

## Case Study

Jatropha cultivation for biofuel

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Period of interrogation - Not Aplicable

Requested interview by electronic mail.

Kombadayedu Kapwanga, Manager Director, LL Biofuels Namibia (Pty) Ltd

Information obtain in public internet sites

The Biofuel/energy supply chain

The case study reported no longer exists as a business model. The information was obtained from searching what was public available in the internet. The process considered the value chain from the cultivation of Jatropha trees until the production of oil for energy purposes. The initial project focus in establish a constant production of oil and several other crops. It seems the end-user would first be the business and the surrounding community.

## The case study.

The business started in 2007 and got a land lease agreement with the Town council of Katima Mulilo for twenty years in 2008. Newspaper news report the close up of operations between middle 2011 and late 2011. The business entailed a crop system of diverse agricultural products, as maize, cabbage, potatoes, groundnuts, sweet potatoes and lettuce. A business application report identifies the requirement of finance of N\$ 83.000.000 to increase the size of production from 50 ha to 400 ha. Information in operation size of general jatropha projects refers that government wanted to implement 63.000 ha. However application were requested by private investors for the development of jatropha plantation in the areas of Caprivi and Katima Mulilo to a total of 400.000 ha.

The business reference for this case study had financed N\$ 30 Million and generated annual revenues of N\$ 3 Million. The company was employing over 100 workers. The business appear to achieve a second phase of development where expansion required.

The main objectives for the expansion of the business were: profit maximisation; increase agricultural produce supplies; creation of jobs for the nation; and export the excess product.

The market identified for the different products would be exported for the SADEC region countries.

Information concerning the potential and envisage of the project was presented at workshop held by ACP S&T at SANUMARC in March 2010, where jobs, target production development phase were describe and identified. The manager director was contacted by email to provide additional information concerning the closure of the project. The information obtain was that the project was executed by an Indian company in their behalf. Since the closure all the experts have gone back to India and no further assistance would be possible.

The information obtained regarding the closure of the project was from the public newspaper "Namibian Sun" dated from 23 November 2011. The news report that the end of the business occur in late 2011 and was due to lack of support from the community and from some Katima Mulilo town councilors. Mr. K. Kapwanga reports in the news that the area turned out not to be an investor-friendly area. A bar was installed at the farm with out authorization of the company and did not belonged to any employer. It is claimed that the litigation between the farm, the bar owner and the town council force the closure of the project.

It is also reported in same news that labour conflicts occurred in March of 2011 where fifty eight workers were dismissed by demanding a salary increment and better working environment conditions. The Ministry of Labour and Social Welfare's Katima Regional Office demanded that the dismissed workers had to be paid.

Another news, from BiofuelDigest.com dated from 06 June 2011, report that Namibia banned jatropha cultivation in North-east region until further studies were done. This studies needed to assess several issues of jatropha plantation and determine the suitability of jatropha plant and other fuel plant in the two regions.