Republic of Namibia
Ministry of Agriculture, Water and Land Reform

University of Namibic— Multidisciplinary Research Centre

Agricultural (Commercial) Land Demand and Land Purchase in Namibia

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Executive Summary

The purpose of the National Study on Agricultural (Commercial) Land Demand and Land Purchases in Namibia was to determine the number of previously-disadvantaged people without land; to identify and determine the various agricultural land needs and uses; to develop an application master list for people in need of commercial agricultural land; and to provide policy recommendations for fast-tracking land reform processes. A mixed-method approach was employed to generate pertinent and reliable data. The study was conducted in all 14 regions. However, regarding the preferred regions for resettlement, only the eight commercial regions were considered. Key informant interviews were conducted with traditional authorities, local councilors and regional resettlement committees. A total of 42 key informants were interviewed. A questionnaire survey of randomly selected households in a Primary Sampling Unit was conducted on face-to-face interviews. A total of 2,978 individuals were interviewed in all 14 regions. Of this number, 53% were women and 47% were men, and the sex of 0.4% of respondents was not indicated. With respect to land supply, 6,101 farms with a total area of 19,684,916 hectares, have been put on the market since the start of the land reform programme. A lack of farm supply on the market is not a constraint in meeting the 2020 land purchase target. However, the limited land reform budget, and unsuitable farms offered for resettlement are the challenges. On land demand, 49% of the respondents do not own or have access to commercial agricultural land, and they experience a need for such land. Current access to land is primarily in communal areas, while the need is predominantly expressed for commercial agricultural land. Land demand was observed in all the 14 regions but was more pronounced in the Khomas, Omaheke, Kavango West and Erongo regions. This survey has established that the number of people in need of land in Namibia currently stands at 111,447. This number is based on the proportion of the study respondents who indicated that they need and want land, the projected number of landless people nationwide as established by the MLR in 2001 and the total number of resettled beneficiaries as of 2018. In summary, the study revealed that commercial agricultural land demand among different social groups remains high. The findings clearly show that there is a backlog in the supply of commercial agricultural land due to inadequate financial resources and the unsuitability of the farms on offer for resettlement. Despite the challenges, the study acknowledges and appreciates the GRN's efforts regarding land redistribution and the resettlement of previously disadvantaged individuals in order to enable them to engage in commercial agricultural farming. Although the expropriation of commercial agricultural land with just compensation, and WSWB approaches are the most preferred land acquisition methods, this study recommends that longer periods of compensation payment. GRN is also urged to consider reviewing the existing resettlement criteria.

1. Introduction and Background

In the Namibian context, the skewness of land distribution is a result of colonial domination, with settlers appropriating the bulk of the available commercial agricultural land from indigenous communities. The white minority occupied commercial freehold land that constitutes 44% of the country's land area, while the indigenous people occupied communal land amounting to 41% of the country land area. The ultimate aim of the GRN since independence in 1990 has been to promote the sustainable economic and social development of all Namibians and to redistribute commercial agricultural land to all citizens fairly and equitably.

Hence various land reform programmes has been enacted to address the needs of landless Namibians. Meaningful sustainable economic development can only be achieved when citizens have equal access to land. Despite many success that Namibia has recorded on land reform, fair and equitable land transfer to previously disadvantaged Namibians continues to move slowly, and this causes frustration among the landless. On that note, there has been a call for land to be made available to various social groups including marginalized communities, the youth, women, people living with disabilities, and other vulnerable groups.

Land Reform programmes require evidence-based planning for decision-making. As there are limited systematic national reviews on the actual demand for commercial agricultural land, it remains difficult to quantify the need for and desired uses of land required for various categories of landless Namibians. Land reform is presently receiving urgent attention from recent high-level land debates such as the 2nd National Land Conference held as from 1 - 5 October 2018, under the theme "Towards a comprehensive and sustainable land reform in Namibia". It allowed for several land-related debates as well as stocktaking of the achievements and challenges encountered since the 1st National Land Conference held in 1991.

