WHEAT PRODUCTION FORECAST REPORT FOR THE 2020/2021 MARKETING SEASON

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1. INTRODUCTION

Wheat is a cereal grain crop cultivated in winter time, and in Namibia it is only produced under irrigation. Wheat is planted from May to July, and harvested from October to January each year. It is currently produced in four (4) production areas i.e. Kavango, Karstland, Central and South, and marketed to millers situated in Kavango, Central and South areas. The biggest portion of the wheat produced in Namibia is from the Kavango and Hardap areas, and milled mainly in Windhoek district.

According to 2019/2020 financial year's production and trade statistics, the total domestic demand for wheat grain in Namibia currently stands at 118,824 tons per annum, which is equivalent to an average domestic demand of 9,902 tons per month. Out of the total domestic demand recorded during 2019/2020 financial year, 4,466 (4%) ton was locally produced and 114,363 (96%) ton was imported from other countries.

Furthermore, in order to facilitate production and marketing of wheat in Namibia, the production forecast report for wheat is compiled by the NAB on an annual basis, in line with the wheat marketing agreement. During this marketing season, a total of 12,251 tons of wheat is expected to be harvested from 2,068 ha in four (4) production areas.

Therefore, this report presents the estimated wheat production volumes expected to be harvested and marketed during the period October 2020 to January 2021, as well as the hectares planted per production.

2. METHODOLOGY

Data collection was based on subjective yield estimation method, which involves estimation of crop yield based on experts (producers) experience. The data collection process involved the distribution of crop estimates data collection forms to the producers via email, and once the forms has been completed by the producers, they were sent back to the NAB through emails.

Producers who did not respond via email were contacted, and provided information telephonically. The data collected was entered and analysed in Microsoft excel, and data analysis involved both graphical and tabulation analysis.

2. EXPECTED PRODUCTION FORECAST

2.1 Wheat production forecast per area per month

According to Figure 1 below, the bulk of the wheat is expected from Kavango in October 2020 and then as from November to December the biggest volume of wheat is expected from Hardap area. Figure 2 below shows that the total tonnage of wheat expected from each production area as follows: Kavango: 4,365 tons (36%), South: 7,200 tons (59%), Karstland: 535 tons (4%) and Central area (150 tons, 1%). The data clearly indicates that the highest tonnage of wheat is expected from the South, and the lowest from Central area.

