NAMBOARD
NATIONAL AGRICULTURAL MARKETING BOARD

ANNUAL REPORT

2022-2023

CERTIFIED HACCP FOOD SAFETY Hazard Analysis Critical Control Point

bsi ISO 22000 Food Safety Management CERTIFIED

GLOBALG.A.P.

ENCABENI FRESH PRODUCE

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PREFACE

Dear stakeholders, partners, and friends of NAMBoard

As we reflect on the year 2022, we are pleased to present our annual report a comprehensive account of the remarkable work accomplished by our dedicated team. This report encapsulates our commitment to agricultural development, market facilitation, and sustainable growth.

A Year of Resilience and Innovation

Despite the challenges posed by external factors, climate fluctuations, economic shifts, and global uncertainties, NAMBoard remained steadfast in its mission. Our collective efforts have yielded significant achievements, and we are proud to share them with you.

Key Highlights

- Market Access: We expanded market linkages for Eswatini's agricultural products, fostering economic opportunities for farmers and traders. Our initiatives facilitated cross-border trade, ensuring fair prices and reducing post-harvest losses.
- Capacity Building: NAMBoard invested in training programs, empowering farmers with modern techniques, business skills, and sustainable practices. Our commitment to capacity building strengthens the entire value chain.
- Innovation and Technology: Leveraging digital platforms, we streamlined information dissemination, improved traceability, and enhanced access to market data. Our mobile applications and online resources have become invaluable tools for stakeholders.
- Collaboration: Partnerships with government agencies, NGOs, and private sector entities enabled us to address complex challenges collaboratively. Together, we championed food security, environmental stewardship, and inclusive growth.

Gratitude

We extend our heartfelt gratitude to our staff, board members, and all those who contributed to NAMBoard's success. Your dedication fuels our vision of a thriving agricultural sector that uplifts communities and sustains our nation.

As we turn the pages of this report, we invite you to celebrate our achievements, recognize our resilience, and envision a brighter future for Eswatini's agriculture.

Thank you for your unwavering support.

Sincerely,

Bhekizwe Maziya, CEO
National Agricultural Marketing Board (NAMBoard)

SECTION 1: EXECUTIVE SUMMARY:

1.2 Operational Overview

The 2022/23 fiscal year was marked by significant challenges and opportunities for NAMBoard and the agricultural sector in Eswatini. Influenced by global events such as the Ukraine-Russia conflict and the residual effects of COVID-19, farmers faced rising input costs and adverse climate conditions, including hailstorms. Additionally, the export market was disrupted due to non-compliance with Global GAP standards, impacting the ability to access certain premium markets.

The year saw a decline in both local and export fresh produce sales. Local sales reached E13.2 million, a 14% shortfall from the budget, while exports fell 15% compared to the previous year, largely due to issues such as exceeded Maximum Residue Limits (MRL) on green beans. Despite these challenges, some crops, including tomatoes, cabbage, and baby marrows, showed resilience with improved performances over the previous year.

Total fresh produce sales, including value addition, reached E13.24 million locally and E2.77 million in exports. Value addition operations saw a 45% increase in volume processed but only a 17% rise in monetary value, attributed to declining unit prices for processed products. The overall procurement from farmers showed positive growth, with a 10% increase in volume and a 15% rise in monetary value.

Key Achievements

- Fresh Produce Market: Tomatoes, beetroot, and green beans were the leading crops in terms of volume and value. Total procurement from farmers increased by 10%, demonstrating NAMBoard's continued role in supporting local agriculture.
- Packhouses: Two packhouses (Msahweni and Lavumisa) showed marked improvements in the volume of produce handled, helping streamline the supply chain.
- Farmer Support: Over 1,050 farmers received training, and a Horticulture Revolving Fund and Input Subsidy program were launched to assist with financial challenges. Climate-smart agriculture projects also continued, improving irrigation infrastructure and mitigating climate-related risks.
- Compliance and Quality Assurance: NAMBoard maintained ISO 22000 certification for food safety and continued to implement Global GAP standards, providing capacity-building programs for 177 farmers across Eswatini.

Challenges

- The increase in global input costs, coupled with climate-related issues, severely impacted both the quantity and quality of produce.
- Export market challenges due to failure to meet Global GAP standards and regulatory issues around Maximum Residue Limits (MRLs).
- The ongoing difficulty in obtaining affordable financing for farmers, limiting their ability to expand production.

Outlook

NAMBoard aims to continue strengthening local agriculture through value addition, quality assurance, and expanding market access. Initiatives like the Climate-Smart Agriculture project, the Horticulture Revolving Fund, and continuous support for farmers are expected to alleviate some of the challenges faced in the past year.

SECTION 2: AUDITED FINANCIAL STATEMENT

2.1 Directors' responsibility statement

for the year ended 31 March 2023

The directors are responsible for the preparation and fair presentation of the financial statements of the National Agricultural Marketing Board (NAMBOARD) comprising the statement of financial position as at 31 March 2023 and the statements of comprehensive income, changes in shareholders equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with the International Financial Report Standard for Small and Medium-sized Entities (IFRS for SMEs) and in the manner required by the National Agricultural Marketing Board Act No. 13 of 1985. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements. The directors have made an assessment of the NAMBoard's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead. The Board like all businesses has been impacted by the ongoing Russian attack on Ukraine in that there has been increase in costs for most inputs. The Board has devised strategies to ensure that it remains profitable despite the ongoing conflicts.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the annual financial statementsThe financial statements of the National Agricultural Marketing Board, as identified in the first paragraph and set out on pages 6 to 33, were approved by the Board of Directors on 3 April 2024 and are signed on its behalf by

2.2 Report of the independent auditor

To the Members of National Agricultural Marketing Board

We have audited the financial statements of National Agricultural Marketing Board (NAMBoard) set of on pages 8 to 28, which compromise the statement of financial position as at 31 March 2023, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of ou report, the financial statements present fairly, in all material respects, the financial position of National Agricultural Marketing Board as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Mediumsized Entities and in the manner required by the National Agricultural Marketing Board Act and the Public Enterprises (Control and Monitoring) Act.

