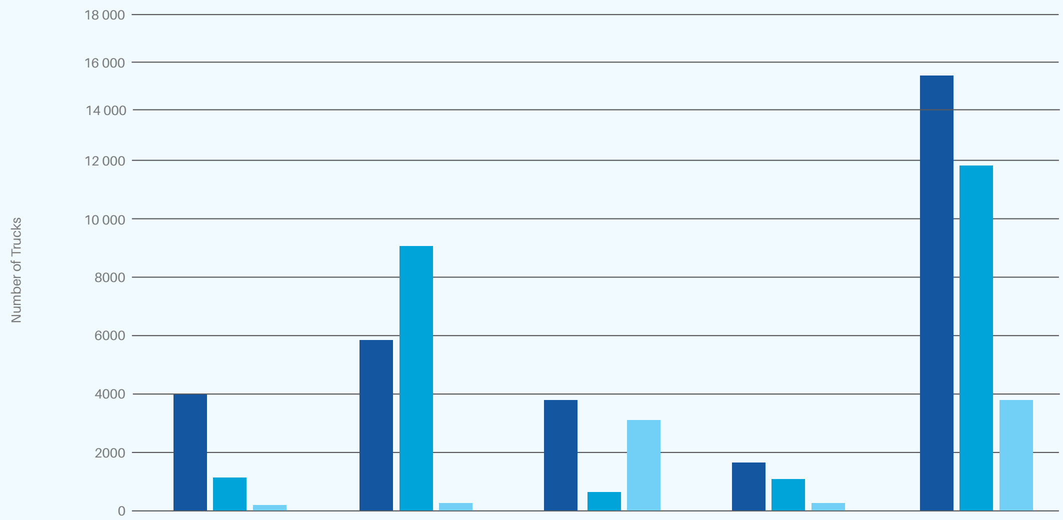
1.3.3 INSPECTION OF AGRONOMIC AND HORTICULTURAL PRODUCTS

During the reporting period, 15,488 trucks carrying import consignments, 11,839 trucks carrying in-transit consignments and 3,634 trucks carrying export consignments were inspected at the borders.

1.3.4 ILLEGAL IMPORT OF AGRONOMIC AND HORTICULTURAL CONSIGNMENTS

During the year under review, AMTA confiscated 5,225 MT of illegally imported maize meal and wheat flour. Some of the confiscated products were destroyed or returned to the country of origin, while transgressors were issued with fines and penalties.

NUMBER OF IMPORT, EXPORT AND IN-TRANSIT TRUCKS DURING FINANCIAL YEAR 2016/2017



	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Import Trucks	4 008	5 850	3 898	1 732	15 488
In-Transit Truck	1 209	9 002	738	890	11 839
Export Trucks	131	367	2 943	193	3 6634

Figure 1.18: Number of import, export, and in-transit trucks during the 2016/2017 financial year2017

Picture 1:

Picture 2: Bags of wheat flour confiscated at Oshikango border post in July 2016

Picture 3: Utilisation of the truckport at Oshikango in March 2016

Picture 4: Bags of wheat flour confiscated in Windhoek in October 2016

1.3.5 OSHIKANGO TRUCKPORT FOR TRANSLOADING

In 2015, AMTA started using the truckport at Oshikango for the purpose of transloading in-transit consignments of agronomic products passing through Namibia. The main reason for the establishment of the truckport was to gain full control over transloading activities taking place at the border town of Oshikango in order to ensure that in-transit produce does not end up being illegally sold in the local market. A total of 2,258 in-transit trucks was recorded during the period under review.

1.4 FARMS AND FACILITIES INSPECTORATE

The Farms and Facilities Inspectorate (FFI) is the sub-division of Standards and Trade that monitors standards compliance requirements for the horticultural and agronomic industry in Namibia. Maintaining the standards and competitiveness of imported and locally produced horticultural and agronomic produce intended for markets is a major concern for consumers. Therefore, produce quality standards and food safety monitoring are key functions of the FFI. During the reporting period, the FFI introduced a coordinated process to address the quality of horticultural and agronomic produce, food safety, and traceability requirements as per the Namibia Agronomic Industry

Table 1.4: AMTA and PPECB inspectors who monitored food safety and quality standards at table grape pack-houses during the 2016/2017 season

Pack Houses	AMTA Inspectors	PPECB Inspectors
Water Sstone	Suoma Kashima	Herman de la Guerre
ORVI	Vetoumba Kahorongo	
Solar Ggrapes	Andreas Ashipala	
Frontia		
Lake side &+ River side	Konis Elungi	Sibusisile Hlongwana
ORIP	Paulina Sheehama	
	Celestino Ferreira	Rickus van Antwerpen
NGC A &+ NGC D	Jessica Mbaumba	
NGC B	Lazarus Nuuyoma	
NGC C	Selma Uahengo	Edwin Zondi
COC 1	Kristofine Kantana	
COC 2	Patrick Lubanda	
	'Menesia Nahum	Willie Jacobs
Makalane	Penny Festus	
Joydale		
NDC Naute &+ Al Ddhahra	Elina Amwele	Jaco van Eden
Komsberg	Lucas Nanyome	Prosperity Zama

Act, 1992 (Act No. 20 of 1992) and the Namibia Food Safety Policy, through:

- Registration of producers and traders of horticultural and agronomic produce on the AMID system and allocating traceability codes
- Inspecting horticultural and agronomic farms and facilities to evaluate their compliance to food safety requirements
- Issuing design registration certificates for compliant establishments
- Inspecting horticultural and agronomic produce for compliance to quality standards
- Providing recommendations regarding handling, grading, packaging, and transportation of produce

1.4.1 REGISTRATION OF ESTABLISHMENTS

Horticultural and agronomic establishments are registered on the AMID system and issued with traceability codes. Inspectors coordinate appointments for inspection of horticultural and agronomic establishments with the establishment's management. Establishments that comply with minimum standards are issued an annual registration certificate. Unannounced inspections are conducted to monitor compliance with registration conditions.

1.4.2 FACILITIES INSPECTION

Establishments where horticultural and agronomic produce is sorted, graded, cleaned, packed, repacked, or processed are registered and inspected for compliance to food safety and HACCP requirements. Types of facilities registered are retailers, pack-houses, distribution centres, millers, and silos. A total of 200 facilities was inspected during the 2016/2017 financial year and documented in an inspection report.

Food safety compliance monitoring focuses on:

- Systematic examination of food handling operations in order to identify potential hazards that may reasonably be expected to occur
- Development and implementation of food safety programmes to control hazards
- Setting food safety programmes approved by the authority or high level official of the establishment and retaining documents at the establishment
- Review of food safety programmes at least once a year to ensure their adequacy

1.4.3 GAP INSPECTION

Horticultural and agronomic farms are registered and inspected for compliance to Good Agricultural

Table 1.3: Total number of farms and facilities registered on the AMID system during the 2016/2017 financial year

Establishment Type	Central	Coastal	Karst	North Central East	North Central West	South	Zambezi	Kavango	Total Establishments registered
Farms	41	9	107	13	109	40	27	114	460
Retailers	60	31	19	24	22	19	4	11	190
Distribution Centres	4	7	0	1	0	1	0	1	14
Pack-houses	2	0	1	1	0	21	0	0	25
Silos	3	0	0	4	3	0	1	5	16
Millers	7	1	3	7	5	0	5	4	32
TOTAL ESTABLISHMENTS PER ZONE	**117**	**48**	**130**	**50**	**139**	**81**	**37**	**135**	**737**

Practices (GAP) by FFI Agronomic Standards Inspectors. Horticultural and agronomic primary production must be carried out in accordance with GAP and managed in such a way that hazards are monitored and eliminated or reduced to an acceptable level. During the 2016/2017 financial year, 272 horticultural farms were inspected and compliance reports documented.

GAP compliance monitoring focuses on:

- Refraining from using areas where the environment poses a threat to the safety of food products for primary production
- Appropriate production, harvest, handling, storage, and transportation methods
- Measures to avoid contamination with biological, chemical and physical hazards
- Use of water of suitable quality for its intended use
- Correct and appropriate use and storage of approved plant protection products (chemical and biological control) and fertilisers
- Measures to ensure an appropriate degree of personal hygiene
- Proper use and maintenance, cleaning, and where necessary, disinfection of machinery, equipment and vehicles used for transport of produce
- Proper disposal of waste

1.4.4 PRODUCE INSPECTION

The FFI conducts produce quality inspection on locally produced and imported horticultural and agronomic produce intended for market. Conformity certificates are issued to allow for the export of produce, and risk-based inspection is carried out to ensure compliance with food safety and quality standards for the local market.

1.4.4.1 TABLE GRAPE INSPECTION

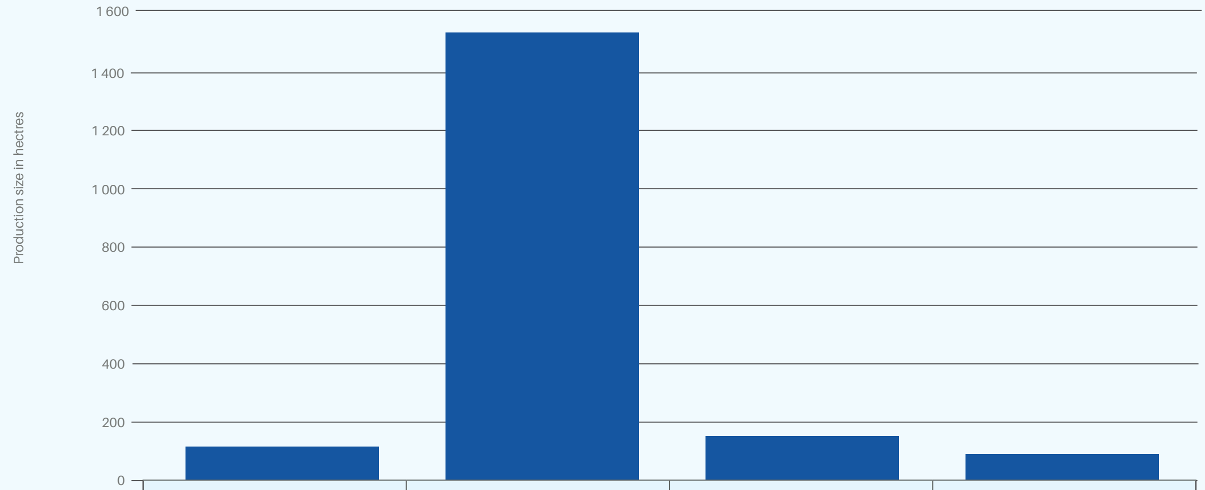
Profit-led production of table grapes in Namibia is confined to four production areas, namely Noordoewer, Aussenkehr, Komsberg and Naute Dam, all situated in the //Karas Region. There are nine (9) table grape producers in Aussenkehr (Solar Grapes, Frontier, COC, NGC, Achill Investment, Lakeside, Riverside, ORIP and ORVI), two (2) in Noordoewer (Makalane and Joydale), one (1) in Komsberg (Komsberg Farming) and two (2) in Naute Dam (NDC Naute and Al Dahra). Figure 1.19 shows the table grape production size of the four prodcution areas. The total area (all four production areas) under table grape production for the 2016/2017 season was 1,916 ha.

A total of 42 different cultivars was packed for the export market during the 2016/2017 packing season. Four cultivars unregistered for standards and regulations (Arra 18, Arra 28, Arra 29, Moonball) were produced on a trial basis. All other cultivars are registered and covered in the South African table grape standards and regulations adopted by AMTA.

Table grape inspection procedures are followed during the table grape conformity inspection to maintain uniformity:

1. Obtain the consignment note: Consignment notes should always be obtained to indicate the target market for which the table grapes are being packed
2. Verify marketing requirements on packaging: Inspect the condition of the packed consignment
3. Draw a 2% sample from packed consignment for inspection: Complete the inspection finding sheet:

2016-2017 TABLE GRAPE PRODUCTION SIZE



	Noordoewer	Aussenkehr	Komsberg	Naute Dam
Production Size	108.21	1 575.94	147.15	85

Figure 1.19: Areas in hectares under table grape production for the 2016/2017 season

Determination of berry size, determination of ripeness (sugar, acid level and ratio), determination of presence of seeds in seedless grapes, verification of chemical treatment compliance

4. Inspect fruits to table grape regulation standards and verify defects
5. Document findings throughout the process: Verification against market standards
6. Interpret results, make decisions and inform client about decisions made
7. Complete documentation and sign the consignment note based on inspection findings

During the 2016/2017 packing season, AMTA inspectors took responsibility for table grape conformity inspection, with PPECB inspectors only taking a supervisory role. Table 1.4 indicates the table grape pack-houses inspected by AMTA inspectors and their PPECB supervisors.

AMTA inspectors collected packing data at their designated pack-houses by recording the total number of cartons packed daily at each pack-house. The data from each pack-house was submitted to the AMTA Finance Department for billing, as per the inspection agreement signed with producers.

During the table grape quality inspections, noncompliance was observed. Reasons for non-conformity and the volume of cartons rejected were recorded.

Table grape producers need to be organised and make informed decisions about matters related to the export quality of their produce. Export dispensation should be determined and agreed by the industry before packing starts. During the 2016/2017 packing season, producers requested dispensation to export table grapes with specific quality requirements not meeting the minimum standards. Dispensations were strictly granted on quality aspects without compromising the food safety and phytosanitary aspects, and issued after a proof of demand in writing from the market/buyer for a specific quantity.

1.4.4.2 DATE INSPECTION

The FFI monitors date harvesting through the FFI regional office at Keetmanshoop. Profit-led production of dates in Namibia is found in the Hardap and Karas Regions, with Octant Investments situated at Mariental, NDC and Al Dahra at Naute Dam, Karas Dates at Warmbat, Desert Fruits at Komsberg, and Orange River Irrigation Project at Aussenkehr. The date harvesting season generally starts at the end of January and stretches to the end of May. The FFI Agronomic Standard Inspector based at Keetmanshoop, Elina

Amwele, is the AMTA focal person for monitoring and collecting date production data. She makes regular visits to date packing facilities for inspection during the packing periods and documents the packing records.

Date production size increased from 296.8 ha under production in 2016 to 431.44 ha under production in 2017.

The date cultivars grown for commercial purposes in Namibia are Madjool, Barhee, Khinezy, Zaidi and Katrau, with Madjool dominating at all farms. 98% of the dates are exported to South Africa, Europe and the Middle East.

1.5 FOOD SAFETY AND STANDARDS

During the reporting period, the Food Safety and Standards Unit within the Standards and Trade Division implemented and accomplished various tasks and projects as put forth in the annual work plan of 2016/2017. The Unit made significant progress in stakeholder engagements at both local and international levels. The aim was to increase awareness of AMTA's operations through sharing and disseminating information at different platforms, such as farmers' meetings, stakeholder meetings (producers, retailers) and external stakeholder meetings.

