Ombu Capital

NURTURING BUSINESSES OF THE FUTURE

Agricultural Outlook Conference

Building a ***Resilient*** Agriculture for ***Inclusive*** Society

What is required?

By Vetumbuavi Mungunda

Founder, Ombu Capital

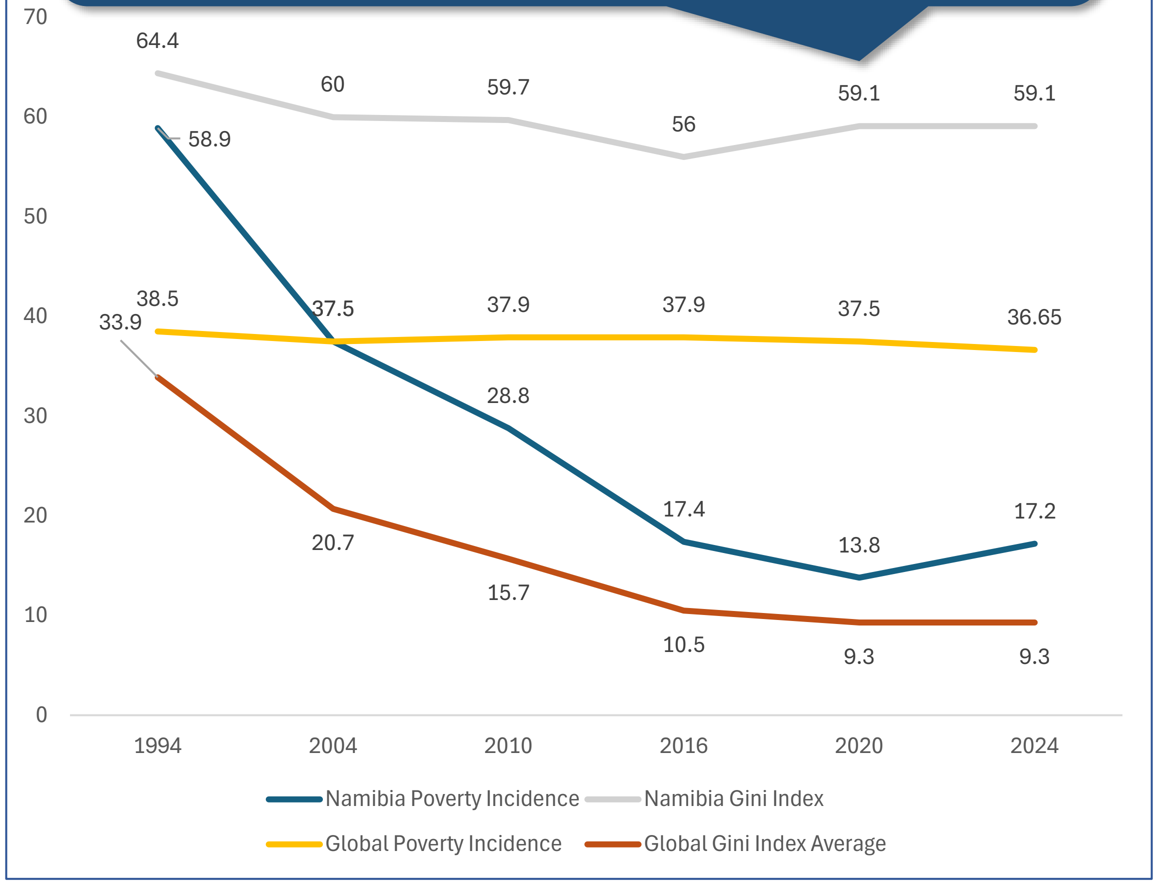
8th October 2025


Our Developmental Context
Agricultural Output
New Emerging Sub-Sectors
Critical Success Factors
Focus Areas

DEVELOPMENTAL CONTEXT

Inequality

Namibia remains the 2nd most unequal society in the world. The Gini-coefficient deteriorated between 2016 – 2020 due to lack of economic growth.

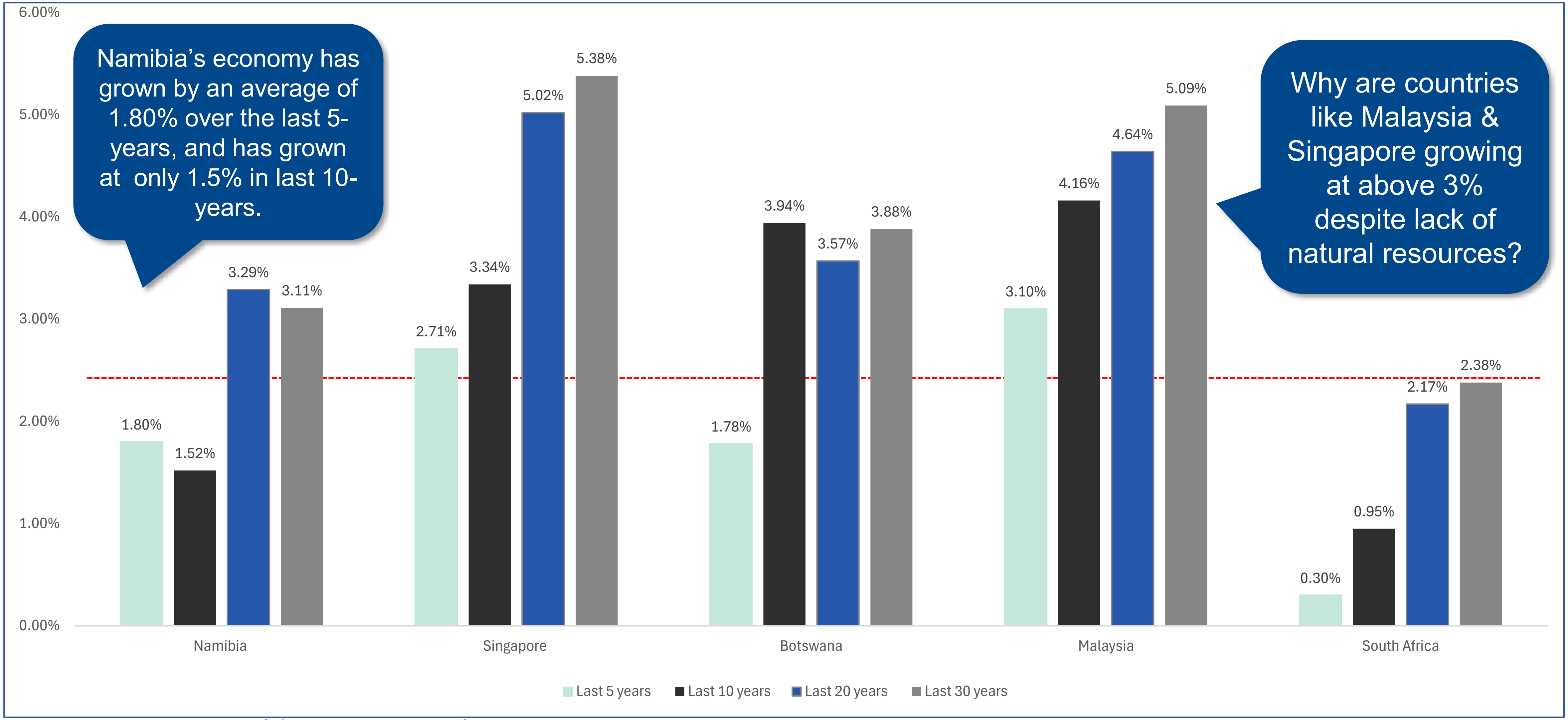


Data Source: NSA / World Bank

Presence of single dominant sectors without linkages to local economy & communities worsens inequality, especially in the absence of local skills & capacity for locals to participate. Need for intentional programmes to create local capacity and strengthen sectors with most linkages to local livelihoods .