Basis for Qualified Opinion

We could not obtain sufficient and appropriate audit evidence on the accuracy and evaluation of inventory stated at E1 652 979 as at year end, and the accuracy of cost of sales stated at E23 077 244. According to the entity's accounting policies, inventories are stated at the lower of cost and net realizable value, and cost is determined using the weighted average cost method. The weighted average cost method requires the entity to update their costing tables within the system periodically, depending on inventory type. For the year ended 31 March 2023, the cost tables in the system were not updated. Consequentially, the inventory value was not updated. We could not determine whether the inventory was valued correctly at year end. As a result, we could not determine whether the cost of sales were recorded accurately for the year ended 31 March 2023.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of NAMBoard in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to the audit of financial statements in Eswatini and have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other information

The directors are responsible for the other information. The other information comprises the director's responsibility statement and corporate information, the information set out on pages 1 and 5, the directors' report set out on pages 6 to 7, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained, we conclude that there is a material misstatement of this other information, we are required to report to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Finance Reporting Standard for Small and Medium-sized Entities and in the manner required by the National Agricultural Marketing Board Act and the Public Enterprise (Control and Monitoring) Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing NAMBoard's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due t fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NAMBoard's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on NAMBoard's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause NAMBoard to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

2.3 Corporate Information for the year ended 31 March 2023

the directors take pleasure in presenting their report which forms part of the financial Statements of the National Agricultural Marketing Board (NAMBoard) for the year ended 31 March 2023.

Nature of business

NAMBoard is a body corporate established under the National Agricultural Marketing Board Act No. 13 of 1985. NAMBoard's principal mandate is to regulate imports of scheduled agriculture produce. Further functions of NAMBoard are to register wholesale distributors, importers and exporters of scheduled products and to facilitate the production, distribution and sale of same.

The board operates three divisions namely; Ncabeni Fresh Produce, Sdemane Farming and regulating permits in carrying out its objectives. The financial information included in the financial statements has been consolidated for the financial position and results of operations for the three divisions.

2023 OPERATING AND FINANCIAL REVIEW

Revenue

Revenue recognized during the year under review decreased to E91 million compared to E97 million the previous year, a 6% decrease from the previous year.

Expenditure

Operating expenses decreased to E55 million in 2023 from E59 million in 2022, a 7% increase from the previous reporting period.

Profitability

Profits for the board increased from E12 million in 2022 to E19 million in 2023.

Capital expenditure

Capital expenditure amounted to E10.9 million (2022: E7.7 million) during the year.

Farmer Development Projects

The Board continued to pursue several farmer development projects in the year under review in partnership with ESWADE

2.4 Directors Report

Directorate of NAMBOARD

FIND US

Business address
NAMBoard Building,
Cnr Mbhabha and Masalesikhundleni Street Manzini

Postal address
P. O. Box 4261
Manzini M200

Auditors

Business addresses
SNG Grant Thornton Chartered Accountants (Eswatini)
Umkhiwa House Lot 195 Kal Grant Street Mbabane

Postal address
P. O. Box 331
Mbabane
H100

Legal counsel

Business address
Sabelo Mngomezulu Attorneys 4th Floor Mbandze House Mbabane, Eswatini

Robinson Bertram Attorneys
Ingcongwane Building
Gwamile Street
Mbabane

Bankers

Standard Bank (Eswatini) Limited
Nedbank Eswatini Limited
Eswatini Development and Savings Bank
African Alliance Eswatini

Investment Managers

Old Mutual Eswatini
Stanlib Eswatini

Going concern

NAMBoard meets its day-to-day working capital requirements through the use of its cash reserves and bank facilities. Management's forecasts and projections, taking into account reasonable possibility of changes in trading performance, show that NAMBoard should be able to operate within the level of its current resource and facilities. The Directors have every reason to believe that the entity has adequate resources to continue in operational existence for the foreseeable future.

The directors believe that the organization will have adequate financial resources to continue operating for 12 months and after the date of issue of these financial statements and accordingly the financial statements have been prepared on a going concern basis.

Subsequent events

No material events or conditions have occurred between the reporting date and the date of approval of the financial statements that could require an adjustment or disclosure of the financial statements.

2.5 Statement of Comprehensive Income

1. Reporting entity

National Agricultural Marketing Board (NAMBoard) is an organization domiciled in Eswatini. NAMBoard is a body corporate established under the National Agricultural Marketing Board Act No. 13 of 1985.

2. Statement of compliance

The financial statement of National Agricultural Marketing Board have been prepared in accordance with the International Financial Report Standards for Small and Medium-sized Entities (IFRS for SMEs") issued by the International Accounting Standards Board. The principle accounting policies applied in the preparation of these financial statements are set out below.

These financial statements were approved by the directors on 3 April 2024.

2.1 Basis of Measurement

The financial statements have been prepared on the historical cost basis except where stated otherwise.

2.2 Functional and presentation currency

The financial statements are presented in Emalangeni, rounded to the nearest one Lilangeni.

3. Significant accounting policies

3.1 Financial instruments

Financial instruments carried in the statement of financial position include funds on deposit and cash resources, trade receivables and trade payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.2 Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. All land and buildings are subsequently stated at revalued amounts less accumulated depreciation and impairment. All other categories are subsequently stated at cost less accumulated depreciation and impairment.

2.6 Statement of Changes in Equity

Significant accounting policies Property, plant, and equipment Depreciation is calculated using the reducing balance method to allocate the cost less the residuals value over their estimated useful lives as follows:

Category
Land 0%
Buildings 5%
Office equipment 10%
Computers 33.3%
Plant and equipment 10%
Motor vehicle 25%
Furniture and equipment 10%
Mobile offices 10%
Residential property 5%

Leased assets
Items of property, plant and equipment acquired under finance lease agreements are capitalized at their cash cost equivalent and the corresponding ability to the lessor is raised. Lease payments are allocated between the lease finance cost and the capital payment using the effective interest rate method. The items of property, plant and equipment are depreciated on the same basis as other assets owned by NAMBoard. Operating lease payments are charged against income as they are incurred.

Revenue recognition
Sales are recognized upon delivery of products net of discounts and value added tax. Levies, registration and permit fees are recognized on a cash received basis.

Interest income
Interest income is accrued on a time appointment basis, by reference to the principal outstanding and effective interest rate at the reporting period.

Investments
Investments are measured at amortized cost.


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2.7 Statement of Cash Flows

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED FOR THE YEAR-ENDED 31 MARCH 2023

Significant accounting policies

Funds on deposit and cash resources

Funds on deposit and cash resources may include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. These are subject to insignificant risk of change in value.

Trade receivables

Receivables are amounts due from customers in the ordinary course of business. These are measured at amortized cost.