Sound planning requires empirical evidence; the study into the national commercial agricultural land demand and purchase reported on here was therefore an essential and urgent undertaking aimed at providing such empirical evidence in the form of a quantified assessment of land demand and supply for the National Resettlement Programme.

Objectives of the study

The main objective of this study is to establish the multiplicity of agricultural (commercial) land demand and to assist the GRN, through the MLR, in addressing the question of land redistribution and tenure reform for agricultural (commercial) land. The following are the specific objectives of the study:

→ To determine the number of previously-disadvantaged people (especially women, people living with disabilities, marginalized communities, and the youth) without land at national and regional levels.
→ To identify and determine the various commercial agricultural land needs/uses for various categories of landless Namibians as indicated above and take stock of land in all 14 regions of Namibia for agricultural investment, tourism and production.
→ To develop an Application Master List of those wanting to be considered for resettlement to be used for the selection of beneficiaries.
→ To develop policy recommendations on how the land reform process can be improved by making it faster and more needs-driven.

Chapter 2: Literature Review

Agriculture is the most common type of land use worldwide, and its growth is more important for Africa than for any other continent (Food and Agriculture Organization (FAO), n.d.). Over 70% of people in Africa depend on agriculture and rural enterprise for their livelihoods (FAO, n.d). Globally, four major drivers of commercial agricultural land demand have been documented: food and feed; wood; bioenergy; biofuel and other products (Kampman, Brouwer & Schepers, 2008). In Namibia, food and feed production
were identified as the most important sources of demand for commercial agricultural land, with almost five million hectares of land being used as croplands and pastures in 2006. Of this area, pastures accounted for about 3.4 million hectares, with the remainder being used as arable land (1.4 million hectares) or for permanent crops (0.14 million
hectares).

In southern Africa, privately owned land was the highest in South Africa (72%), followed by Namibia (44%) and Zimbabwe (41%); in all three cases, land policies are geared towards land redistribution (Adams and Howell, 2001). Namibia, like many other countries in southern Africa, is beset by extreme land inequalities. One of the many challenges that the GRN had to address after independence was the social aspect of the land reform transformation (MLR, 1998).

Namibian land reform policies and programmes are socio-politically driven in that they are intended to redress skewed landownership orchestrated by the German and South African colonial regimes (Garcia, n.d) and are today geared towards rural development, economic empowerment and poverty alleviation (Werner, 2003). Majority of Namibians, especially those in the rural commercial farming areas, remain displaced, destitute and lack security of tenure. Secure land rights are critical to the achievement of sustainable livelihoods and poverty reduction. Although it is known that access to commercial agricultural land will reduce poverty, there is a paucity of reliable data that show the current socioeconomic impact of land reform in Namibia. In Namibia, land availability has been, and remains an issue of central concern as access to commercial agricultural land in Namibia is highly unequal.

Chapter 3: Methodology

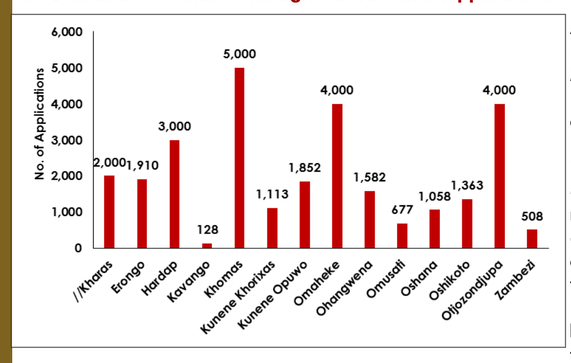
The study employed both qualitative and quantitative approaches for data collection. For the quantitative approach, the team designed research instruments which were discussed and reviewed with senior staff of the MLR. The combined team met, when necessary, to deliberate on research instruments and reach consensus on key concepts and definitions before finalizing the research instruments. For the qualitative approach, key informants were identified during stakeholder meetings, and semi-structured questions exploring pertinent issues related to land reform were developed and used as a guide to direct the discussion on land reform with the identified informants.

Key informants included members of the traditional authorities, local councilors and regional resettlement committees.

