



# **Economic viability on Resettlement farms in Namibia**

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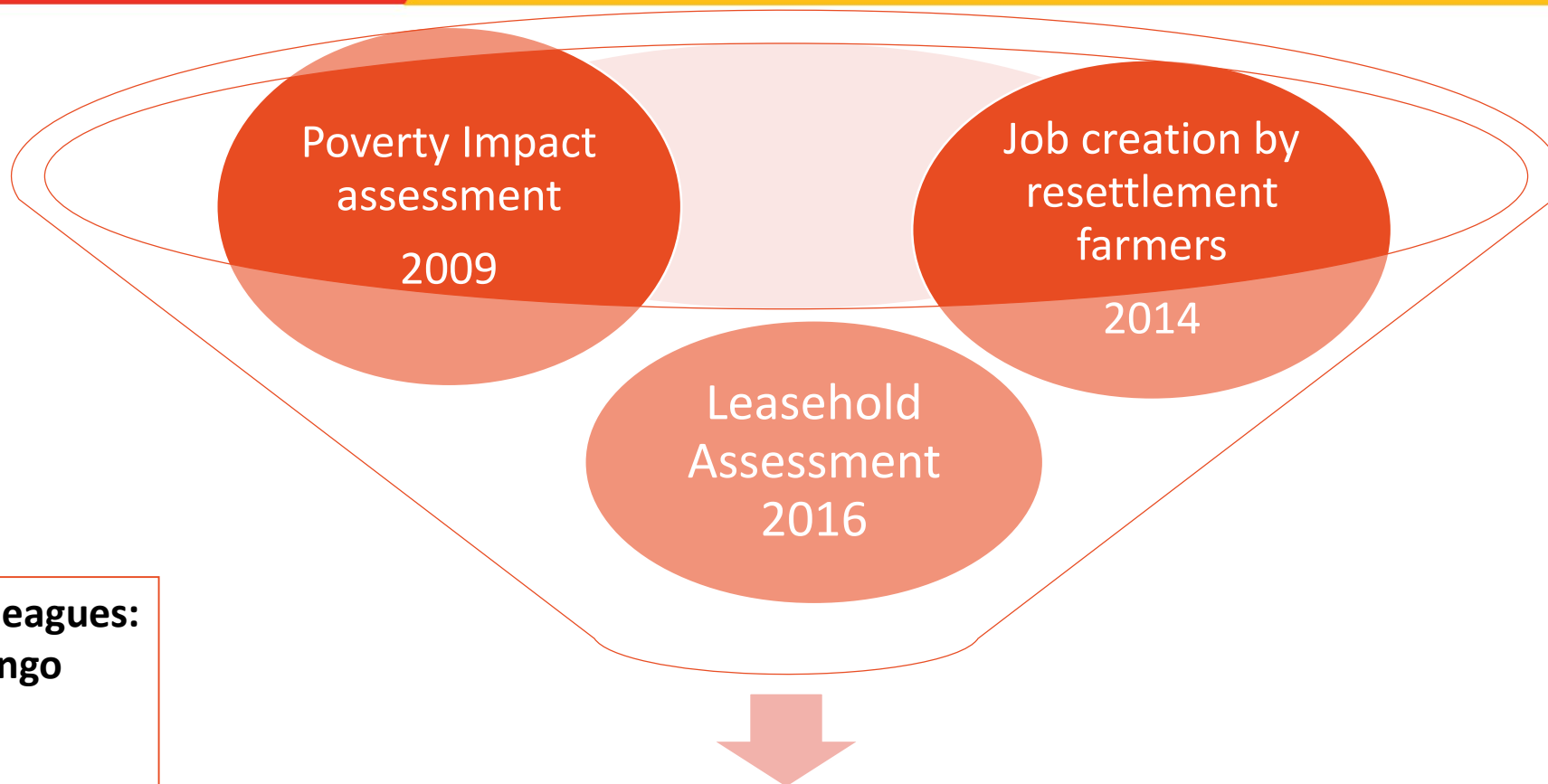
**2<sup>nd</sup> Land Conference**  
**02 October 2018**  
**Safari Court**