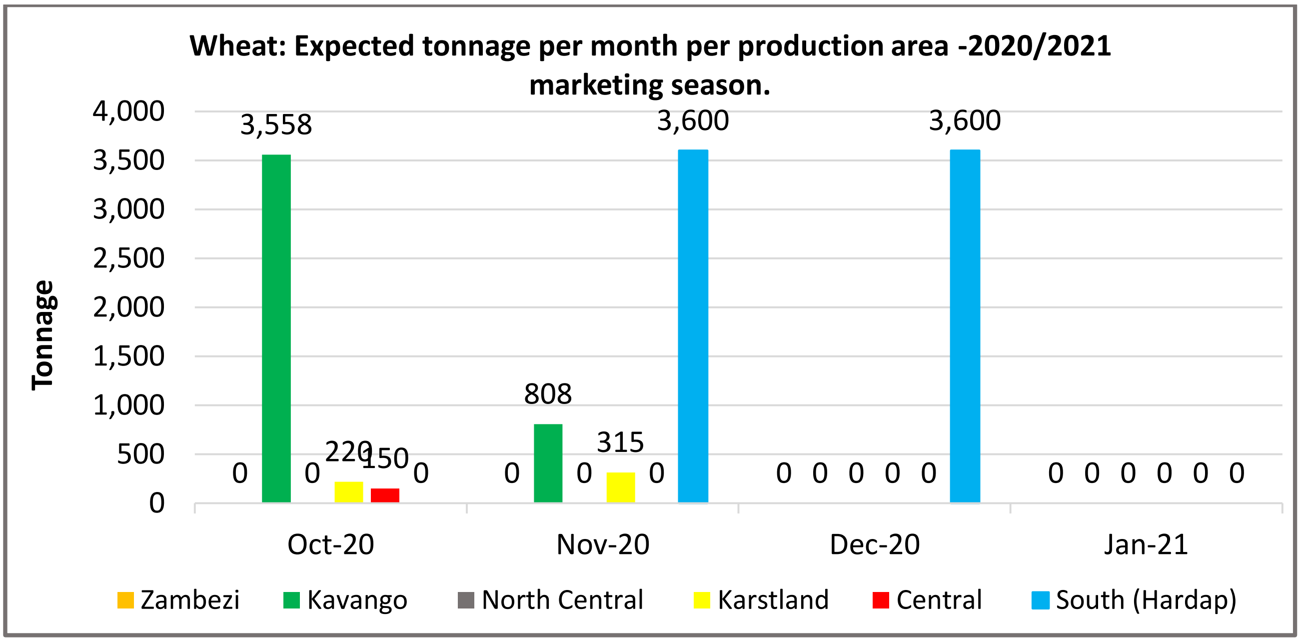

Figure 1: Shows the expected tonnage of wheat per month

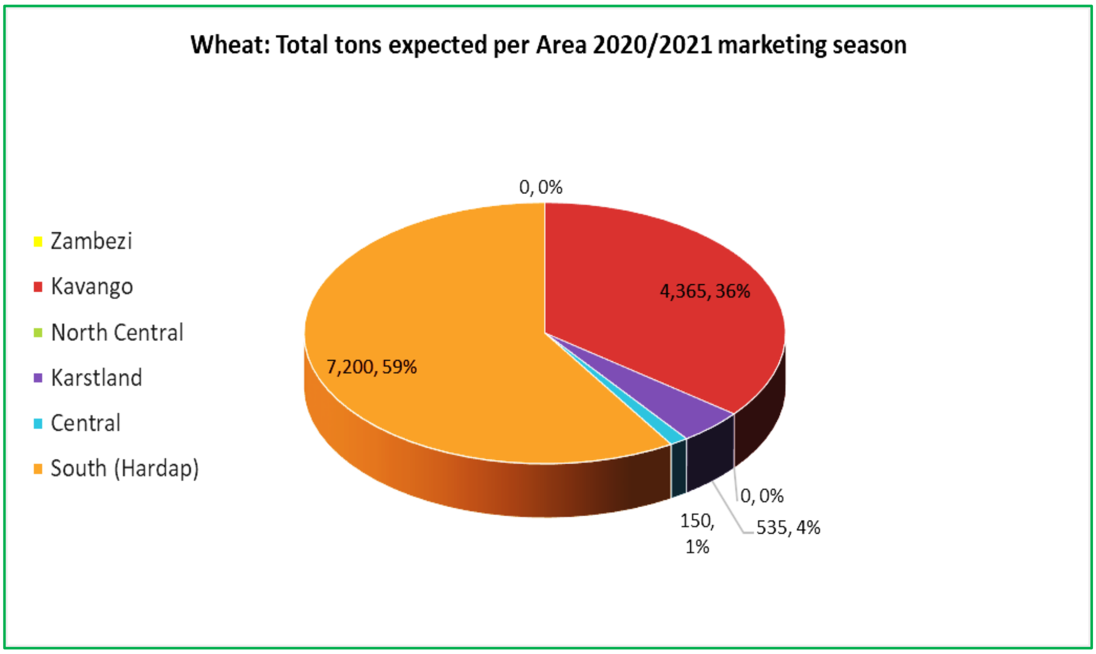

Figure 2: Shows the total tonnage expected production area.

2.2 Expected availability of wheat per month per producer

Table 1 below present the expected availability calendar per producer from each production area. According to the information presented in the table, there are only twelve (12) producers expected to harvest and market wheat during this marketing season and the majority of them are situated in Karst and Kavango areas.

Table 1: Shows the list of producers who are expecting to harvest wheat during 2020 harvesting season.