Chapter 4: Land Demand and Supply

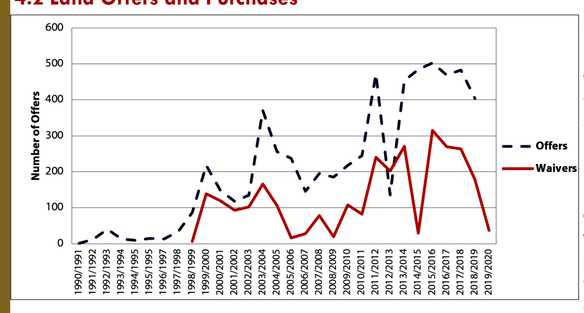
This section presents the analysis of secondary data as provided by the MLR and complemented by the analysis of land demand data by regions as obtained from the survey.

4.1 Demand for commercial agricultural land: Applications for resettlement

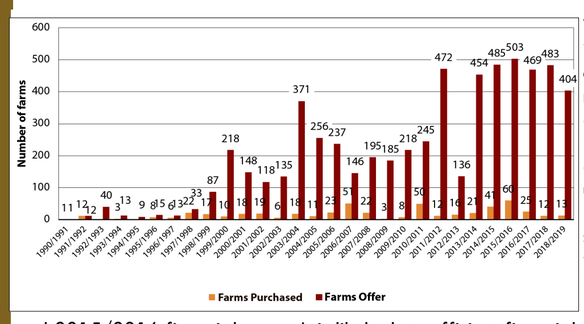


According to Fig. 1 ministerial records shows that the Ministry received a total of 19,600 resettlement application forms during the period of 2012 to March 2017. The administration of applications for resettlement in Namibia has been decentralized so that applicants are able to submit their applications in their respective regions. The highest amount of applications were received from Khomas region, with approximately 5,000 applicants, followed by Omaheke and Otjozondjupa regions, with 4,000 applicants each. The regional trend on agricultural land applications for 2012—2017 reflects a similar pattern to that shown in an earlier land demand study, with Khomas registering the highest number of applications (Kasita & Muduva, 2004).

4.2 Land Offers and Purchases



Land supply in this study is defined as the number of commercial farms landowners who are willing to sell during the year in question. According to ministerial records a total of 6,101 commercial farms covering 19,684,916 hectares of land have been put on the market or offered since the inception of the land reform programme. Fig. 2 presents farm offers and waivers since 1990 until 2019. It is however evident that offers of farmland to the state increased over the years. There were peaks in farm offers in 1999, 2003/2004 and 2011/2012 that were followed by steep declines; 2015/2016 also recorded a peak although subsequent offers have remained at almost the same level. As one would expect, the pattern of waivers is similar to that of offers; waivers generally were higher when supply was high. However, between 2015/2016 and 2019, although offers were almost unchanged, waivers decreased.



The GRN has been acquiring agricultural commercial land for the resettlement programme since independence. Fig 3 clearly exhibits that land acquisition have continued until it peaked in 2015/2016. Records shows that peak years in which more farms were bought were the 2006/2007, 2010/2011 and 2015/2016 financial years. It is likely that sufficient financial resources, allied with satisfactory farm offers, were responsible for the higher level of purchases in those years. In 2006/2007, the MLR was allocated N$320 million for land reform, and of that budget N$198 million was spent on farm purchases. There are various reasons attributed to the low numbers of farms purchased in the early phase of the land reform programme as well as in recent years. Limited financial resources is the major stumbling amongst others.

Figure 4: Financial institutions were farmers save money

The aim of land reform in Namibia is not only to correct colonial wrongs, but also to achieve social and economic equity that allows wealth creation for all citizens. Economic equity should be considered important when addressing the role that resettled farmers should play in creating employment opportunities for the citizens of Namibia. The majority of the farmers surveyed in this study provided employment, and slightly more non leaseholders (87%) than leaseholders (80%) employed permanent farmworkers. The same pattern is observed with the employment of seasonal workers and farm managers. Non-leaseholders had higher wage expenses than leaseholders for managers and family workers, at N$1,460.00 and N$1,229.00 respectively, while leaseholders paid N$1,110.00 and N$707.00 for managers and family workers. In general, employees of resettlement farmers were paid amounts averaging above or close to those stipulated in the government policy on the minimum wage of farmworkers.