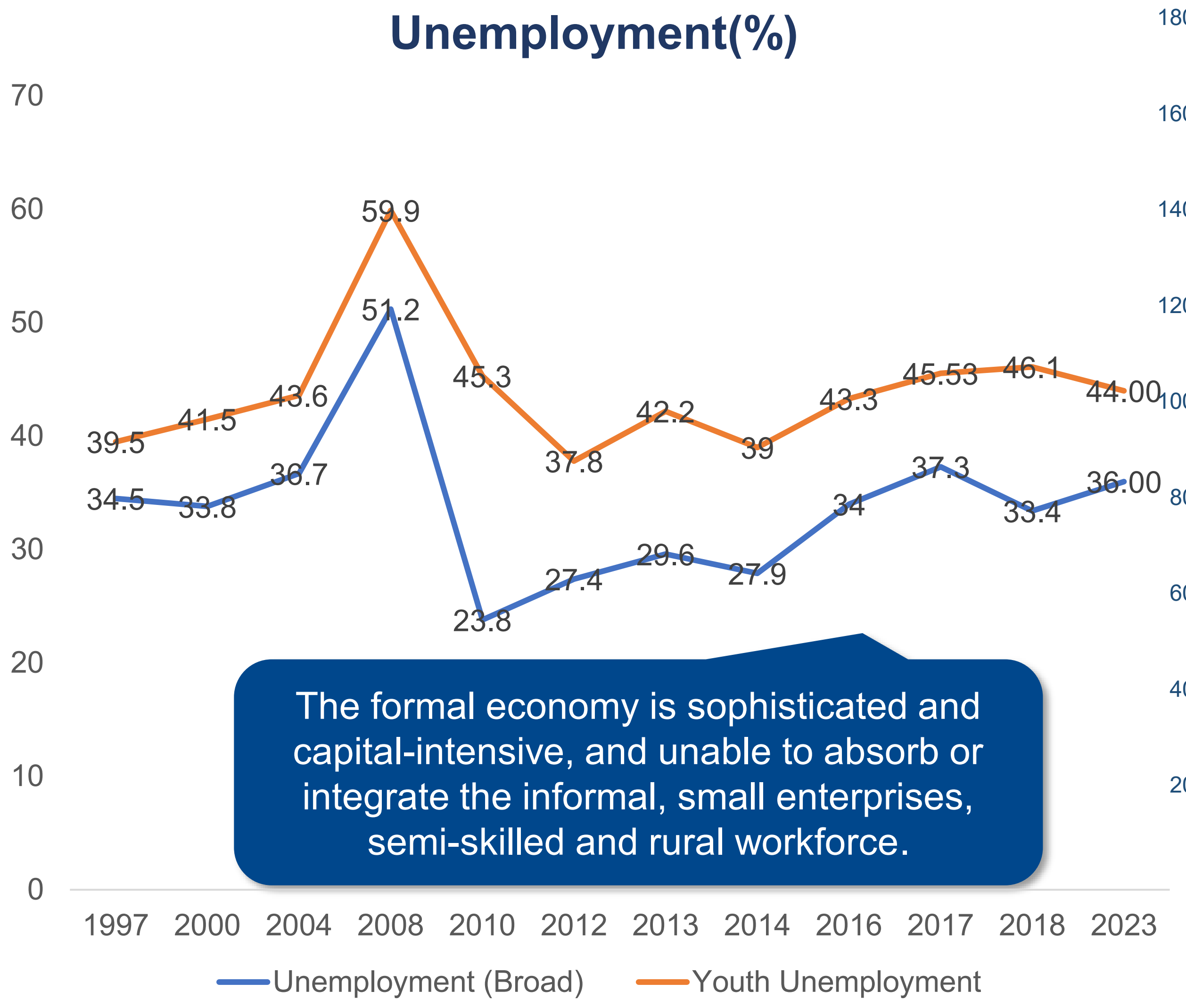
Data Source: NSA

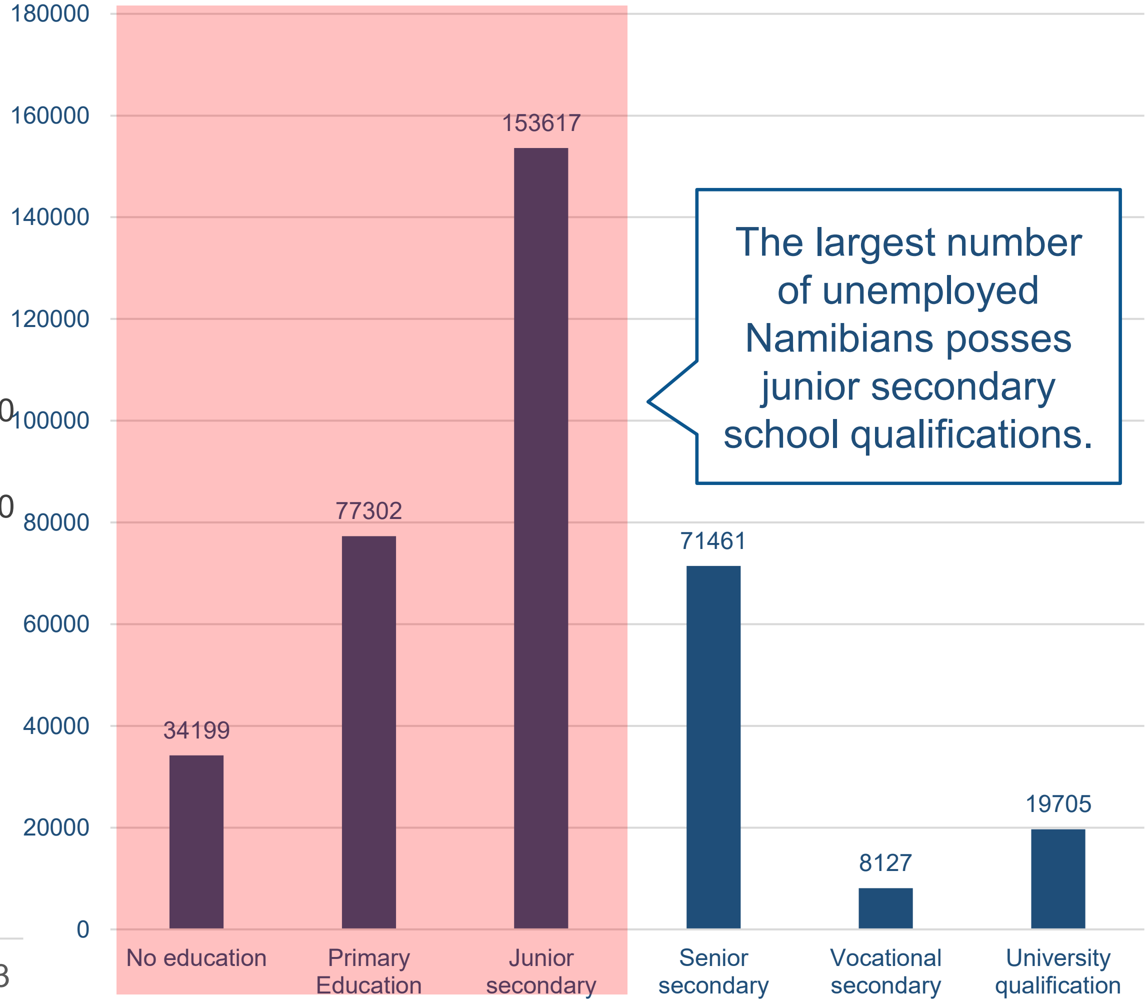
GDP Growth Trends



Data Source: Retrieved from MacroTrends

Unemployment is high & persistent

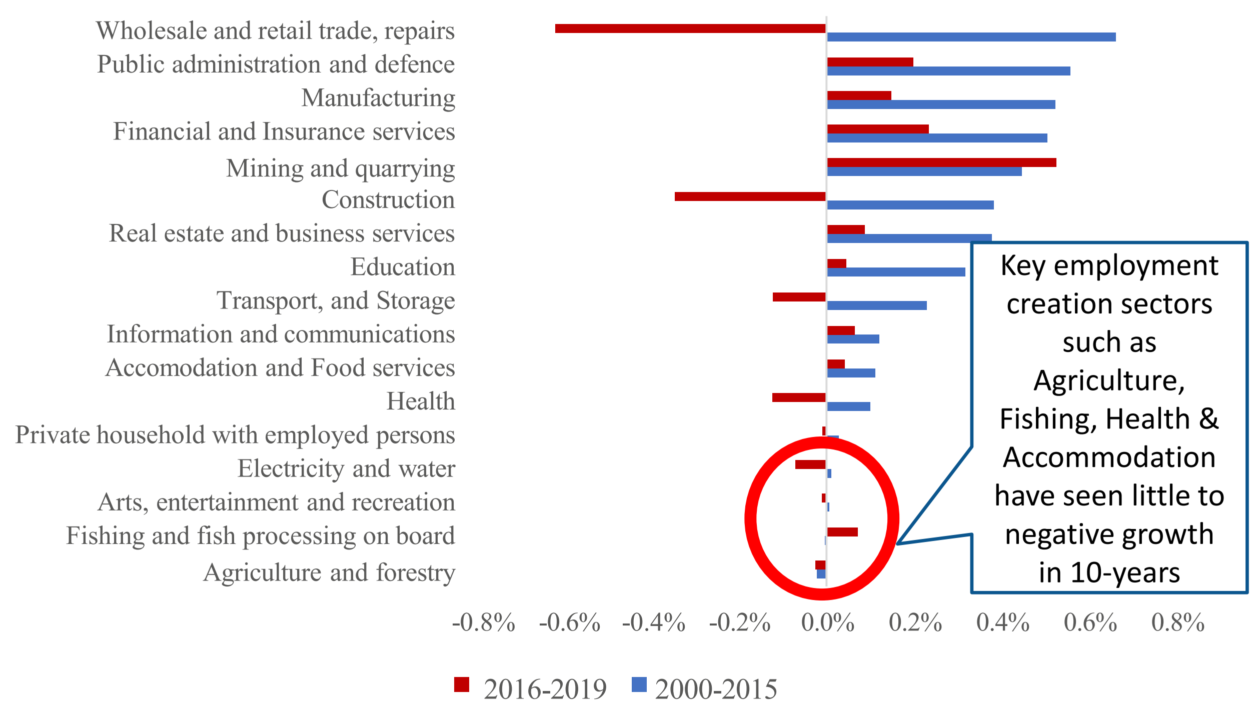




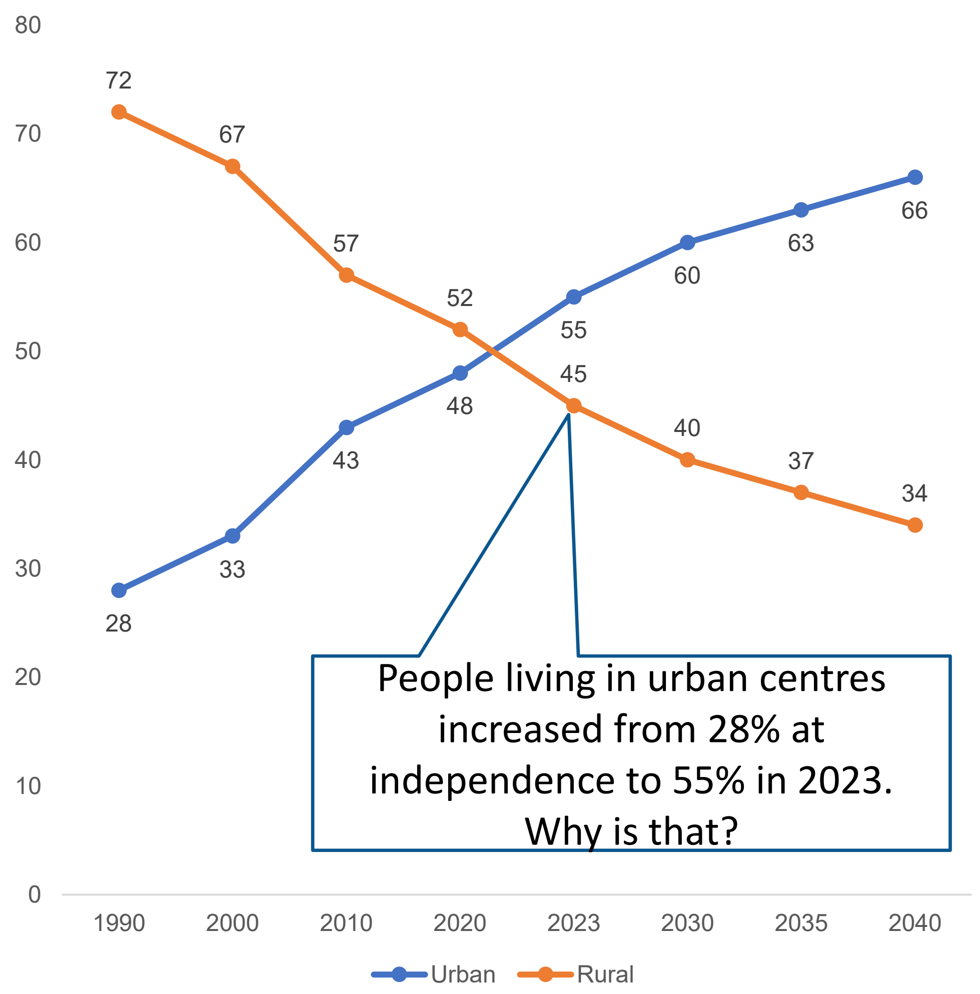
Data Source: NSA

Sectoral Performance – Agriculture has not grown since 2000

Contribution to Economic Growth by Sector

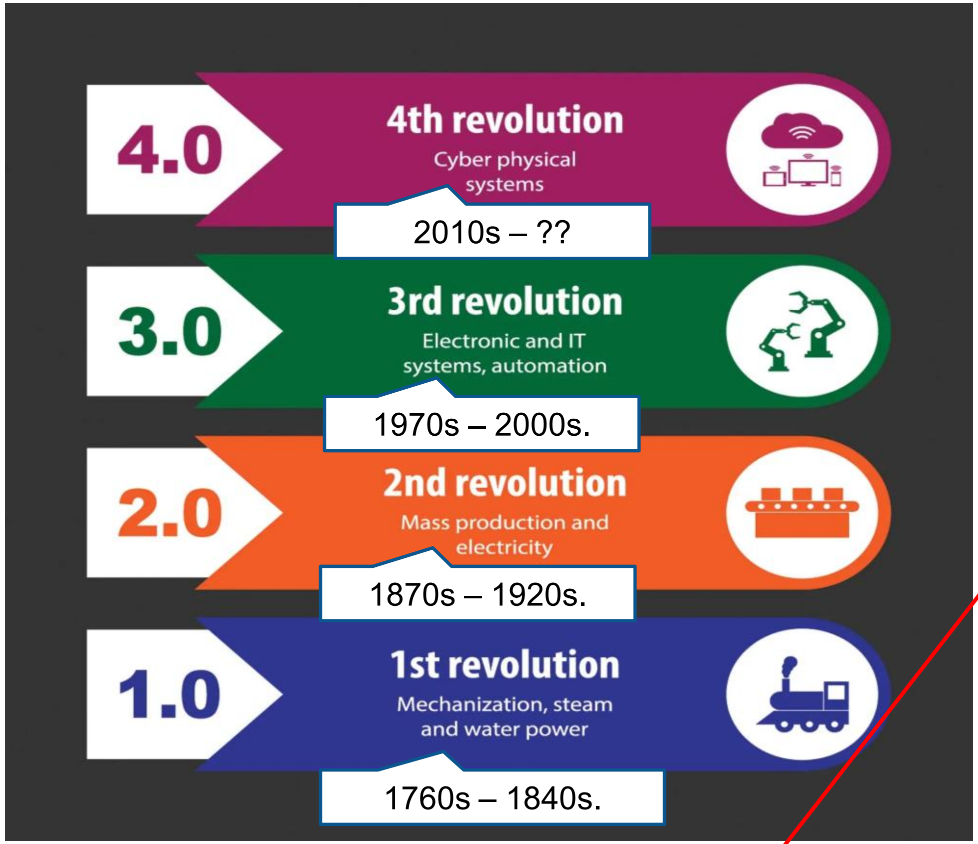


Mining and quarrying represent 10% of GDP and 56% of exports, but only 2% of employment. At the other end of the spectrum, Agriculture represents 4 - 7% of GDP and over 30% of employment. This is the single source of our poverty & inequality. It is not surprising that the few opportunities that Namibians have to access quality jobs are either in government or in the non-tradable sector closely linked to the evolution of public expenditure.



Data Source: NSA

TIMELINES OF INDUSTRIAL REVOLUTIONS



Pre-industrial

Agrarian or Agricultural Era

CAN WE LEAPFROG?

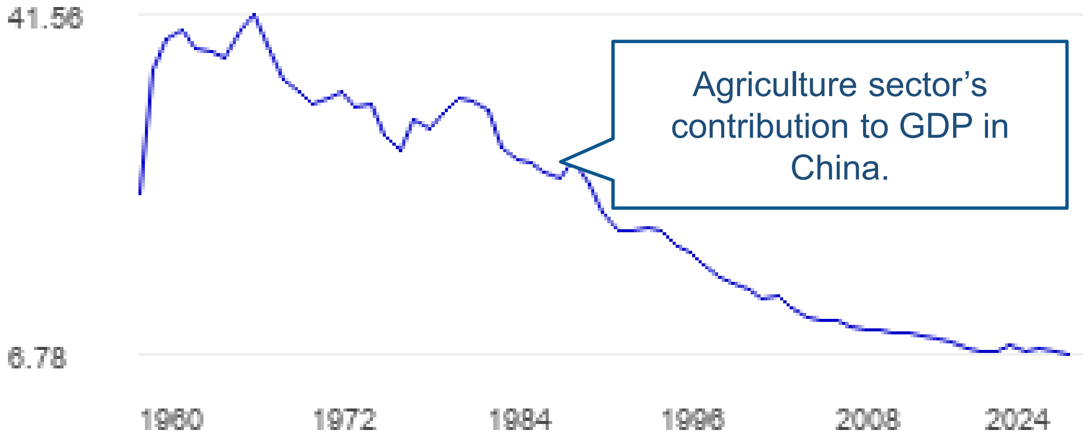
5th revolution

Decarbonisation
?

