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✍ Volume 3 (4th Quarter)

Farmers Information Bulletin



AASD Training & Events Pictures



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Agribank's Agri Advisory Services Division (AASD)
 The AASD offers mentorship and training services to farmers in an effort of enhancing their knowledge, skill and attitude in order to improve their farm productivity and income.

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How safe is your farm environment



- Erastus Ngaruka

mized to acceptable levels. The farm resources at risk of contamination include, water, soil, humans and livestock amongst others. This suggests that the farm management plan should contain an “emergency response plan”. The common farm items that contaminate the environment and pose health hazards to both

A farm is one business operation that can cause severe environmental damage which in turn affects livestock, wild animals, plants, and humans. Farm management does not only mean to operate a farm business to generate the end production or income, but to manage the environment through which the end product or the income is realized. In general farm environments are contaminated by hazardous objects, chemicals, and pathogens. Some of these contaminants are part of the useful items for certain farm activities; for example the herbicides used for controlling weeds.

Therefore, a farm management plan should include aspects of pollution and waste management, and farm hygiene and sanitation practices amongst others. This is to ensure that the farm production activities do not deteriorate the production environment or the risk of environmental contamination is mini-

human and livestock in particular are; veterinary products, oil, herbicides, human waste, plastic materials, bones, and wires amongst others. Most health hazards on the farm are associated with inappropriate storage, use, disposal, and the general cleanliness of the farm.

Different farm inputs have different storage requirements. Thus, the farm storage facilities should conform to such requirements. For example, vaccines need to be stored under certain temperature ranges, thus, the fridge should be set to such a range. Most importantly, harmful substance such as herbicides, petroleum products, and cleaning agents should be stored separately away from livestock feeds, human food, and out of reach of people who do not have the knowledge to handle or use them. The farm emergency response plan should have measures to prevent and contain any spillage or leakage of these substances.



PRODUCT LOAN PORTFOLIO



Agribank specializes in financing the entire value chain from land acquisition, production inputs, harvesting, transporting,

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Agribank specializes in financing the entire value chain from land acquisition, production inputs, harvesting, transporting, processing and marketing of the products at competitive interest rates.

AGRI ADVISORY SERVICES



Capacity Building services to farmers include:

- One-on-one Mentorship
- Farmer's Information Days (FID's)
- Short Training Courses
- Excursions / Exposure Visits
- Day / Evening Lectures
- Practical Sessions
- Pre and Post Settlement Training Courses

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The use of products without reading or following the instruction is very common on farms. Farmers should always ensure that any product they are buying has a label and the instructions are readable. Every person, especially the farm workers who will have access to any product or material should be well informed on the storage and use of the products.

Many farm environments are filled with waste materials or items exposed to livestock, wild life and humans. These include bottles, plastic containers, plastics bags, building rubbles, bones, etc. these items can cause serious harm to the animals and people. For example, the most common problem on farms is the ingestion of plastic bags and bones by livestock causing significant production losses. The farm management plan should make provision for safe disposal of refuse materials in accordance with environmental health protocols.

One key aspect of safety on a farm is hygiene. This refers to the habits of ensuring a healthy environment. This is mainly ensured by cleaning the farm premises, be it buildings, livestock handling facilities, and most importantly personnel hygiene and protection. For example, aborting animals can contaminate the kraals or humans with bacte-

ria, thus, aborted fetuses should be safely disposed (e.g. buried and burned), the person handling them should wear protective clothing and the premises (e.g. kraal) should be disinfected. One of the most important facilities on the farm is the toilet. The common "bush toilets" are a health hazard, and this is often ignored. Livestock diseases such as measles result from parasites contaminating these bush toilets. This is an economic disease that will lead to condemnation of carcasses at slaughter abattoirs. Thus, there should be enough ablution facilities on the farm, and should be accessible by all.

In conclusion, a farm should be a safe habitat for livestock and humans, thus, every farm operation should include environmental cleanliness as a key activity in the overall farm management plan.



Have you submitted your
'Know Your Client'
information?

Please contact your nearest Agribank Branch for the required information.

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Rainfall alone cannot guarantee optimal rangeland recovery



- **Erastus Ngaruka**

A rangeland refers to a land area inhabited by native plants (grass, forbs, shrubs & trees) utilized by domestic and wild animals. Rangelands have direct or indirect support to all forms of life and is the cheapest source of food for livestock. Humans also derive food, medicine, and construction materials amongst others from the rangeland. This is an indication that there is huge demand and competition for rangelands' resources, thus, putting them under immense pressure to produce or continue to provide such services.