1.5.1 FOOD SAFETY AND QUALITY ASSURANCE PROGRAMME

The Food Safety and Quality Assurance sub-unit oversees the implementation of pest residue (chemical),

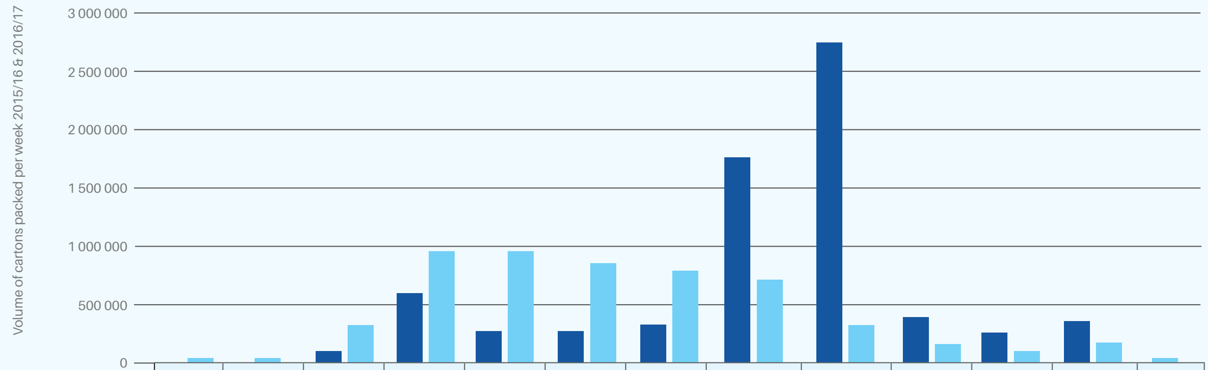
Table 1.5: Table grape export dispensation granted during the 2016/2017 season

Table grapes variety	Dispensation type
Red globe	Export class 1 with colour between 6 and 7 colour plate
Ralli	Export class 1 at colour plate 7
Flame seedless	Export class 1 at colour plate 7
Den Ben Hannah	Export class 1 at colour plate 4
Loyal	Export at colour plate 3
Red globe	Export class 1 with colour between 6 and 7 colour plate
Flame seedless	Export class 1 with berry size 15 regular, 16 large, and 18 extra large
Arra 18	Experimental export, unregistered cultivar
Sweet globe	Export with brix 18
Arra 18	Experimental export, unregistered cultivar
Flame seedless	Export class 2 with berry size 17 and brix 15
Arra 18	Experimental export, unregistered cultivar
Marlene seedless	Experimental export, unregistered cultivar
Flame seedless	Export class 1 at colour plate 7
Arra 18, 28, 29	Experimental export, unregistered cultivar
Red globe	Export class 1 with colour between 6 and 7 colour plate

Table 1.6: Volume of dates exported during the 2016 and 2017 harvest seasons

Export Market	Total Volumes Exported (MT)	
	2016	2017
Middle East	32.71	212.3
South Africa	39.39	943.6
European Union	66.3	1170.1
Total Tonnage Exported	138.400	2326.00

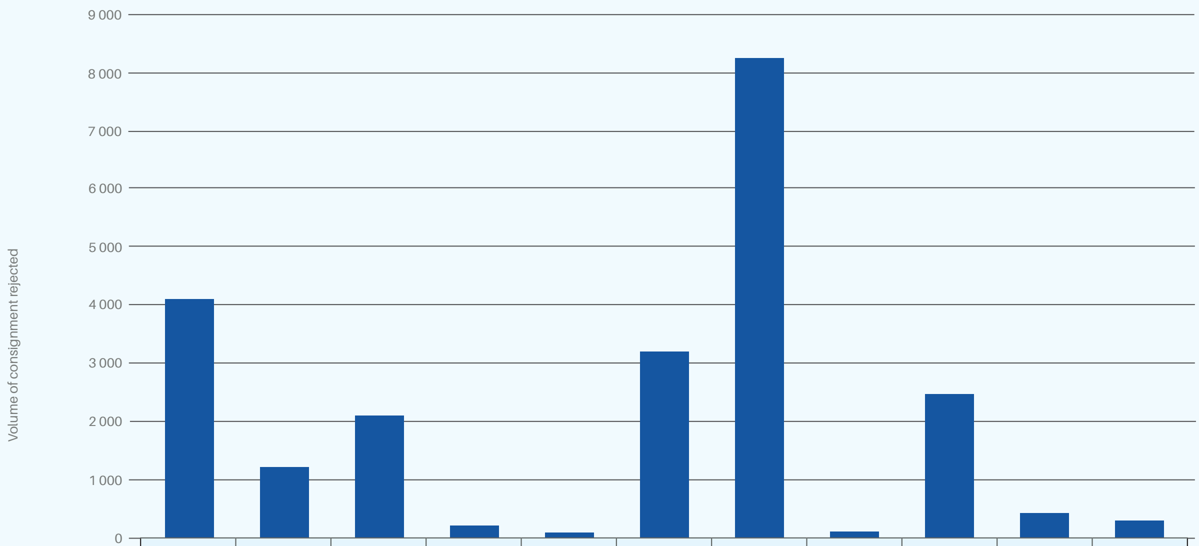
COMPARISON OF NUMBER OF CARTONS PACKED PER WEEK FOR 2015/2016 & 2016/2017 TABLE GRAPE HARVESTING SEASONS



	Week 43	Week 44	Week 45	Week 46	Week 47	Week 48	Week 49	Week 50	Week 51	Week 52	Week 1	Week 2	Week 3
Total 2015/2016	0	0	102 198	579 990	369 110	337 274	350 543	1 783 446	2 778172	405 583	274 835	398 399	0
Total 2016/2017	4 274	26 397	383 645	978 750	927 786	808 213	733 279	642 566	341 979	216 911	102 826	210 168	2 447

Figure 1.20: Number of table grape cartons packed per week during the 2015/2016 and 2016/2017 packing seasons

2016-17 REJECTION RECORDS



	Dry Stem	Under Mass	Wilted Bunches	Brown Stem	Decay	Colour	Small Berries	Dirty Bunches	Mealy Bug	Water Berries	Blemishes
Total Non-conformities	4 033	1 297	2 125	278	100	3 196	8 222	122	2 548	401	334

Figure 1.21: Non-conformities detected during the 2016/2017 packing season

microbiological and physical (including environmental monitoring sampling) sampling at national level. In addition, the sub-unit ensures compliance verification audits of Food Business Operators (FBO) and producers. Nationally, 443 product samples were taken from various FBOs, local producers and importers of both agronomic and horticultural produce, with compliance levels of 98% to set limits of detection (EU MRL).

1.5.1.1 SAMPLING PROTOCOLS

During the reporting period, draft documentation for the internal processes of the Food Safety and Standards Unit, including policies, Standard Operating Procedures (SOPs) and work instruction systems, were developed.

A total of four sampling procedures was drafted for:

i. water
ii. soil
iii. grains
iv. fresh vegetables and fruits

Internal input is needed in order to finalise the documents.

In addition, a draft National Risk Management Framework was developed. Further consultations with technical experts from the Food and Agriculture Organization (FAO) (CAC) and the MAWF are needed before the document is presented to AMTA Executive Management and the Board for approval.

A Sample Record Form was developed and approved. Thirty books were printed by printers in Oshana and evenly distributed to agronomic inspectors. The books are to be used when taking samples.

1.5.1.2 SAMPLING PROGRAMME

The National Sampling Programme was developed and implemented during the reporting period. A total of 765 samples of grains (rice, maize, wheat and mahangu) and various fruits and vegetables was tested for mycotoxin, multi pesticide residues and heavy metals based on the approved sampling plan for the 2016/2017 season.

Figure 1.22 indicates the breakdown of samples of local produce (82%) against samples of imported produce (17%), while Figure 1.23 shows the sample types taken per type of establishment.

1.5.1.3 GRAIN SAMPLES

The 86 grain samples (47 rice, 28 maize, 5 mahangu, 5 wheat and 1 soya beans) were collected at silos, mills, warehouses and ports of entry, mainly Walvis Bay. The samples were sent to laboratories for analysis of mycotoxin levels, pesticide residue and heavy metals.

1.5.1.4 MYCOTOXIN TESTING

The national average of mycotoxin levels for both locally produced and imported grains is below detectable levels, i.e. below the accepted limit. Moreover, 52% of samples were reported as not detected (ND) for presence of mycotoxin, but within acceptable limits of Codex and EU requirements, respectively. The detection values (ug/kg) of Aflatoxin B1, Deoxynivalenol and Zearalenone in local and imported grains are represented in Tables 1.7 and 1.8.

During the reporting period, there was a slight increase in detected Aflatoxin parameters, especially in imported mahangu and wheat. The slight increase could be attributed to poor storage facilities and hygiene practices. Risk profiling and induction training was conducted for the relevant FBOs.

1.5.1.5 SENSORY EVALUATION

Fifteen (15) rice samples were subjected to qualitative tests for plastic particles (floating, burning and boiling). No plastic particles were detected.

1.5.1.6 PESTICIDE RESIDUES

Pesticides assist in food production by controlling pests and disease. Even if GAP are strictly adhered to, residues of pesticides may still end up in food. The range of pesticide residues that was tested included chlorinated and organophosphorus pesticides. Chlorinated pesticides are highly persistent in the environment, thus usage is heavily restricted. Figure 1.24 shows the chlorinated pesticides that were detected as well as the detected levels. The organophosphorus pesticides – Dichlorvos, Fenchlorphos (Ronnel), Methyl Parathion, Prothiofos (Tokuthion), Mocap (Enthoprofos), Disulfoton and Guthion – detected were all below the limit of detection, with the exception of Chlorophos (Dursban), which was, however, still within the acceptance level.

1.5.1.7 HEAVY METALS

The detection of heavy metal contamination of food items is one of the most important aspects of food quality assurance. Emissions of heavy metals may be deposited on the produce during production, transport and marketing. The prolonged consumption of unsafe concentrations of heavy metals may lead to the chronic accumulation of heavy metals in the kidney and liver of humans, leading to cardiovascular, nervous, kidney and bone diseases. Heavy metals detected during the reporting period included Chromium, Cadmium, Lead, and Arsenic.

1.5.2 SAMPLING OF FRUITS AND VEGETABLES

1.5.2.1 VARIOUS FRUITS AND VEGETABLES

Horticultural produce from farms, retailers and pack-houses from across the country was sampled and sent to laboratories for testing pesticide and heavy metal residues. In total, 679 samples were taken, of which 443 were table grape samples and 236 were samples of various fruits and vegetables. Figure 1.25 shows the details of samples taken per local and imported produce.

The majority (64%) of samples was taken from local produce, while the rest of the samples was taken from imports. Pesticide residues of 78.6% were detected, which is still within the acceptable limit according to Codex MRL. No banned chemicals were detected. No pesticide residue at all was detected in 21.4% of produce, namely beetroot, butternut, cucumber, onions, parsley, rocket, turnip, coriander, spinach, all of which were locally produced.

Among the pesticide residues detected were Acetamiprid, Azoxystrobin, Bupirimate, Difenoconazole, Chlorantraniliprole, Chlorothalonil, Chlorpyrifos, Fluopyram, Imidacloprid, Metalaxyl, Methoxyfenocide, Oxamyl, Tebuconazole, Trifloxystrobin, Didecyldimethylammnium Chloride, Chlorphenapyr, Cypermethrin, Cyromazine, Imidacloprid, Kresoxim-methyl, Triadimenol, 2,4D (Free Acid), Chloramizol (Imazalil), Pryimethanil, Pyriproxyfen, Ortho Phenyl Phenol (2-Phenylphenol), Propiconazole, and Thiabendazole.

1.5.2.2 TABLE GRAPE SAMPLING

During the reporting period, 423 table grape samples were taken from field blocks and 20 table grape samples from pack-houses. Among the active ingredients found on Namibia's table grapes were Boscalid, Ethephon Fenhexamide, Fluopyram, Iprodione, Penconazole, Pyrimethanil. Figure 1.26 shows total pesticides detected in the table grape samples taken.

Although the national average of detected pesticides indicates that Ethephon, Fluopyram, Imidacloprid, Iprodione, Metraafenone, Penconazole, Pyrimethanil and Spinetoram appear to be above EU and/or CODEX limits, they were all within the acceptable limit after re-sampling. The Ethephon levels detected on 13.75% of samples of red and black table grapes exceeded acceptable levels. However, 100% re-sampling and re-testing was done to meet with compliance.

Thus, the national mean concentrations of all samples complied with the MRL status of both EU and Codex limits, as shown in Figure 1.27.

The mean concentration of Ethephon was higher (0.55 mg/kg) than the Codex MRL, although it was still below the limit of 1 mg/kg after re-sampling.

Figure 1.28 shows the concentration levels (national mean) of pesticide residues detected in samples taken from pack-houses.

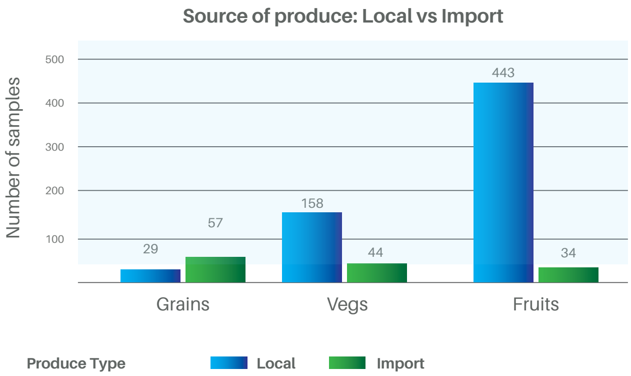
1.5.2.3 HEAVY METALS ANALYSIS OF AGRONOMIC PRODUCE

Thirty (30) samples of agronomic produce (wheat, maize, mahangu and rice) were analysed for heavy metals (Arsenic, Cadmium, Mercury and Lead). Results obtained showed that all detected levels were below the limits as per Codex Alimentarius Commission (CAC) standards and EC 1881 / 2006. However, table grapes were not analysed for heavy metals.

Table 1.9: Levels of heavy metals in samples of agronomic produce

Parameter	Results (mg/kg)	Maximum permissible
Arsenic	<0.03	1.4
Cadmium	<0.015	0.2
Mercury	<0.1	0.5
Lead	<0.052	0.3

Figure 1.22: Samples of local produce vs samples of imported produce during the 2016/2017 financial year



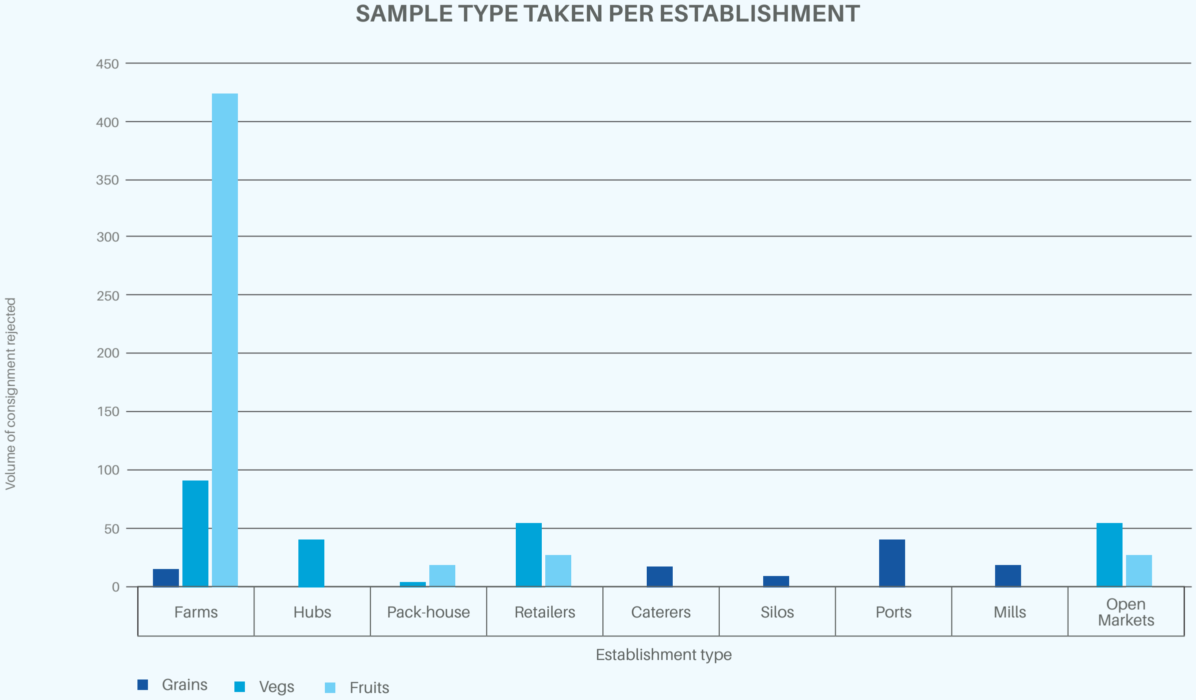


Figure 1.23: Samples of grains, vegetables and fruit taken per type of establishment during the 2016/2017 financial year

Table 1.7: Average level of mycotoxin detected in local grains during the 2016/2017 financial year

	Aflatoxin	Total Aflatoxins	Deoxynivalenol	Zearalenone
Mahangu	0.49	0.49	156	0
Maize	0.49	0.49	31.2	17
Wheat	0.49	0.49	156	0

Table 1.8: National average level of mycotoxin detected in imported grains during the 2016/2017 financial year

	Aflatoxin B1	Total Aflatoxins	Deoxynivalenol	Zearalenone	Fumonisin
Mahangu	6.655	7.285	156	0	0
Maize	0.49	0.49	0	17	0
Wheat	0.49	0.49	380.235	0	0
Soya Beans	0.49	0.49	156	0	0
Rice	0	0	0	0	0

1.5.2.4 SAMPLE LOGISTICS

AMTA delivered some of the samples directly to laboratories in South Africa. Other samples were delivered to Analytical Laboratories Services in Windhoek, which assisted with the logistics to their outsourced laboratories in South Africa. For table grapes, 74.4% of samples were transported using AMTA transport, while 25.6% were transported by producers using their own transport. Logistics (transport) provided by AMTA generated an income of N$53,850 for AMTA during the season under review.