Renewable energy

Green Industrialisation (Clean technology)

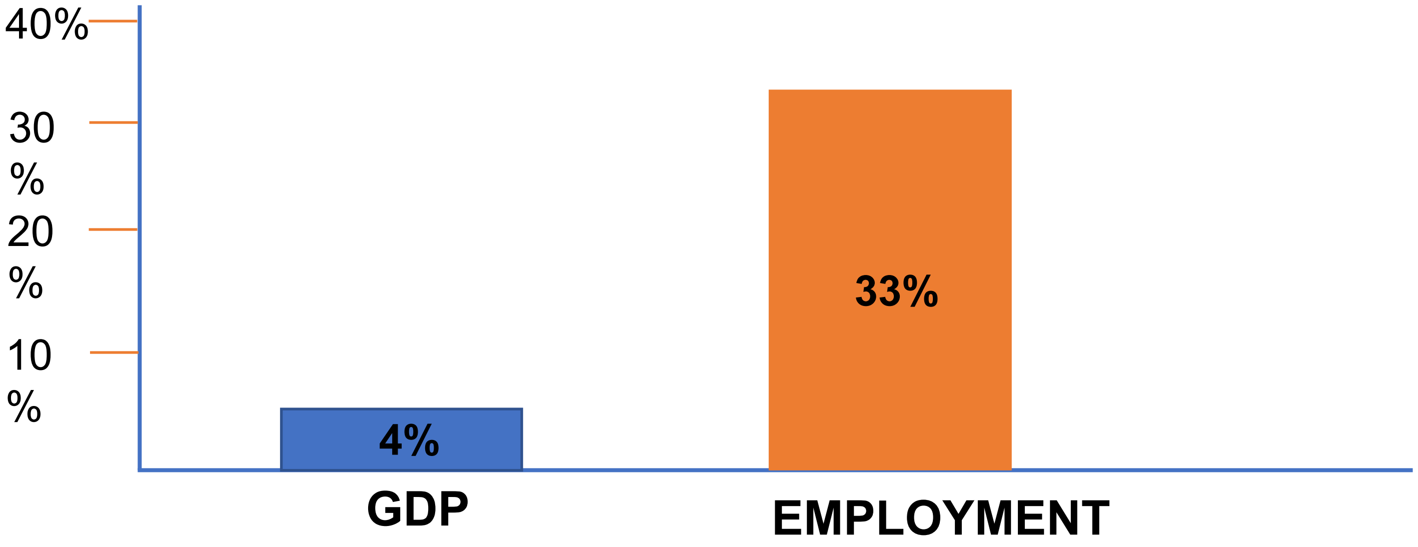
Green Hydrogen



Countries industrialised once agriculture reached 20 – 30% of GDP. For example in 1952, the agriculture sector made up 50.5% of China's economy.

AGRICULTURAL OUTPUT

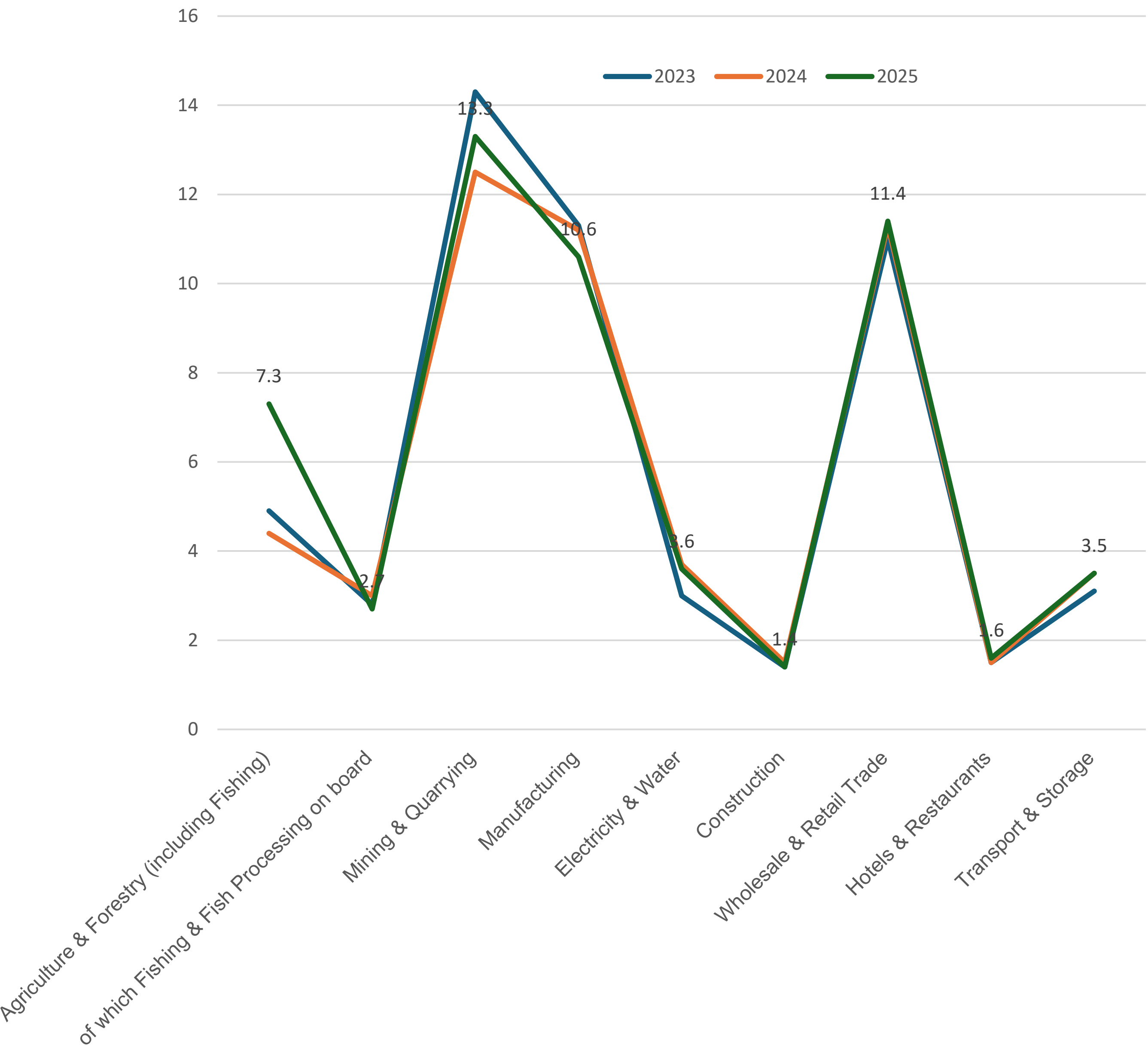
NAMIBIA AGRICULTURE POTENTIAL?



AN ARID COUNTRY BENCHMARK….

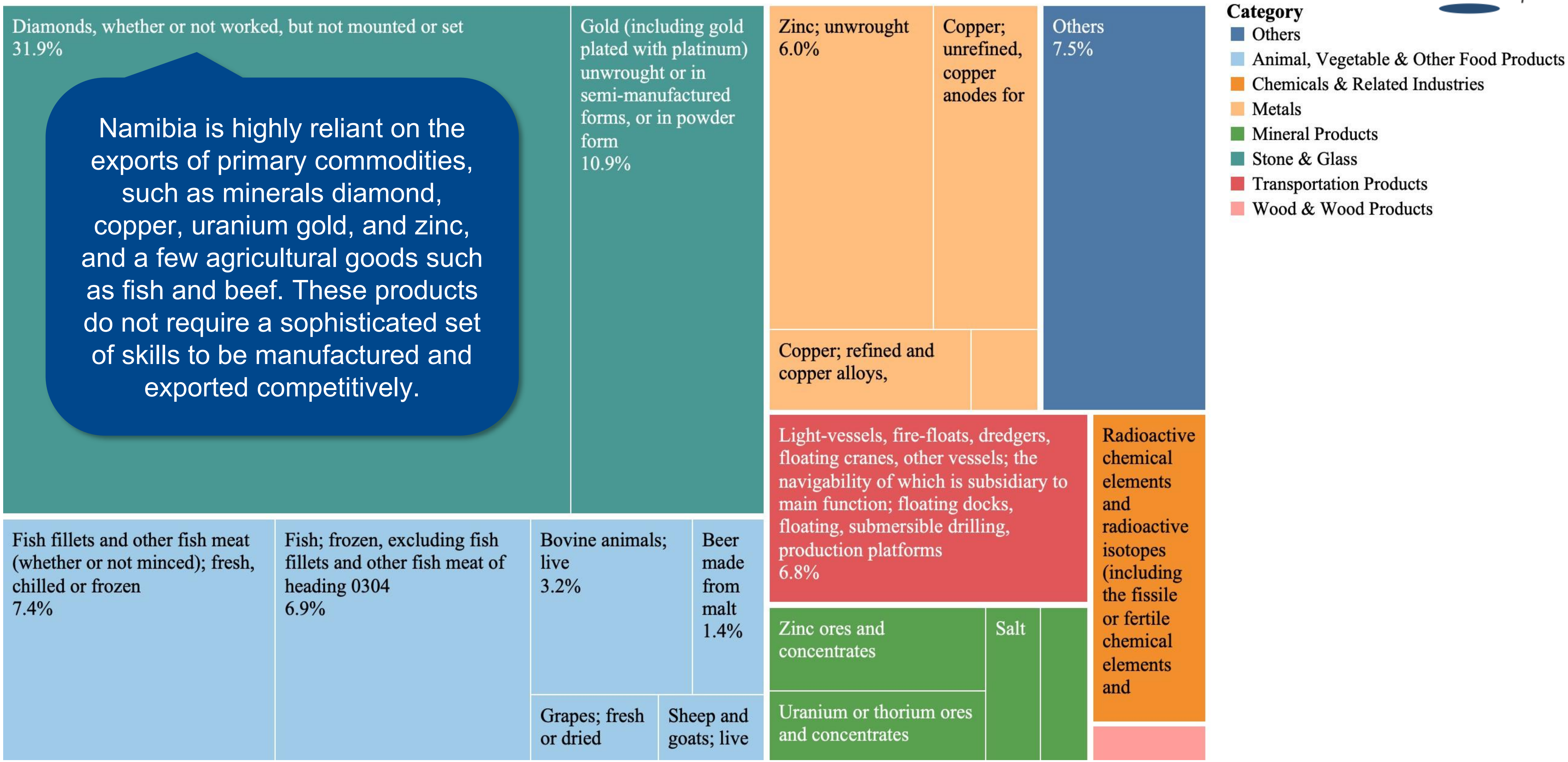
- **Citrus yield 262t/ha v. 243t USA**
- **Tomato yield 300t/ha v. global average 50t/ha**

Percentage contributions to GDP



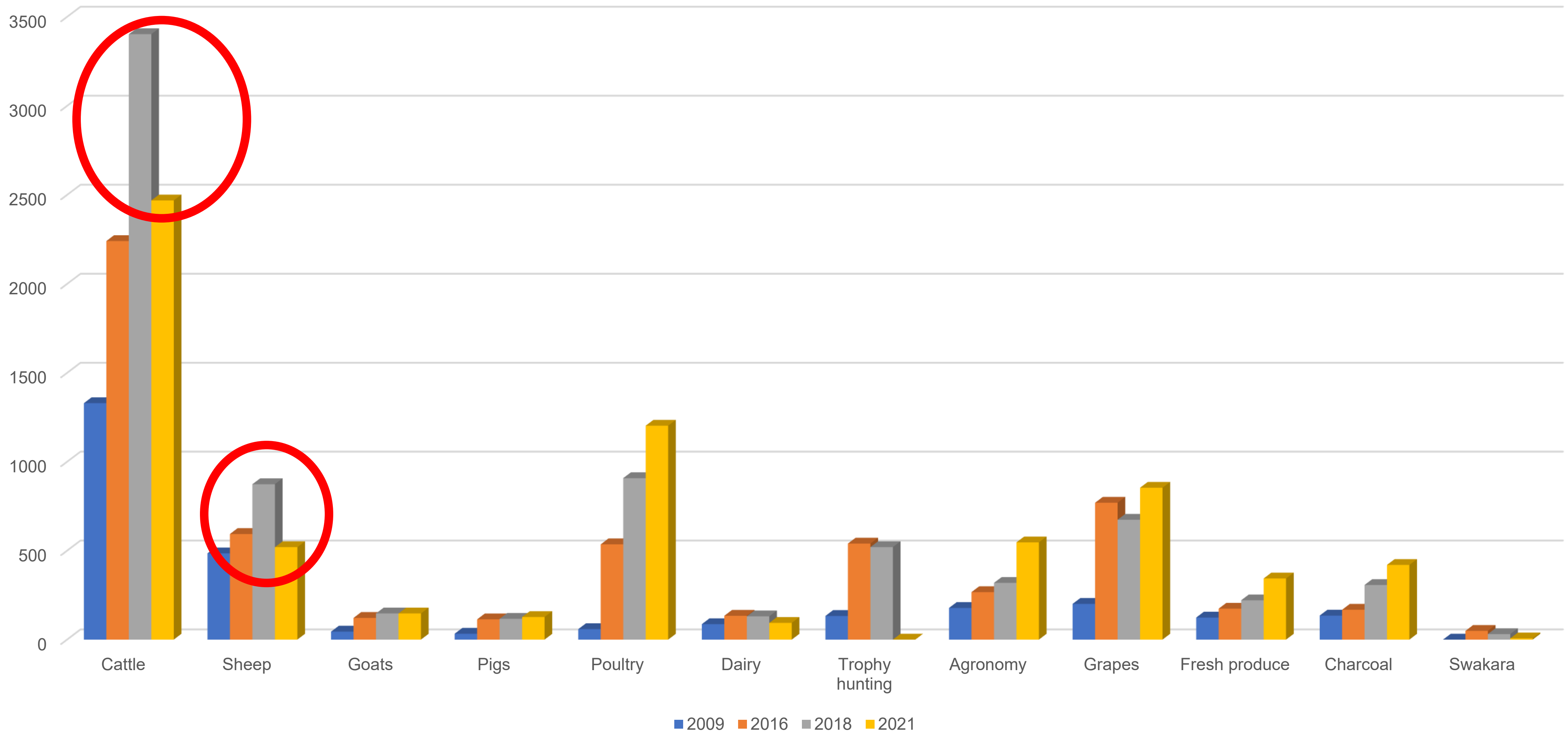
Namibia's net export basket is mostly composed of primary products

Namibia is highly reliant on the exports of primary commodities, such as minerals diamond, copper, uranium gold, and zinc, and a few agricultural goods such as fish and beef. These products do not require a sophisticated set of skills to be manufactured and exported competitively.