Accruals

Accruals are an obligation to pay for goods or services that have been acquired in the ordinary course of business not recognized in trade payables. Accruals are recognized initially at fair value.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest method.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost using the effective interest method. When calculating the effective interest rate, the entity estimates the cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. Any difference between proceeds (net of transaction costs) and the redemption values are recognized in the profit or loss over the period of the borrowings using the effective interest method.

Provisions

Provisions are recognized when NAMBoard has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a realistic estimate of the amount of the obligation can be made.

2.8 Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED FOR THE YEAR ENDED 31 MARCH 2023

Pension and other retirement benefits

The policy of NAMBoard is to provide retirement benefits to permanent and pensionable employees. Current contributions to pension funds operated for the employees are charged against income as incurred. NAMBoards' obligation under the pension scheme is limited to the employer's contribution; hence, no obligation is recognized on the statement of financial position. NAMBoard recognizes a severance obligation in accordance with statutory requirements on terminal benefits.

Impairment

The carrying amount of NAMBoard's assets other than inventory and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment and, if any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive income.

Taxation

NAMBoard is a corporate tax paying entity in accordance with the Income Tax Order of 1975 (as amended).
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Significant accounting policies

Inventories

Inventories are stated at the lower of cost net realizable value. Cost is determined using the average cost price. Net realizable value is the estimated selling price in the ordinary course of business.

Critical accounting estimates and judgements in applying accounting policies

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies.

The following areas in the financial statements involve a higher degree of judgement or are areas where assumptions and estimates are significant to the financial statements. Where estimates are involved, these estimates are based on management's best knowledge of current events and actions and actual results may ultimately differ from those estimates.

- Assessment of useful lives and impairment of property, plant and equipment.
- Assessment of useful lives and impairment of residential property.
- Determination of the carrying value of provisions.
- Recognition of deferred tax assets.
- Assessment of impairment losses on accounts receivable balances.

2.9 Notes to the Financial Statements

Contingent liabilities
From 31 march 2022 NAMBoard had unclaimed funds of E3.7 million from their previous accounting system. Due to system crushes, there was inadequate supporting documents for therecognition of this amount. The board has engaged on an exercise to identify and account for these balances. There was no change in the current year on the balance.

Capital liabilities
The entity has budgeted for capital expenditure of E10.9 million for the financial year 2024.

Going concern
NAMBoard meets its day-to-day working capital requirements through the use of its cash reserves and bank facilities. Management's forecasts and projections, taking into account reasonable possibility of changes in trading performance, show that NAMBoard should be able to operate within the level of its current resources and facilities.

The Directors have every reason to believe that the entity has adequate resources to continue in operational existence for the foreseeable future.The directors believe that the organization will have adequate financial resources to continue operating for the next 12 months and beyond after the date of issue of these financial statements and accordingly the financial statements have been prepared on a going concern basis.

Impact of Covid-19, unrest and Ukrainian war on the Board
NAMBoard is considered to be an essential service and continued to operate during the partial lockdown whilst implementing best practice as recommended by the World Health Organization. The slow opening of the economy during the 2023 financial period resulted in easing of the partial lockdown regulations with improvements in business for the Board. The effects of the pandemic are continuously monitored by management to ensure it emerges a going concern post the Covid19 era.

In June 2022, Eswatini was faced with civil unrest that resulted in disruption of business and damaging of property. The board's Encabeni division witnessed an arson attack where mostly files were burnt in a fire that was continued. There was no significant destruction as a result of the arson.

The ongoing Russian invasion of Ukraine impacted the board like most businesses. Price hikes on most goods and scarcity of inputs that had previously been sourced around the Asian market meant the board had to find alternative suppliers which was a challenge. The board has strategies in place to ensure all commodities are sourced and available to meet demand

Subsequent events
No material events or conditions have occurred between the reporting date and the date of approval of the financial statements that could require an adjustment or disclosure of the financial statements.

3. SECTION 3: OPERATIONS

3.1 Preamable

The year 2022/23 was a challenging year for farmers due to increased input costs which were partly induced by the Ukraine-Russia war and the latter effects of COVID-19. Farmers were also challenged by climate change which resulted in hailstorms in various places where some of the crops were completely wiped out. The export market was also challenged by farmers failing to adhere to Global GAP practices which resulted in a suspension in one premium export market for vegetables.

3.2 Fresh Produce Market

3.2.1 Local Sales

Total local fresh produce sales for the FY2023 were E13.2 million against a budget of E15.4 million, which was 14% below target and 1% below the previous year's performance. The same was true for quantity sold since there was a 19% decline when compared to FY2022. This decline is attributed to high input cost, inclement weather, and limited access to affordable financial services for farmers.

Although there was a total decline in the entire basket, there were exceptional cases in tomatoes, cabbages, green beans and baby marrows which showed an improvement when comparing FY2022 and FY2023. Leading crops in the FY2023 basket were tomatoes, beetroots, butter nuts and green pepper which accounted for 46% of all sales realised by the market. Table 1 presents a detailed breakdown of all fresh produce sales for FY2022 and FY2023

Table 1: Local Fresh Produce Sales (FY2022 & FY2023)

Produce	Volume (MT)		% Var	Value (SZL)		% Var
	2021/22	2022/23		2021/22	2022/23	
Tomato	214,69	232,95	9%	1 313 760	1 931 426	47%
Beetroot	284,44	230,41	-19%	1 722 472	1 790 847	4%
Butternut	245,48	180,11	-27%	1 194 083	1 197 593	0%
Green Pepper	101,81	90,93	-11%	1 211 963	1 192 374	-2%
Onion	212,71	96,64	-55%	980 899	992 752	1%
Banana	230,46	152,26	-34%	770 497	895 350	16%
Baby Marrow	36,11	37,28	3%	728 880	754 849	4%
Green Bean	21,57	32,43	50%	445 973	738 970	66%
Potato	159,37	96,72	-39%	1 029 379	722 629	-30%
Cabbage	106,39	161,21	52%	456 390	493 201	8%
Carrot	109,91	56,14	-49%	856 674	406 262	-53%
Apple	27,83	24,11	-13%	290 835	308 338	6%
Poultry	7,40	8,83	19%	215 035	204 047	-5%
Patty Pan	3,45	1,52	-56%	84 996	37 422	-56%
Baby Cabbage	4,69	0,96	-80%	59 658	25 524	-57%
Baby Gem	2,84	1,35	-52%	71 808	19 305	-73%
Peas	1,29	0,46	-65%	43 541	10 944	-75%
Other Conv. Veg.	78,79	92,52	17%	1 688 311	1 370 940	-19%
Other fruit	10,13	3,32	-67%	141 698	93 113	-34%
Other Baby Veg.	6,38	2,34	-63%	83 737	54 708	-35%
Total	**1 866**	**1 502**	**-19%**	**13 390 589**	**13 240 596**	**-1%**

3.2.2 Export Sales

Total export sales for FY2023 were E2.77 million against a budget of E4.97 million which was 44% below target and 15% below the previous year's performance. A major drawback was due to the loss of a premium export market for green beans and baby marrows due to exceeded Maximum Residue Limits (MRL). The market discovered high levels of Acephate on green beans, while it is not even registered for use on green beans. This resulted in over half of the export produce (56%) being sold in municipal fresh produce markets where the prices are not good. Table 2 presents a breakdown of the export markets supplied in the FY2023 with a comparison to FY2022.