# Background

- Access to and tenure of land is very important to the Namibian nation, particularly to the economy and livelihoods;
- A conceptual model linking policy, tenure security and economic efficiency (Place, 2009) – propose different pathways towards productivity.
- Model - Enhancing productivity through policy reforms such as redistributive land reform – is applicable to Namibia
- Resettlement on commercial land– provide opportunity for long-term quasi-title to encourage investment on land and increase productivity
- Hence- This analysis presents level of production since resettlement among beneficiaries – three studies



# Approach

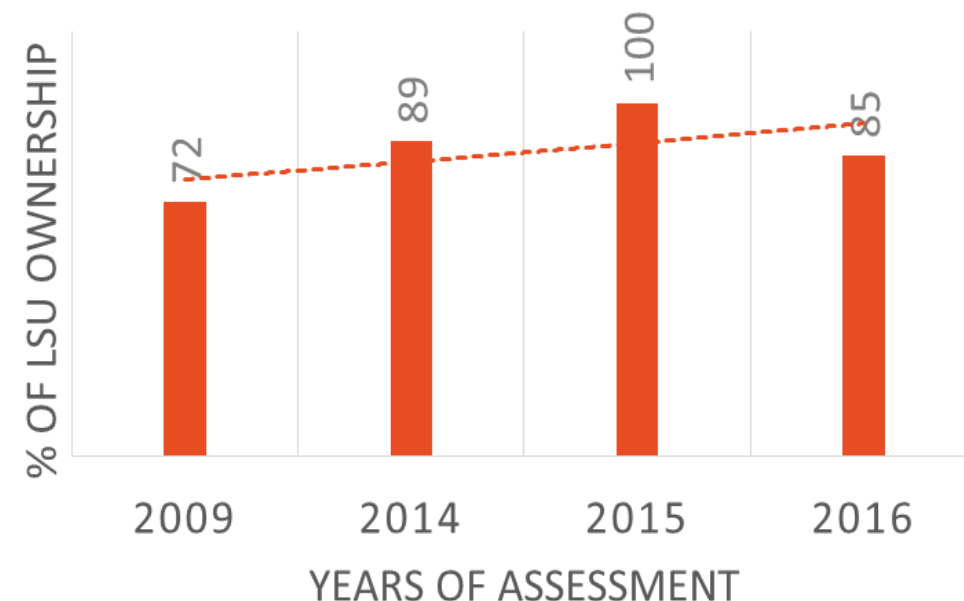
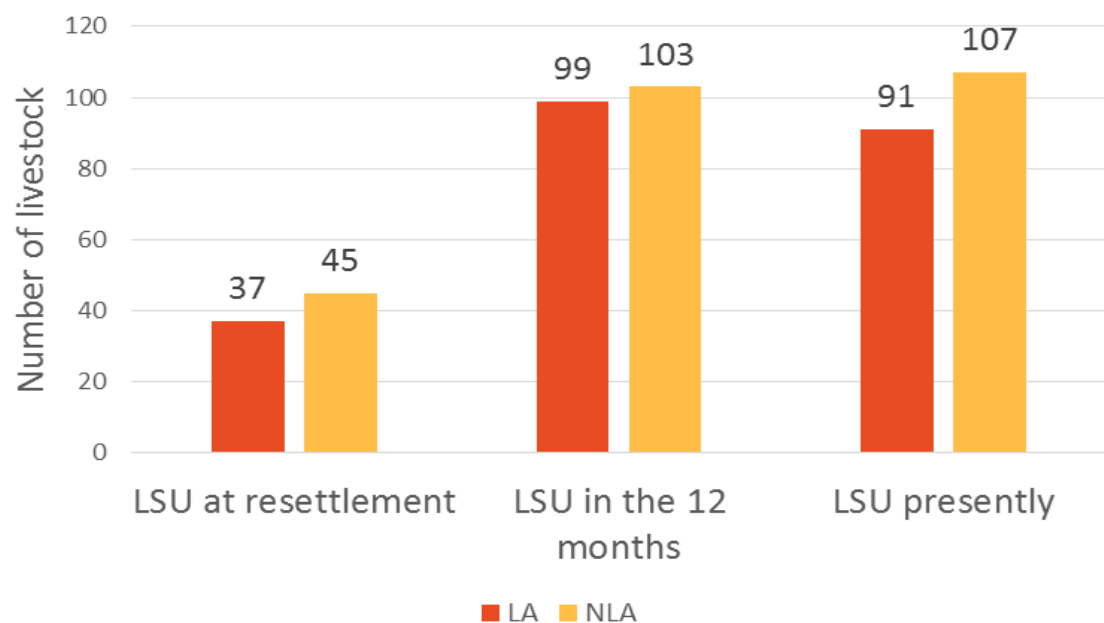