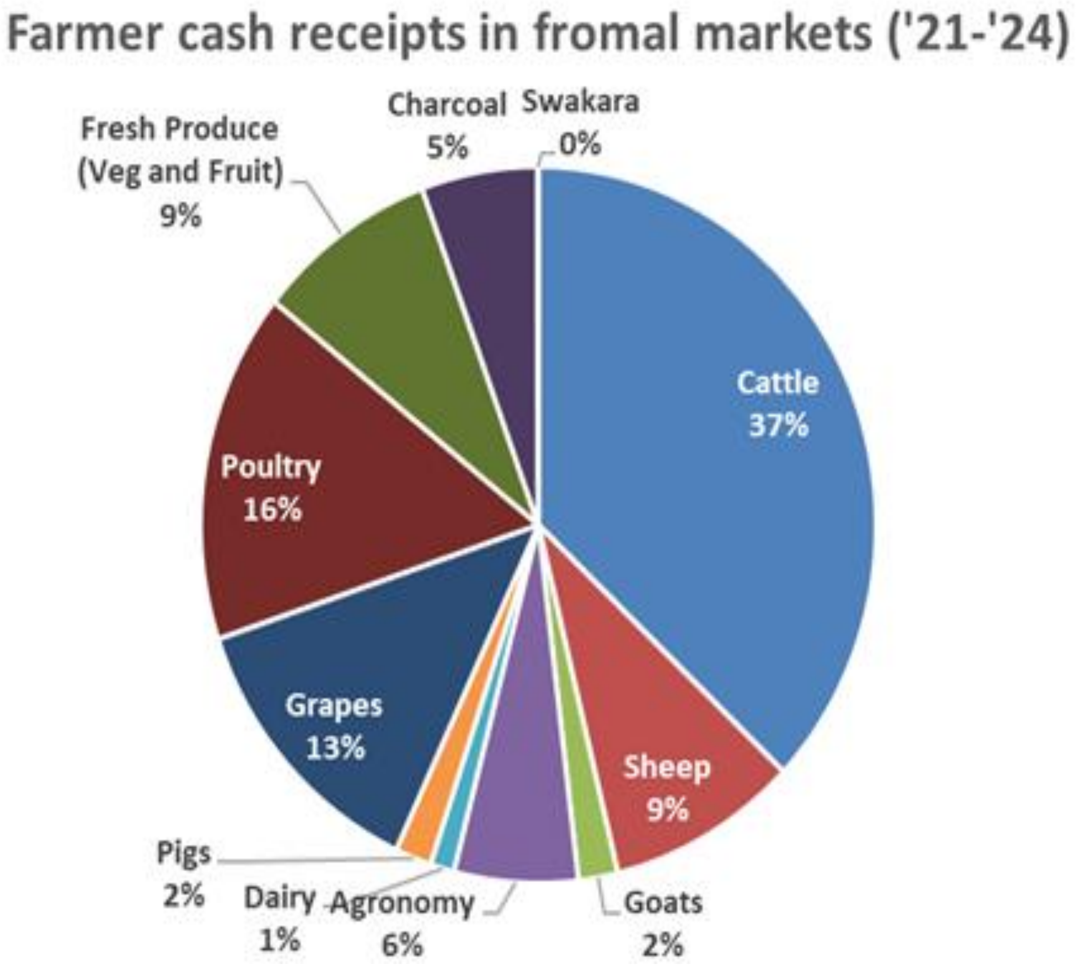
Source: Harvard Growth Lab

Agriculture sub-sectors



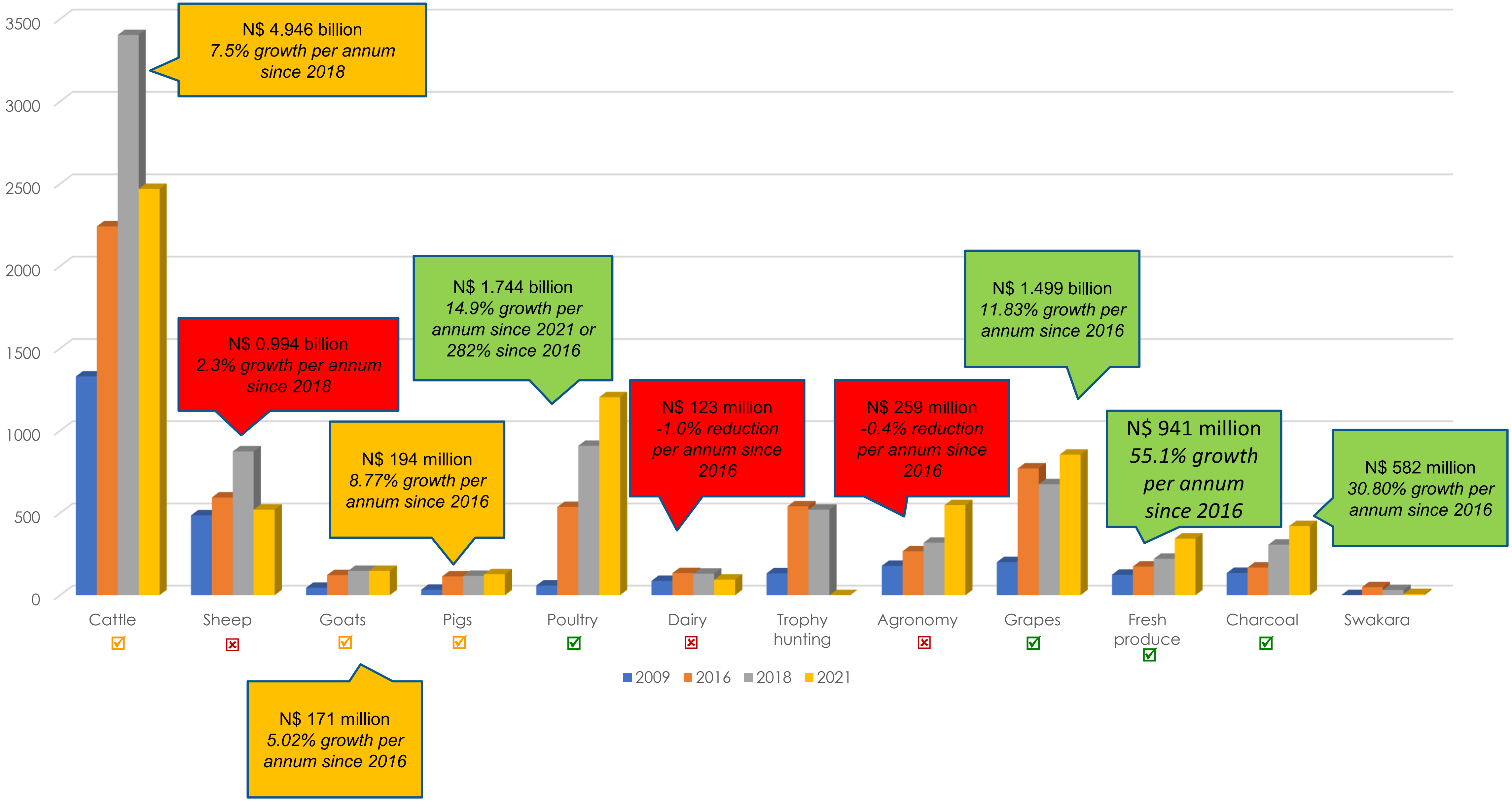
Sector cash receipts to farmers from formal market

	2024
Cattle	4,946,168,295
Sheep	993,958,732
Goats	170,721,156
Agronomy	258,517,982
Dairy	122,493,545
Pigs	193,999,475
Grapes	1,499,217,203
Poultry	1,744,255,980
Fresh Produce (Veg and Fruit)	941,349,167
Charcoal	582,400,000
Swakara	4,370,705
Total	11,457,452,240

