

Agribank

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food production, wealth creation and value addition in the agriculture sector.

Sponsorships

Agribank's Corporate Social Investment (CSI) programme plays a pivotal role in enhancing the lives of the communities in areas of strategic focus such as infrastructure, education, social development (people with disability, HIV/Aids, vulnerable people, orphans, etc) and employee social development programmes. Agribank strongly understand that supporting the community in areas of operation is developing a better appreciation of the people we serve and support for economic development.

Thus CSI is a business imperative to build lasting relationships with the communities and other stakeholders to promote Agribank's corporate image and business undertakings for nation building. During the year in review, Agribank spent **NS\$840,340** in sponsorships and in addition to that, donated 80 computers through its branches to various schools in the country. Below is the highlight of some of the sponsorships made:

2010 Agriculture

Investment conference

The Ministry of Agriculture, Water and Forestry; the Ministry of Trade and Industry; and the Namibia Manufacturers Association organized an Agriculture Investment Conference from 15-17 September 2010 in Windhoek. The overarching objective of the conference was to expose existing business opportunities in the entire agriculture value chain (Agro Business, Agro Finance, Agro Inputs, Agro Logistics and Supply and Agro Technology) and match investors interested in the agriculture value chain with agricultural entrepreneurs. Agribank being the major agriculture financing institution in Namibia, became a partner to host the conference and contributed **NS\$140,000.00**.

Communal Farmers



Agribank Chief Executive Officer, Amb. Leonard N. Iipumbu.

Consortium

Agribank is the founding member of Communal Farmers Consortium of companies which to date spent more than **NS\$2.5 million** through the NNFU for the development of communal farmers. During the year under review, Agribank was the highest contributor to the fund, contributing **NS\$100,000.00** to the fund.

The Food Agriculture and Natural Resource Policy Analysis Network (FANRPAN)

Was established in 1997 to provide independent research evidence for policy harmonization at regional level. In September 2010, FANRPAN hosted a Regional Policy Dialogue and Annual General meeting with a theme entitled "Livestock and Fisheries Policy for Food Security and Trade in a changing climate". More than 150 delegate participants in the SADC region and beyond took part. Agribank sponsored **NS\$45,000.00** for bags and pens for dialogue.

Tupa Mill

Is a new project established by women in Okongo Constituency, Ohangwena region. The objective of the project is to be a milling hub for small scale farmers in Ohangwena region and to create employment. Agribank donated a total of **NS\$30,000.00** for the acquisition of a hammer milling machine, packaging ma-

terial, dehuller and protective gear as operational capital to develop the project to a fully-fledged milling business that can qualify for loan in the future.

Mahangu Championship Festival

Agribank sponsored the event by purchasing fourteen (14) silos to the value of **NS\$20,000.00** which the CEO handed over to the winning farmers. The National Championship Award was won by Andreas Muporosi Kamukwanyama. The winner is a resident and farmer in Kavango Region and is also a client of Agribank.

Agribank contributed **NS\$15,000.00** towards the 2010 National Youth Enterprise Exhibition (Youth Expo) which was held on 27 to 30th April 2010 in Keetmanshoop. The Youth Expo serves as a platform where young aspiring entrepreneurs display their products and services to the business community. It also serves as a platform for these entrepreneurs to interact with industry leaders who provide advice and guidance. The youth deserve support to become innovative in initiating products and projects to create wealth and jobs. The 2010 Youth Expo's theme was "Enterprising for Youth Empowerment" and was addressed by the Minister of Trade and Industry, Dr. Hage Geingob as the main

speaker who acknowledged the importance of the youth as a catalyst of change to bring about a newly ascendant competence to solving today's and tomorrow's problems. According to him, the role of the youth in nation building cannot be overemphasized. He furthermore said "our primary concern these days is to emphasize industrialization so that more jobs can be created for the skilled, semi-skilled and the unskilled." Young entrepreneurs and artist competed in the following categories at the Youth Expo: food processing, arts and crafts, youth organization, manufacturing, cultural performances, group and solo vocalist.

Bursaries

During the year under review, Agribank awarded bursaries to 11 students worth **NS\$2.7 million** for the 2010-2013 academic years. The students are currently pursuing studies in the fields of Agriculture, Land Management, Fisheries and Aquatic, Computer Science, Accounting and Finance at both UNAM and Polytechnic.

Challenges

Access to affordable source of funding
To optimize the contribution

tion of agriculture produce to and from relevant markets.

·Lack of value addition through agro processing of agricultural products.

·Existing agriculture schemes offer unequal benefits between commercial and communal farmers which is not conducive for investment to expand the agriculture sector. Post Settlement Support Fund (PSSF) should be reviewed to also benefit communal farmers farming commercial in communal areas.

·Agriculture performance is influenced by uncontrollable factors such as the weather and frequent outbreak of diseases which can deteriorate the financial status of clients. The challenge for Agribank is to set up a mechanism to advice clients of their financial status on time to make alternatives which will not affect productivity.

·The lack of a crop production financing scheme is a binding constraint in the drive to increase food production for self sufficiency.

·Lack of market access for the communal farmers to sell their livestock for export beyond the SADC region.

Message to all Farmers in the Country



of agriculture to the national economy, Agribank will need to raise **NS\$500 million** at affordable interest rates each year to meet the growing demand for credit extension which is estimated at **NS\$1.6 billion** a year (crop and forestry). Investment in agriculture will have the desired impact of enhancing the living standards of all Namibians, as it has greater potential to generate jobs as well as to strengthen support to small scale farmers in communal areas.

Constraints to investing in Agriculture

In 2011, Agribank will be engaging and consulting relevant stakeholders to address constraints to investing in agriculture to exploit business opportunities identified in the value chain.

·Inadequate financial resources for investment in agriculture for diversification of the sector.

·Lack of collateral in communal areas to access credit.

·Agriculture technologies not always demand driven.

·The high cost of transporta-

I would like to call upon the farming community to take farming as a business and be prudent in financial resources utilization. The country has so far received good rains and farmers should seize the opportunity to maximize the utilization of the land for sustained productivity, through hard work and innovative land management. I advise you to plan your diversification program (poultry, livestock, cereal, hor-

ticulture, aquaculture, game farming, etc.) to maximize benefits and Agribank is always there to provide financial assistance and training in farm management skills.

I also call upon fellow farmers to be innovative and submit business proposals for other new agricultural products that will add value to the economy and create employment.

I further urge fellow farmers to please honor their loan obligation to Agribank to strengthen the financial position of the bank to continue investing into this sector for expansion, job creation, economic growth and ultimately achieve **VISION 2030**.

I would like to also call upon all clients whose loans were approved in 2010 and before, to come and take up their loans before the 15th March 2011. Failure to do so will result in the loans being cancelled.

Conclusion

On behalf of the Board of Directors, management and staff, I would like to thank the Ministry of Finance as the bank's shareholder, and other stakeholders especially the Ministry of Agriculture, Water and Forestry (MAWF) and the Ministry of Lands and Resettlement