The export vegetable producers also faced the same challenges as the local vegetable producers, hence the massive decline.

Table 2: Processed Vegetables

Processed Produce	Volume (Kgs)		% Var	Value (SZL)		% Var
	2021/22	2022/23		2021/22	2022/23	
Cut mixed vegetables	6 547	9 407	44%	150 475	201 395	34%
Cubed butternut	6 305	14 314	127%	90 128	178 689	98%
Broccoli and cauliflower mix	227	453	99%	9 630	13 789	43%
Pumpkin cubed	474	332	-30%	11 521	6 928	-40%
Broccoli florets	249	105	-58%	10 523	4 305	-59%
Cauliflower florets	834	77	-91%	28 660	3 152	-89%
Sweet potato cubes	1 020	90	-91%	19 769	1 561	-92%
Sliced green beans	277	21	-92%	8 001	646	-92%
Sweet potato/ butternut mix	500		-100%	7 969		-100%
Processed roast vegies	288		-100%	7 275		-100%
Processed stir-fry	355		-100%	7 083		-100%
Total	**17 077**	**24 798**	**45%**	**351 033**	**410 463**	**17%**

3.2.4 Fresh Produce Procurement

The market was able to buy 1 578 metric tonnes of fresh produce from farmers valued at E11.66 million which shows a positive movement of 15% in monetary terms and 10 % in volume. Leading vegetables were tomatoes, green pepper, beetroots, butternuts, and baby marrows respectively, which accounted for 61% of all produce supplied by farmers. Table 4 presents a detailed breakdown of vegetables bought by Encabeni market form farmers.

Table 3: Produce Procured from Farmers

Produce	Volume (MT)		% Var	Value (SZL)		% Var
	2021/22	2022/23		2021/22	2022/23	
Tomato	254,31	339,95	34%	1 861 733	2 595 465	39%
Green pepper	115,10	132,62	15%	1 310 080	1 336 370	2%
Beetroot	197,76	211,48	7%	929 773	1 109 240	19%
Butternut	220,87	208,87	-5%	1 025 614	1 039 226	1%
baby marrow	60,19	78,45	30%	694 589	1 030 459	48%
Green Bean	61,75	55,71	-10%	481 414	782 009	62%
Banana	166,04	161,18	-3%	646 194	707 371	9%
Cucumber	34,36	37,45	9%	547 590	571 795	4%
Chillies	26,49	49,78	88%	290 850	548 936	89%
Cabbage	122,48	165,86	35%	381 292	410 700	8%
Broccoli/ cauliflower	21,17	9,94	-53%	378 368	193 060	-49%
Carrot	19,93	32,10	61%	113 628	187 980	65%
Poultry	12,05	4,27	-65%	223 006	144 588	-35%
Baby cabbage	5,62	6,70	19%	57 759	123 181	113%
Potato	43,91	17,02	-61%	247 363	104 310	-58%
Peas	5,60	2,43	-57%	62 437	44 519	-29%
Patty Pan	6,29	3,38	-46%	71 484	43 998	-38%
Baby Gem	7,05	6,43	-9%	81 760	41 185	-50%
Other conv. vegetables	37,95	41,98	11%	514 453	440 427	-14%
Other baby vegetables	5,51	7,77	41%	69 771	98 637	41%
Other fruits	6,06	4,79	-21%	110 581	106 496	-4%
Total	**1 430,51**	**1 578,18**	**10%**	**10 099 739**	**11 659 953**	**15%**

3.3 Quality Assurance

Quality Standards

ISO/FSSC 22000

As part of ensuring that customer requirements are always met and as well as continuous improvement, NAMBoard has implemented ISO 22000 Food Safety Management System for the Encabeni packhouse and became certified under the same certification. This certificate puts NAMBoard in a better position to export farmer produce with ease. After this certificate NAMBoard will be able to move further to FSSC 22000 implementation which the organization aims to attain The Quality Assurance team will continue ensuring system requirements are always met.

Global GAP

During the year, the demonstration plot, and the baby vegetable packhouse had both internal and external audits and the certificate was maintained. This means that facilities and fields are still eligible to export since they comply with customer and global certification requirements.

Global GAP Expansion Project

NAMBoard with the help of Trade Forward Southern Africa embarked on Global GAP capacity building project for farmers to enhance their chances for export. During the year three milestones were achieved under this project.

- 177 Farmers across the four regions (Hhohho 37, Manzini 42, Shiselweni 39 and Lubombo 59) were trained on Global GAP, Food Safety Standards and in Agribusiness Finance and Marketing.
- Capacity Building for Project Canaan to become a certified commercial farm. The farm was assisted with Global GAP assessment, development of the Global GAP structure and training of staff on food safety.
- Development of Global GAP structure, records, and procedures for 14 emerging commercial farmers in preparation for Global GAP implementation.

3.4 Farmer Support and Development

3.4.1 Farm Input Shop

Farm shop sales were E4.3 million against a budget of E6.0 million which was 28% below target and 23% against the previous year's performance. This decline was attributed to two factors which include availability of fertiliser and a lengthy public procurement process which makes it difficult to buy stock at bulk quantities to meet farmers demands. Major sales were made of seedlings, seeds, and fertilizer, respectively.

3.4.2 Farmer Training and Extension Services

A total of 1050 farmers were trained on various topics including crop husbandry, intergraded pest management, posharvest handling and quality assurance. Farm visits for the entire year were 13 034, this includes farmers met individually and as groups in their farms. Through these interventions the department was able to mobilise good quality produce from farmers.