Table 1: Expected availability of wheat per producer per month - 2020/2021 marketing season						
	Farm/Business name	**Contact person**	**Oct-20**	**Nov-20**	**Dec-20**	**Jan-21**
Zambezi area						
No production in Zambezi area						
Kavango area						
1	Mashare GSIP	Florist Smith				
2	Uvungu vungu	Mavuto Mwanza				
3	Sikondo GSIP	Maxwell Nghidinua				
4	Shadi Kongoro GSIP	Daniel Marais				
5	Uvhungu -vungu GSIP	Mavuto Mwanza				
6	Shitemo	Janno Rentel				
North Central area						
No production in North Central area						
Karstland area						
7	Hutternhof (425)	Ralf von Maltzahn				
8	Nehlen (32)	Karl-Heinz Van Biljon				
9	Goab-Pforte farming (1246)	W. Diemer				
Central area						
10	Kaokoros Farm	Carlos Murangi				
11	Evare	L. Hinze				
South (Hardap) area						
12	Hardap Kooperasie (PTY) LTD	Pieter van Blommensteyn				

2.3 Hectares planted from each area

Figure 2 below shows that, a total of 2,068 ha was planted between May-July 2020, of which 758 ha (37%) is in Kavango, 1200 ha (58%) in the South, 80 ha (4%) in Karst and 30 ha (1%) in Central production areas. The hectares planted increased by 1,051 ha (51%) when compared to hectares planted in 2019.

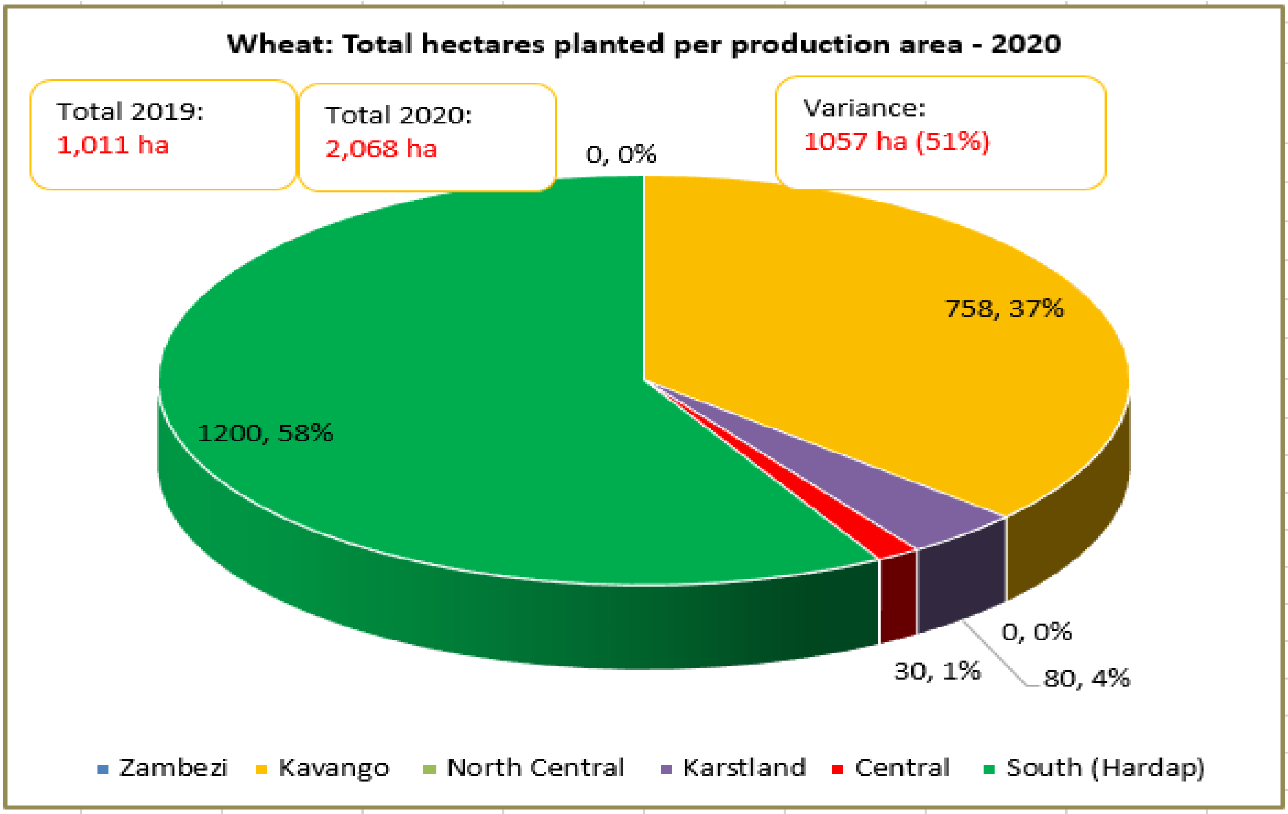

Figure 2: Shows the total hectares of wheat planted during 2020 season, from each production area.