Rangeland productivity is influenced by a combination of factors, these include, rainfall, soil condition, seeds availability, and utilization amongst others. The productive potential of Namibian rangelands has been compromised, especially in communal areas due to degradation, and the main forms of

rangeland degradation are bush encroachment and soil erosion. These two forms of degradation are resulting from improper rangeland utilization practices such as overgrazing, land clearing, and soil mining practices amongst others.

Forage plants live in competition for space, sunlight, water and soil nutrients to establish and re-generate themselves. When a plant is overused, its competitive ability is reduced.

For example, overgrazing reduces the density and the competitive ability of grasses, thus, promoting the undesired opportunistic plants such the woody encroachers and other weeds to inhabit the grazing areas. The competition is not only between the grass and the woody plants, but also between the grass plants themselves. Selective grazing (target specific grass species) has also led to the disappearance of the most valuable grass species, leaving the undesired grasses (e.g. *Aristida stipitata*) dominate the rangelands.

Grasses can be differentiated as annual or perennial, where an annual grass only grow and live during the rainy season and dies but only regrow from the seed in the next season, whereas the perennial grass live for more than one

INTEREST RATES*

*Interest rates are subject to change without prior notice.

Affordable interest rates for affordable products to grow the farming business in more ways than one.

	Period	Interest Rates for Commercial Clients	Interest Rates for Communal Clients	Interest Rates for Resettled Clients
Short Term Loans				
Production inputs / Crop production / Seasonal Loans (revolving basis)	1 year	8.75%	4.00%	4.00%
Medium Term Loans				
Loan for the purchase of male breeding stock and tollies	5 yrs	9.50%	4.00%	4.00%
Loan for the purchasing of light delivery vans, veld vehicles and small trucks	5 yrs	9.50%	7.50%	N/A
Loan for the purchasing of used tractors and agricultural implements	5 yrs	9.50%	9.50%	4.00%
Loan for the purchasing of Draught animals and implements	5 yrs	N/A	7.50%	N/A
Loan for the purchasing of irrigation equipment, etc.	5 yrs	7.50%	7.50%	N/A
Loans for the purchasing of breeding birds	5 yrs	7.50%	4.00%	4.00%
No Collateral Loans	5 yrs	N/A	9.00%	NA
Bush encroachment: Labour	10 yrs	8.25%	7.50%	8.00%
Aerial spraying and other methods	10 yrs	8.25%	7.50%	8.00%
Infrastructure and Improvement loan	10 yrs	8.25%	7.50%	8.00%
Loan for the purchasing of large stock	8 yrs	9.50%	4.00%	4.00%
Loan for the purchasing of small stock	6 yrs	9.50%	4.00%	4.00%
Loan for the purchasing of new tractors and agricultural implements	10 yrs	9.50%	7.50%	N/A
Long Term Loans				
Loan for the purchase of land for beginners	25 yrs	9.25%	N/A	N/A
Loan for the purchase of additional land for expansion	20 yrs	9.25%	N/A	N/A
Loan for the construction of dwellings and other permanent farm buildings	15 yrs	9.25%	N/A	N/A
Loan for the construction of Labourers Housing	15 yrs	4.00%	N/A	N/A
Loan for water provision, fencing and other improvements	15 yrs	9.50%	8.25%	N/A
Loan for taking over of debts	15 yrs	9.50%	N/A	
Loan for consolidation of debt	10-25	Weighted interest rate	Weighted interest rate	
Bush control: Labour	15 yrs	9.50%	8.25%	
Aerial spraying and other methods	15 yrs	9.50%	8.25%	

sustainability. It is worthwhile to note that the larger the flock size the more efficient the business becomes. This is because some production costs are proportionately constant regardless of the flock size and hence those with larger flocks enjoy efficiency benefits.

Economies of scale

Generally, productivity should go hand in hand with efficiency (producing more output with minimal input), and thus to achieve efficiency in poultry, volume is key. It is observed that the majority of poultry producers in Namibia are generally small. This can be attributed to the fact profit maximization may not be the only objective, the farmer may have multiple objectives such as daily subsistence needs.

It is imperative for farmers to consider saving and expanding their poultry enterprises to take advantage of economies of scale when the poultry enterprise exhibits high profitability. For instance, vaccination doses available in the shop start from 1000 doses upwards, this will mean a farmer with 1000 birds uses the same vaccination bottle that a farmer with only 30 chickens would use.