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These studies were commissioned by MLR and support financially and technically by GIZ



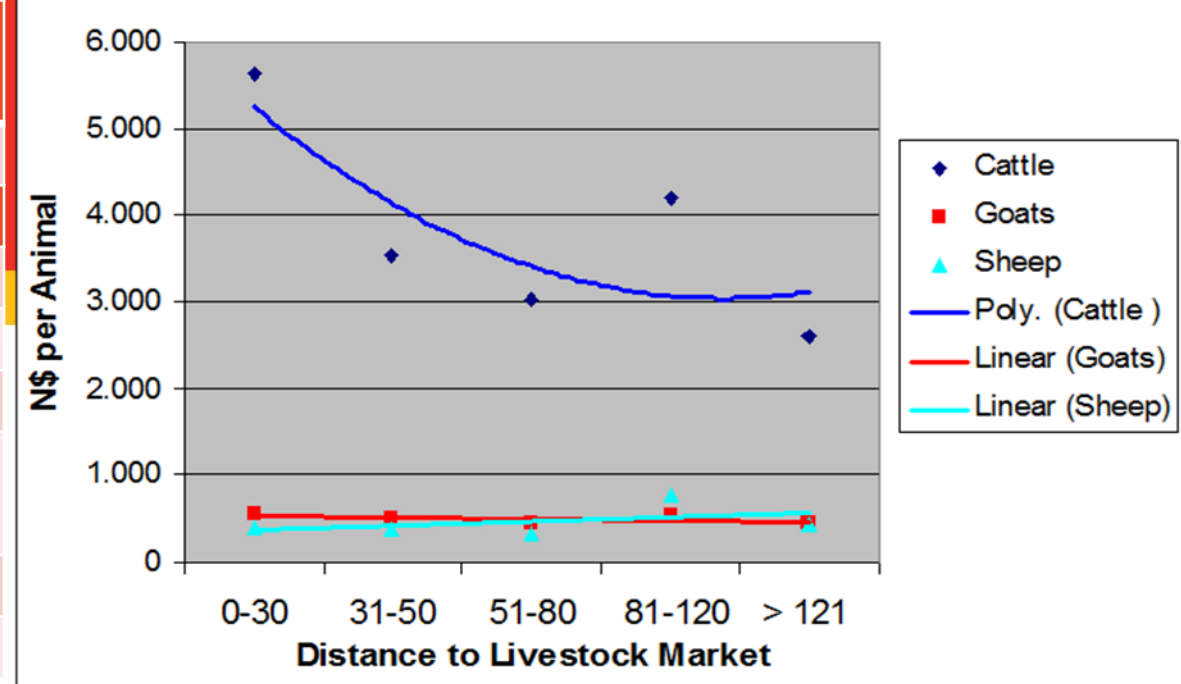
# Livestock Production



**Financial support to farmers is one of the biggest challenge: Farmers cannot use their land for collateral - depend on Post Settlement Support from Agribank**

Signs of overstocking - some farms to carry about 150 LSU - were found with more than 400 LSU. – caused by mainly by the size of the land