3.4.3 High-Value Crop and Horticultural Project

During the financial year, there were minimal activities taking place in the project since most farmer companies had their operating capitals suspended by the financer following failure to meet loan obligations. EWADE and NAMBoard established a steering committee and a technical team which wastasked with resuscitating these schemes. At the end of the year, farmer companies under this project were mobilised to engage in both field crops and vegetable farming. The main crops earmarked for these farmers were maize, beans, potatoes, beetroots, and butternuts.

3.4.4 Eswatini Horticulture Information System (EHIS)

Following the migration of the Agricultural Marketing Information System (AMIS) into the Agriculture Integrated Information System (AIIS) which is hosted at RSTP, NAMBoard established a subsidiary information system which shall feed into AIIS which is named Eswatini Horticulture Information System (EHIS). At the end of the year the EHIS was 80% complete and an official launch was planned for the first quarter of 2023/24.

3.4.5 Operationalisation of Packhouses

Msahweni and Lavumisa packhouses were able to receive 137 and 308 metric tonnes produce from farmers respectively. This was a significant improvement for both packhouses since in the previous year they each had received less than 100 metric tonnes. The Jabulani packhouse is still faced with the challenge of lack of farmers producing vegetables in its vicinity. However, efforts are being made to mobilise farmers in conjunction with Shiselweni Horticulture Farmers' Cooperative (SHOCO).

3.4.6 Small Holder Market-Led Project (SMLP)

Under the SMLP project, NAMBoard was able to host three Horticulture Innovation Platforms where stakeholders were able to discuss critical issues that concern the Horticulture Industry. Topics discussed in the innovation platform included resilience in times of scarce and costly inputs, markets and quality for fresh produce. As a result of the innovation platforms NAMBoard was able to establish a Horticulture Revolving Fund as well as Input Subsidy. The subsidyprogram was designed to subsidize 40% of production costs for selected crops earmarked for input substitution and export promotion. The Revolving Fund on the other hand allowed horticulture farmers to borrow without the need for collateral or deposit.

3.4.7 Climate Smart Market-Oriented Agriculture Project (CSMA)

NAMBoard, UNDP and COMESA entered into an agreement for Climate Smart Market Oriented Agriculture (CSMA) Project. The overall project focuses on converting old irrigation infrastructure to water conserving drip irrigation systems. The project also focused on facilitating access to finance and supporting production through linkages to markets while demonstrating best practices to mitigate climate change effects. During the reporting period there were no major milestones except at Mavulandlela where the Water Harvesting Project installed a water pipe from Phophonyane River and also installed an irrigation system in the farm.

3.4.8 Lundzi Youth Tunnel Project

This project was implemented through a collaboration between NAMBoard and Eswatini MTN with the aim of empowering the youth of Lundzi by building three (3) tunnels and a mini packhouse. As an ongoing project they were provided with extension services by NAMBoard to ensure that they continue with their undercover production. In the current year the youth group had social conflicts and production was stalled for some months, as a result they managed to produce only 1.3 tonnes of green pepper and 0.68 tonnes of yellow pepper all valued at E20 800, these were sold to Encabeni Market.

3.4.9 NAMBoard, Eswatini Bank Revolving Fund

In December 2022 NAMBoard signed an MOU with Eswatini Bank to establish a horticulture revolving fund for farmers. NAMBoard provided E2 million as a guarantee to farmers loans. This revolving fund is core secured by NAMBoard and the Central Bank of Eswatini through the Small-Scale Enterprise Loan Guarantee Scheme. NAMBoard guarantees 20% of the farmers loans and the Central Bank guarantees 85% making the loans 105% secured to cover for the interest component. Experienced farmers can borrow up to E500 000 while startup farmers can borrow up to E100 000 and the longest repayment period is three years. The leveraging on the Central Bank guarantee scheme had a multiplier effect since the E2 million can provide guarantees for loans of up to E10 million. At the end of the financial year there were no loans approved, except for applications which were under consideration by the bank.

NAMBOARD NATIONAL AGRICULTURAL MARKETING BOARD | CERTIFIED HACCP FOOD SAFETY | bsi ISO 22000 Food Safety Management CERTIFIED | GLOBALG.A.P. | ENCABENI FRESH PRODUCE

SECTION 4: TRADE AND REGULATION

4.1 Introduction

This section of the report presents the annual performance of the Trade and Regulations Department. The report content includes permit administration, import, export, local purchases of scheduled products, and inspections.

4.2 Permit administration

Import permits issued in the year under review were 3,019 in total. This number comprise of 2,157 import permits, 95 export permits, and 767 transit permits. Compared to the previous year, permits issued in the year under review were 0.4% less at which imports permits were 3% and export permits were 18% less, respectively.

Table 4: Permits Issuance 2022/23

Type of Permit	2021/22	2022/23	Variance
Import	2 221	2 157	-3%
Export	116	95	-18%
Transit	694	767	11%
Total	3 031	3 019	-0.4%

Accordingly to the number of permits issued in the year under review, the following table presents the levies presumed to be collected. Permits income generated through the department also include permit fees charged to commodities not attracting levy and permit fees charged to transit permits. Revenue collected through transit permits amounts to E383,500.00.

The levies charged for the year under review were 5% higher when compared to the previous year. The higher levies received in the year is attributable to the relatively higher global prices of wheat flour, rice and edible when compared to the previous year.

4.3 Imports of Scheduled Products

Total imports for 2022/22 were 307,212 metric tonnes valued at E2.23 billion. Compared to the previous year, import quantities for the year were 2% higher and 18% higher in monetary terms. The figure below shows an import trend in quantities for scheduled products from 2017/18 to 2022/23. Noteworthy from the trend, import quantities for the year under review were slightly higher when compared to a five year average of the import trend.