As a result, the farmer with 1,000 birds will experience greater efficiency than the farmer with 30 birds, as the remaining doses will go to waste.

It is therefore imperative for farmers to attend training, consult and seek information before they commence in order for them to gain appropriate skills to navigate through challenges of poultry farming as well as achieve economies of scale.

In conclusion, farmers should adopt stringent poultry management practices. This is because the production cycle of poultry birds is too short (approximately 42 days for broilers and 72 weeks for layers), to correct any problems or mistakes during the birds life cycle. Therefore, management issues may compromise bird performance irrespective of the flock size. Thus, in order to achieve optimal performance and desirable profit margins, good poultry practices should be of utmost priority.



season, stay dormant during winter and re-grow from the same stump and seed in the next season.

Therefore, grazing animals would depend on perennial grasses during the winter/dry season. Over the years, the most valuable perennial grasses have been disappearing from many grazing areas. Lately, the common drought tolerant *Stipagrostis uniplumis* (Silky bushmen grass, Ongumba) and *S. hochstetteriana* (Gemsbok tail) that could save animals during the dry periods are slowly losing their grounds or dominance to annual grasses especially in grassland areas (southern and eastern parts of the country).

The current rainfall activities seem to be favourable as many farmers are observing an abundance of grasses in the grazing areas, and areas that had bare patches in the previous seasons. This is not optimal rangeland recovery yet. Rangelands recovery occurs in three basic succession stages (pioneer, sub-climax and climax) distinguished by the type and species of grasses observed.

The pioneer is the lower ranked stage with grasses having little grazing value compared to the climax stage that recruits the most valuable grass species. The grazing value entails; palatability (acceptance or taste), nutritional composition, and quantity (amount of leave

and stem produced). Currently, Namibian rangelands are in their pioneer stage of recovery. The grasses in abundance are the annual type of grasses, with a short life cycle (only available during the rainy season). They include; *Urochloa brachyura*, *Enneapogon cen-croides*, *Chloris virgata*, *Digitaria veluti-na*, and *Eragrostis porosa* amongst others. These annual grasses have taken over large parts of grazing areas in central, eastern and northern regions, and they will disappear in July/August leaving most of these grazing areas bare or empty.

Given the recurrent erratic rainfall activities and the continued pressure on the rangelands, the shifts in the plant/grass succession stages will take longer than wished for, unless there are human interventions to facilitate the natural processes of rangeland revegetation. One such practice is to re-introduce the valuable grasses by re-seeding (planting grass).

The practice can be done at various scales, in backyard gardens, planting fields, in camps or grazing areas. The native valuable grasses that are commonly cultivated in the country include; *Cenchrus ciliaris* (blue buffalo), *Anthephora pubescens* (wool grass), and *Smitdia pappophoroides* (Kalahari sand quick).

Farming is a business



- **Erastus Ngaruka**

Farming has for long been perceived as a tradition or a way of living in some societies. On one hand, such a perception still has an inherent business aspect to it because there is a practice of exchange of goods and services in a form of bartering where no actual monetary value or a profit is attached to the goods, but a transaction to serve the immediate needs or sustain the livelihood of a farmer. For example, a goat can be exchanged for a bag of maize meal. In contemporary business transactions, goods and services are exchanged for money, and a “gain” in a form of a profit is expected. On that, a goat is now sold for money and in turn the money is used to buy a bag of maize. This is a busi-

ness practice based on the principles of investment and return.

Agriculture continues to change especially in terms of markets and technologies, thus, influencing farm business operations to respond accordingly. This is where business mind-sets and principles are applied to make the best use of the factors of production; land, labour, capital and entrepreneurship. A farmer is an entrepreneur (business person) with abilities and efforts to manage and control land, labour and capital such that they all complement his/her business vision. Land is the primary farm resource on which production takes place; it includes plants, water and soil amongst others. The labour is the workforce or farm workers, and the capital represent farm assets such as buildings, machinery, tractors etc.,

creasing numbers of youth and women have risen up to create job opportunities for themselves, it is indeed commendable. A frequent question asked however, is how many chickens should one start with to realize a good profit margin and make a living from this enterprise? As commonly stated, “The higher the risk, the higher the profit”.