1.5.2.5 IMPORT PERMIT AND PHYTO CERTIFICATE

It is a requirement of plant health that all plant materials leaving the country are accompanied by a phyto certificate and permit from the country to which the plant materials are being exported. AMTA is not exempted from this requirement. Seven (7) import permits for various commodities were acquired from the South African authority, the Directorate of Agriculture, Forestry and Fisheries (DAFF) at a cost of N$770, while the phytosanitary certificates cost N$2,550.

1.5.2.6 CLEARING AGENT

Go Reefers Clearing Agency handled the border documents regarding customs and export matters. A total of N$5,027.50 was paid for the clearance service.

1.5.3 LABORATORY DEVELOPMENT PROGRAMME

AMTA is in the process of establishing national reference laboratory services (co-ordinated with various ministries) for various testing parameters, such as pesticide residues, and chemical, microbiological, quality, pest and disease, GMO, soil and water analysis.

The planned AMTA laboratory will seek accreditation in line with ISO 17025 in order to create national capacity for laboratory tests and ensure international recognition of official Namibian controls on agricultural inputs and products. The laboratory will, therefore, render complete and cost-effective quality assurance (QA), product management and grading services, including the establishment and maintenance of efficient information systems, grading information programmes and problem solving networks for all sectors in Namibia. Against this background, AMTA has adopted a strategy for developing and operationalising the two mini-labs at the Ongwediva and Rundu Fresh Produce Business Hubs for the interim period of 2016 to 2019 for quality/physical/compositional testing parameters for grains, fruits and vegetables.

1.5.3.1 KEY ACTIVITIES FOR THE DEVELOPMENT OF THE LABORATORY

The key activities planned for Quarter 1 of the 2016/2017 financial year were to source, procure and commission relevant analytical testing equipment for rapid quality parameter testing and mycotoxin analysis for the food safety monitoring programme.

The following progress was made:

- The technical drawings (reviews) of the main laboratory under capital projects expenses (MAWF) were completed and signed off. The first construction phase (ground work, water reticulation, sewage piping, etc.) was completed. The second phase of construction was put on hold due to the verimentation of funds earmarked for Phase 2 to the Neckartal Dam project.
- Procurement of data-loggers for the cold chain monitoring programme was completed.
- Technical assessments were done and networking established with Hearshaw & Kinnes Analytical Laboratory (Pty) Ltd during a visit to South Africa on 29 June 2016. The visit involved a re-selection technical assessment for pesticide analysis for the grape sector.
- The capacity of Namibian laboratories was re-assessed together with the National Commission on Research, Science and Technology (NCRST) in order to ascertain compliance criteria.
- External stakeholders were engaged on the laboratory development agenda: FAONA (Food and Agriculture Organization, United Nations agency in Namibia) in June 2016, and NCRST (GMO lab), the MAWF (CVL), and GiZ-consultant, Dr. Luesee in July 2016.
- The capacity building programme for the laboratory development officer (analyst), slated to take place in France, was put on hold due to budgetary constraints.
- Joint GMO sampling and testing was facilitated through NCRST and biosafety testing conducted in the Karst area.
- The following key staff member was hired for the unit: 1x lab developer who will work in collaboration with QA officers at the Rundu and Ongwediva Fresh Produce Business Hubs and be responsible for quality parameter testing, while Laboratory Development Officer (LDO) - Windhoek will focus on the database.
- Equipment was procured for joint use by the Food Safety and Standards Unit and the Farms and Facilities Inspectorate. Some of the items will be distributed to the Ongwediva and Rundu Fresh Produce Business Hubs. The following items were procured:
  - Refractometers
  - Penetrometers
  - Sizing rings
  - Magnifying glasses
  - Thermocouple thermometers

AVERAGE CHLORINATED PETICIDES DETECTED IN GRAINS

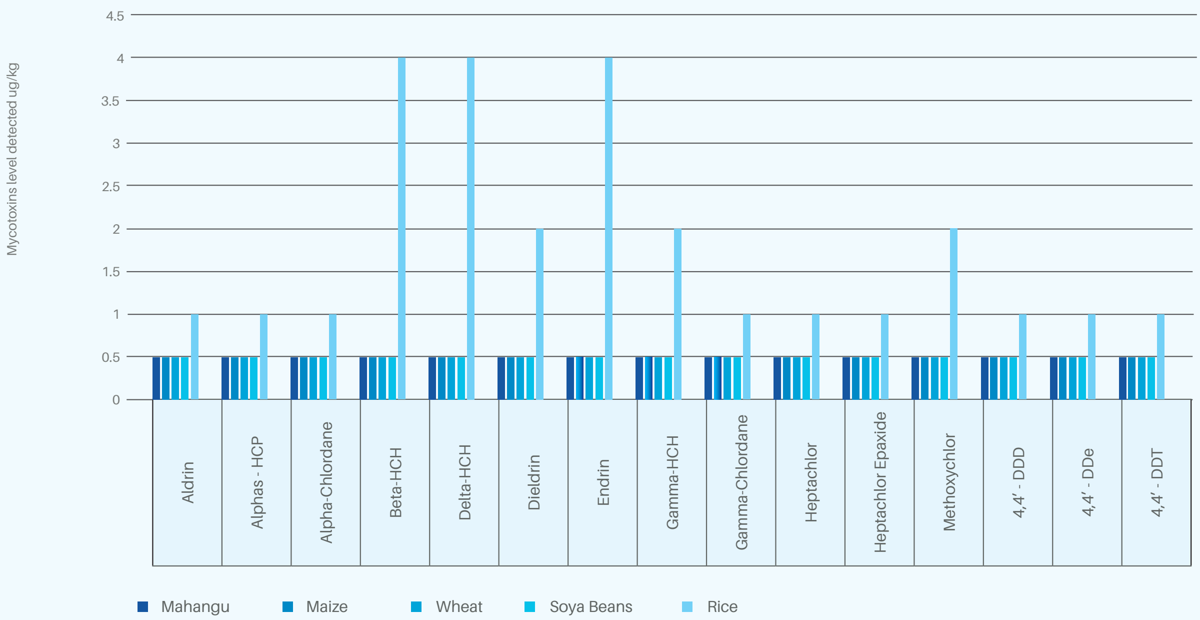


Figure 1.24: Chlorinated pesticides detected and their levels during the 2016/2017 financial year

PRODUCE IMPORTED / LOCAL

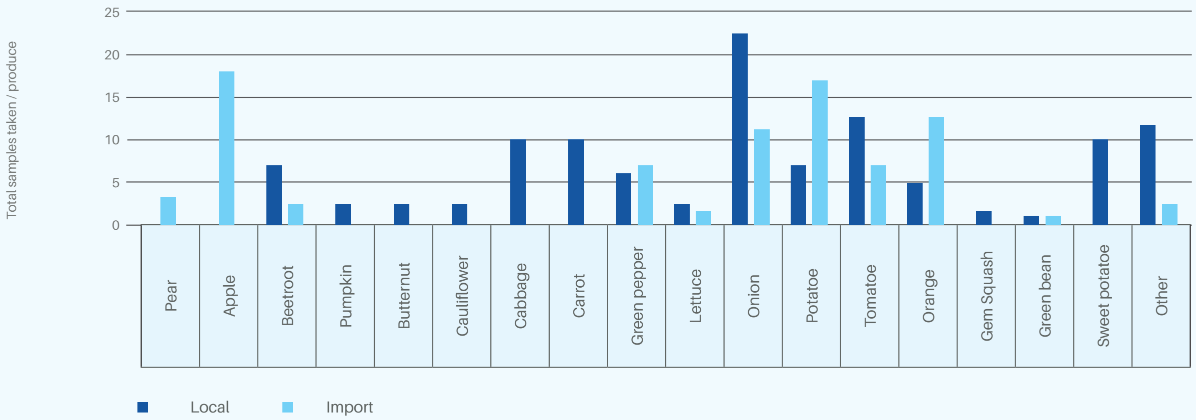


Figure 1.25: Samples taken per produce (local and imported) during the 2016/2017 financial year

TOTAL PESTICIDES DETECTED IN SAMPLES

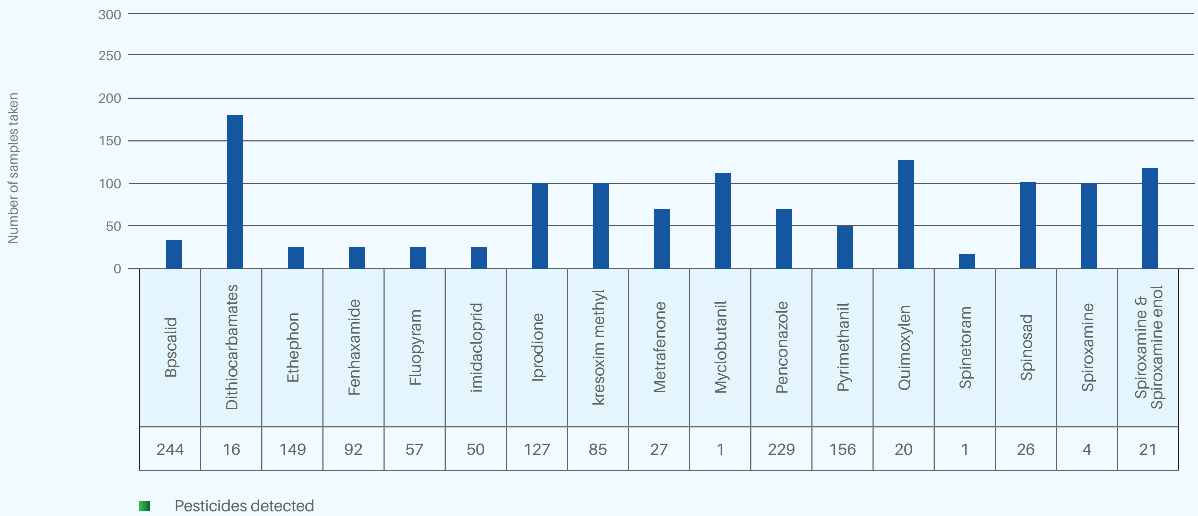


Figure 1.26: Pesticides detected in table grape samples during the 2016/2017 financial year

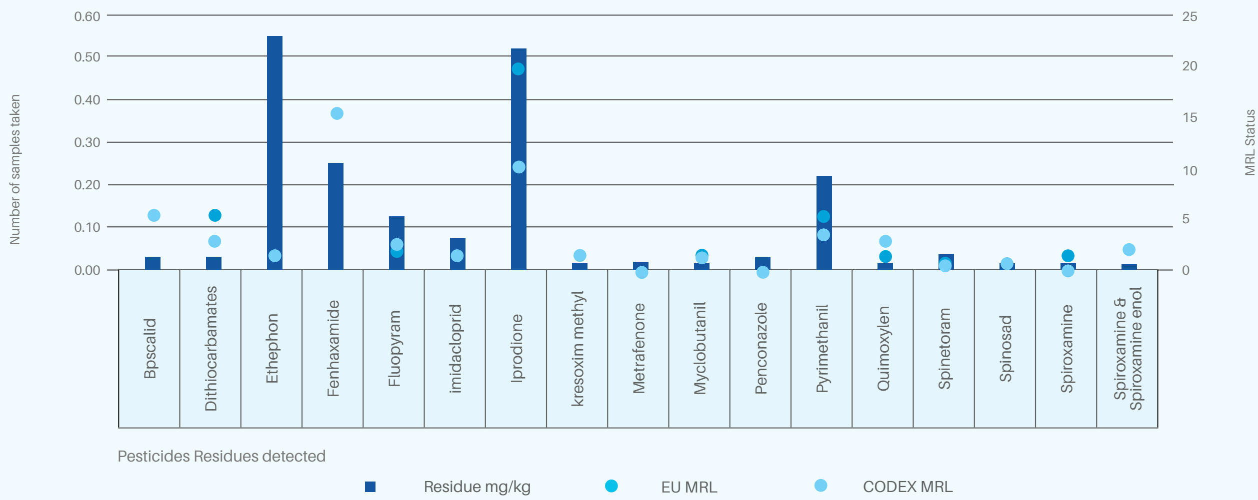


Figure 1.27: Mean concentration of pesticides detected in all table grape samples during the 2016/2017 financial year

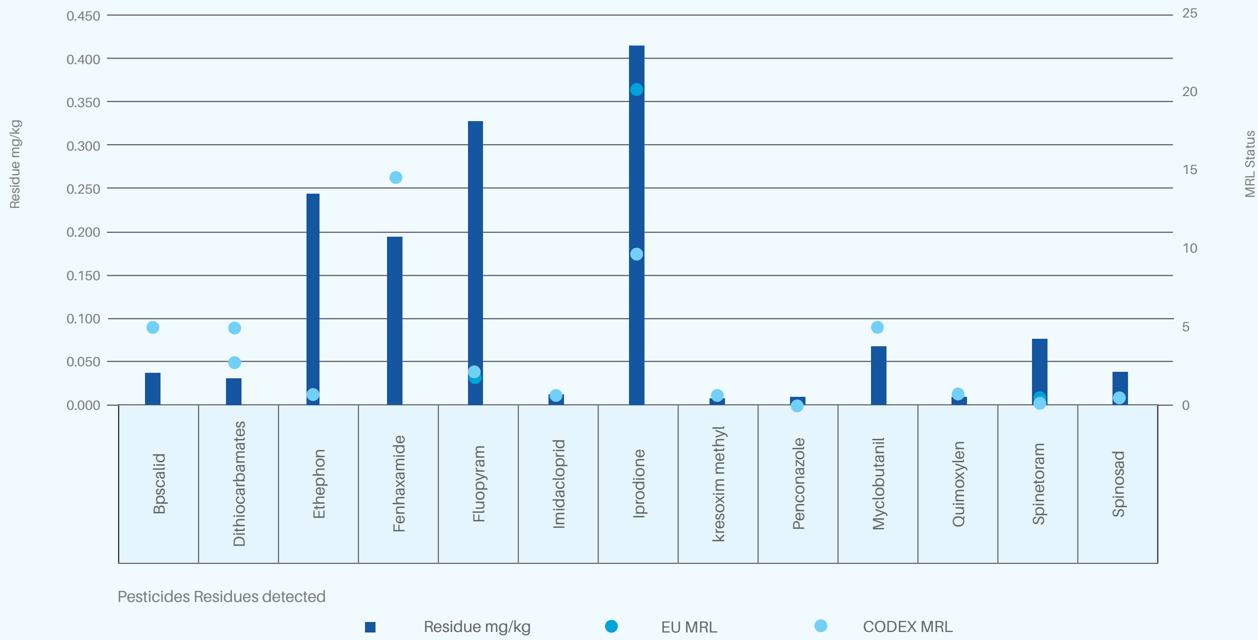


Figure 1.28: Mean concentration levels of pesticide residues detected in samples from pack-houses during the 2016/2017 financial year

1.6 TOTAL QUALITYMANAGEMENT

Quality Management Systems (QMS) have become a way and culture of running businesses and organisations worldwide. Such systems can be developed and implemented based on specific internationally recognised standards as determined by the entity's kind of business activities and needs.

In its founding strategy (2014-2019), AMTA commits to building a reputable brand through total compliance with food safety and quality management requirements in all its operations. As a result, based on the commitment made through its strategic output, AMTA intends to achieve successful implementation and certification of the management systems throughout its operations. Hence, AMTA's Board of Directors and top management have demonstrated their commitment to the implementation and certification of systems as outlined hereunder. At the same time, management regularly communicates with all AMTA employees about the importance of quality management systems. This commitment was demonstrated through the approval or endorsement of the AMTA Quality Management Implementation Strategy by the Board of Directors in July 2015 and its implementation by AMTA executive management in October 2015.

AMTA as an organisation is in the process of developing and implementing such a system so that it can optimally manage, control and monitor its activities and resources for continual improvement.

1.6.1 QUALITY MANAGEMENT SYSTEM (QMS) – ISO 9001:2015

A Quality Management System (QMS) is a set of interrelated or interacting elements that organisations use to direct and control how policies are implemented uniformly and quality objectives are achieved. The ISO 9001 standard is designed to help organisations ensure that they meet the needs of customers and other stakeholders, while fulfilling statutory and regulatory requirements related to a product. Over a million organisations worldwide are independently certified, making ISO 9001 one of the most widely used management tools in the world today.

ISO 9001:2015 is a process-based QMS, which uses a process approach to manage and control how its quality policy is implemented and quality objectives are achieved. A process-based QMS is a network of many interrelated and interconnected processes (elements) as shown in Figure 1.29.