2.4 Expected yield per hectare from each production area

Figure 3 below shows that, the highest average yield of 7 tons per hectare expected is from South production area. The lowest average yield per hectare of 4 tons expected from Central area. However, the national average yield per hectare is expected to be around 6 tons.

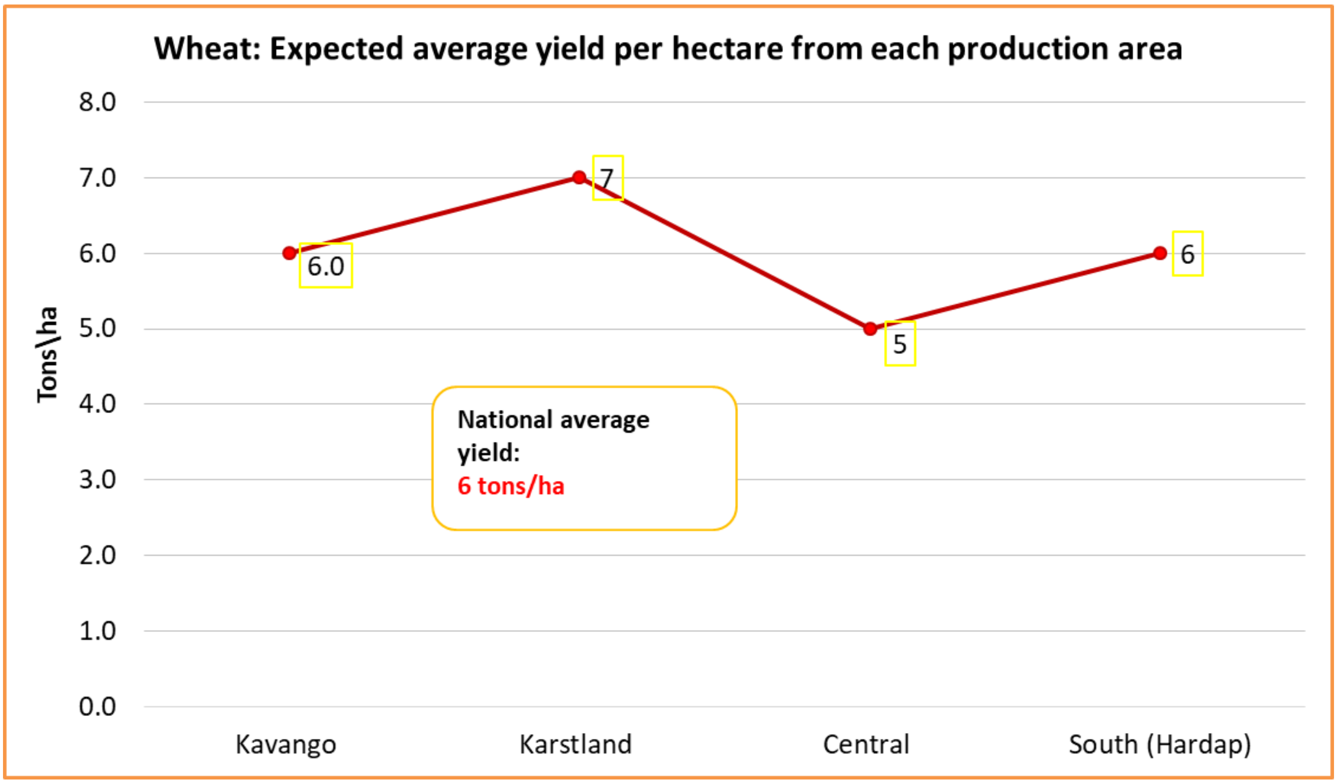

Figure 3: Shows the expected average yield per ha (tons\ha).