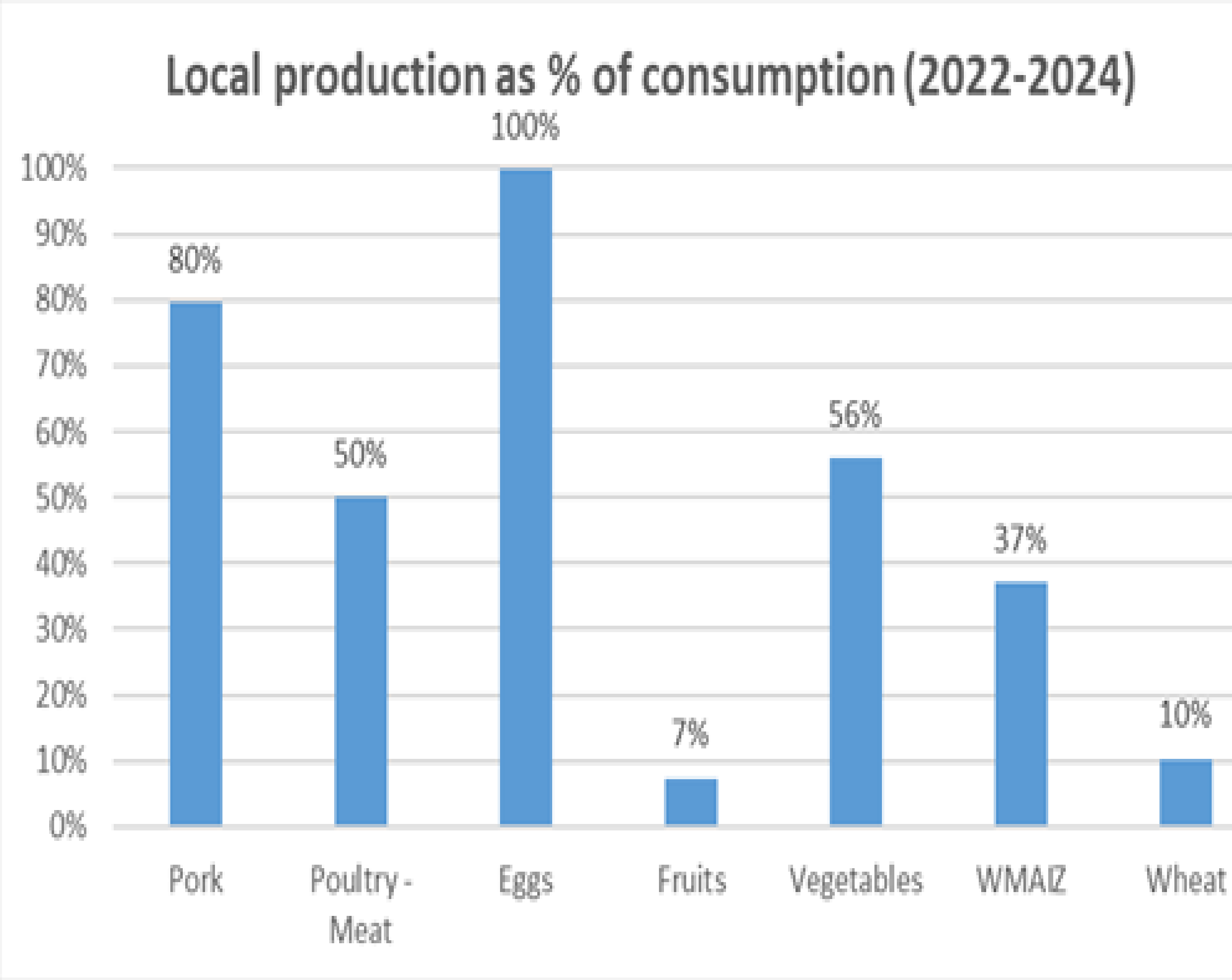


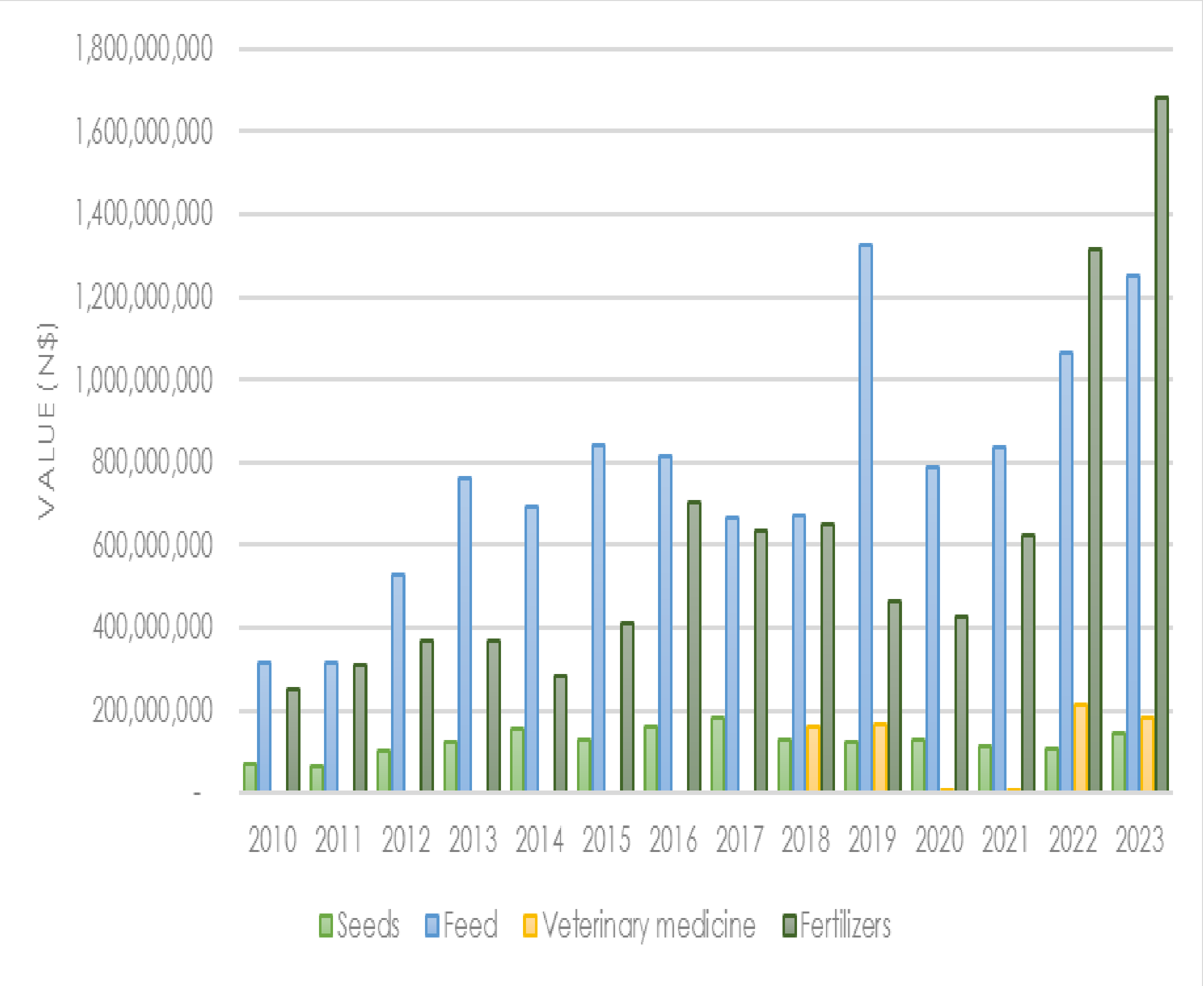
Data Source: NSA / NAU

Agriculture sub-sectors growth to 2024



Growth Opportunities through Import Substitution

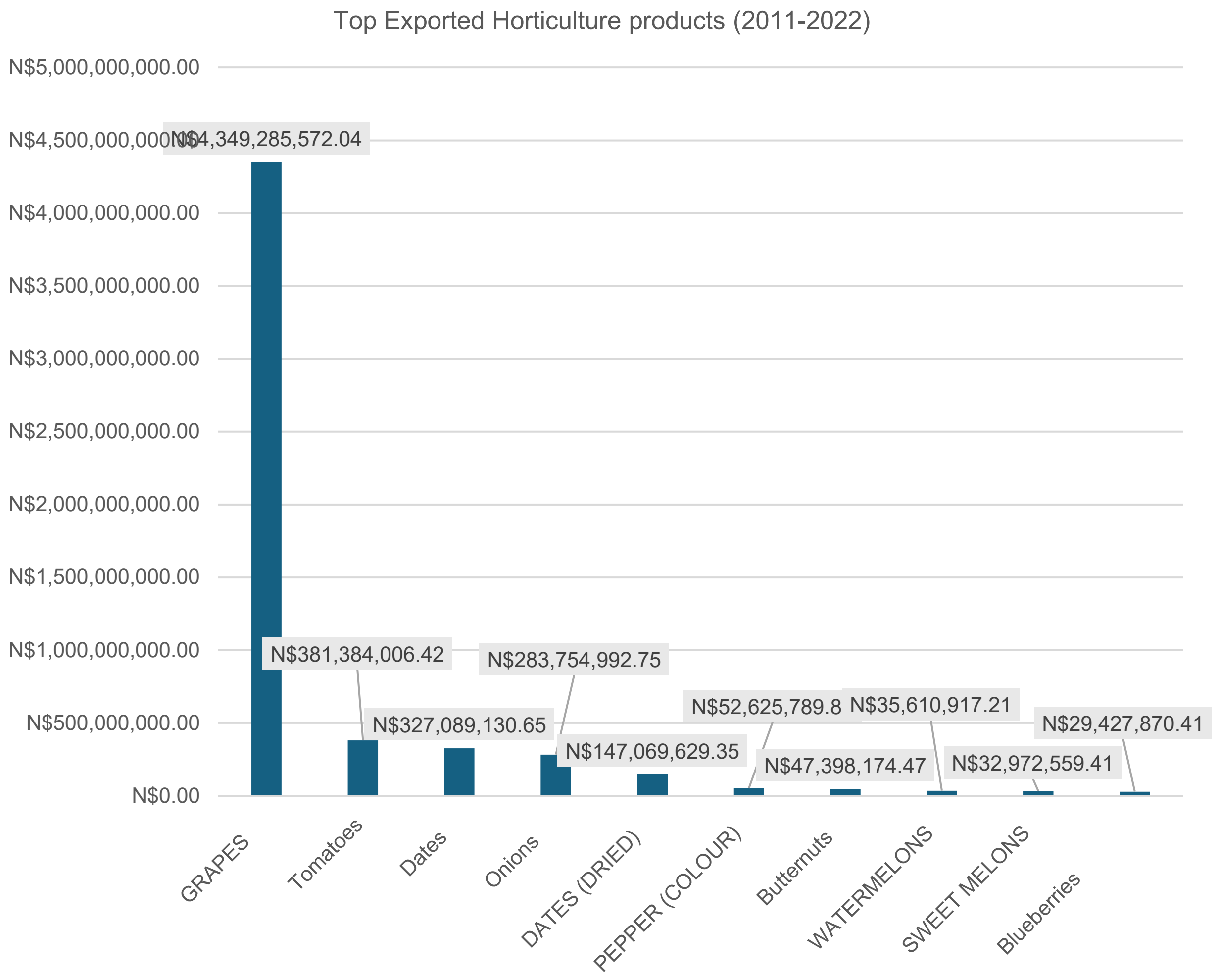




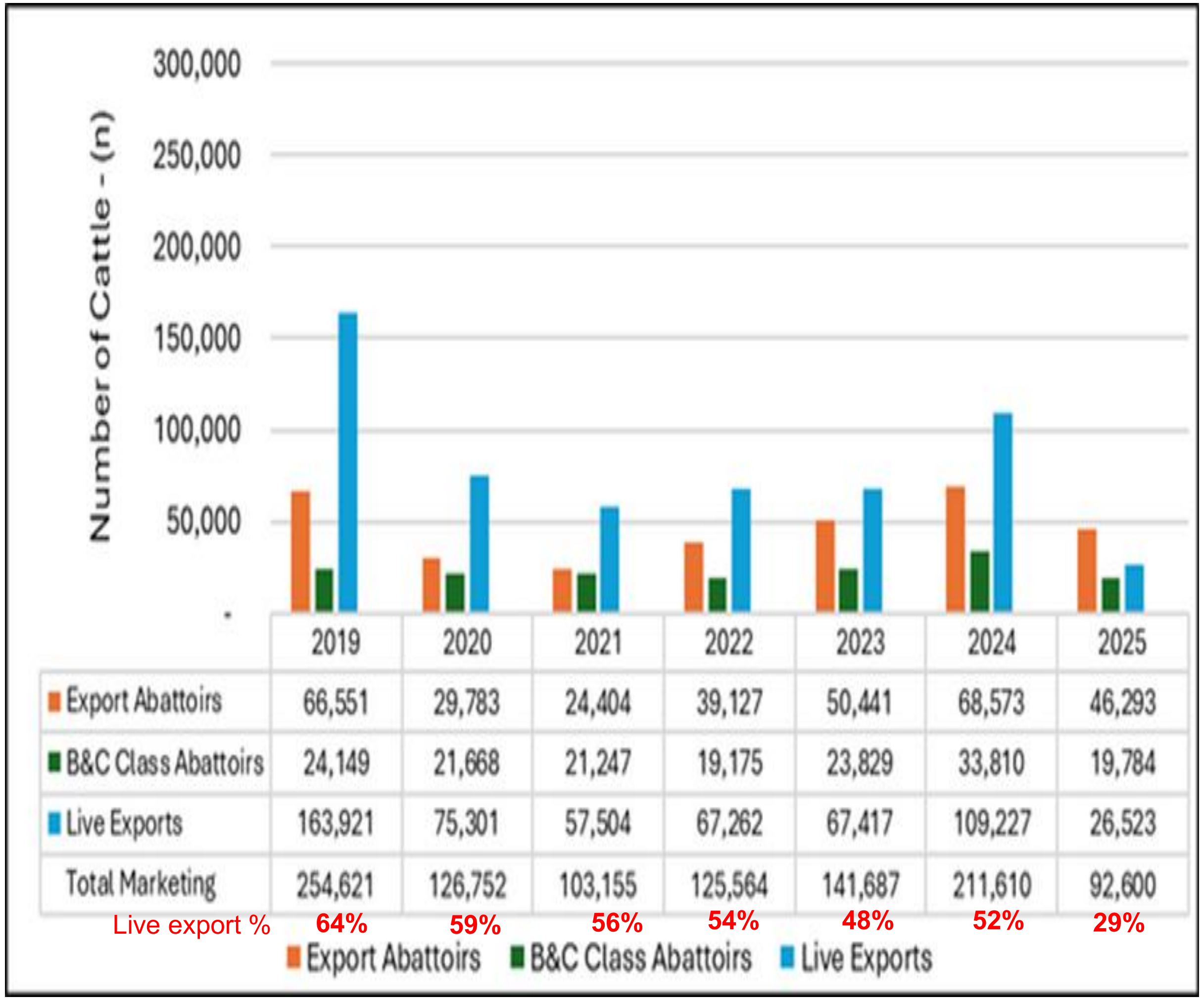
Source: Bank of Namibia

Inputs

Growth Opportunities through Export Promotion



Top Exported Horticulture products in value (2011-2022)

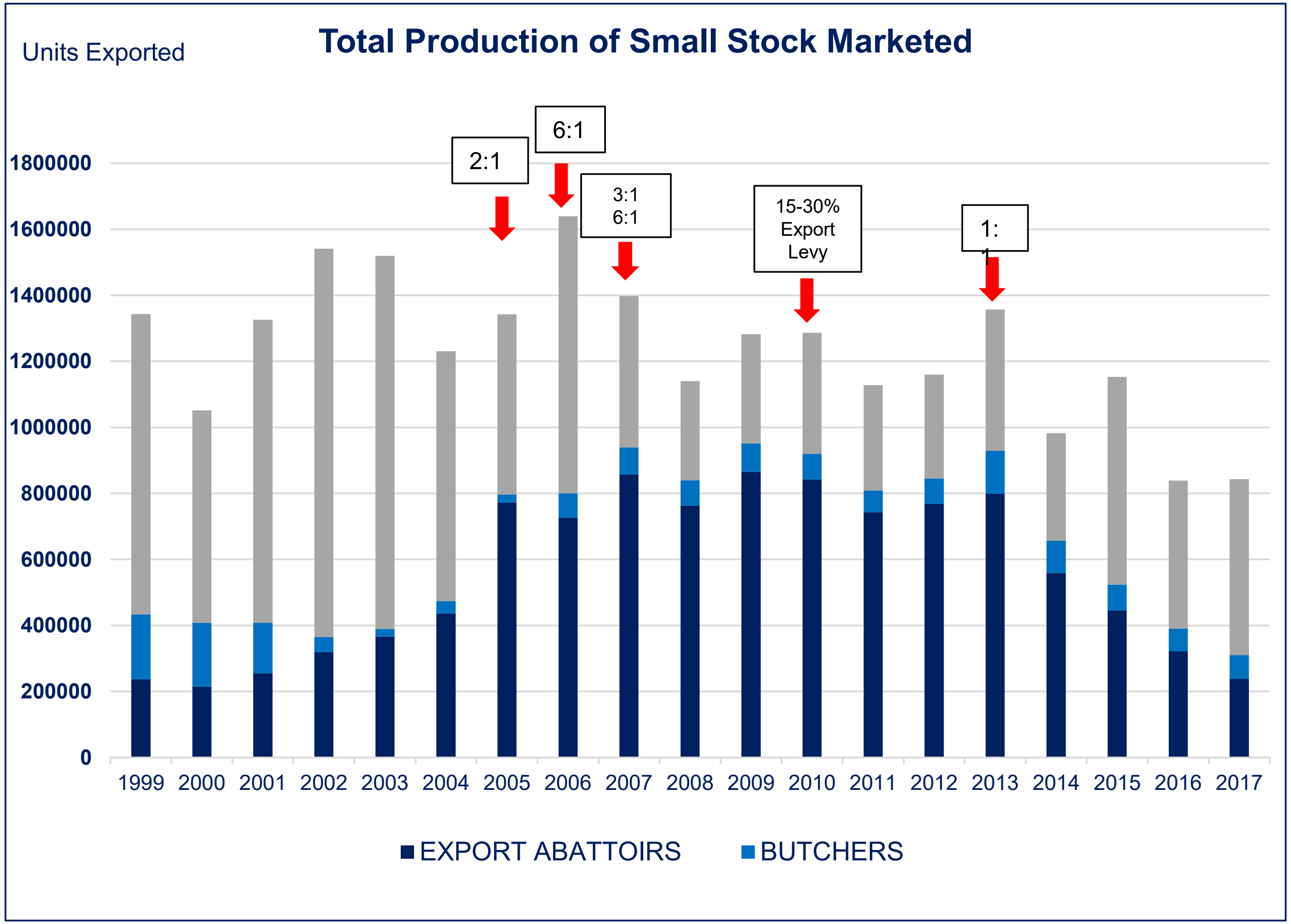


	2019	2020	2021	2022	2023	2024	2025
Export Abattoirs	66,551	29,783	24,404	39,127	50,441	68,573	46,293
B&C Class Abattoirs	24,149	21,668	21,247	19,175	23,829	33,810	19,784
Live Exports	163,921	75,301	57,504	67,262	67,417	109,227	26,523
Total Marketing	254,621	126,752	103,155	125,564	141,687	211,610	92,600
Live export %	64%	59%	56%	54%	48%	52%	29%

