

Principles for Inclusive and Sustainable Growth in the Livestock Economy of Namibia

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Discussion points



My departure points



Defining transformation and inclusive growth



Role of government



Role of farmers' unions



Key considerations that would lead to successful transformation and inclusive growth

Lessons from South Africa

Principles for a comprehensive programme

My departure points

- Learn from history and experience
- KISS – “Keep it straight and simple”
- South African and Namibia have been making many plans in agriculture
- Plans, strategies or workshops are often a disguise for ‘real work or accomplishment’
- Be clear on terminology – small-scale, vs commercial vs communal vs large scale vs emerging



Why should we prioritize agriculture in rural areas?

Growth in agriculture is in general two to three times more effective at reducing poverty than an equivalent amount of growth generated outside agriculture.

The advantage of agriculture in reducing poverty is largest for the poorest individuals in society and extends to other welfare outcomes, including food insecurity and malnutrition.

An important source of the poverty-reducing benefits of agricultural growth is the widespread adoption of innovations that increase producer returns and wage labour opportunities and reduce consumer prices.

Rising agricultural productivity not only reduces poverty by releasing agricultural labour to non-agricultural activities, but also by pulling surplus labour from less productive home production into commercial agriculture.

Transformation of the agricultural sector and inclusive growth

- Moving agriculture from traditional, low-productivity, subsistence-based farming to a more modern, high-productivity, market-oriented, and sustainable system
- Key factors:
 - Increase productivity
 - Market orientation
 - Value addition and agribusiness
 - Modern technology and innovation
 - Access to finance
 - Institutional and policy reform
- This transformation requires collaboration between government, farmers' unions, private sector, communities, etc
- Much of what is needed requires “public goods” – therefore effective government is critical!

Role of government

- “to create an enabling environment “
- “to encourage private sector investment”.
- “to take a much more proactive approach to engaging with the private sector
- “to remove price distortions in both input and output markets”,
- “to promote effective competition in the market place”.
- “to reduce the risks inherent in agricultural investment through supporting technology generation, verification and transfer”,

Nambian Agricultural Policy, 2015

Farmers' Unions – do they help transformation?

- Why do we have farmer organizations? - represent farmers' interests, lobby government, advocacy.
- Organised along racial, cultural, religion or tribal lines
- Vested interests, rent seeking.
- .. but they all have the same purpose: “ to promote inclusive growth’ ; “to promote commercial agriculture”.
- The problem with too many farmers' unions.

➔ Leads to fragmentation, duplication of overheads and lots of confusion

Key considerations for success – lessons from South Africa

- National Wool Growers Association project amongst communal growers in the Eastern Cape
 - Shearing sheds
 - Genetic improvement
 - Training in shearing, wool classing
 - Link to wool agents, auctions, export supply chain
 - Massive growth in household income



Key considerations for success (2)

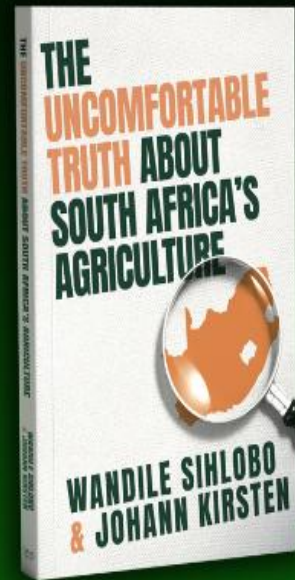
Lessons from the early farmer settlement projects in South Africa in 1930-1950s (Key principles)

- State investment in land, infrastructure made available for settlement on clear conditions
- Support through extension services, finance, markets, family support (food and subsidy for 24 months) BUT farmer has skin in the game and will be evaluated after 5 years
- Principles:
 - Avoid project based and piecemeal approaches to support
 - Provide subsidies or on-farm infrastructure (bore holes, animal handling facilities, fences, dairy parlors, pig pens, poultry houses)
 - Fixed subsidy amount for items – farmer finance and build self and then claim subsidy after verification that it is in place (only 80% of costs)
 - Investment in climate smart practices or regenerative agriculture can also be supported on this basis
 - No free handouts of fertilizer, inputs or tractors – farmer needs to finance this through access to agricultural finance – land and agricultural bank or cooperatives

Concluding remarks

The process of modernizing or transforming the agricultural sector to a market-oriented sector requires some key principles

- Carefully designed policy instruments that are aligned to incentives
- Enabling environment
- Farmers have to have skin in the game (helps with selection)
- Special reform measures to deal with land tenure, markets and distance to markets
- Public good provisions and removing constraints that prohibit integration into the market economy
- Ensure broad based and inclusive approach to support services with ease of application and qualification



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