2.5 Expected supply versus average domestic demand

Figure 4 below shows that, the total tonnage expected during this season is 12,251 tons, while the average domestic demand stands at 9,902 tons per month. Figure 4 also shows that when compared last, local production of wheat is expected to increase by 7,402 tons during 2020, which represents a reduction of 174%. The increase in tonnage expected when compared to 2019 is attributed to the increase in hectares during 2020.

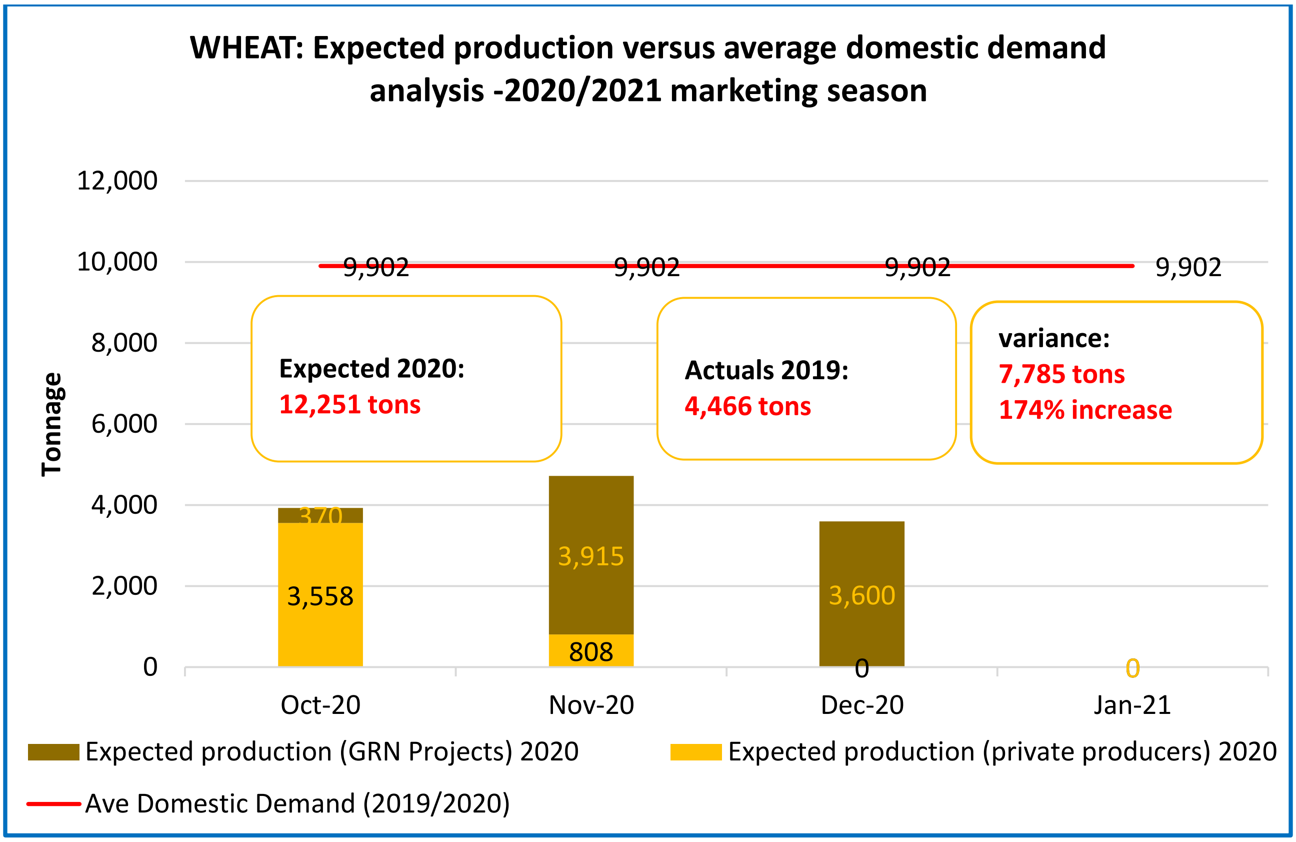

Figure 4: Wheat expected production to be marketed versus the domestic demand.