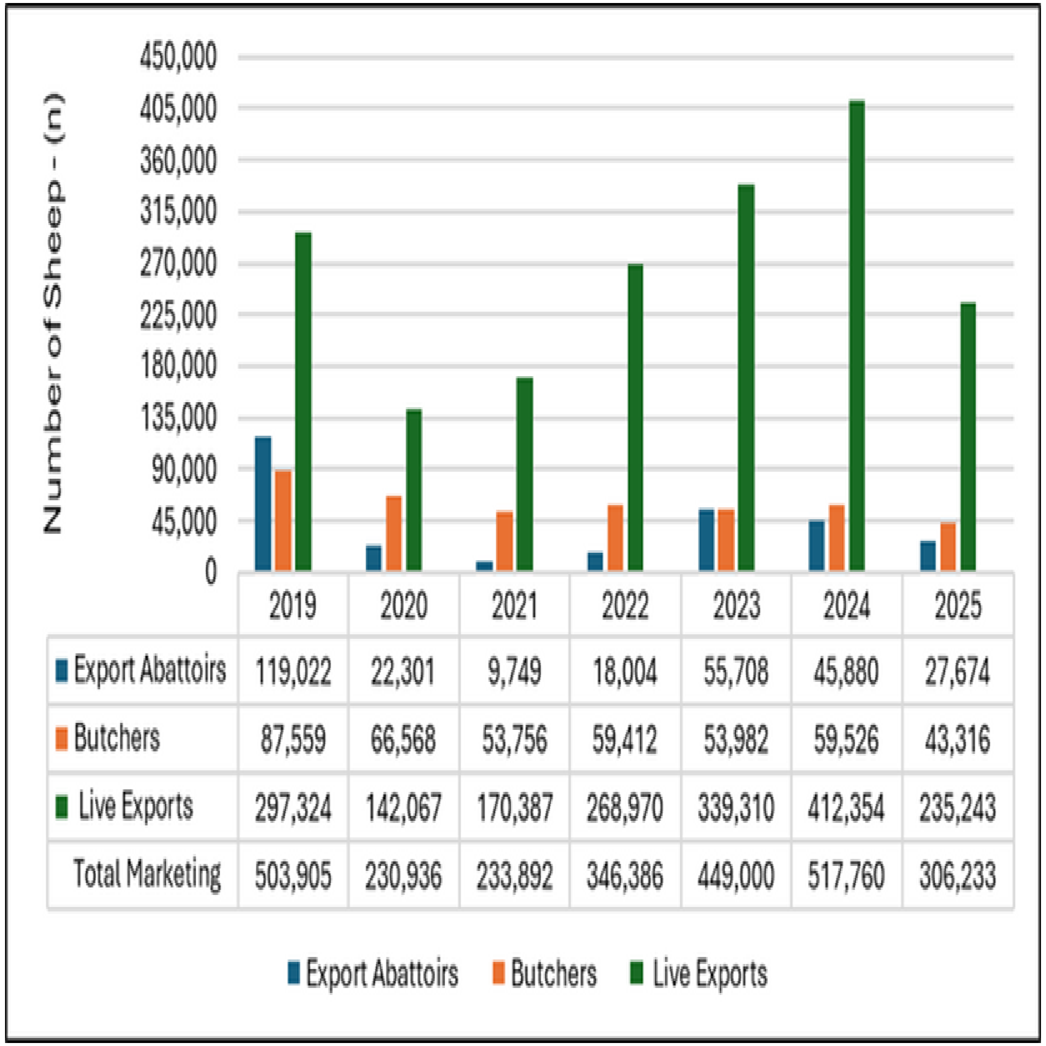
Cattle Marketing Trends: 2019-2025 (Jan to June)
Source: LLPBN

- Total cattle being marketed has been reducing, whilst the share of live exports is actually reducing to a low 29% in the first half of 2025.
- The reduction in through-put to abattoirs is due a reduction in primary production, and NOT due to live exports.

Growth Opportunities through Export Promotion rather than “EXPORT RESTRICTIONS”



Sheep Marketing Trends: 1999 to 2017.
Source: LLPBN



	2019	2020	2021	2022	2023	2024	2025
Export Abattoirs	119,022	22,301	9,749	18,004	55,708	45,880	27,674
Butchers	87,559	66,568	53,756	59,412	53,982	59,526	43,316
Live Exports	297,324	142,067	170,387	268,970	339,310	412,354	235,243
Total Marketing	503,905	230,936	233,892	346,386	449,000	517,760	306,233

Sheep Marketing Trends: 2019 to 2025.
Source: LLPBN

- Sheep production reduced from average of 1.4 million before new policy to about 0.5 million.
- Value addition was not achieved as abattoirs closed following reduction in primary production. The problem is primary production, not value-addition

NEW EMERGING SUB-SECTORS

Emerging sub-sectors

The GREAT Communal "Dis-Incentive"

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Grape Exports

	2000	2005	2010	2015	2020	2024
Export value	N$ 20m	N$ 160m	N$ 249m	N$ 426m	N$ 1.131m	N$ 1.499m

Source: NSA

Why no similar operations on the Northern river systems?

Lack of Security of Tenure / Tittle-Deed Ownership in Communal Areas?

Charcoal Exports

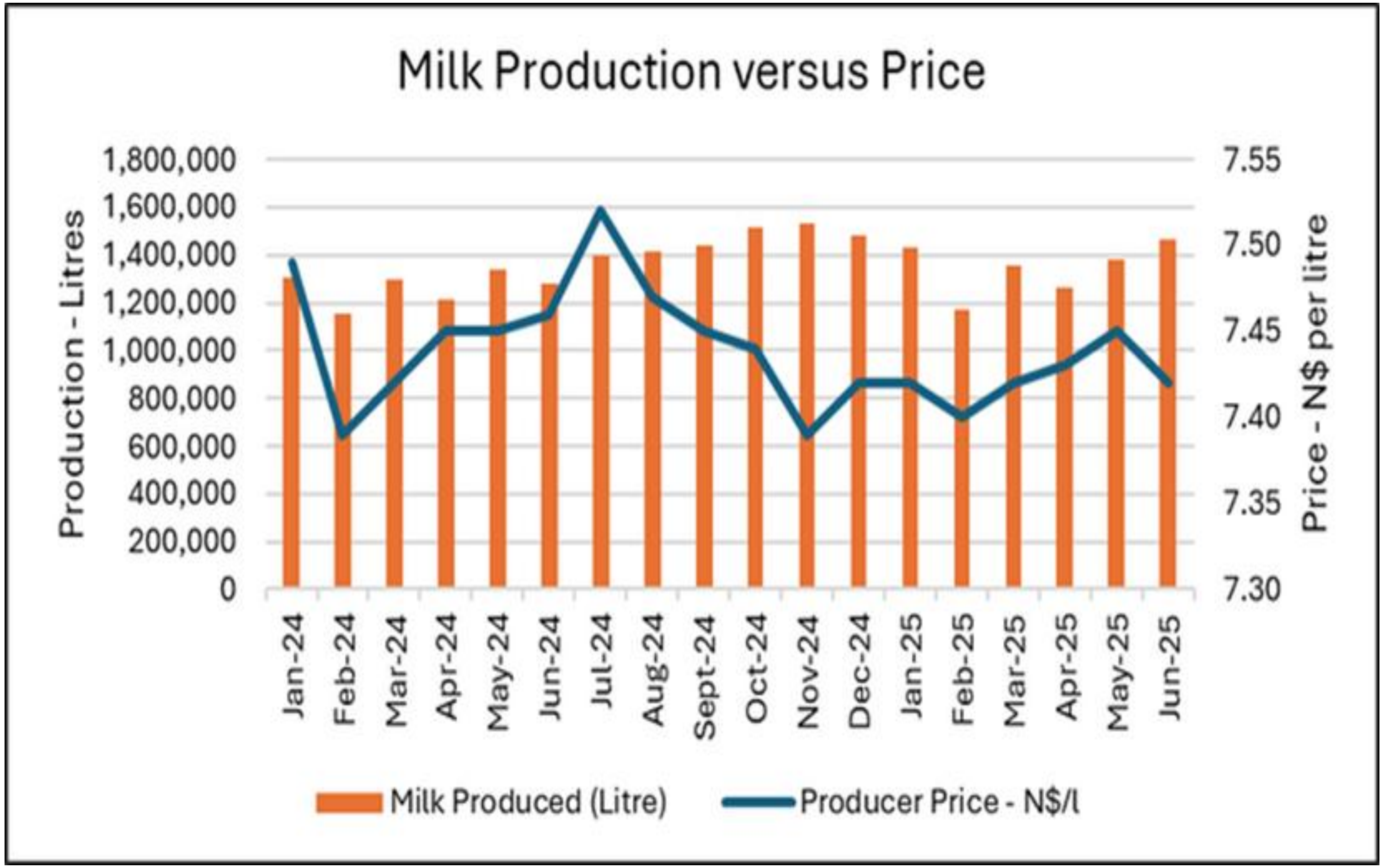
	2016	2017	2018	2019	2020	2021	2024
Export value	N$ 87.9m	N$109.9m	N$ 147.6m	N$ 168.2m	N$ 200.3m	N$ 202.7m	N$582m

Source: NSA

No charcoal operations in communal areas.

Why the Prohibition of Charcoal Harvesting in Communal Areas?

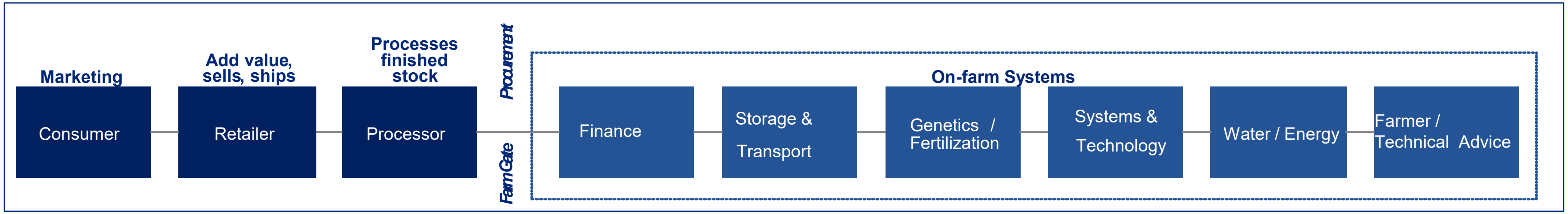
Is this a forgotten sub-sector?



Dairy Production and Price Trends (Jan 2024 to June 2025)
Source: Namibia Dairies

CRITICAL SUCCESS FACTORS

Typical Value Chain



Current Challenges:

- There is minimal micro-economic data in respect of key sub-sectors feeding back to policy makers & the participants for informed decision making
- Namibia’s Agri-Value Chains dysfunctional, fragmented horizontally & vertically
- Practice thus far has been to convert primary products to cash as quickly as possible
- There is a lack of coordination of activities or data to inform participant’s activities
- The means to manage collective input/production costs are limited – it’s all managed behind the farm gate
- The means to tailor products to customer specification is minimal

Vision of agriculture-based value addition

Mandate Held by:

Ministry of Agriculture

Mandate Held by:

Ministry of Industries

Mandate Held by:

Ministry of Trade

Inputs → Production → Processing → Distribution & Marketing → Consumption

Degree of Transformation

1
Production based value addition

2
Processing based value addition

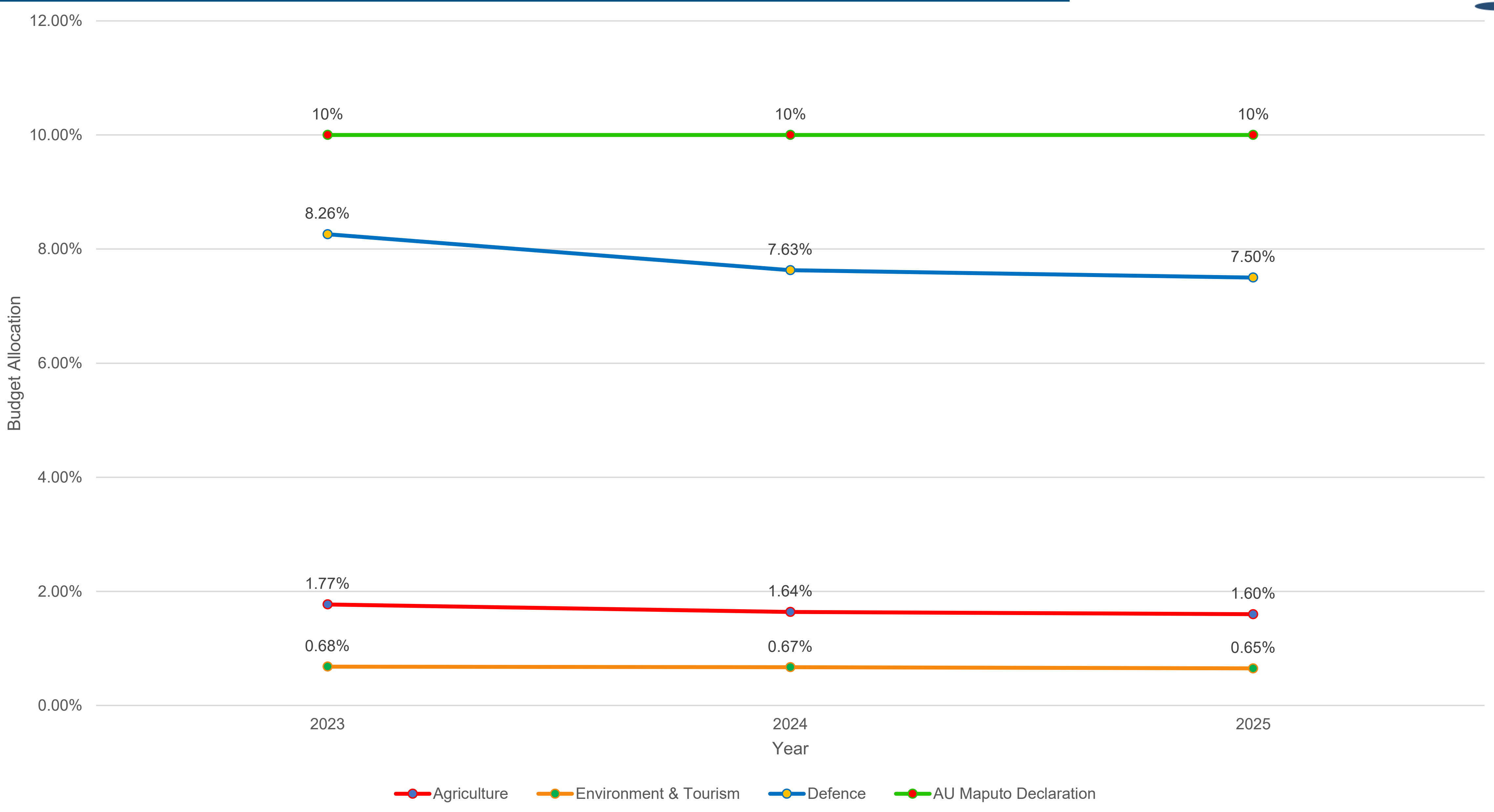
3
Marketing based value addition

Focused on better end product in greater volumes

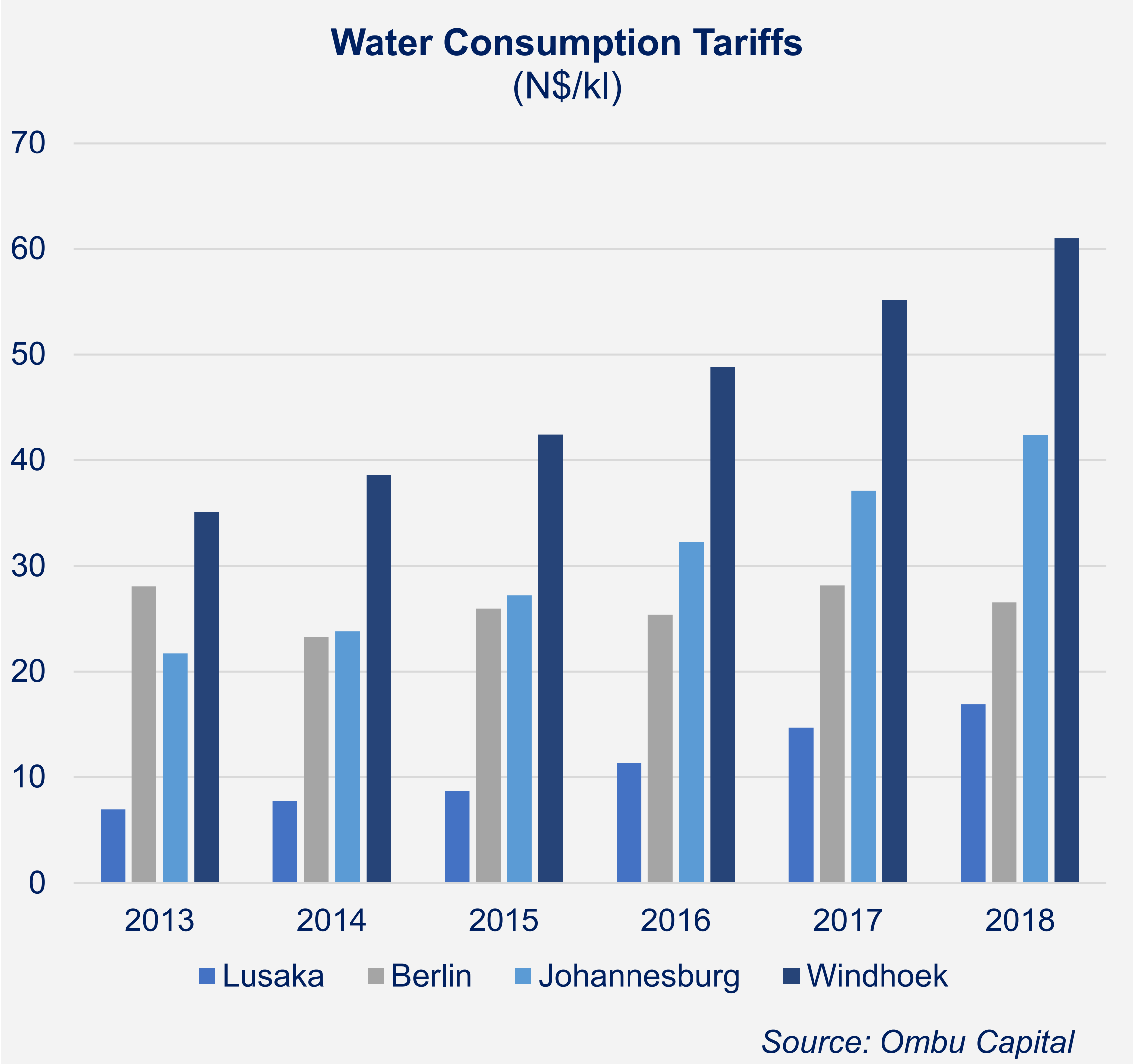
Focused on optimal, efficient and cost-effective processing of product

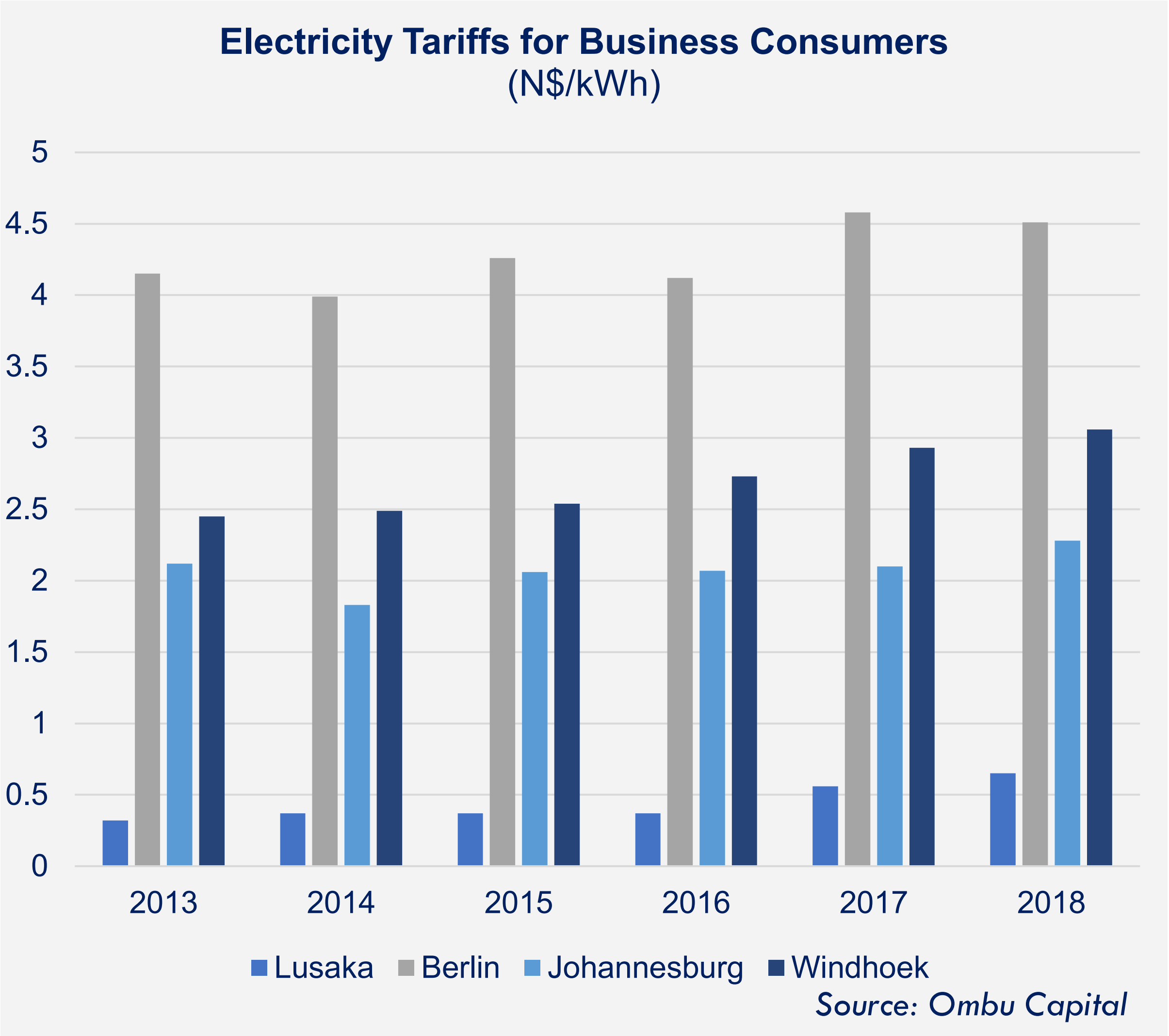
Focused on alignment of producers and processors activities with consumer preferences and unlocking new markets

Budget Allocations



Regional Electricity & Water Tariffs Comparisons





Key Input Costs "Un"-competitiveness

Case study – AFRICAN RURAL ECONOMIC INCENTIVES

	Namibia	South Africa	Ethiopia	South Sudan	Uganda	Tunisia	Ghana
Rural Areas	• N/A	• N/A	• Regional Income Tax Deductions for identified rural regions (30% deduction)	• 75% allowance on start-up costs incurred in least developed areas	• N/A	Regional Development Incentives – Tax Exemptions for 5 – 10 years.	• 25% tax rebate if in regional capitals • 50% tax rebate in rural towns.
Agriculture	• N/A	• Energy Efficiency Tax Incentive • Aquaculture Development & Enhancement Programme (Grant)	• N/A	• Exemptions from duties on importation of Agricultural material & equipment	• One year of income is exempt from Income Tax	• Full Tax exemptions for 10-years • Renewable Energy Savings Bonus • VAT suspension on imported capital goods for Agriculture	• 1% Tax for first 5-years
Tourism	• N/A	• N/A	• N/A	• N/A	• N/A	• N/A	• N/A
Other Relevant	• Exporters Allowance up-to 80% of taxable Income (**excluding fish & meat products**)	• Greenfield & Brownfield Expansion Projects • Research & Development Tax Incentive	• N/A	• N/A	• Exportation of finished consumer products exempt from Income Tax	• Social Security Contributions exemptions for least developed regions	• N//A

LACK OF NATIONAL STATUTORY INCENTIVES FOR AGRICULTURE OR RURAL ECONOMIES IN NAMIBIA (Ring-fencing of losses introduced)

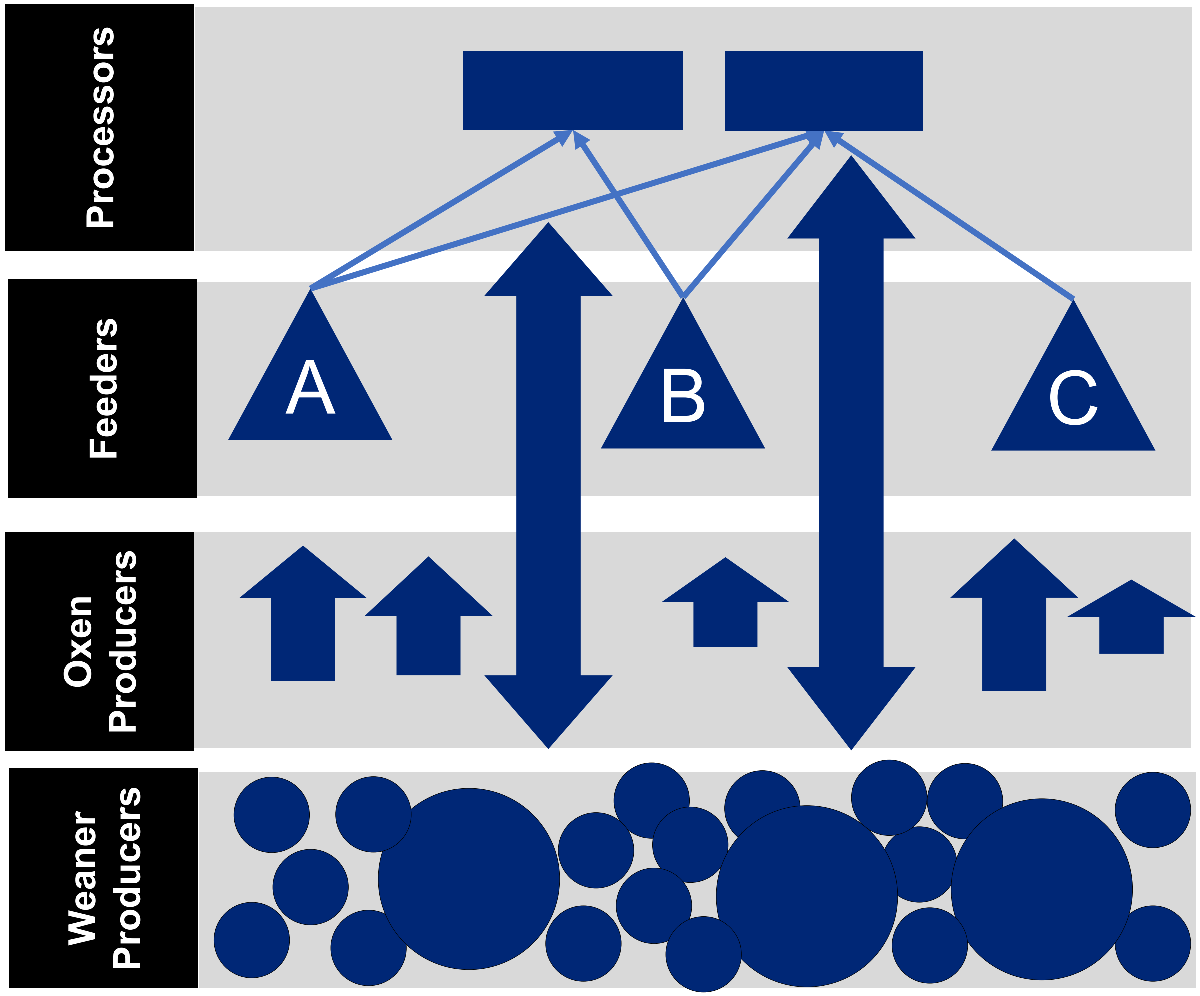
Case studies – new Zealand

- ***Primary Growth Partnership Investments - $700 million***
- Government-Industry Initiative that invests in research & innovation to boost economic growth and sustainability of the forestry and agricultural sectors.
- ***Irrigation Acceleration Fund***
- **Irrigation** - supports regional-scale and rural water & irrigation systems.
- ***Sustainable Farming Fund***
- Sustainable Farming - invests in farmer, grower and forestry-led research & innovation projects that tackle a shared problem for the sector.
- ***Pasture 21***
- Pasture 21 – Collaborative venture between the dairy, Beef & Lamb sectors and Government with the objective of lifting profitability for mixed-livestock systems

Transparent Incentives and / or Grants

Typical Livestock Value Chain

Well-development value chain, with competitive auctioneering, aggregators & feeders



A typical, healthy livestock value chain requires a number of key components including **competitive auctioneering systems** as well as strong components of **aggregators** who buy animals from small-holder farmers, aggregate, grow and **feed** these animals into slaughter-ready animals before delivering these to the **export abattoirs**.