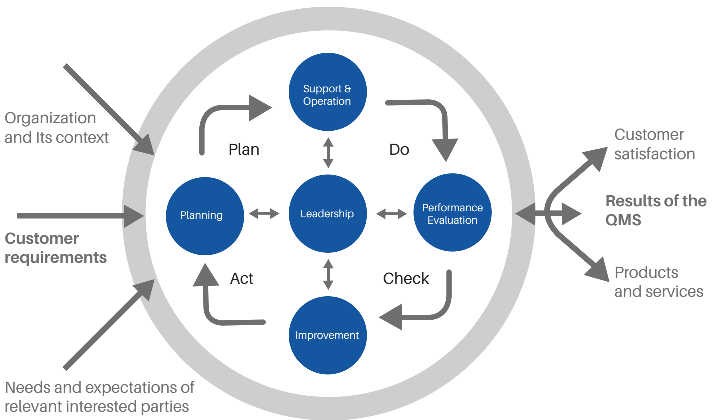


Figure 1.29: *A process-based QMS (ISO 9001:2015) (http://isoconsultantpune.com/process-approach/)*

The process approach includes establishing the organisation's processes to operate as an integrated and complete system. In October 2015, AMTA embarked on the journey to implement this system as per the Board-approved Total Quality Management (TQM) (ISO 9001) Implementation Strategy. Upon successful implementation, the QMS will integrate processes and measures to meet AMTA's quality and strategic objectives, while processes will define interrelated activities, inputs and checks needed to deliver intended outputs.

In addition to internal checks and controls (internal audits) for the QMS, third-party assessments by a certification body will be required to provide independent confirmation that AMTA meets the ISO 9001 requirements and to certify the system by March 2019.

1.6.1.1 DOCUMENTED INFORMATION / PROCESS DOCUMENTATION

a) Quality Policy and Quality Manual

The Quality Policy (POL/QA/01) and Quality Manual (MAN/QA/01) were approved by the Managing Director on 28 January 2017 and implementation started on 1 March 2017. The Quality Policy (POL/QA/01) statement was printed for display at all office sites and centres.

Sessions to create employee awareness of the Quality Policy were also carried out during the reporting period.

b) Divisional or sectional processes and reporting records

The Document Control Procedure (PRO/QA/01) was approved on 28 February 2017. Most of the documents and records were standardised or formatted according to the stipulations of the draft document, and the implementation of this procedure did not have to be renewed but continued in the same fashion.

To date, 77% of the company documents have been reviewed and formatted in conformity with the AMTA Document Control Procedure. Most of these have been approved and implemented, whereas an average of

75% or more of documents (procedures and reporting records) of divisions or sub-divisions such as the Fresh Produce Business Hubs (FPBH), Food Safety and Standards (FSS), Farms and Facilities Inspectorate (FFI), ICT, Border Control Inspectorate (BCI), the National Strategic Food Reserve (NSFR) and Logistics, has been approved and implemented.

c) Supplier evaluation and selection criteria

The ISO 9001:2015 calls for an organisation to set criteria for the evaluation of its suppliers of goods (including produce) and services. This is one of the mandatory documents required for the standard. A draft procedure was documented by QA and the Finance Department's focal person took it to the Tender Committee. To date, no response has been received from the Tender Committee. To expedite the process, it can be channelled through the Exco instead. In order to ensure that the procedure addresses both standard and statutory requirements, the Exco, Finance and QA teams will undergo basic training to understand the provisions of the Public Procurement Act, 2015 (Act No.15 of 2015).

1.6.2 INTEGRATED MANAGEMENT SYSTEM (INTRANET IMS)

With support from the ICT Unit, an intranet-based Integrated Management System was established to serve as a QMS in order to meet the requirements of the ISO 9001 standard. The electronic system is more suitable for AMTA than a manual system (hard copies), considering the dispersion of the company's operations.

This project was carried over from the previous financial year. The terms of reference were reviewed for management approval to allow for the Expression of Interest (to invite intranet developers/programmers) to be advertised. However, progress during the reporting period was slow, especially considering the plans for an internal audit during Quarter 3.

In the meantime, a folder named Approved QMS Documents was created on the public drive (server-based) in order to store the approved divisional or sub-divisional operational procedures and to make them accessible to AMTA employees. Unfortunately, the drive was not always accessible during the reporting period due to slow Internet speeds.

1.6.3 TRAINING AND CAPACITY BUILDING

1.6.3.1 COMPETENCY-BASED TRAINING

During the reporting period, the need to train two (2) staff members to Lead Auditor level and five (5) staff members (from a pool of focal persons) to Internal and Supplier Auditors was identified. Preparations and arrangements are underway for these two types of training to take place during Quarter 2 of the next financial year. The training will build adequate capacity for AMTA to internally audit its QMS as required by the standard, and also its suppliers when necessary.

1.6.3.2 ISO 9001:2015 QUALITY MANAGEMENT SYSTEM AWARENESS CREATION AND INDUCTION FOR STAFF

Fifty-two (52) staff members from the Ongwediva FPBH, Walvis Bay, Oshikango, Tsandi, and Omuthiya went through awareness and induction training. The training focused on the essence of and need for a QMS in an organisation, as well as AMTA's Quality Policy statement and its importance.

1.7 MARKET PROMOTION

The role of the Corporate Branding and Promotions Section is to facilitate and promote activities of the agency and to ensure brand compliance.

1.7.1 COMMITTEE

The management team assigned a committee consisting of five (5) staff members to oversee the affairs of the expos and trade fairs.

During the 2016/2017 financial year, AMTA took part in 15 expos and trade fairs. Twenty-six (26) staff members from various units were assigned to attend the expos. In addition, one road show was held. However, due to budgetary constraints, AMTA was unable to attend any regional or international expos during the reporting period. Planned activities were determined by the availability of funds.

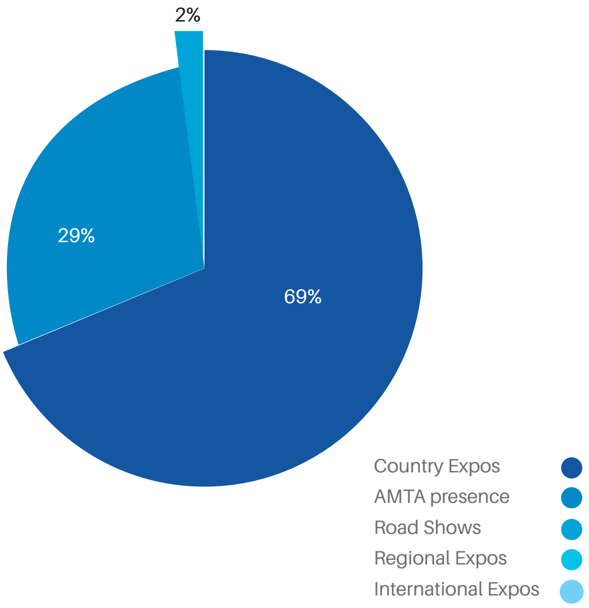


Figure 1.30: Expos, trade fairs and road shows attended during the 2016/2017 financial year

1.7.2 PROMOTIONAL ACTIVITIES

Due to financial constraints, AMTA was unable to carry out all the desired promotional activities or produce all the desired promotional materials. However, information was disseminated via:

- Verbal public engagements
- Newspaper interviews
- Radio announcements
- In-house announcements
- Facebook
- Website
- Brochures
- Annual report
- Strategic maps
- Strategic reports
- A few notebooks

1.7.3 STAKEHOLDER ENGAGEMENT

The Border Control and Inland Inspectorate participated in six (6) stakeholder meetings in seven (7) agronomic and horticultural zones to outline the roles and operations of the Inspectorate and to solicit the valued opinions of stakeholders in order to address the objectives and challenges of the Inspectorate for the 2016/2017 financial year. The sub-unit also participated in border control patrols at the borders with the neighbouring countries of Botswana, South Africa and Angola.

The Farms and Facilities Inspectorate embraces AMTA's objective for strategic stakeholder engagement, both locally and internationally, and shares information related to compliance requirements for the Namibian horticultural and agronomic industry. During the period under review, stakeholder engagement was conducted with Namibian table grape producers, grain processors and horticultural traders and producers. Further local engagements were carried out between AMTA and the Namibian Standards Institution (NSI). On an international level, institutions that conduct activities similar to AMTA's, such as the PPECB and the National Sanitary Foundation (NSF), were engaged.

The Food Safety and Standards Unit made significant progress in stakeholder engagements at both local and international levels. The aim was to increase awareness of AMTA's operations through sharing and disseminating information on different platforms, such as farmers' meetings, stakeholder meetings (producers, retailers) and external stakeholder meetings.

The Market Promotion and Advisory and Border Control and Inspectorate sub-divisions were consulted during the period as part of initiative to improve communication and build relationships.

As part of stakeholder engagement throughout the reporting period, the National Strategic Food Reserve (NSFR) engaged some producers, millers and other role players on the market and availability of grain. The public was also engaged through expos, shows, forums, individual visits and meetings.

The AMTA stand at the Eenhana Expo in the Ohangwena Region.

Mr Mulonda during a field visit.

Our Senior Managers engaging the Deputy Minister of SOEs, Honourable Nawatiseb

02

National Fresh Produce Business Hubs

NATIONAL FRESH PRODUCE BUSINESS HUBS

For many years, Namibia's horticultural sector was challenged with meeting local demand, with little response in terms of utilising the domestic potential to cater for the demand. As such, the country depended on the import of horticultural products, mainly from South Africa. The government took cognisance of the fact that there was no effective national marketing framework and fresh produce infrastructure to support producers, especially small-scale farmers in Namibia. This situation was a hindrance to increased agricultural production, product development and diversification. It also resulted in high post-harvest losses and practices of market-rounding of fresh produce through other countries, making such products more expensive upon return to retail outlets in Namibia.

Moreover, there was a lack of proper national marketing infrastructure, a situation that contributed to poor synergies between urban and rural economies on one hand, and communal and commercial farmers on the other.

In addition, there was no logistical and institutional framework to facilitate the storage and marketing of fresh produce, as well as its transportion within the country. In an effort to address food security, food self-reliance and the other concerns, the Namibian government saw the necessity to establish infrastructure to support national policies and economic priorities through delegation of mandates. Thus, the National Fresh Produce Business Hubs were established through AMTA to facilitate marketing and trade of fresh produce in Namibia, and to promote industrialisation and value addition of local fresh produce.

Since the commissioning of the hubs in 2013 through the establishment of AMTA, the hubs (especially the two currently operating in Rundu and Ongwediva supported by the Windhoek Collection Hub) have created a paradigm shift for Namibian farmers and local consumers. Namibian farmers have been able to steadily increase production as AMTA's marketing system, supported by the Market Share Promotion scheme, continues to be established. The National Development Priorities of food security and self-reliance are unfolding gradually as we head towards Vision 2030 with the hubs. The Windhoek Hub (to be the largest) is currently under construction, with the first phase of intensive bulk earthworks still far from completion, due to the size and magnitude of the project, among other factors.

AMTA endeavours to expand its footprint to all regions and strategic places in order to provide a fresh produce marketing platform for all existing and prospective clients in a sustainable manner and without compromising its ability to continue in future. During the 2016/2017 financial year, we piloted such platforms in Nkurenkuru, Okongo and Eenhana.

2.1 ONGWEDIVA FRESH PRODUCE BUSINESS HUB

The Ongwediva Fresh Produce Business Hub (OFPBH), through AMTA, started its trading activities in November 2013. The aim of the OFPBH is to operate marketing and storage facilities of agricultural produce to meet local farmers' market needs, to promote value addition within the agricultural sector and to enhance consumption of local agricultural products.

To date, the OFPBH has made steady progress, with all produce sold through the hub coming from local producers from all over the country, with the exception of produce that cannot be produced in Namibia due to unfavourable climatic conditions and in the event of shortages. A number of farmers, especially small-scale farmers, have used the hub as their market outlet, thereby availing quality local produce to local consumers at affordable prices.

The OFPBH has a market space of 5,000 m^2. During the financial year under review, the hub had four (4) active marketing agents, namely Stampriet Farmers Market, Nammarket, Lindsay Eleven and Afrifresh.

2.1.1 THROUGHPUT VOLUMES

During the year under review, the agents managed to trade over 1,932.31 MT of fresh produce worth N$20,832,397.09. The OFPBH's overall performance increased in comparison to the performance of the previous year, as shown in Table 2.1.

Agent	Sales Volumes in MT 2016-17 FY												
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Totals
Stampriet Farmers Market	109.08	90.09	59.46	79.32	95.20	103.70	99.74	129.06	107.64	70.72	48.04	64.89	1 056.94
Nammarket Agent	50.28	80.50	65.51	106.00	121.26	83.63	73.28	70.61	110.30	10.18	32.17	26.08	829.80
Lindsay Eleven	5.13	-	-	-	-	-	-	-	-	-	-	-	5.13
Afrifresh	-	-	-	-	-	-	-	-	-	-	15.13	2.00	17.13
AMTA	-	-	-	-	-	-	-	-	-	22.53	15.41	7.90	45.84
Grand Total	164.49	170.59	124.97	185.32	216.46	187.33	173.02	199.67	217.94	80.90	110.75	100.87	1932.31

Table 2.1: Sales volumes of the OFPBH during the 2016/2017 financial year

Agent	Sales Volumes in N$ 2016-17 FY												
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Totals
Stampriet Farmers Market	1,447,672.81	1,296,558.54	1,163,167.11	983, 612.05	1,111,230.37	1,215,123.20	1,232,440.95	1,605,244.92	1,606,856.87	976,160.58	845,369.46	869,402.87	14,352,839.73
Nammarket Agent	252,812.29	478,351.01	388,635.59	756,230.21	1,274,727.46	681,905.65	587,253.62	401,456.31	810,077.90	96105.74	280,219.84	425,047.09	6,432,822.71
Lindsay Eleven	46,734.65	-	-	-	-	-	-	-	-	-	-	-	46734.65
Afrifresh	-	-	-	-	-	-	-	-	-	-	16,455.41	93,398.51	109,853.92
AMTA	-	-	-	-	-	-	-	-	-	137276.14	96837.08	47,730.08	281,843.30
Grand Total	1,747,219.75	1,774,909.55	1,551,802.70	1,739,842.26	2,385,957.83	1,897,028.85	1,819,694.57	2,006,701.23	2,416,934.77	1,072,266.32	123,881.79	1,300,527.20	20,832,397.09

Table 2.2: Sales revenue of the OFPBH during the 2016/2017 financial year

Financial Year	Sales Volumes in Tonnes													
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Totals	%Growth
2013-14 FY	-	-	-	-	-	-	-	125.00	125.00	125.00	125.00	125.00	368	-
2014-15 FY	24.15	26.41	34.42	49.82	72.12	55.96	35.01	144.64	79.64	74.47	72.28	762.04	762.04	108%
2015-16 FY	79.80	91.29	84.63	98.44	178.30	125.48	147.85	248.12	100.24	168.28	186.28	186.81	1,658.43	117%
2016-17 FY	164.49	170.59	124.97	185.32	216.46	187.33	173.02	199.67	2,17.94	80.90	110.75	100.87	1,932.31	17%

Table 2.3: OFPBH agent's throughput for the period 2013/2014 to 2016/2017

2.1.2 THROUGHPUT PER AGENT

At the beginning of the period under review, the OFPBH had a total of four (4) marketing agents. Their performance saw some improvement during the reporting period. The volumes (MT) of produce moved by each agent per month for the period under review are given in Table 2.1.

2.1.3 SALES REVENUE

During the period under review, sales revenue increased despite the declining economic environment. The sales revenue for the 2016/2017 financial year is outlined in Table 2.2.

2.1.4 COMPARATIVE ANALYSIS

With the hubs in general creating more awareness and expanding their footprint, there was steady growth in the throughput of the OFPBH compared to the previous years. Table 2.3 depicts the trend of fresh produce transacted at the OFPBH since inception.

2.1.5 SIGNIFICANT ACHIEVEMENTS

The OFPBH implemented basic value addition activities, specifically the dicing of butternuts and carrots.

2.2 RUNDU FRESH PRODUCE BUSINESS HUB

The Rundu Fresh Produce Business Hub (RFPBH) is located in the saturated north-east agricultural production area in the Kavango East Region, where the majority of government Green Schemes is located. The strategic location is in response to the call from horticultural farmers for secured access to the formal market. The RFPBH currently caters for all farmers across the country, with the main focus on small-scale farmers (SSFs) and government irrigation projects. However, commercial farmers, who are by far the main supplier of onions and potatoes to the RFPBH, are not excluded. The RFPBH has a floor capacity of 5,000 m^2 and is equipped with state-of-the-art equipment and storage facilities, all to the benefit of farmers.