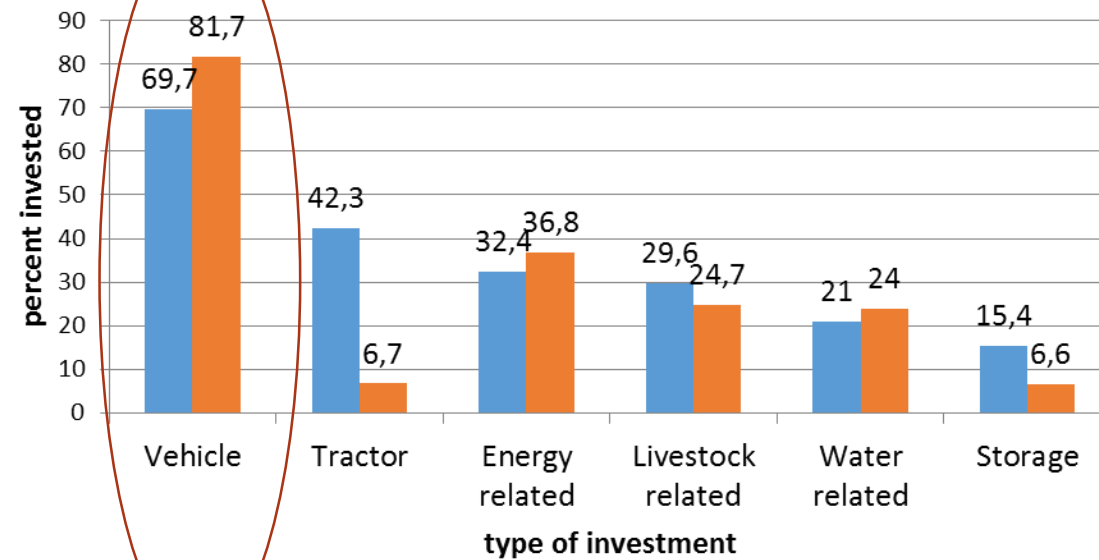
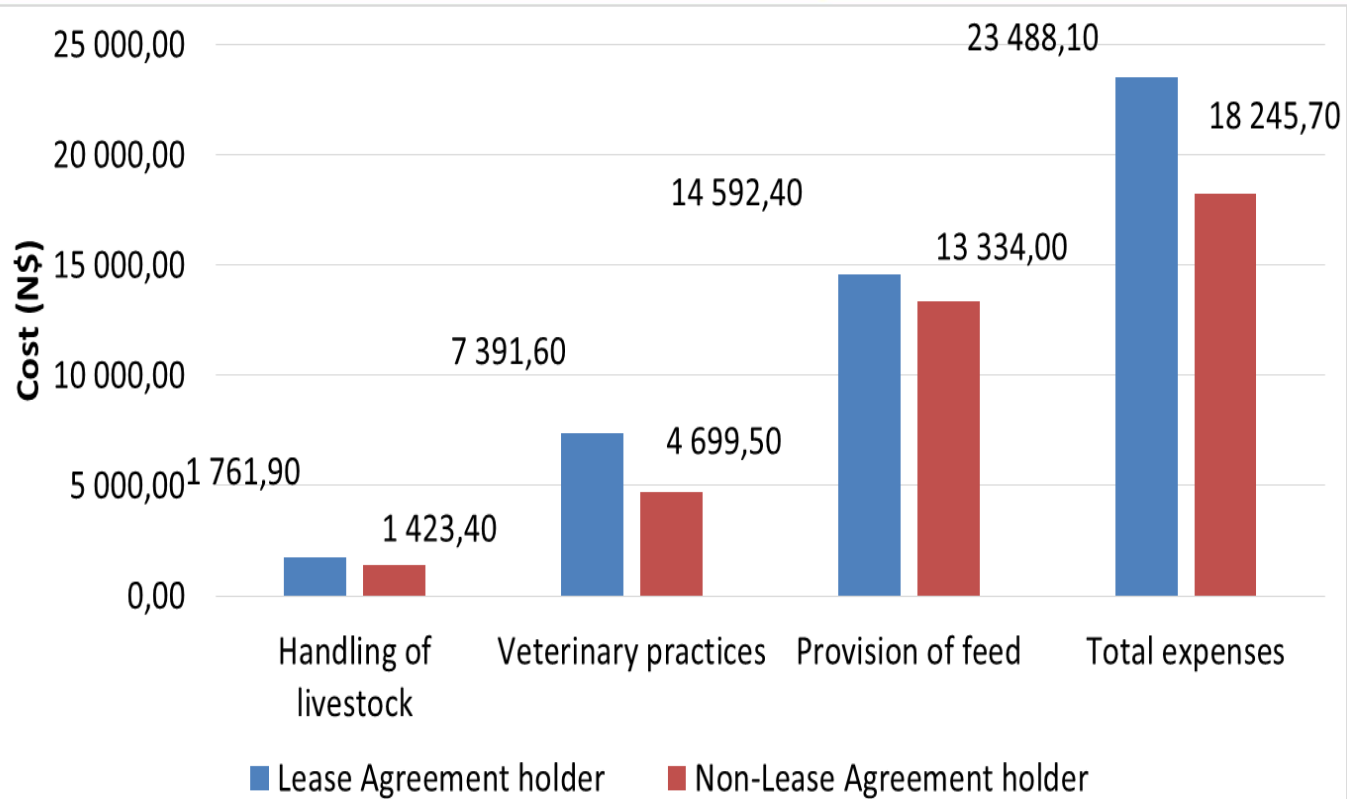
	Number livestock in 2009		Number of Livestock in 2016	
Total	120	416,760	99	420,750
Off-take				
Use	2.1	7,293	4.5	19,125
Sold	18.5	64,250	18	76,500
Lost	4.7	16,323	12.5	53,125
Sum off-take	25.3	87,866	35	148,750
Price-used	1	3,473	1	4,250