In well-functioning, efficient value-chains, abattoirs will procure more than 80% of their throughput from 20% of the producers.

Current NCA & South Communal Livestock Value Chain

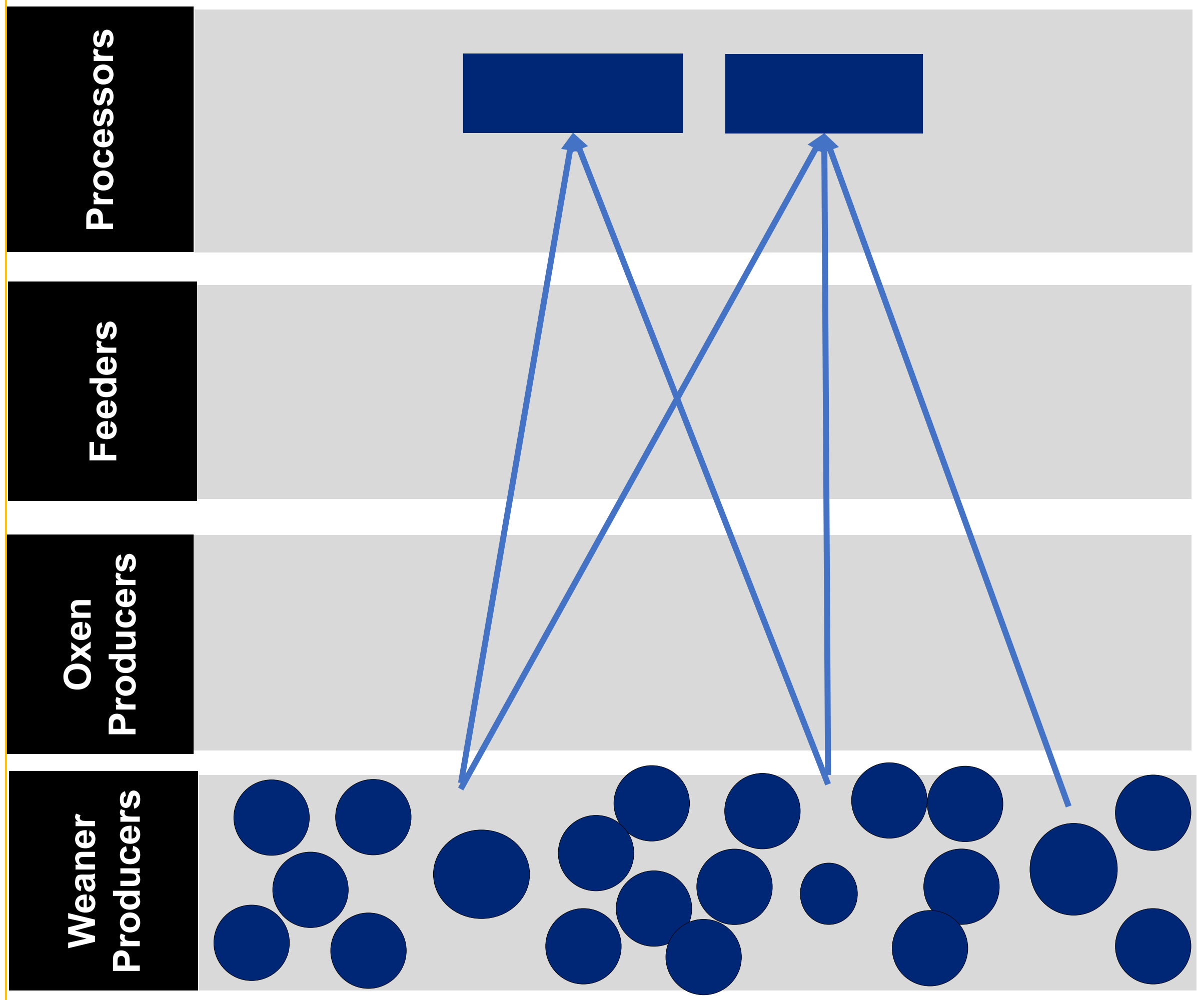
The Value Chain is under-developed with respect to Oxen Producers & Feeders

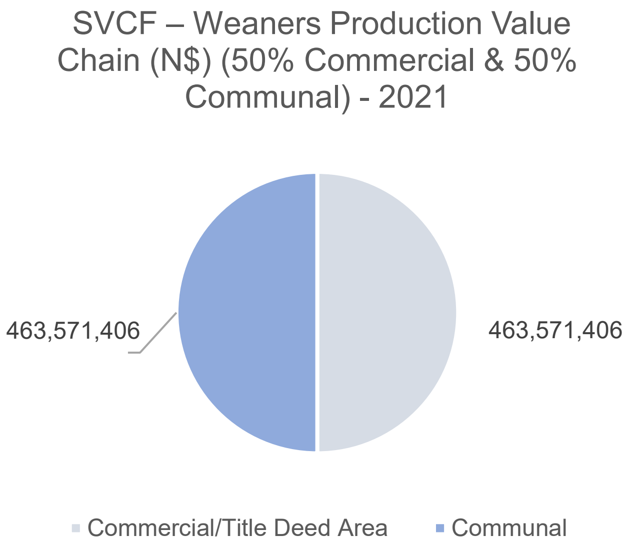
The NCA value-chain is not well developed as it does not have well-functioning components including frequent, competitive auctions, a good number of aggregators, oxen producers and feeders.

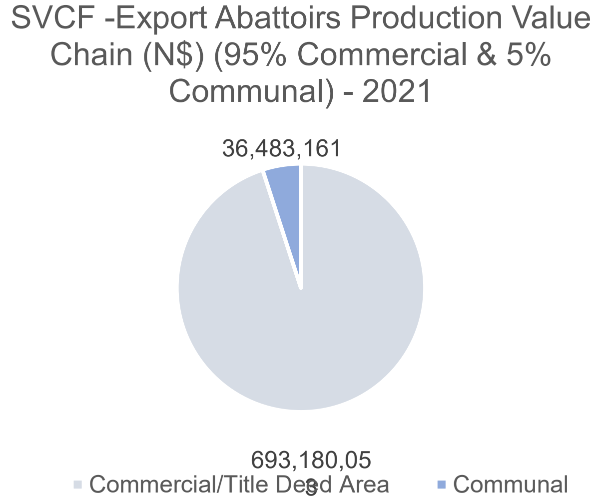
Abattoirs buy a small number of animals from a dispersed small-holder farmers. The largest producers delivered only a maximum of 50-cattle per year to the abattoirs.

In the SVCF, communal and previously disadvantaged farmers do not participate in the more lucrative down-stream segments of the value-chains.

Communal, emerging commercial and resettlement farmers constitute less than 5% of the producers delivering directly to Meatco.







KEY FOCUS AREAS

TIMELINES OF INDUSTRIAL REVOLUTIONS

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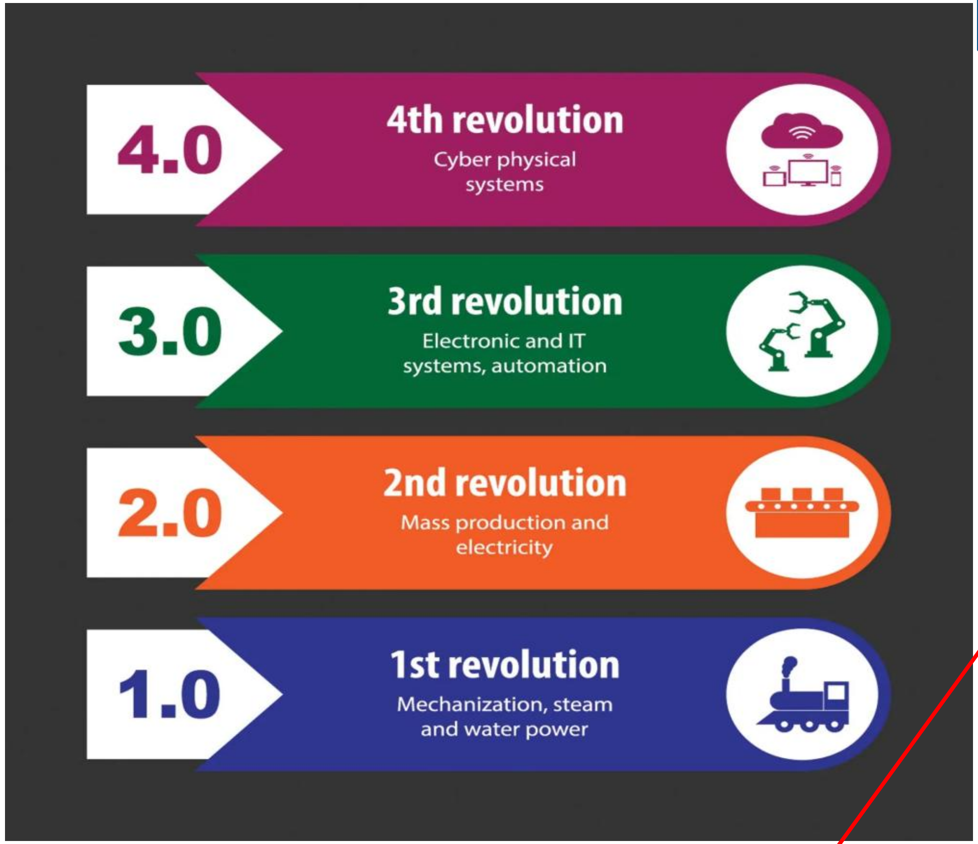

CAN WE LEAPFROG?

5th revolution

Decarbonisation

Renewable energy

Green Industrialisation (Clean technology)

Green Hydrogen

Climate Adaptation

- De-risking instruments
- Forecasting
- Input Support
- Production Support
- Carbon, biodiversity & natural capital markets

Regenerative

- Organic Certification
- Regenerative practice
- Land use efficiency
- Post-harvest losses

Climate-smart

- Climate-smart techno
- Carbon footprint
- Water efficiency
- Energy efficiency
- Green energy use

Bio-diversity

- Biodiversity restoration
- Erosion reduction
- Deforestation reduction
- Debushing
- Soil cover

Pre-industrial

Agrarian or Agricultural Era

Namibia efforts to bring about resilience in Agriculture and use the Agri-sector to drive inclusiveness requires a strategic-bets approach, identifying opportunities for differentiated innovation and focusing on specific themes by investing in skills and knowledge for differentiation & increased competitiveness.

Thematic Priorities

De-risking – from erratic climatic conditions through national climatic insurance instruments, catalytic blended finance instruments, national irrigation systems, climate-smart & improved forecasting technologies.

Debushing & Biomass – Mainstream biomass utilisation in communal areas & implement research & innovation grants for biomass products – has largest multiplier effect with most linkages to most local communities.

Irrigation Acceleration Schemes - Implement water schemes for irrigated food and fodder production linked to national irrigated water systems master plan.

Rural development investment schemes – Resolve for security of tenure in communal areas and implement statutory rural investment promotion incentives and grant programmes including measures to reduce costs of water & energy.

Thematic Priorities

NCA – Subvention Funds have been used in other countries and sectors as an equalizing mechanism for price differentials. Such a price mechanism could be considered to equalize NCA prices whilst concerted efforts made to move the cordon fence.

Slaughter readiness support - Direct support to communal farmers to prepare their animals for slaughter through backgrounding centres, fodder support, Transport & subsidized loans schemes to keep animals until slaughter readiness.

Feeders Programme - Support to emerging commercial farmers, communal farmers and resettlement farmers through incentive & grant schemes and technical & mentorship support programmes to become scaled feeders.

Primary Production - More effort, resources and support should be directed at support to communal & emerging farmers at primary production to increase production in terms of volumes, productivity, quality and genetics.

CONTACT

Tel: +264 61 244 535
admin@ombu.co.na

Office 304
Hidas Centre
21 Nelson Mandela Avenue
Klein Windhoek
Namibia

PO Box 4608
Windhoek
Namibia

VISIT OUR WEBSITE

www.ombucapital.co.na

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