To date, the RFPBH has made steady progress, with all produce sold through the hub coming from local producers from all over the country, with the exception of produce that cannot be produced in Namibia due to unfavourable climatic conditions and in the event of shortages. A number of farmers, especially small-scale farmers, have used the hub as their market outlet, thus availing quality local produce to local consumers at affordable prices. The RFPBH has four active agents that serve as a link between the producers and the buyers, namely Iihape, Vena Trading, Ondjamba and Afrifresh.

2.2.1 THROUGHPUT VOLUME

During the 2016/2017 financial year, the RFPBH traded over 1,545 MT to the value of N$8.9 million. The performance of agents in terms of volume (MT) increased significantly in comparison to the 2015/2016 financial year. However, the same cannot be said for the revenue generated. The main contributing factor was the oversupply of butternut and watermelon, which formed the bulk of throughput, but fetched relatively low prices in the market.

2.2.2 THROUGHPUT PER AGENT

During the period under review, the RFPBH had a total of four (4) marketing agents. However, their performance was not satisfactory as all performed below the target. Each agent was expected to transact a minimum of 120 MT throughput per month, totalling 1,440 MT per annum per agent. However, as shown in Table 2.4, most of the agents were unable to meet the 120 MT target per month.

2.2.3 SALES REVENUE

All agents at the RFPBH make use of the Fresh Mark Trading System, ensuring that all transactions are captured through the trading system. Agents are not allowed to handle cash. All transactions (money) are paid into the AMTA account via a cashier (cash sales) or via EFT for credit sales.

Table 2.5 shows the revenue for each agent per month for the 2016/2017 financial year, and Figure 2.1 depicts this information in the form of a graph.

2.2.4 COMPARATIVE ANALYSIS

With the hubs in general creating more awareness and expanding the AMTA footprint, there was steady growth in the throughput of the RFPBH compared to previous years. Table 2.6 shows the trend of fresh produce transacted at the RFPBH since inception.

2.3 WINDHOEK COLLECTION HUB

2.3.1 THROUGHPUT PER AGENT

During the period under review, the Windhoek Collection Hub (WCH) operated on the basis of client forwarding, which allows all agents operating through the other two hubs to trade or distribute produce

Agent Name	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Totals
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Ihape	41.84	20.26	7.07	11.97	13.60	3.54	37.74	30.34	20.51	13.34	0.70	4.12	205.03
Vena Trading	7.91	19.42	13.06	134.40	31.60	39.71	177.53	82.35	39.99	35.85	38.10	38.82	658.74
Ondjamba	N/A	26.95	8.30	124.00	46.60	29.51	73.40	110.20	93.23	93.23	29.70	29.37	664.49
Afrifresh	-	-	-	-	-	-	-	-	-	-	4.60	4.78	9.38
AMTA	-	-	-	-	-	-	-	-	-	-	-	7.42	7.42
Total per Month	49.75	66.63	28.42	270.37	91.80	72.76	288.89	222.89	153.73	142.42	73.10	84.51	1545.05
Total Quarter (MT)	144.80			434.93			665.29			300.03			1545.05

Table 2.4: RFPBH throughput per agent per month for the 2016/2017 financial year

Agent Name	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Totals
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Ihape	625,726.81	289,346.03	76,381.71	124,730.23	88,565.31	86,945.91	8,321,198.98	156,808.07	105,835.74	69,335.74	4,662.76	30,307.32	1,741,857.33
Vena Trading	119,062.33	292,348.64	203,077.12	1,079,287.05	399,926.64	355,838.51	400,981.11	4,249,949.05	203,222.49	184,991.61	173,261.60	167,674.37	4,004,620.52
Ondjamba	-	142,486.90	271,573.39	477,493.39	200,692.52	108,046.32	160,014.16	568,624.73	298,022.55	481,043.93	254,364.32	104,851.46	3,067,213.43
Afrifresh	-	-	-	-	-	-	-	-	-	-	28606.42	31,845.19	60,451.61
AMTA	-	-	-	-	-	-	-	-	-	-	-	29,075.13	29,075.13
Total per Month	7,447,89.14	724,181.57	551,032.22	1,681,510.43	689,184.47	550,830.74	644,207.25	1,150,381.85	607,080.56	735,371.28	460,895.10	363,753.47	8,903,218.08
Total Quarter (MT)	2,020,002.93			2,921,525.64			2,401,669.66			1,560,019.85			8,903,218.08

Table 2.5: RFPBH sales revenue per agent per month for the 2016/2017 financial year

Financial Year	Agent Throughput in MT													
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Totals	%Growth
2013/14								218	180	90	96	51	635	-
2014/15	33	29	36	60	40	64	76	72	225	63	58	107	863	36%
2015/16	61	66	40	13	132	54	93	60	94	23	46	69	751	-13%
2016/17	50	67	28	270	92	73	289	223	154	142	73	94	1555	107%

Table 2.6: RFPB agent's throughput for the past three years

to various clients in and around Windhoek. AMTA facilitated the sourcing and redistribution of fresh produce through the WCH to support the two regional hubs. A total of 1,408.38 MT was moved through the WCH. The highest volume was moved through Nammarket agents with a total of 1,241.37 MT, which is 86.2% of the total 1,440 MT throughput target that each agent is expected to meet annually. Although the target was not fully reached, this was a good performance.

Table 2.7 depicts each agent's performance in terms of throughput per year.

2.3.2 SALES REVENUE

During the financial year under review, the Pastel warehousing trading system was installed at the WCH, as well as a manual back-up system. All transactions are captured through the trading system. Agents are

not allowed to handle cash. All transactions (money) are paid into the AMTA account via a cashier (cash sales) or via EFT for credit sales.
A total amount of N$4,901,695.62 was traded through the WCH as sales revenue, combining the sales of all agents and AMTA facilitation.

2.4 OVERALL PERFOMANCE OF THE HUBS

Hubs	Volume (MT)	Revenue (N$)
OFPBH	1, 932.31	20, 832, 397.09
RFPBH	1, 545.05	8, 903, 21
WCH	1, 408.18	4, 901, 695.62
Total	4, 885.54	34, 637, 310.79

Table 2.9: Annual throughput, revenue and commission paid to AMTA by OFPBH, RFPBH and WCH

AMTA is mandated to collect 3.6% of the produce sales traded through the hubs by the marketing agents. AMTA's collected commission from the sales revenue is depicted in Table 2.9.
During the financial year under review, a total of 4,885.54 MT was recorded for both hubs and the collection hub, in comparison to the previous year, during which 2,926.66 MT were recorded. The sales revenue totalled N$34,637,310.79 in the 2016/2017 financial year, compared to N$23,690,881.34 in 2015/2016.

The hubs also saw an increase in throughput with sales revenues of 64.7% for Ongwediva and 107% for Rundu. Ongwediva recorded a significant increase in sales revenue in comparison to the preceding financial year. In the 2015/2016 financial year, OFPBH only managed to generate N$6,453,942.24 in sales revenue. However, the sales revenue grew by more than 52% to N$13,472,851.34 in the 2016/2017 financial year. This is an indication that the hub is making strides towards meeting its targets. Similarly, Rundu recorded a significant increase in sales revenue as compared to the previous financial year. In the 2015/2016 financial year, RFPBH only managed to generate N$6,345,030.00 in sales revenue; however, this amount grew with more than 40% to over N$10,218,030.00 for the current reporting period. The RFPBH recorded total sales of N$8,903,218.08, which was a decrease of 12.9% compared to the previous year. The decrease was experienced despite a significant increase in throughput volumes, due to falling commodity prices and purchasing power.
Overall, the total throughput of all the hubs increased by 59.9% from 2,926.66 MT to 4,885.54 MT. The total throughput was 67.8% of the annual target of 7,200 MT. This result shows that the hubs are succeeding gradually, following the trend of other established markets. In light of the continued upward trend and other proposed government interventions, AMTA is optimistic about the future of the hubs.

During the reporting period, AMTA earned a total of N$1,041,733.56 through the hubs at 3.6% commission and marketing campaign promotions. The Namibian Agronomic Board earned N$405,118.61 at 1.4% of the trader levy fees through the trading activities of the hubs.

The hubs are gaining prominence as more buyers are slowly but surely coming on board. It is also noteworthy that most of the sold produce handled at the hubs is local produce, which can be attributed to the Market Share Promotion arrangements that direct buyers to local producers before importing, to the cropping programme intervention, and to AMTA's short period payment arrangement. In addition, the establishment of the WCH brought significant change.

However, just as is dynamically obvious in industries, shortfalls continue to challenge the fulfilment of our mandate on our journey to success. Challenges include the limited capacity of some of our agents to move the required throughput, climatic factors and various other economic factors. Increased stakeholder engagement and capacity building are needed as we confidently move forward.

In an effort to enhance productivity and growth in market share, significant initiatives to improve throughput of the hubs include, among others, value addition, packaging, and processing, as this will make produce more consumable in different forms and more widely appealing. The hubs aspire to create more distribution centres in strategic towns in order to ensure that produce is accessible to different sectors of the market. In addition, AMTA is in the process of establishing partnerships with strategic buyers in order to create access to established markets for local produce.

SALES PER AGENT 2016/17 FY

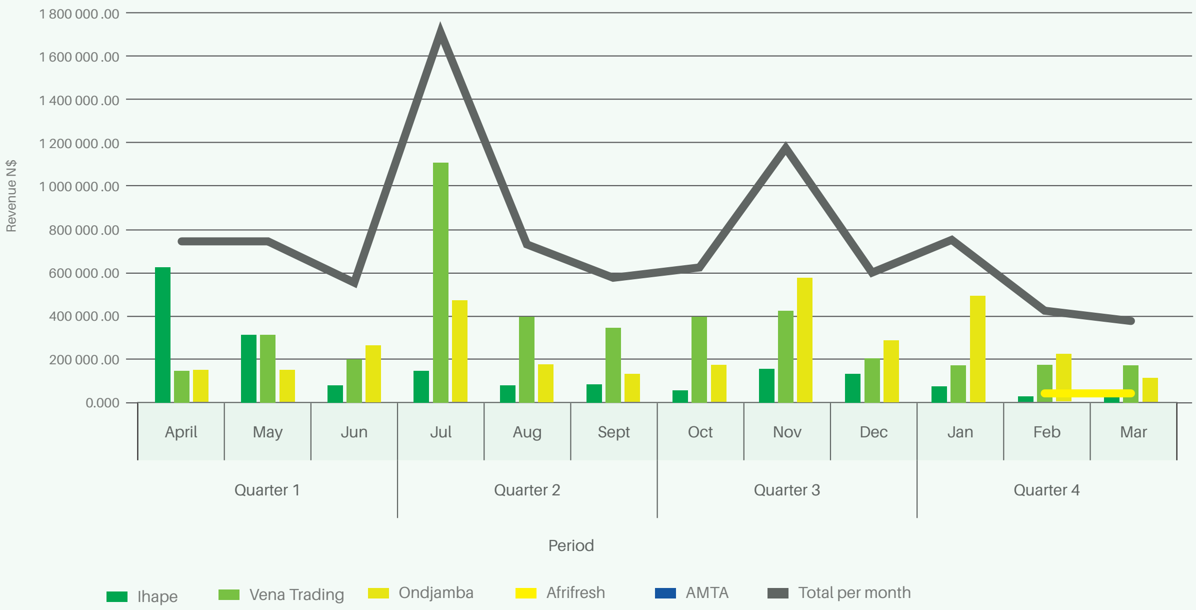


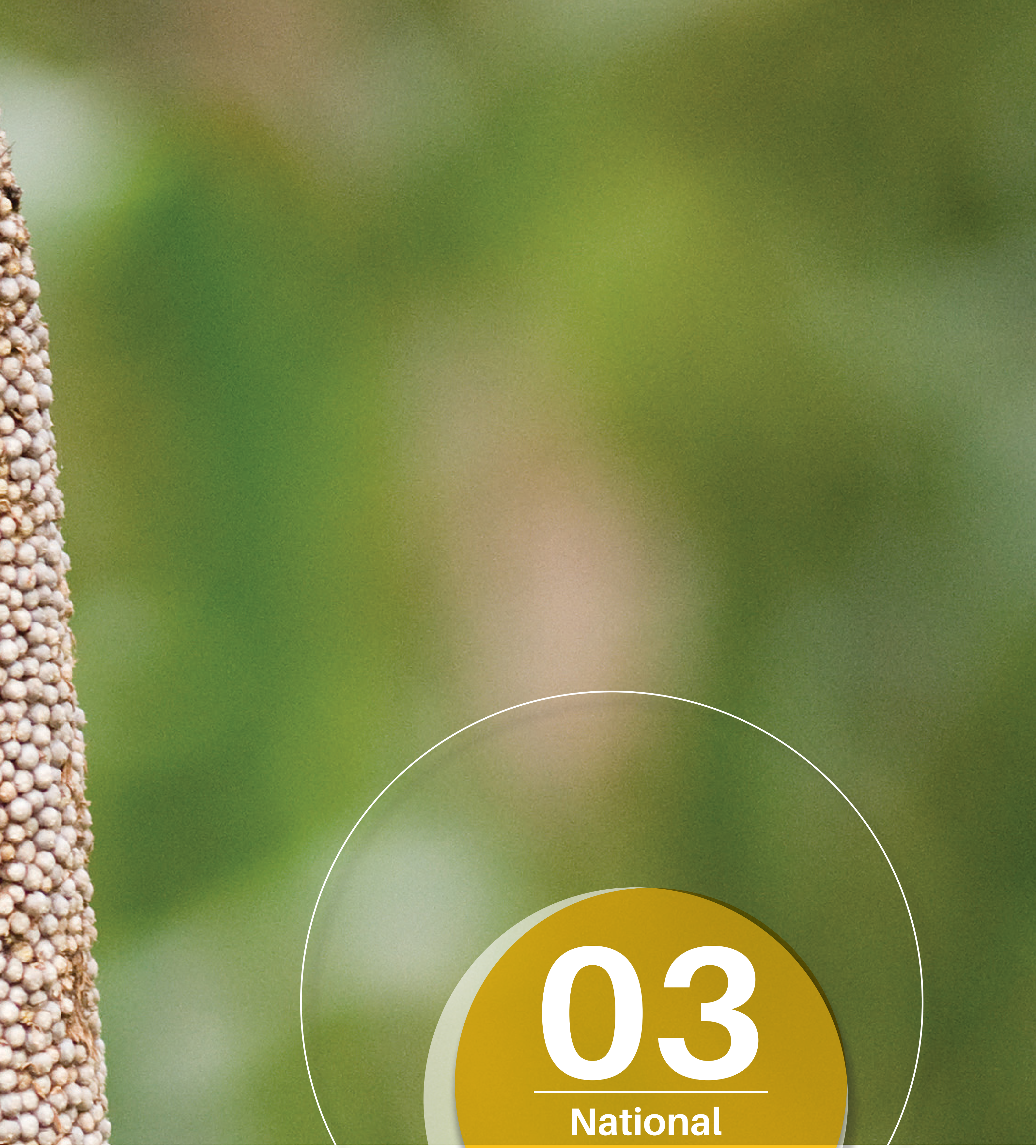
Figure 2.1: RFPBH sales revenue per agent per month for the 2016/2017 financial year

Agent Name	Quarter 1 2016			Quarter 2 2016			Quarter 3 2016			Quarter 4 2017			Totals
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
AMTA	-	4.23	-	-			10.30	90.42	33.17	20.13	-	8.75	167.01
Nam Market A			138.19	849.29	217.22	26.83						9.85	1,241.37
Vena Trading												2.32	2.32
Total per Month	0.00	4.23	138.19	849.29	217.22	26.83	10.30	90.42	33.17	20.13	0.00	18.60	1,408.38
Total Quarter (MT)	142.42			1,093.34			133.89			38.73			1,408.38

Table 2.7: WCH throughput per agent for the 2016/2017 financial year

Agent Name	Quarter 1 2016/17 FY			Quarter 2 016/17 FY			Quarter 3 016/17 FY			Quarter 4 016/17 FY			Total
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
AMTA	-	11,700.00	73,710.50	248,434.70	67,090.00	83,425.50	161,609.42	125,334.66	4,393.43	39,318.97	95,571.69	81,553.92	992,152.79
Nam Market	-	-	713,069.54	624,334.10	1,315,844.30	594,254.25	90,19.45	22,042.67	30,658.89	7,423.40	97,79.81	43,776.02	3,370,202.43
Ondjamba Agents	41,400.00	-	-	-	-	1931.54		49,800.00	47,334.00	96992.00	-	6,550.00	244,007.54
Vena Trading	-	-	-	-	-	-	1223.48	102760.25	88,986.83	75,280.70	21,840.70	48,572.44	338,664.40
Total per Month	-	11,710.00	786,780.04	872,768.80	872,768.80	677,679.75	171,852.35	299,937.58	171,373.15	219,015.20	127,192.20	180,452.38	4,945,027.16
Total Quarter (MT)	798,490.04			2,933,382.85			643,163.08			526,659.65			4,901,695.62

Table 2.8: WCH sales revenue per agent per month for the 2016/2017 financial year



03 National Strategic Food Reserve

NATIONAL STRATEGIC FOOD RESERVE

The National Strategic Food Reserve (NSFR) was established with the aim of ensuring that local grain producers have a market for their produce in order to support food security and to guarantee that food is available at any given time. Moreover, the reserve enhances emergency and disaster preparedness. The reserve comprises five (5) grain storage facilities (silos) at Tsandi, Omuthiya, Okongo, Rundu and Katima Mulilo, with a total national storage capacity of 22,900 MT. The construction of these silos in crop production areas is complimented by government irrigation projects (Green Schemes) under AGRIBUSDEV, and the Dry Land Crop Production programme of the MAWF.