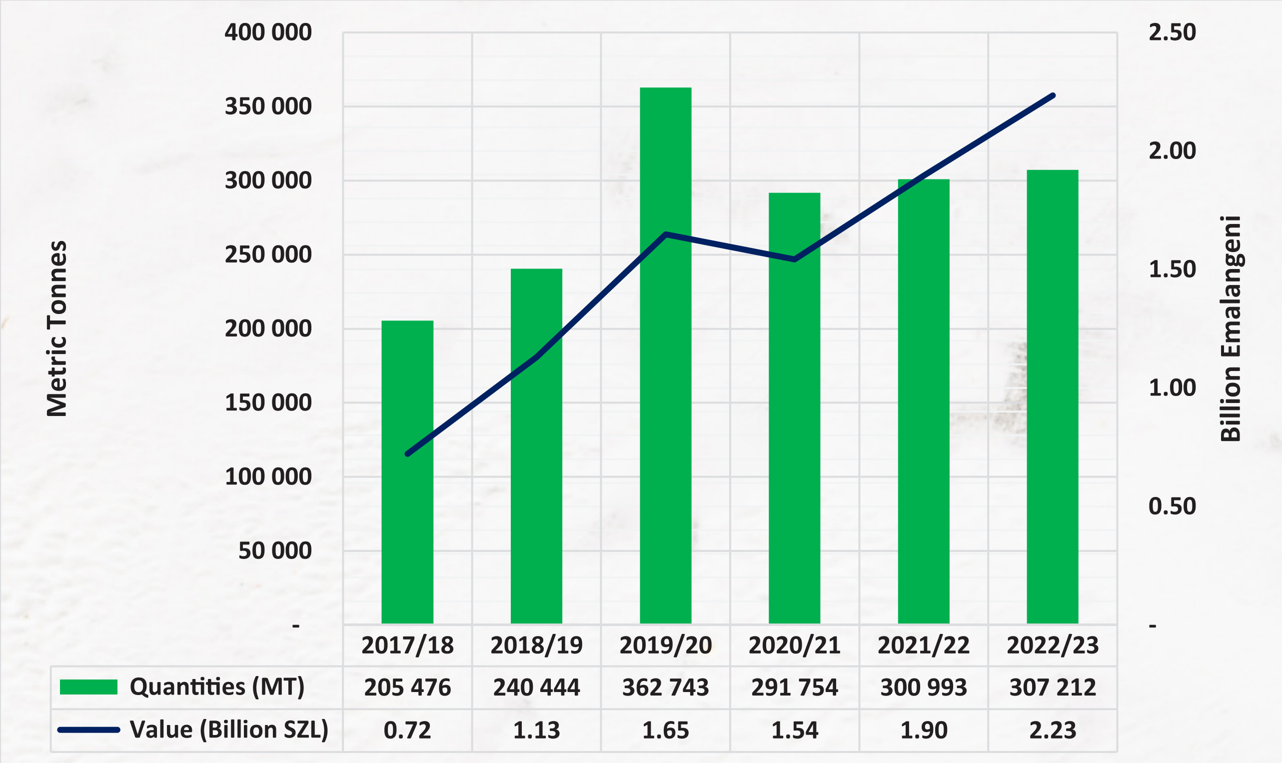


Figure 1: Scheduled Products Imports Data 2017/218 to 2022/23

Commodities filling up the import basket are mainly the grains which include maize, wheat and rice and their products. When combined they constitute 64% of the imports by monetary value. Vegetables are the fourth most imported commodities and account for 13% of imports for scheduled products by monetary value.

Table 5: Total Imports of Scheduled Products

Commodity Group	Quantities (MT)			Value (Millions SZL)		
	2021/22	2022/23	Var	2021/22	2022/23	Var
Maize and its products	137 503	146 852	7%	499	699	40%
Wheat and its products	65 185	58 747	-10%	415	446	7%
Rice	32 834	37 289	14%	245	322	32%
Vegetables	35 320	35 132	-1%	289	266	-8%
Edible oil	12 699	10 071	-21%	216	225	4%
Poultry and its products	6 789	5 140	-24%	153	184	20%
Fruits	10 663	13 981	31%	80	94	17%
TOTAL	**300 993**	**307 212**	2%	**1 897**	**2 234**	18%

4.4 Fresh produce import - Vegetable

Fresh produce, mainly vegetables are a key component for NAMBoard market facilitation function in the country. This is because a large number of small-scale farmers are in the farming business of vegetables. The vegetable sector is pivotal to stimulating economic growth in rural areas and help contribute significantly to food security. Nonetheless, the country continues to import over 35 thousand metric tonnes of vegetables with a monetary value of E266 million. Potatoes, onions and carrots are on top of the list and together they make 59% of all vegetable imports by volume and 24% by monetary value. The next two most imported vegetables are beetroots and tomatoes respectively. Table 10 show the most imported vegetables in the year under review in comparison to the previous year.

Table 6: Most Imported Vegetables 2021/22 and 2022/23

Commodities	Quantities (MT)			Value (Million SZL)		
	2021/22	2022/23	Var	2021/22	2022/23	Var
Potato	10 334	11 674	13%	33,03	34,38	4%
Onions	6 136	5 428	-12%	18,36	24,18	32%
Carrot	4 044	3 899	-4%	11,30	14,46	28%
Beetroot	2 114	1 420	-33%	7,60	6,69	-12%
Tomatoes	1 051	1 207	15%	7,93	9,21	16%
Frozen Potato Chips	1 084	1 083	0%	24,06	22,54	-6%
Frozen Fruits & Veg.	953	971	2%	19,53	17,16	-12%
Butternut	512	649	27%	2,50	3,24	30%
Cabbage	426	528	24%	1,73	2,57	49%
Green Pepper	564	442	-22%	3,35	4,08	22%
Other Vegetables	8 102	7 833	-3%	160,04	127,71	-20%
TOTAL	**35 320**	**35 132**	-1%	**289,42**	**266,21**	-8%

4.5 Exports for scheduled products

The value and quantity of exports for scheduled products showed a massive increase from the previous year (2021/22) and a further surge in the year under review. The figure below shows that the export value reached the billion Emalangeni mark in 2021/22 and in the year under review the value was approximately E1.149 Billion, being an increase from E1.008 Billion in the previous year. The significant increase is attributed to the continuous increase in the quantity of noodles, animal feed, banana, and citrus fruits exported year after year.

Monitored exports of scheduled agricultural products for the year were 141,516 metric tons and in 2021/22 were 118,576 metric tons. Compared to the previous financial year, total quantities of monitored exports for scheduled products were 19% higher in 2022/23. Figure 3 shows a trend of the exports for a five-year period while table 11 shous the breakdown by commodity group and comparisons between 2021/22 and 2022/23.