This is particularly applicable to the poultry enterprise as one needs larger volumes in order to realize good profits. It is imperative to note that total variable costs in addition to total costs per bird are higher in smaller flocks, in contrast to medium and larger flocks. For instance, the production cost per bird in small-scale broiler production (meat birds) is approximately at N\$ 65.00 per bird for a flock of 100 birds.

Furthermore, trends show that production costs increase with smaller flock sizes below 100 birds and gradually reduce as the flock sizes increase above 100 birds. In essence, the larger the flock size, the lower the production cost per bird and the improved competitiveness of the poultry business. This article seeks to articulate the reason why farmers should aim for larger flocks when venturing into the poultry business.

Starting small

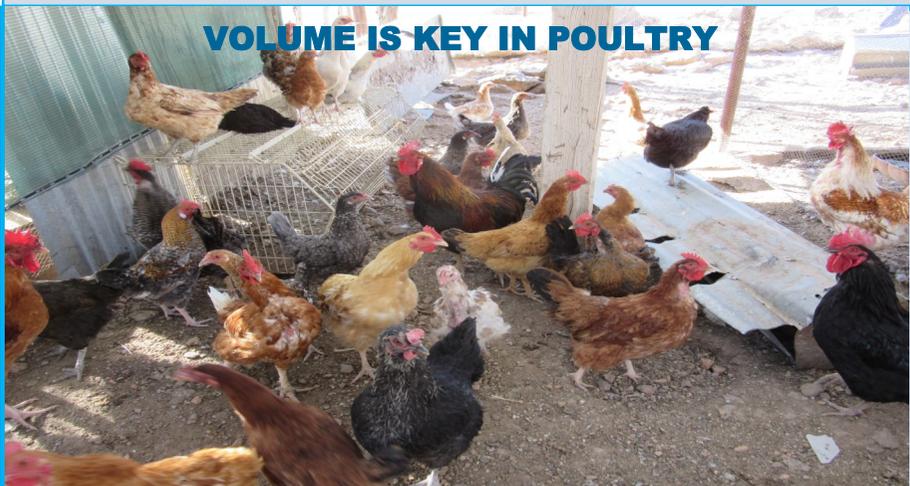
Farmers are often advised to start small; however, the question is how small should one start? Starting small is crucial so the farmer has time to gain experience to run the poultry enterprise smoothly. Starting with a large flock without enterprise knowledge can be a huge risk to an emerging farmer. However, a farmer should not start too small and limit the potential of realizing sufficient profits to sustain their living and the prospects of expanding the enterprise.

For instance if a farmer starts with 30 layers, they should be able to collect at least 24 eggs per day if husbandry practices are up to standard. Assuming eggs are sold at a minimum price of N\$ 2.00, the total income per day will be N\$ 48.00. The cost of feed alone per day (supposing each layer consumes 110-120 g per day) and other things held constant (*ceteris paribus*), the total feeding cost per day can be approximately N\$ 29.00 for the total flock excluding vitamin supplementation, labour costs, water and lighting costs, etc.

It is therefore advisable for prospective egg producers who intend starting small to start with at least 200 birds and meat producers 100 birds if the business is to carry its own operating costs and generate profits to enhance

dressed cuts. Various dressing equipment (Plucker) is available in stores that can be used to assist with dressing/Defeathering chicken in a reasonably shorter period. Casual labour can also be used for this purpose in order to create job opportunities. On the other hand, large and medium poultry producers who intend to consider opening a mini abattoir require experience, appropriate biosecurity measures and may require government approval. This may also prove to be quite a costly venture that requires financing. To this end, the Agricultural Bank of Namibia offers Agribusiness related loans at affordable interest rates to fund such ventures.

In the final analysis, farmers should take note that feed efficiency deteriorates with each day as the bird's age. This is mostly because older birds have a greater body mass to maintain each day as well as additional demands for energy and amino acids. Therefore, the prolonged rearing of broilers minimizes feed efficiency, thus increasing production costs and reducing the profitability of the enterprise considering that feed constitutes the largest expenditure in terms of poultry production costs. It is therefore imperative for farmers to establish a market prior to the targeted slaughter age to achieve efficiency in the broiler enterprise.



• **Emilie Abraham**

The poultry enterprise is one of the farming businesses that has the potential to efficiently challenge redundancy

problems in the country, mostly among unemployed youth. It is pleasant to note that the number of small-scale poultry farmers is growing by the day and initial

including money.