The Division made significant progress during the period in terms of replenishing the reserve through grain procurement from Green Scheme projects, small-holder farmers and resettlement farmers, supporting food security by releasing grain from the reserve for drought relief programmes, and contracting mahangu producers in order to promote mahangu surplus production for marketing purposes.

3.1 RESERVE REPLENISHMENT (GRAINS PROCUREMENT)

During the past years, the effect of drought on rain-fed production made many people in the country reliant on government for food supply. As a result, all the grain stored in the reserve had to be released for drought relief programmes. The NSFR purchased grain during the reporting period in order to replenish the depleted reserve, while at the same time stimulating local grain production. The grain that was marketed was maize and mahangu, both of which are controlled crops.

The grain marketing season begins on 1 May and ends on 30 October every year. Local buyers (millers and the NSFR) have to absorb all the local harvest availed for marketing before the borders are opened for imports. During the 2016/2017 financial year, most maize grain marketed to the reserve was supplied by Green Scheme projects, whereas the marketed mahangu was surplus from small-holder (subsistence) farmers.

The maize price is based on the five-year average of the South African Future Exchange (SAFEX) actual spot price with full inflation, including transport, while the price of mahangu is based on local production cost.

During the reporting period, maize producers managed to market 39,153 MT of maize grain, of which 8,321.55 MT were marketed to the reserve, which represents 21% of local produce marketed. The quantity of grain marketed to the reserve was 7.4% less than grain marketed to the reserve during the previous year. The maize grain marketed decreased by 26% when compared to maize grain marketed to the reserve during the previous year. In terms of mahangu, producers marketed 1,584 MT of which 1,500.44 MT were marketed to the reserve, which represents 95% of local mahangu marketed. This is a 96% increase in the mahangu marketed to the reserve compared to the previous year. The majority of mahangu came from the Kavango East, Zambezi, Oshikoto and Ohangwena Regions. In total, 9,821.99 MT of grain (maize and mahangu) were marketed to the reserve during the 2016/2017 financial year.

The low quantity of maize grain marketed to the reserve was a result of non-surplus maize produced by the small-holder maize producers in the maize producing regions of Zambezi and Kavango East. This was attributed to the late start of the 2015/2016 rainy season in November to early December 2015, followed by irregular and insufficient rainfall with dry spells in December 2015 and January 2016. The Crop Prospects, Food Security and Drought Situation Report (June 2016) confirmed that maize production in the communal area (Zambezi, Kavango East and Kavango West Regions) declined by 16% from the previous season's harvest, falling 68% below the average production.

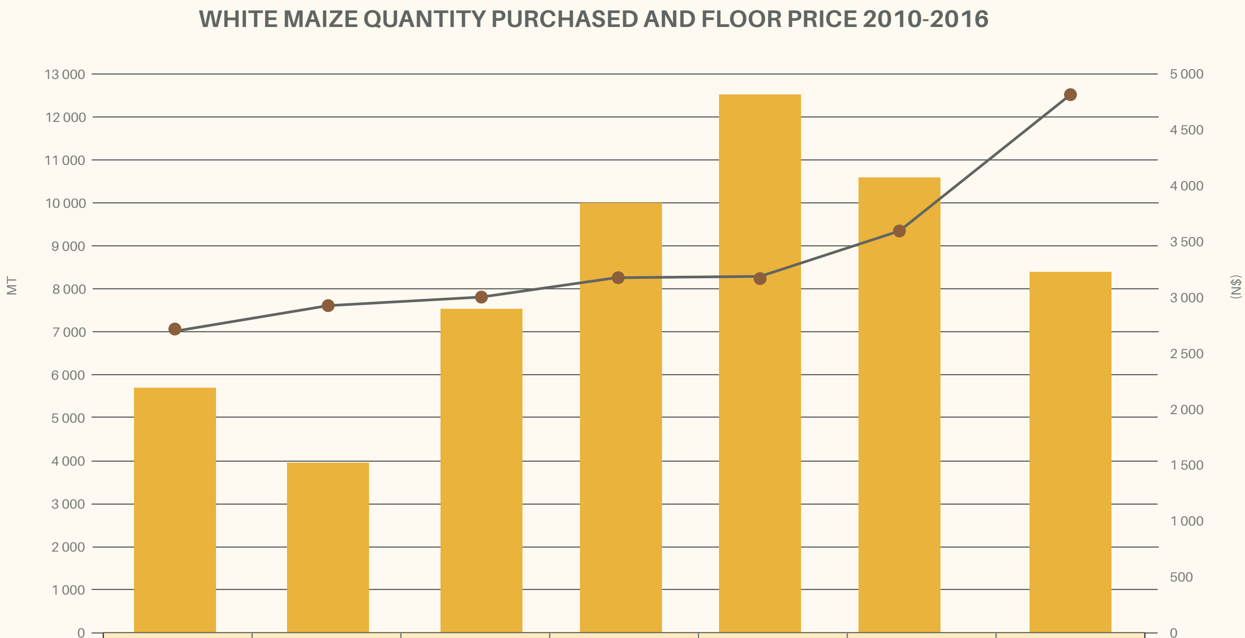
The quantity of mahangu grain marketed to the reserve for the 2016/2017 financial year was 96% more than the previous year and 51% more than the mahangu marketed to the reserve in 2012, which was the highest ever since the inception of the programme. Table 3.2 shows that the Kavango East and Zambezi Regions marketed the most mahangu grain during this period, of which the majority came from the Omega I and Kaliyangile areas.

Table 3.1: Maize grain marketed to NSFR by projects/producers

Projects	April	May	June	July	Aug	Sept	Total
Sikondo	69.78	597.59	667.58	413.11	805.12	20.82	2,574
Vhungu Vhungu	0	432.865	584.499	255.61	142.026	0	1,415
Mashare	0	253.68	233.42	0	-	-	487.1
Ngonga Lilena	0	904.145	352.07	61.75	55.035	-	1373
Shadi Irrigation	0	232.58	754.96	965.02	100.44	-	2,053
Etunda	0	0	213.98	202.02	-	-	416
Farm Rimini	-	-	-	-	-	3.45	3.45
Totals	69.78	2,420.86	2,806.509	1,897.51	1,102.621	24.27	8,321.55

Table 3.2: Mahangu grain marketed to NSFR by regions

Regions	June	July	August	September	October	Total
Kavango West	-	-	4.14	10.25	-	14.39
Otjozondjupa	–	–	-	-	-	2.22
Kavango East	-	70.43	180.69	206.08	160.12	617.32
Ohangwena	0.89	11.96	29.38	28.92	29.12	100.27
Zambezi	–	66.97	474.34	6.63	-	547.94
Oshikoto	-	16.56	55.10	57.02	59.52	188.20
Omusati	-	-	-	27.80	-	27.80
Oshana	-	-	0.36	1.94	-	2.30
Totals	0.89	165.92	744.01	340.86	248.76	1,500.44



	2010	2011	2012	2013	2014	2015	2016
Quantity purchased	5 814	3 993	7 593	10 000	12 449	10 490	8 322
Floor price (N$)	2 614	2 831	2 998	3 169	3 169	3 619	4 825

Figure 3.1: Trend of quantities of maize grain marketed to NSFR from 2010 to 2016

3.2 RELEASE OF GRAINS FROM THE RESERVE

During the 2016/2017 financial year, the Office of the Prime Minister: Directorate for Disaster Risk Management (OPM-DDRM) requested the release of 9,412.74 MT of grain (8,151.74 MT of maize and 1,261 MT of mahangu) from the reserve for the comprehensive drought relief programme. The mahangu grain was issued to the Ohangwena Region, while maize was issued to the Zambezi, Kavango East, Kavango West, Ohangwena, Omusati and Kunene Regions.

3.3 SURPLUS MAHANGU PRODUCTION PROMOTION

A matter of great concern over the past few years has been the fact that mahangu producers were only able to produce below 1,000 MT of marketable mahangu surplus annually in normal and good rainy seasons due to limited improved seeds and unaffordable fertilisers.

During the reporting period, AMTA, through the NSFR, set out to investigate if the low mahangu production was indeed due to limited improved seeds, by providing certified mahangu seeds to selected producers in mahangu producing regions to ascertain if this would improve surplus production.

Improved surplus mahangu production enables farmers to grow more food for household consumption and surplus for the market, which, under market conditions, translates into higher producer incomes. During the year under review, AMTA, through the NSFR, distributed 4,010 kg of certified Okashana seeds to 117 farmers who planted a total of 1,055 ha in anticipation of producing surplus mahangu grain and marketing it through the normal market, i.e. through the NSFR or millers.

Once the initial trial proves feasible, fertiliser and other services might be added and more farmers will benefit. During the reporting period, the fields of beneficiary farmers were monitored and most looked promising, with only a few affected by the fall worm invasion experienced in the country during the first months of planting.

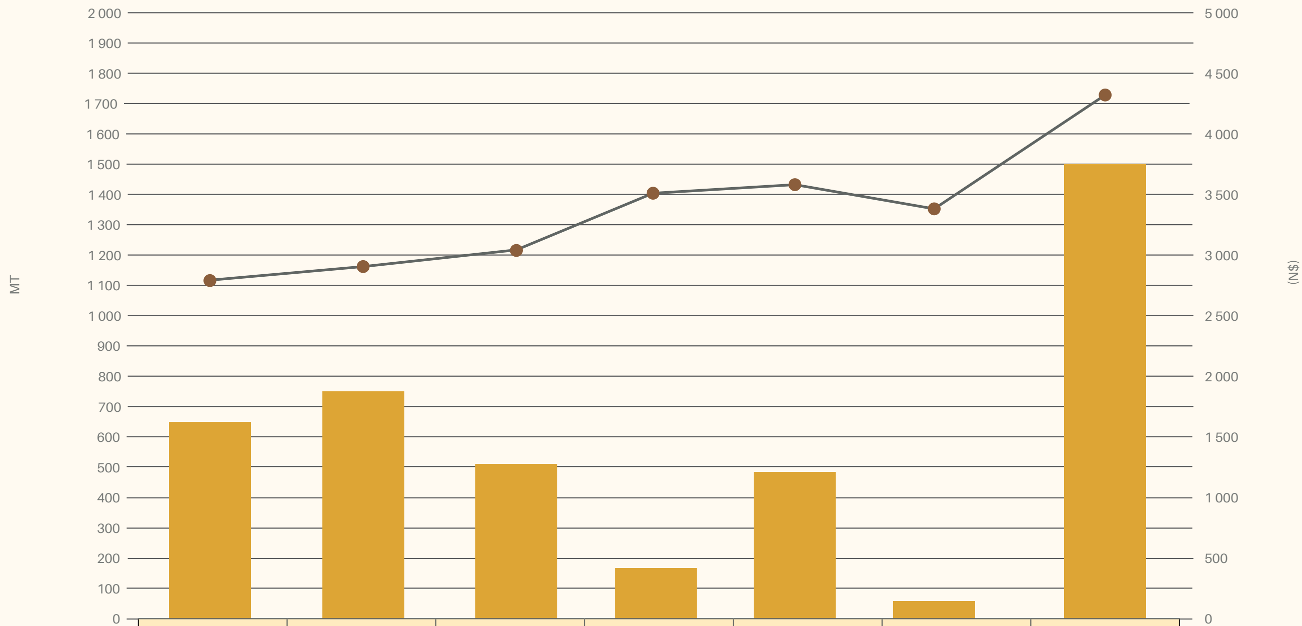
Table 3.3: Mahangu certified grain distributed to farmers

Regions	Seed Quantity (kg)	Hectare (ha)	Farmers Benefited
Kavango East	11,37	320	25
Kavango West	140	35	11
Zambezi	1,238	305	32
Oshana	112	28	8
Oshikoto	593	148.5	8
Otjozondjupa	330	82.5	5
Ohangwena	260	65	18
Omusati	200	73	10
Totals	4,010	1,057	117

Bags of mahangu grain packed for the national drought relief programme under OPM-DDRM

Truck loaded with maize grain released from silos for the national drought relief programme under OPM-DDRM

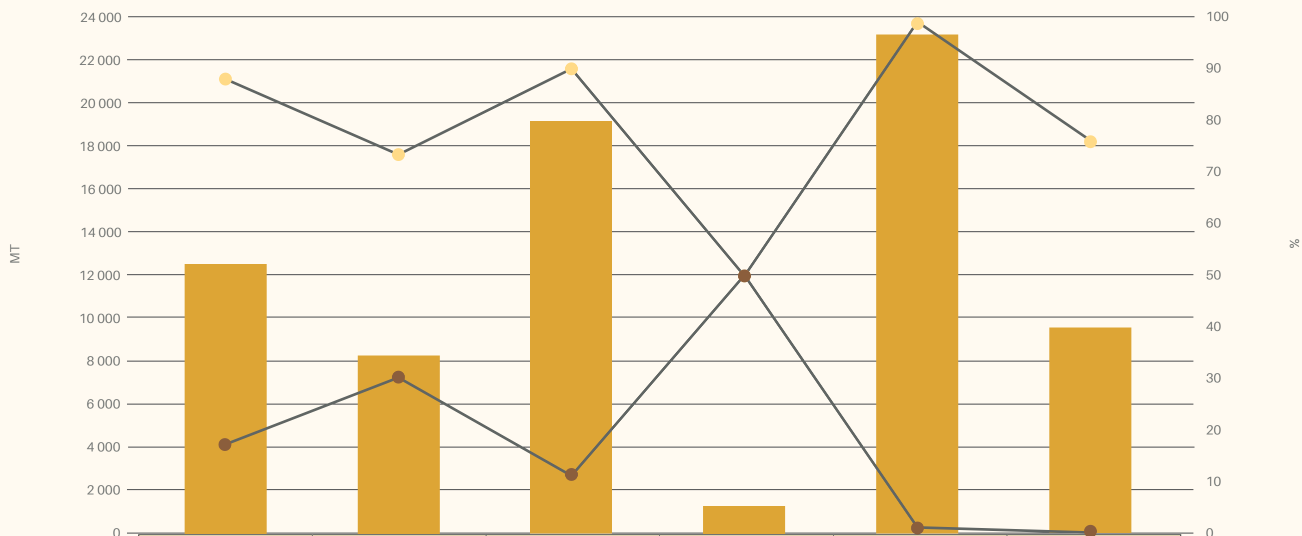
MAHANGU QUANTITY PURCHASED AND FLOOR PRICE 2010-2016



	2010	2011	2012	2013	2014	2015	2016
Quantity Purchased	642	742	504	175	486	61	1,500
Floor price (N$)	2,668	2,872	3,041	3,504	3,640	3,475	4,386

Figure 3.2: Trend of quantities of mahangu grain marketed to NSFR from 2010 to 2016

QUANTITIES OF GRAINS RELEASED TO OPM-DDRM AND MILLERS



	2010-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Total Quantities (MT)	6,413	4,227	18,137	1,266	22,838	9,412.74
Quantity released to OPM-DDRM	83	73	90	50	99	100
Quantity released to Millers	17	27	10	50	0.10	0

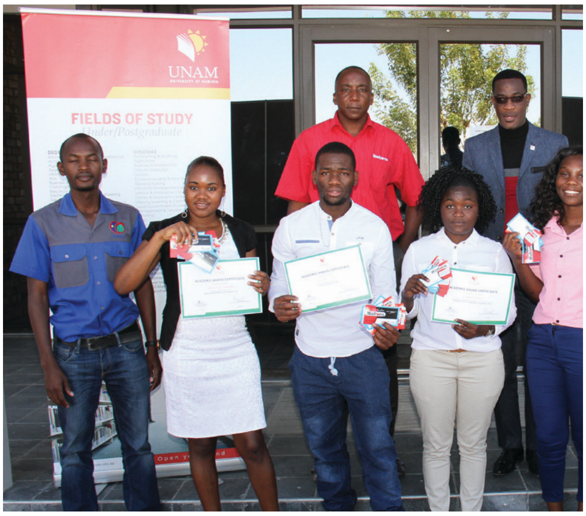
Figure 3.3: Trend of grain quantities released from the reserve to OPM-DDRM and millers

AMTA cold storage facility

Mahangu crop of some seed beneficiaries in the Otjozondjupa and Oshana Regions during field inspections in February 2017

Honourables !Naruseb and Mutorwa commissioning the export of table grapes through Luderitz harbour to the EU markets

Honourable !Naruseb with stakeholders at the table grapes export commissioning.