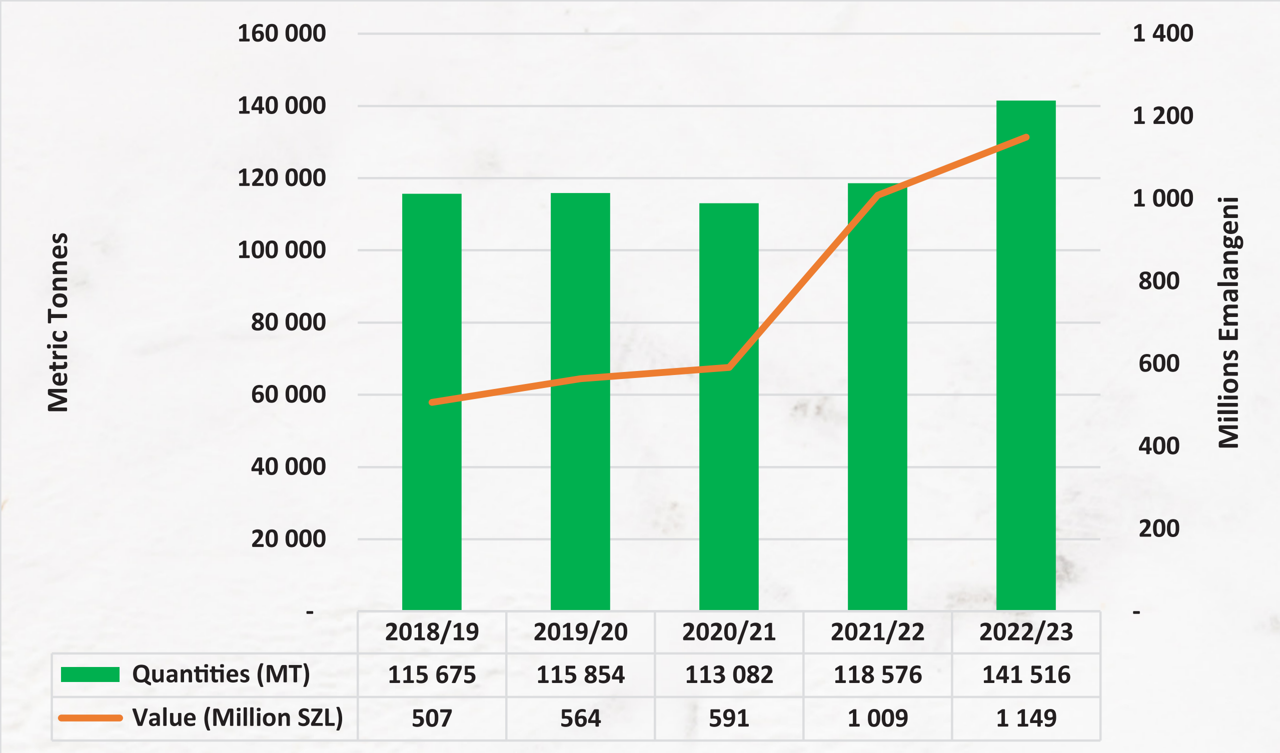


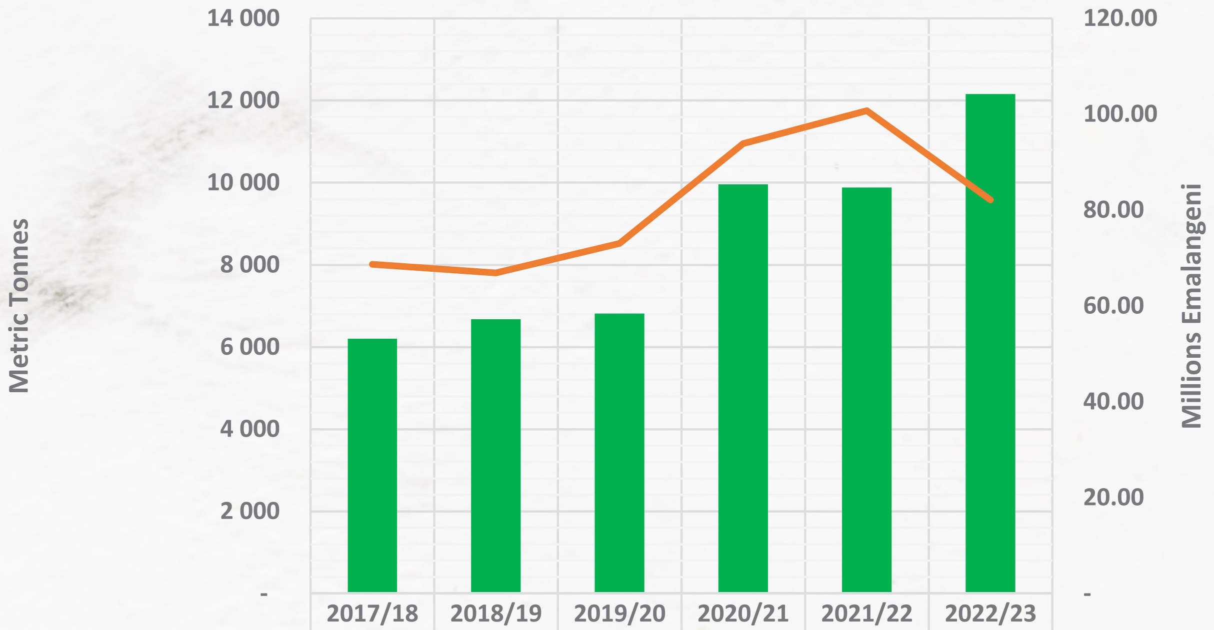
Figure 2: Export Trend for Scheduled Products 2018/19 to 2022/23

Table 7: Total export for scheduled products per category

Commodity Group	Quantities (MT)			Value (Millions SZL)		
	2021/22	2022/23	Var	2021/22	2022/23	Var
Maize + Products	55 870	61 835	11%	302,16	437,79	45%
Wheat + Products	16 821	11 395	-32%	432,38	387,40	-10%
Fruits	42 907	65 239	52%	211,60	246,66	17%
Poultry + Products	1 088	1 163	7%	36,59	54,40	49%
Other Products	1 361	1 462	7%	17,13	16,70	-2%
Vegetables	529	422	-20%	8,87	6,33	-29%
Total	**118 576**	**141 516**	**19%**	**1 008,73**	**1 149,29**	**14%**

4.6 Local purchases

Local purchases show purchases by the large retail outlets in the country from local suppliers. This presents the import substitution programme which promotes the purchase of produce from local suppliers and producers by local retail outlets. The programme provides support to local producers and suppliers to move their commodities through local value chains. The programme ensures that produce produced in the country can penetrate or enter the integrated supply chains which are very vital in stimulating growth for local agribusinesses mainly fresh produce farmers in the country. The table below shows the quantities of fresh produce purchased by local retail outlets and the amount paid to the suppliers or farmers.