2.6 *Preliminary wheat floor price for 2020/2021 marketing season*

The preliminary wheat grain floor price per ton for the 2020/2021 marketing season is **N$5,402.63** (final price to be made available latest 1st of November 2020)**.** This indicated a slight increase (3%) from the previous marketing season. Figure 3 shows indicates a trend in wheat price.

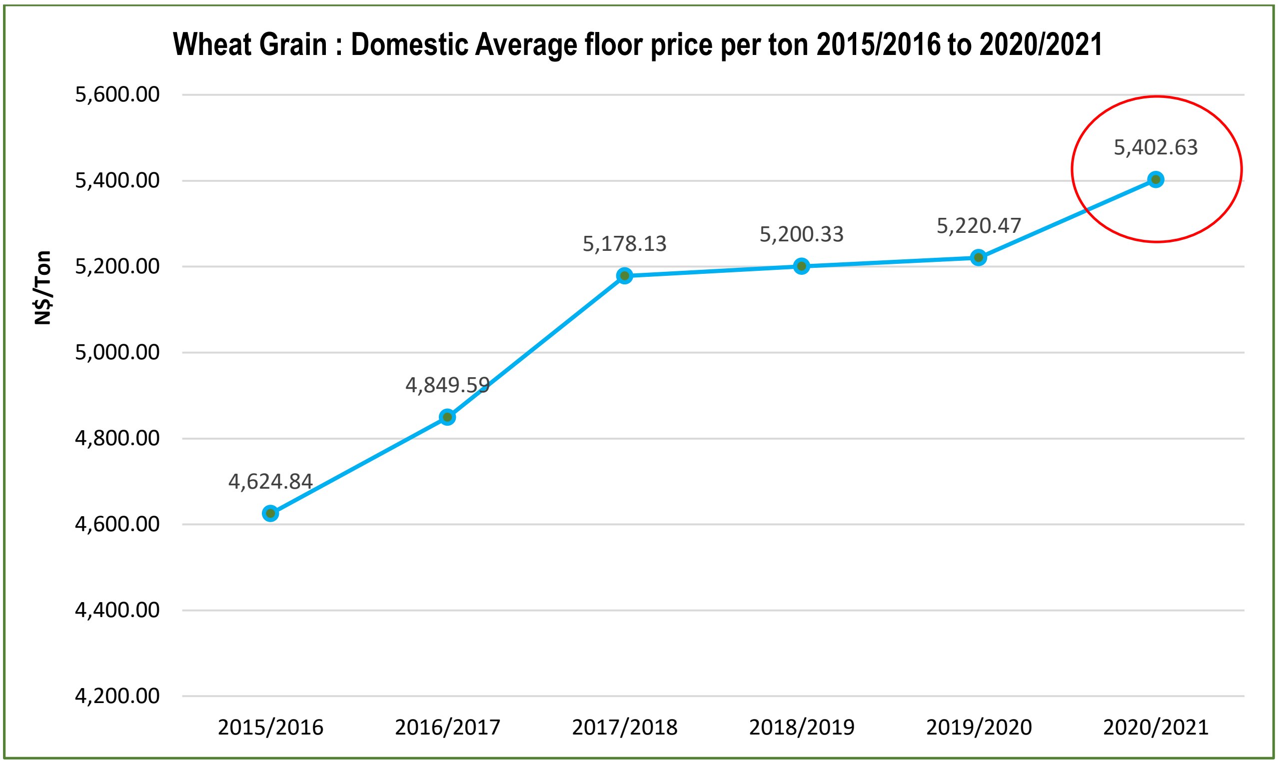

Figure 5: Wheat floor price trend for the period 2015/2016 to 2020/2021 season.

3. CONCLUSION

The expected production data presented in this report clearly indicates that there will be an increase in wheat production, although the volumes are still low in comparison to the domestic wheat demand. The expected wheat production volumes will only cover about 11% (12,251 tons) of the total domestic demand. The expected wheat tonnage will be easily absorbed by local millers without any close border. Therefore, approximately 89% (106,573 tons) of wheat grain is expected be imported by millers during this year in order to meet the national domestic demand.

The slight increase in local wheat grain production is creditable as it follows a very low wheat production last year 2019 which covered only 4% of the local demand. However, there is still a need to interrogate the factors contributing to the low wheat production in the country in the presence of an enabling marketing environment created by the NAB.