AMTA supports UNAM top performing students in Ogongo Campus

AMTA's Managing Director engaging a reporter


AMTA

04
Human Resources Administration

HUMAN RESOURCES ADMINISTRATION

The ultimate intention of the Human Resources Administration Division is to establish outstanding HR policies and standard operating procedures, with the overall aim of securing the availability and sufficiency of HR operational documentation and systems.

4.1 AMTA EMPLOYEE ESTABLISHMENT

As at 31 March 2017, AMTA's staff complement stood at one hundred sixty-seven (167), consisting of ninety-two (92) male and seventy-five (75) female employees.

4.2 EMPLOYEE SELF-SERVICE

AMTA introduced the employee self-service (ESS) system during the reporting period. The simple web-based application allows for online processing of leave applications, and enables employees to update their personal information, view payslips, and submit travel claims, among other things.

4.3 AFFIRMATIVE ACTION

During the reporting period, AMTA submitted its affirmative action report and plan timeously and was awarded a compliance certificate by the Employment Equity Commission in terms of the Affirmative Action Act, 1998 (Act No. 29 of 1998).

4.4 EMPLOYEE TURNOVER

Figure 4.1 shows that employee turnover was low during the reporting period.

4.5 EMPLOYEE MOVEMENT

Figure 4.2 summarises employee movement for the reporting period.

4.6 TRAINING AND DEVELOPMENT

4.6.1 NON-QUALIFYING TRAINING

Employees from various divisions attended non-qualifying training (workshops and conferences) as outlined in Table 4.1.

4.6.2 COMPETENCY-BASED TRAINING

During the reporting period, the need to train two staff members to Lead Auditor level and five staff members (from a pool of Focal Persons) to Internal and Supplier Auditors was identified. Preparations and arrangements are underway for the training to take place during Quarter 2 of 2018. The training will build adequate capacity for AMTA to internally audit its QMS as required by the standard, and also its suppliers when required.

4.6.3 ISO 9001:2015 QUALITY MANAGEMENT SYSTEM AWARENESS/INDUCTION FOR STAFF

Fifty-two (52) staff members from OFPBH, Walvis Bay, Oshikango, Tsandi and Omuthiya underwent awareness training on the essence and need of a QMS in an organisation, and on AMTA's Quality Policy and its importance.

4.7 EMPLOYEE RELATIONS

AMTA endeavours to ensure that all employees are able to achieve and maintain high standards of performance in their work and that fair procedures are in place for addressing any failure by an individual employee to achieve these necessary standards, through training, coaching and/or disciplining the employees.

In order to secure technical assistance for employees in matters relating to collective bargaining and employee relations, AMTA entered into a recognition agreement with the Public Service Union (PSUN), which represents the majority of employees below management level.

4.7.1 EMPLOYEE CLIMATE SURVEY

The Human Resources Administration Division conducted an employee climate survey during the reporting period. The overall index score was fifty-seven percent (57%). AMTA endeavours to improve the overall index score in the following financial year.

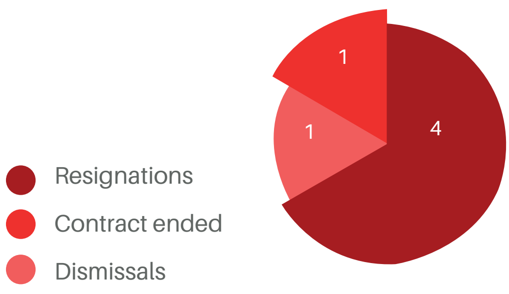


Figure 4.1 : Employee turnover during the 2016/2017 financial year

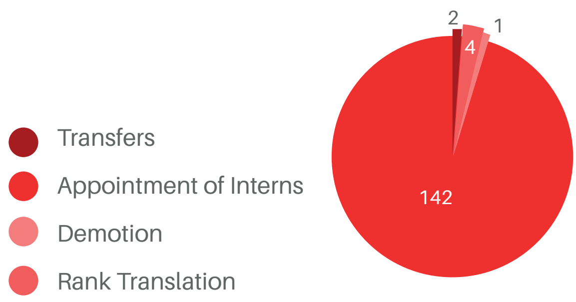


Figure 4.2: Employee movement for the 2016/2017 financial year

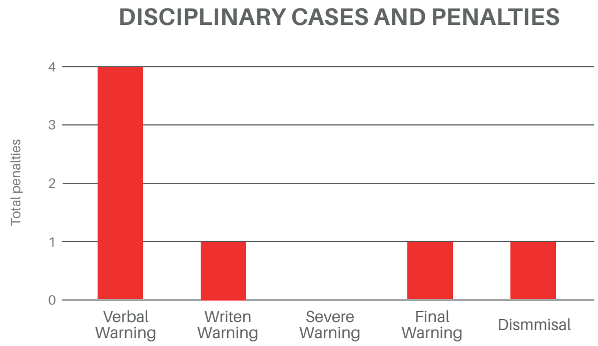


Figure 4.3: Disciplinary cases and penalties during the 2016/2017 reporting period

	TRAINING INTAKE	Gender	
		Male	Female
1	Human Capital Policy Induction	3	3
2	Namibia Corporate Governance Conference	5	1
3	ISO 9001:2015 Quality Awareness Level 3 Training Course	7	1
4	Labour Law Update: Dismissals & Procedural Fairness	4	1
5	ISO 9001:2015 Introduction to Quality Concepts and Principals Training Course	16	5
6	The Eighth Annual Logistics and Transport Workshop	1	1
7	ISO 9001:2015 Transition Training Programme A	1	1
8	Quality Management Conference	2	1
9	Project Management for Technical Professionals	1	0
10	Microsoft Excel 2013 Intermediate and Advanced	1	6
11	Basic ICT Skills: Mouse & Keyboard, File Navigation, Microsoft Word 2010, Microsoft Excel 2010, Microsoft PowerPoint 2010, Email & Internet, and Social Networking	2	3
12	Forklift Operator Course Training	7	1
13	Hygiene, Cleaning & Customer Care	6	3
14	Sage Pastel Technical Training	4	0
15	Procurement and Tendering Best Practices	1	0
16	Defensive Training and Assessment	5	0
	Total	**66**	**27**
	Grand Total		**91**

Table 4.1: Overview of non-qualifying training

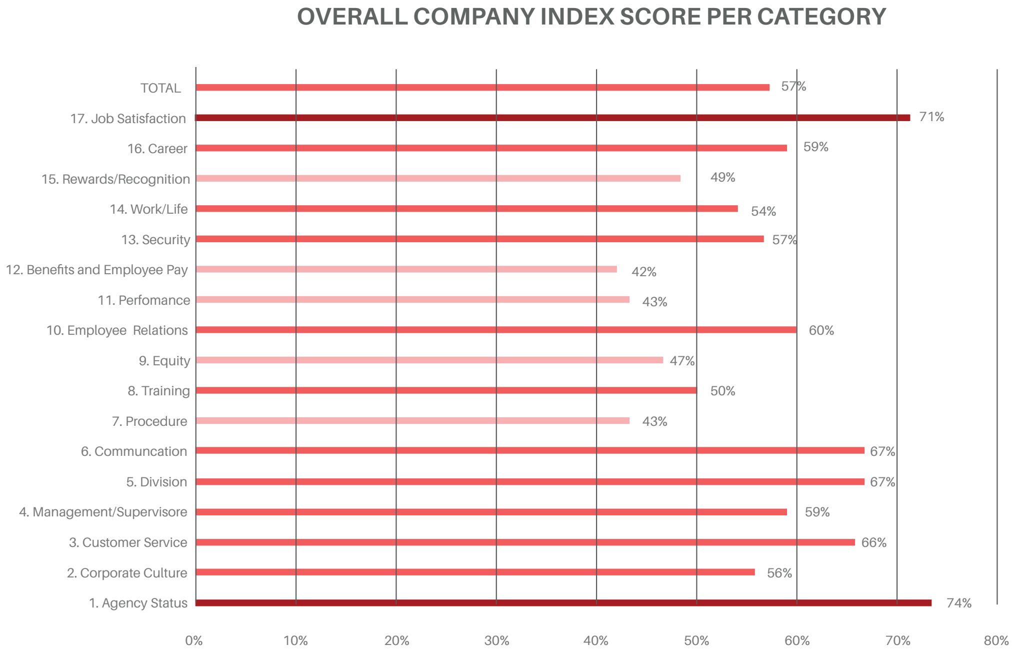


Figure 4.4: Summary of the overall index score per category

His Excellency, President Hage Geingob at his familiarization visit in Rundu, April 2017.

Loading on and off of stock.

AMTA cares for the safety of it's employees

Mr Nujoma on a food safety awareness roadshow

AMTA NHP wellness campaign

Mr Kooper giving a motivational talk to Khomas High students on behalf of AMTA


NO TUG
BROMMA
THERMO KING

05

Finance and Administration

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

GENERAL INFORMATION

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Facilitating marketing and trading of agricultural produce, promoting food security in Namibia
Directors	L Lucas A Nehemia D R Tshikesho S Kasheeta M Mulunga J A Kamwi T E Alweendo B van Wyk F Nakanyala J Ihemba G Diergaardt
Business address	Erf 209, Industria Street Lafrenz, Industrial Area
Postal address	P.O. Box 350 Windhoek Namibia
Bankers	Standard Bank Namibia Limited
Auditors	Saunderson & Co Registered Accountants and Auditors Chartered Accountants (Namibia)
Company registration number	21/2013/0853

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

INDEX

The following supplementary information does not form part of the annual financial statements and is unaudited: Detailed Statement of Surplus or Deficit and Other Comprehensive Income

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act, No 28 of 2004 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is 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 results of its operations and cash flows for the period then 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 judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour 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 association's cash flow forecast for the year to 31 March 2018 and, in light of this review and the current financial position, they are satisfied that the association has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the association's annual financial statements. The annual financial statements have been examined by the association's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 81 to 108, which have been prepared on the going concern basis, were approvedby the directors on 27 October 2017 and were signed on its behalf by:

Approval of financial statements

L Lucas	**A Nehemia**

INDEPENDENT AUDITOR'S REPORT

To the members of Agro Marketing and Trade Agency (AMTA) Incorporated Association Not for gain

Opinion

We have audited the annual financial statements of Agro Marketing and Trade Agency (AMTA) Incorporated Association Not for gain set out on pages 81 to 108, which comprise the statement of financial position as at 31 March 2017, and the statement of surplus or deficit and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

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 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No 28 of 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act, No 28 of 2004 of Namibia, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No 28 of 2004, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saunderson & Co
Registered Accountants and Auditors Chartered Accountants (Namibia)

Per: Edingtone Tafirenyika
Partner

27 October 2017 Windhoek

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Agro Marketing and Trade Agency (AMTA) Incorporated Association Not for gain for the year ended 31 March 2017.

1. Nature of business

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

There have been no material changes to the nature of the association's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No 28 of 2004. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

Net surplus (deficit) of the association was N$ 26,919,302 (2016: N$62,741,632).

3. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Nationality
L Lucas	Managing Director	Executive	Namibian
A Nehemia	Chairperson	Non-executive	Namibian
DR Tshikesho		Non-executive	Namibian
S Kasheeta		Non-executive	Namibian
M Mulunga		Non-executive	Namibian
JA Kamwi		Non-executive	Namibian
TE Alweendo		Non-executive	Namibian
B van Wyk		Non-executive	Namibian
F Nakanyala		Non-executive	Namibian
J Ihemba		Non-executive	Namibian
G Diergaardt		Non-executive	Namibian

There have been no changes to the directorate for the year under review.

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The directors believe that the association has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the association is in a sound financial position and that the Governement of the Republic of Namibia will continue supporting the core functions of AMTA. The directors are not aware of any new material changes that may adversely impact the association. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the association.

6. Auditors

Saunderson & Co were appointed auditors in accordance with the Companies Act of Namibia.

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017 NOTES

	Notes	2017 N$	2016 N$
Assets			
Non-Current Assets			
Property, plant and equipment	3	54,323,643	24,594,838
Current Assets			
Inventories	5	23,067,258	19,954,334
Trade and other receivables	6	38,025,821	37,164,899
Cash and cash equivalents	7	118,371,453	136,036,952
		179,464,532	**193,156,185**
Total Assets		**233,788,175**	**217,751,023**
Equity and Liabilities			
Equity			
Accumulated surplus (deficit)		(33,350,537)	(60,269,839)
Liabilities			
Non-Current Liabilities			
Finance lease liabilities	8	21,501,397	-
Current Liabilities			
Trade and other payables	10	103,287,640	139,577,710
Finance lease liabilities	8	4,158,202	-
Deferred income	10	138,191,473	138,443,152
		245,637,315	**278,020,862**
Total Liabilities		**267,138,712**	**278,020,862**
Total Equity and Liabilities		**233,788,175**	**217,751,023**

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

	Notes	2017 N$	2016 N$
Income	12	190,010,844	106,342,501
Cost of sales	13	(60,444,112)	(71,071,475)
Gross surplus		**129,566,732**	**35,271,026**
Other operating income	14	31,107	26,261
Other operating gains (losses)	15	220,189	(174,011)
Other operating expenses		(101,347,374)	(98,524,920)
Operating surplus (deficit)	16	**28,470,654**	**(63,401,644)**
Investment income	17	459,716	679,816
Finance costs	18	(2,011,068)	(19,804)
Surplus (deficit) for the year		**26,919,302**	**(62,741,632)**
Other comprehensive income		-	-
Total comprehensive surplus (deficit) for the year		**26,919,302**	**(62,741,632)**

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

STATEMENT OF CHANGES IN EQUITY

	Accumulated surplus (deficit) N$	Total Equity N$
Balance at 01 April 2015	2,471,793	2,471,793
Deficit for the year	(62,741,632)	(62,741,632)
Other comprehensive income	-	-
Total comprehensive deficit for the year	(62,741,632)	(62,741,632)
Balance at 01 April 2016	(60,269,839)	(60,269,839)
Surplus for the year	26,919,302	26,919,302
Other comprehensive income	-	-
Total comprehensive surplus for the year	26,919,302	26,919,302
Balance at 31 March 2017	(33,350,537)	(33,350,537)
Note(s)		

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

STATEMENT OF CASH FLOWS

	Notes	2017 N$	2016 N$
Cash flows from operating activities			
Cash generated from (used in) operations	20	(20,338,512)	11,066,634
Interest income		459,716	679,816
Finance costs		(2,011,068)	(19,804)
Net cash from operating activities		**(21,889,864)**	**11,726,646**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(37,918,841)	(22,976,041)
Sale of property, plant and equipment	3	1,483,607	183,492
Add back Finance Lease Asset addition non cash		30,135,000	-
Net cash from investing activities		**(6,300,234)**	**(22,792,549)**
Cash flows from financing activities			
Finance lease payments		(4,475,401)	-
Proceeds from government grant		15,000,000	28,000,000
Net cash from financing activities		**10,524,599**	**28,000,000**
Total cash movement for the year		**(17,665,499)**	**16,934,097**
Cash at the beginning of the year		136,036,952	119,102,855
Total cash at end of the year	7	**118,371,453**	**136,036,952**

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

ACCOUNTING POLICIES

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act, No 28 of 2004.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the association functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

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.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the association holds for its own use or for rental to others and which are expected to be used for more than one year.