Figure 5: Average monthly salary of farmworkers

4.2 Lease Agreement acquisition and regulations

There are various processes involved in the issuance of Lease Agreement to resettled farmers for a period of 99 years. Firstly, a farm need to be surveyed and valued with a defined boundary. A defined boundary is essential for the determination of the rental fee payable by the beneficiary. It is only at this stage that the lessee signs the Lease Agreement, the Minister signs it on behalf of the State. A Right of Leasehold is then registered under the Deeds Registries Act, 1937 (Act No. 47 of 1937). The beneficiary is then provided with a Notarial Deed, which is similar to a Deed of Transfer. One of the objective of this study was to investigate possible reasons for the insufficient issuance and registration of Lease Agreements. Findings during the study shows that all these processes are costly and requires adequate staff capacity of Valuers and Surveyors, as a result many farmers are not yet issued with a Lease Agreement. The study further revealed that inadequate collaboration and coordination of activities and roles within the Ministry hampered efficiency in delivering quality service. On farmer's awareness on the benefits of a Lease Agreements, resettled farmers view it as ownership of their farming units, and while some view it as a guiding document for the management of the farm.

Figure 6 presents the total revenues collected in respective regions surveyed during the 2015/2016 financial year. Ministerial records shows that as at the year of review, out of 245 farmers issued with Lease Agreements, only 145 farmers honored their stipulated lease fees. Comparing the number of Lease Agreements per region with the total revenue generated from rental fees as presented in Figure 6, Erongo appears to have generated the most revenue, followed by Otjozondjupa. During this period, a total of 100 lease holding farmers did not honor their rental fees as stipulated Lease Agreement document, resulting in the Ministry losing revenue of N$265,572,00. Hence, the exorbitant amounts were attributed to arrears that farmers accumulated over time.

Figure 6: Lease fee collection for the 2015/2016 FY

5. Conclusion and Recommendations

The study observed a positive growth in terms of agricultural production among the surveyed farmers over the years since resettlement. A Lease Agreement did not act as a requirement for farmer's access to agricultural credit from private financial institutions, but is key in the formalization of property right. Credit was obtained from Agribank, and enabled farmers to increase their farming operations mainly to purchase livestock. Agribank's loan facility did not discriminate between leaseholders and non-leaseholders. This loan facility is a special arrangement between the Ministry and Agribank. The fact that the process of Lease Agreement issuance and registration is very slow is one of the most significant findings of this study whereby only 300 Leases Agreement were issued by the Ministry in the years 2008 - 2017. Several factors contributed to this low number of Lease Agreements issued and registered. The key factors are as follows: non-functional water infrastructures that hinders farm occupation or lease agreement signing; weak coordination processes between Ministerial Directorates; a limited labour force in the specialized areas of survey and valuation; and the limited knowledge of farmers regarding the process of registering a Lease Agreement. Regarding the collection of rental fees, Ministerial statistics for the 2015/16 financial year shows that a total revenue of N$200,481.47 was generated from about 60% of lease holding farmers.

This study hereby provides possible recommendations as a way forward:

⇒ Rigorous monitoring and evaluation of the carrying capacity of farm units and other stipulations in the Lease Agreement are crucial for ensuring sustainable productivity and for sustaining the natural resources on the farms.
⇒ The Ministry, through the LRAC, reviews the current rental fees in relation to the government's level of investment, the production capabilities (carrying capacity) of farming units and financial standing of farmers.
⇒ The issuance of Lease Agreements and registration in the Deeds Office should be seen as a single function, and should be carried out as a single process.
⇒ Financial institutions should be called upon to ensure, as a social responsibility, that they come up with products that are affordable and sustainable for farmers, so that peace and stability can be further cemented and business can thrive.