2009

- Most of the income is re-invested back into farming operations
- Income is derived from livestock sales - profits are marginal
- Production for consumption- contribution to food security & livelihoods

# Farming expenditures



High expenditures

Farm labour, fences, maintenance of farm infrastructure. Leases etc  
 - This unaffordable for farmers with low income

Part-time / Full-time: 50 Income sources	LA farmers			NLA farmers		
	N = 57	%	Average Income	N= 51	%	Average Income
Income from livestock production	52	91	6,908.20	43	84	5,889.00
Income from land cultivation	8	14	3,404.20	4	8	690.00
Sub-leasing of land	2	4	1,020.00	1	2	400.00
Business (off-farm) (formal)	3	5	2,666.67	2	4	2,500.00
Business (informal, on farm)	2	4	6,500.00	1	2	1000.00
Manager	1	2	6,000.00	3	5	2,247.67
Professional	16	28	29,475.00	15	29	25,311.93
Technician	2	4	13,500.00	2	4	8,850.00
Clerical worker	1	2	2,300.00	0	0	0
Volunteer –	1	2	17,000.00	0	0	0
Pension receiver	6	11	7,016.67	2	4	2,400.00

← LOW

← NB

Farmers with off-farm income – highly likely to increase livestock, consistently supply vaccine and supplementary feeds, create employment and invest & maintenance in farming infrastructure; manage uncertainties

# Leasehold Agreements

## Land title/ tenure security – driver of productivity – Priority for the Resettlement programme

- Low LA issuance and registration
- N\$ 200,482 from 59% paid 2015/6
- Low fees – Av. N\$ 2194 per annum
- 20% refused to pay –  
Water not rehabilitated



### Current situation -

300 Leases issued

15 Leases registered

Majority - Allotment letters

## REASONS

- Weak coordination among MLR Directorates
- Limited specialised capacity
- Infrastructure not rehabilitated
- Limited know-how on registration process
- Limited financial resources







Livestock number increase

Livestock markets

Post-settlement support

Employment creation

Off-farm income (pension,  
business, employment)

Low Subleasing

Legal framework

High expenditures

Long distances to markets

Absence of bankable leases

Possible Overstocking

Administrative shortfalls

No collateral

Less rigorous monitoring systems

Weak Lease fees Recovery

# Recommendation: Issuance + Registration of leasehold should never be dealt separately

## Land acquisition and beneficiary selection

- Purchasing of farm land
- Advertising country-wide
- Shortlisting candidates at regional level
- Selection of candidate at LRAC
- Granting of allotment letters

## Allotment determining and rehabilitation

- Land demarcation into allotments
- Infrastructure rehabilitation
- Land surveying
- Land valuation

## Unit allocation and registration

- Allotment letters issued at Regional level
- Beneficiaries sign Notarial Lease agreements at Regional offices
- Signed Lease agreements send to MLR Minister office for signature
- Agreement document send to Deeds office for registration

# Final Remarks

- Farmers are engaged in productive farming - need massive support esp. farmers with limited off-farm income
- Effort to provide secure titles for resettled farmers – slow progress - may assist access to land
- Resettlement will work best under: Whole-of-Ministry approach – restructuring – Resettlement programme form part of activities of all Directorates – Although a coordinating Directorate remains critical
- Resettlement programme has a scope to engage farmers in productive commercial farming
  - but requires rigorous administrative process
  - Reliable & stringent Monitoring systems – sustainability to fragile resource
  - Accelerated Lease Agreement registration process
  - Proactive cost-recovery of lease fees

THANK YOU FOR YOUR ATTENTION