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 association, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

ACCOUNTING POLICIES

1.3 Property, plant and equipment (continued)

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the association and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the association. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Leasehold property	Straight line	20 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Leasehold improvements	Straight line	5 years

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

ACCOUNTING POLICIES

1.3 Property, plant and equipment (continued)

an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

1.4 Leasehold property

When the association holds property under a long term prepaid lease agreement, the lease is classified as a finance lease or an operating lease in accordance with the provisions of IAS 17 Leases. Refer to the accounting policy on leases. When these leases are classified as finance leases, the property is capitalised as leasehold property, and is depreciated over the lease term.

1.5 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

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

The association 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

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

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

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

ACCOUNTING POLICIES

1.5 Financial instruments (continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the association has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the association assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired. For amounts due to the association, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

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.

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

ACCOUNTING POLICIES

1.5 Financial instruments (continued)

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.

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.

1.6 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.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is 1.3%.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability.The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

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 is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average cost 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.

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

ACCOUNTING POLICIES

1.7 Inventories (continued)

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

1.8 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.

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.

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

ACCOUNTING POLICIES

1.9 Equity

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

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

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.

1.11 Provisions and contingencies

Provisions are recognised when:

- the company 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.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised but only disclosed.

1.12 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.

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

ACCOUNTING POLICIES

1.12 Government grants (continued)

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.

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 (separately).

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.

1.13 Income

Income 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.

Income is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

1.14 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the 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, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

ACCOUNTING POLICIES

1.15 Borrowing costs

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

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2 New Standards and Interpretations

Amendments to IFRS 1: Annual Improvements to IFRS 2014 - 2016 cycle

The amendment to IFRS 1 First Time Adoption of International Financial Reporting Standards deleted certain short term exemptions concerning disclosures of financial assets, employee benefits and investment entities from IFRS 1.

The effective date of the amendment is for years beginning on or after 01 January 2018.

It is unlikely that the amendment will have a material impact on the association's annual financial statements.

IFRS 9 financial instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 01 January 2018.

It is unlikely that the standard will have a material impact on the association's annual financial statements.

IFRS 15 revenue from contracts with customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 01 January 2018.

It is unlikely that the standard will have a material impact on the association's annual financial statements.

Amendments to IAS 7: Disclosure initiative

The amendment requires entities to provide additional disclosures for changes in liabilities arising from financing activities. Specifically, entities are now required to provide disclosure of the following changes in liabilities arising from financing activities:

- changes from financing cash flows;
- changes arising from obtaining or losing control of subsidiaries or other businesses;
- the effect of changes in foreign exchanges;
- changes in fair values; and
- other changes.

The effective date of the amendment is for years beginning on or after 01 January 2017.

It is unlikely that the amendment will have a material impact on the association's annual financial statements.

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Property, plant and equipment

	2017			2016		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Leasehold property	30,135,000	(1,058,987)	29,076,013	-	-	-
Furniture and fixtures	1,075,745	(417,047)	658,698	1,059,398	(204,713)	854,685
Motor vehicles	23,402,958	(5,738,303)	17,664,655	19,235,215	(2,937,606)	16,297,609
Office equipment	1,155,133	(537,705)	617,428	1,117,814	(310,662)	807,152
IT equipment	4,260,141	(2,586,508)	1,673,633	3,429,551	(1,278,610)	2,150,941
Leasehold improvements	5,081,741	(1,333,163)	3,748,578	4,192,465	(426,433)	3,766,032
Other property, plant and Equipment	1,271,450	(386,812)	884,638	884,348	(165,929)	718,419
Total	**66,382,168**	**(12,058,525)**	**54,323,643**	**29,918,791**	**(5,323,953)**	**24,594,838**

Reconciliation of property, plant and equipment - 2017

	Opening Balance	Additions	Disposals	Depreciation	Total
Leasehold property	-	30,135,000	-	(1,058,987)	29,076,013
Furniture and fixtures	854,685	16,347	-	(212,334)	658,698
Motor vehicles	16,297,609	5,610,807	(1,251,548)	(2,992,213)	17,664,655
Office equipment	807,152	37,319	-	(227,043)	617,428
IT equipment	2,150,941	842,991	(12,401)	(1,307,898)	1,673,633
Leasehold improvements	3,766,032	889,276	-	(906,730)	3,748,578
Other property, plant and	718,419	387,101	-	(220,882)	884,638
	24,594,838	**37,918,841**	**(1,263,949)**	**(6,926,087)**	**54,323,643**

Reconciliation of property, plant and equipment - 2016

	Opening Balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	244,914	771,433	-	(161,662)	854,685
Motor vehicles	4,004,150	15,043,133	(356,330)	(2,393,344)	16,297,609
Office equipment	612,918	389,982	-	(195,748)	807,152
IT equipment	1,103,301	1,922,082	-	(874,442)	2,150,941
Leasehold improvements	-	4,192,465	-	(426,433)	3,766,032
Other property, plant and equipment	181,923	656,946	-	(120,450)	718,419
	6,147,206	**22,976,041**	**(356,330)**	**(4,172,079)**	**24,594,838**

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 N$	2016 N$

4. Financial assets by category

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

Financial 2017

	Loans and receivables	Total
Trade and other receivables - Non interest bearing	28,717,975	28,717,975
Cash and cash equivalents	118,371,453	118,371,453
	147,089,428	**147,089,428**

Financial 2016

	Loans and receivables	Total
Trade and other receivables - Non interest bearing	37,164,894	37,164,894
Cash and cash equivalents	136,036,952	136,036,952
	173,201,846	**173,201,846**

5. Inventories

Rice	5,467	-
Maize	13,166,909	13,857,209
Mahangu	6,793,329	4,786,220
Fresh produce	3,101,553	1,310,905
	23,067,258	**19,954,334**

6. Trade and other receivables

Trade receivables	37,754,845	37,165,748
Prepayments	214,911	231,282
Other receivables	56,065	(232,131)
	38,025,821	**37,164,899**

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 N$	2016 N$

7. Cash and cash equivalents

Cash and cash equivalents consist of:

	2017 N$	2016 N$
Cash on hand	6,647	6,344
Bank balances*	88,046,290	132,673,129
Short-term deposits	-	(41,572)
Call deposits	30,318,516	3,399,051
	118,371,453	**136,036,952**

Pledge

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). Next review date 2 August 2017.

*N$3,763,569 (2016:N$17,576,168) of bank balances consist of government projects fund held in trust for government specific projects (Also refer to note 10 for the project fund balances).

8. Finance lease liabilities

	2017 N$	2016 N$
Minimum lease payments due		
- within one year	7,831,760	-
- in second to fifth year inclusive	25,681,840	-
	33,513,600	-
less: future finance charges	(7,854,000)	-
Present value of minimum lease payments	25,659,600	-
Present value of minimum lease payments due		
- within one year	6,697,704	-
- in second to fifth year inclusive	18,961,896	-
	25,659,600	-
Non-current liabilities	21,501,397	-
Current liabilities	4,158,202	-
	25,659,599	-

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 N$	2016 N$

8. Finance lease liabilities (continued)

The company entered into a finance lease agreement on the 12th of August 2016 to purchase the property ERF 209, Industria Street. The purchase price was N$39,950,000 excluding VAT, duties and transfer costs.

The agreed repayment period is 3 years ending on 1 September 2019. This is when the tranfer of tittle deeds will occur for full ownership to be attained.

Even though interest was not specified in the agreement, the calculated average interest rate implicit in the lease is 15% p.a.

9. Financial liabilities by category

Cash and cash equivalents consist of:

	Financial liabilities at amortised cost	Total
Trade and other receivables - Non interest bearing	**94,512,263**	**94,512,263**

Financial 2016

	Financial liabilities at amortised cost	Total
Trade and other receivables - Non interest bearing	**139,577,705**	**139,577,705**

10. Trade and other payables

	2017 N$	2016 N$
Trade payables	1,372,476	4,602,778
VAT	3,034,215	2,341,248
Government projects fund	3,763,569	17,576,168
Namibia Agronomic Board Levy	86,248,998	107,682,498
Employee liabilities	8,275,268	7,397,494
Deposits received	368,058	(189,489)
Other payables	225,056	167,013
	103,287,640	**139,577,710**

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 N$	2016 N$

11. Deferred income

Government grants	138,191,473	138,443,153
Deferred income - grants related to assets	27,085,132	30,798,812
Deferred income - grants related to grain	111,106,341	107,644,341
	138,191,473	**138,443,153**

Deferred income relates to government grants for specific projects matching income from grants to related expenses.

12. Revenue

Sale of grain	68,492,142	63,902,760
Other income	6,793,666	4,439,741
Sale of fresh produce	904,733	261,680
Commission	51,912,960	1,488,686
Administration fee income	1,101,991	2,163,955
Grant operational subsidy	11,538,000	20,000,000
Deferred income release to income statement	3,455,091	10,450,351
Grants other (NAB)	41,747,249	(336,865)
Grape inspections	4,065,012	3,972,193
	190,010,844	**106,342,501**

13. Cost of sales

Cost of grain sold	59,729,264	70,927,065
Cost of fresh produce sold	745,748	144,410
Discount received	(30,900)	-

14. Other operating income

Bad debts recovered	8,411	-
Tender documentation fees	22,696	26,261
	31,107	**26,261**

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 N$	2016 N$

15. Other operating gains (losses)

	2017 N$	2016 N$
Gains (losses) on disposals, scrappings and settlements		
Property, plant and equipment	219,658	(172,838)
Foreign exchange gains (losses)		
Net foreign exchange gains (losses)	531	(1,173)
Total other operating gains (losses)	**220,189**	**(174,011)**

16. Other operating gains (losses)

Operating surplus (deficit) for the year is stated after charging (crediting) the following, amongst others:

	2017 N$	2016 N$
Auditor's remuneration - external		
Audit fees	201,469	108,004
Adjustment for previous year	106,572	-
	308,041	**108,004**
Employee costs		
Salaries, wages, bonuses and other benefits	61,710,728	60,545,420

Defined conrtibution retirement plan

The association participates in an Alexander Forbes Financial Services Limted pension fund, which is a defned 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 surplus or deficit statement as they are incurred.

AMTA currently contributes 10% (2016: 16%) of the pensionable emoluments to the fund whilst the members contribute 0% (2016: 7%).

Leases

	2017 N$	2016 N$
Operating lease charges		
Premises	**4,223,228**	**4,375,772**
Depreciation and amortisation		
Depreciation of property, plant and equipment	**6,926,087**	**4,175,143**

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 N$	2016 N$

17. Investment income

Interest income		
From investments in financial assets:		
Bank and other cash	**459,716**	**679,816**

18. Finance costs

Operating surplus (deficit) for the year is stated after charging (crediting) the following, amongst others:

Finance leases	1,960,999	-
Bank	50,069	19,804
Total finance costs	**2,011,068**	**19,804**

19. 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.

20. Cash generated from (used in) operations

Surplus (Deficit) for the year	26,919,302	(62,741,632)
Adjustments for:		
Depreciation and amortisation	6,926,087	4,172,079
(Gains) losses on disposals, scrappings and settlements of assets and liabilities	(219,658)	172,841
(Gains) losses on foreign exchange	(531)	-
Interest income	(459,716)	(679,816)
Finance costs	2,011,068	19,804
Government grant recognised as financing activity	(15,000,000)	(28,000,000)
Changes in working capital:		
Inventories	(3,112,924)	23,932,422
Trade and other receivables	(860,922)	(24,102,633)
Trade and other payables	(36,289,539)	100,993,997
Deferred income	(251,679)	(2,450,351)
NAB assets grant	-	(250,077)
	(20,338,512)	**11,066,634**

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 N$	2016 N$

21. Related parties

Relationships

The Government of the Republic of Namibia (GRN) and other State Owned Enterprises (SOEs) are the agency's related parties.

Related party balances

Amounts - Due (to) /by related parties		
NAB(Levies)	(86,935,761)	(107,682,498)
MAWF (Project funds)	(3,763,569)	(17,576,168)
Office of the Prime Minister	5,595,709	-
Related party transactions		
Amounts included in income		
MAWF operational grant	11,538,000	20,000,000

22. Directors' and key management's emoluments

Executive

2017	Emoluments	Other benefits*	Pension paid or receivable	Total
L Lucas	817,977	817,768	**158,741**	**1,794,486**

2016	Emoluments	Other benefits*	Pension paid or receivable	Total
L Lucas	929,076	701,233	**155,459**	**1,785,768**

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

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 N$	2016 N$

22. Director's and key management's emoluments (continued)

2017		
	Directors' fees	Total
Directors	272,862	272,862

2016		
	Directors' fees	Total
Directors	266,614	266,614

Key management

2017		
	Emoluments	Total
For services rendered	266,614	4,881,017

2016		
	Emoluments	Total
For services rendered	4,769,717	4,769,717

23. 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 achieve its objectives and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the association consists of accumulated surplus/deficit 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.

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 N$	2016 N$

23. Risk management (continued)

Financial risk management

The more important financial risks 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.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year
Trade and other receivables - Non interest bearing	- %	28,717,975
Cash and cash equivalents	- %	118,371,453
Trade and other payables - non interest bearing	- %	(94,512,263)

24. 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 hierachy reflects the significance of the inputs used in making the fair value measurements. The level in the fair value hierachy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is siginificant 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 association can access at measurement date.

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017	2016
	N$	N$

24. Fair value information (continued)

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.

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 level1 and level 2 for the reporting period ended 31 March. Description of valuation method and inputs of another class of level 2 fair values.

No changes have been made to the valuation technique.

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

DETAILED STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

	Notes	2017 N$	2016 N$
Income			
Sale of grain		68,492,142	63,902,760
Other income		6,793,666	4,439,741
Sale of fresh produce		904,733	261,680
Commission income		51,912,960	1,488,686
Grants - other		41,747,249	(336,865)
Administration fee income		1,101,991	2,163,955
Grant operational subsidy		11,538,000	20,000,000
Deferred income released to income		3,455,091	10,450,351
Grape inspections		4,065,012	3,972,193
	12	**190,010,844**	**106,342,501**
Cost of sales	13	**(60,444,112)**	**(71,071,475)**
Gross surplus		129,566,732	35,271,026
Other operating income			
Bad debts recovered		8,411	-
Tender document fees		22,696	26,261
	14	**31,107**	**26,261**
Other operating gains (losses)			
Gains (losses) on disposal of assets		219,658	(172,838)
Foreign exchange gains (losses)		531	(1,173)
	15	**220,189**	**(174,011)**
Expenses (Refer to page 108)		**(101,347,374)**	**(98,524,920)**
Operating surplus (deficit)	16	**28,470,654**	**(63,401,644)**
Investment income	17	459,716	679,816
Finance costs	18	(2,011,068)	(19,804)
Surplus (deficit) for the year		**26,919,302**	**(62,741,632)**

Agro-Marketing and Trade Agency (AMTA)
Incorporated Association Not for Gain
(Registration number 21/2013/0853)
Annual Financial Statements for the year ended 31 March 2017

DETAILED STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

	Notes	2017 N$	2016 N$
Other operating expenses			
Advertising		827,948	2,161,208
Auditors remuneration - external auditors	16	308,041	108,004
Bad debts		1,550,317	1,317,346
Bank charges		434,806	321,208
Cleaning		284,695	353,464
Commission paid		1,123,976	1,998,237
Computer expenses		1,330,553	689,986
Accounting fees		-	22,257
Consulting and professional fees		2,502,143	3,909,184
Depreciation		6,926,087	4,175,143
Employee costs		61,710,728	60,545,420
Entertainment		84,525	200,838
Agent import levy		327,971	393,037
Other expenses		18,173	427,498
Staff uniforms		52,879	417,999
Fumigation expenses		839,393	52,642
General expenses		175,136	629,867
Laboratory expenses		1,498,708	440,200
Insurance		1,002,992	782,758
Lease rentals on operating lease		4,223,228	4,375,772
Motor vehicle expenses		4,413,287	3,124,555
Municipal expenses		4,410,333	3,952,122
Postage		252,078	182,307
Printing and stationery		1,870,588	2,969,583
Repairs and maintenance		243,479	48,657
Security		800,020	680,610
Staff welfare		624,972	1,268,623
Subscriptions		50,709	27,641
Telephone and fax		1,387,391	1,322,933
Transport and freight		687,187	238,280
Travel and accomodation		1,385,031	1,387,541
		101,347,374	**98,524,920**

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BROMMA
THERMO KING

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FROM LAND TO NATION

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