The idea of business farming may be well understood and accepted, but becomes cumbersome in practice because of the complexities of record keeping and financial management. Most farmers have productivity visions, but not clear on how financially such visions could be achieved, and what the desired financial status of the farm in future is. The farm business decisions should be based on its performance. This is where farm production records (e.g. calving register), and financial records (income & expenses) become handy in making truthful business decisions.

Record keeping is a farm management guiding tool that enables a farmer to evaluate the performance of the whole farm business and how each individual enterprise (e.g. cattle, goat, sheep, and crop) is contributing to overall progress of the farm. A farmer is able to monitor and determine whether the farm activities are going

according to his/her plans. Records allow a farmer to plan and budget based on own real data. Thus, future financial decisions are always guided and made based on real information of the farm. On the other hand, a clear and useful farm record keeping system can create an opportunity for a farmer to receive support services such as finance and advice.

Farming is really a business because farmers invest in the land, labour and capital, and market their products in monetary value, and expect an optimal income. A good farm business is one that does not compromise the productive potential of the land, the labour is skilled and motivated, and capital investment is sufficient and appropriate. A good business decision should be made from records and not memory. Lastly, agriculture is an economic pillar of Namibia and it supports all livelihoods although faced by unforgiving climatic conditions. On that, farmers need to explore and use appropriate



Prolonged rearing narrows profit margins in broilers



- **Emilie Abraham**

Broilers refer to hybrid, heavy fleshed meat birds that reach slaughter weight at 35 – 42 days. It is shocking to note that some consumers particularly in the northern regions dislike purchasing live broilers due to their white plumage colour and opt to buy “braai packs” at retail stores. However, it is important to note that braai packs and broilers are in fact the same thing. In essence, braai packs are dressed and packaged broilers. It should be noted that the broiler enterprise is a quick money making enterprise amongst all farming enterprises. In fact, a serious farmer could achieve six (6) production cycles in a year including down time. However, the prolonged rearing of broilers

has the opposite effect. It reduces profit margins, profitability and results in extra expenditure on feeding, biosecurity measures, treatment and vaccination to reduce disease exposure in the broiler birds. Thus, the lower the market age, the better for a farmer. The cost of production and net profit per bird determines the fate of a broiler enterprise. Other factors that affect the profitability of a broiler enterprise include mortality, morbidity, flock size and the hygienic conditions of the farm. However, older market age has the potential to reduce profit margins significantly and increase the production cost per bird. In Namibia, there are two market options for broilers; small birds market (35-36 days) and larger birds market (42 days). However, irrespective of the market options, farmers

are advised to market broilers prior to the harvesting time and sell them before or at 6 weeks to secure their profits.

Large birds market

The large bird market is the most common in Namibia. Poultry farmers raise their broilers from day old to 42 weeks and sell to consumers after this period. This is particularly common among small-scale farmers targeting informal markets such as the open market, households, events etc. The price per head of large birds ranges between N\$ 100.00 - N\$150.00. In areas where the price per broiler is N\$ 150 per head, farmers are likely to achieve higher profits by selling at a mature age as opposed to selling at 35-36 days old. However, in areas where the price per broiler is below N\$ 100, prolonged rearing can result in lower profits to none. To this end, farmers are advised to strictly sell their birds at 6 weeks and alternatively slaughter and sell them dressed. Farmers should also plan appropriately and raise a suitable number of birds that can be consumed by the market within the particular season. However, bird numbers can be increased when approaching higher demand months where a hike in sales is expected e.g. during Christmas, trade fairs and popular wedding

months depending on your location and the size or weight of your birds. During these peak times, consumers are guaranteed to purchase your products as they reach the desired slaughter age.

Small birds market

The small bird’s market option refers to the practise of slaughtering, packaging and selling birds mostly at the age of 35-36 as opposed to 42 days. Mostly, medium and large-scale poultry farmers prefer this market option and prefer to weigh, package and sell per kilogram (e.g. N\$ 46-60 per kg) depending on the value of the portions. For instance, giblets and chicken backs are cheaper than thighs and drumsticks etc. It should be noted that adding value to your broilers could pay off, as dressed chicken fetch a premium price on the market as opposed to undressed chicken. Farmers are advised to analyse the market beforehand, and produce as per customer demand. For instance, some consumers may feel uncomfortable slaughtering live birds, others do not have the time to dress chickens due to their busy schedules, while others may simply find whole chicken unaffordable and prefer portions. Thus, if your market comprises of such customers, consider adding value and selling