	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Quantities (MT)	6 206	6 674	6 819	9 964	9 885	12 156
Value (Million SZL)	68.67	66.89	73.02	93.87	100.74	82.16

Figure 3: Local purchases trend from 2017/18 to 2022/23

According the figure above, purchases of fresh produce mainly fruits and vegetables sourced from local suppliers and/or farmers for the year were approximately 12,156 metric tonnes valued at E82 million. The value of local produce purchased by retail outlets in the year under review shows a decline when compared to the previous year. However, the volumes purchased by retail outlets when compared to the previous year have increased by 23%. This attributable to the type of produce available on the market in large quantities and its value or selling price. That is, large volumes of cabbages on the market attracts a low value while quantities/weight presented is significantly higher.

SECTION 5: CORPORATE SERVICES

5.1 Preamble

“Employees are the major contributor to the attainment of organisational goals. It goes without saying that employees cannot be given a monetary value for the effort and impact they make in ensuring that the organisation delivers on its mandate. This ultimately results in excellent customer reviews and creates a brand loyalty from customers”.

5.2 Staff Compliment:

The staff compliment was 158 as of 31st March 2023, which is an increase from the previous year where there were 157 employees. A total of 12 employees joined the company, while 11 employees left for various reasons, mainly due to contract lapse and resignation on account of better opportunities.

Table 8: Categorization of Staff by Level

Occupational Category	Gender		% Of Staff
	Male	Female	
Executive Management	4	1	3.2
Middle Management & Supervisors	8	8	10
Office Professionals & Technical staff	19	7	16.5
Semi -skilled	40	31	45
General labourers	24	16	25.3
Total	**95**	**63**	**100**

5.3 Temporal Employees / Interns

NAMBoard is very much alive to the unbearable rate of unemployment that the country is battling with. From time-to-time temporal employees are sought to come in and assist wherever there is need for extra hands. As a good corporate citizen, NAMBoard also gives back to society by providing opportunities for students who require internship attachments in order to fulfil their academic requirements. These students are absorbed and attached to various departments to get a practical experience in line with their fields of study.

A total of eight (8) intern students were engaged as well as twelve (12) temporary employees were engaged during the year under review. These were posted in various departments within the organization.

5.4 Recruitement

At total of 12 positions were filled during the course of 2022/23, such vacancies were created either through resignations, unrenewed contracts and new positions being created to increase operational efficiencies. Table 16 presents a list of all the positions that were filled.

Table 9: Number of Staff Recruited During the Financial Year 2022/23

Position	Department	Number
Marketing Information Officer	Operations	1
Assistant Quality Assurance Officer	Operations	1
Acting Chief Financial Officer	Finance	1
Chief Executive Officer	Administration	1
Procurement Officer	Finance	1
Procurement Assistant	Finance	1
Assistant Accountants	Finance	2
Executive Assistant	Administration	1
Market Receiving attendants	Operations	1
Nursery attendants	Operations	2
Total		**12**

5.5 Staff Welfare

Employees were able to attend the Sibebe Walk for Hunger event for the first time since the COVID – 19 pandemic. Emaganu Festival is another event which the employees attended with pride in conjunction with our farmers from Hhohho region. This was a way to recognise our farmers as a critical stakeholder and enhance a sense of belonging as they had the opportunity to mingle with employees.

Creating a team that cohesively works together towards a common goal is very critical for an organisation to remain relevant in the business space. In the wake of a new corporate strategy, NAMBoard employees took some time off their workstations to conduct a team building exercise. During this event the CEO emphasised on the importance of a united team to turnaround the organisation in the best interest of farmers, customers, partners and other stakeholders including government and employees. The new NAMBoard values were articulated to employees, that is Integrity, Service Excellence, Innovation, Accountability, collaboration, and professionalism. The CEO also implored employees to ensure that the teambuilding does not end at the function but taken back to the respective workstations to improve teamwork and collaboration amongst departments.

Figure 4: NAMBoard employees during the team building session

5.6 Long Service Awards

Finding the right employees to fill in vacancies can be a very difficult task for any employer. Employee retention is even more challenging. Despite these challenges, NAMBoard once again recognised and honoured some employees who have been sticking with the organisation through thick and thin for many years. Their loyalty deserved recognition, it was time to give back in appreciation of their long service.

Three staff members received the long service, for 35 years, 20 years and 10 years

5.7 Managing Staff Development

At NAMBoard, the emphasis on hiring and developing people is paramount, as the organization believes that success hinges on investing in its workforce. Over the financial year, NAMBoard conducted 12 training sessions with a total attendance of 317, indicating that some employees participated in multiple sessions. These training programs were designed to enhance various skills and knowledge areas critical to the organization's operations.

The training sessions covered a wide range of topics, including Global Gap Training, Occupational Health and Safety, First Aid Refresher Training, Food Safety and Standards, Hygiene for Food Handlers, and Produce Specification Training. The Occupational Health and Safety training had the highest attendance with 152 employees, reflecting its importance. Other notable sessions included Food Standards Training, GRN Quality Details and Produce Quality, and specialized seminars such as the C.M.A.C Annual Labour Law Seminar and ESPPRA Contract Management. This comprehensive approach to staff development underscores NAMBoard's commitment to continuous improvement and excellence.

5.8 Relationship With Social Partners

Organised Labour is viewed as an important stakeholder in tackling important workplace issues, especially where improvement of working conditions is concerned. Engagements with the social partners yielded high level results since the partners were able to resolve a long pending matter in relation to the implementation of a salary review report after the exercise was conducted in The Union was also consulted on the review of NAMBoard strategic plan.

5.9 Employee Engagement

At NAMBoard we strive to do everything together to build a stronger and renewed NAMBoard that we all identify ourselves with. We believe that coming together is a beginning, keeping together is progress, working together is success. A team of strategy champions was established, comprising of representatives of all the departments. This team worked tirelessly together with the consultant in the review of NAMBoard corporate strategy from the beginning of the process until the strategy and strategy implementation plan was approved by the board. It was amazing how a small group of thoughtful and committed employees can change the whole organisation. Indeed no one can guarantee the future, the best thing we can do is to size up the chances, calculate the risks involved, estimate our ability to deal with them, and then make our plans with confidence. This is what resulted to such a wonderful new corporate strategy.

5.10 Perfomance Management

No matter how wonderful an organisational strategy is, it is worthless without being supported by a performance management system. Strong performance rests on the simple principle that what can be measured gets done. NAMBoard developed a robust performance management system to enhance a culture of high performance, accountability and continuous improvement.


TUNNEL
Production
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