NAMIBIAN AGRONOMIC BOARD

AGRONOMY AND HORTICULTURE MARKET DEVELOPMENT DIVISION

AGRONOMY MARKET DEVELOPMENT SUBDIVISION

WHEAT GRAIN MARKET REPORT

MARKETING SEASON: 2020/2021

1. INTRODUCTION

Wheat is a cereal grain crop cultivated in winter time, and in Namibia it is only produced under irrigation. Wheat is planted during winter time (May to mid-June) and harvested from October to January each year. In Namibia, wheat is produced in Kavango, North Central, Central, Karst, and South production areas. Some of the wheat grain produced in the Green Scheme projects is held back for own milling, to produce wheat flour that is mainly marketed locally.

Wheat is already a gazetted controlled crop in Namibia, and the marketing of locally produced wheat grain is managed through the Wheat Marketing Mechanisms or Agreement signed between organised producers and millers. The marketing of wheat officially starts from 01 November to 31 January each year. In order to give preference locally produced wheat, millers are allocated quantities to be purchased locally when the marketing season commences on 01 November each year.

However, Namibia remains a net importer of wheat grain. Out of the 12 250 tons that was projected to be marketed during 2020/2021 marketing season, 11,498 tons was marketed to local millers and 155 tons was sold for animal feed due to poor quality. When compared to 4,399 tons that was marketed during 2019/2020 marketing season, wheat production marketed increased by 7,099 tons during 2020/2021 marketing season. The small quantities of wheat marketed during the period April to September 2020 comes from 2019/2020 marketing season.

Therefore, this report presents information related to wheat local production marketed/ delivered during the 2020/2021 season. This data was collected from the monthly returns submitted to the NAB by millers.

2. PRODUCTION MARKETED

2.1 Monthly production marketed in 2020/2021 marketing season

Figure 1 shows that the biggest portion of local wheat grain was marketed as from November 2020 (57) and December 2020, (36%). The marketing of locally produced wheat ended on 31 January 2021. Out of the total tonnage recorded to have been marketed during 2020/2021 season, a total of 472 tons of wheat grain delivered during the period April to September comes from 2020 harvest.

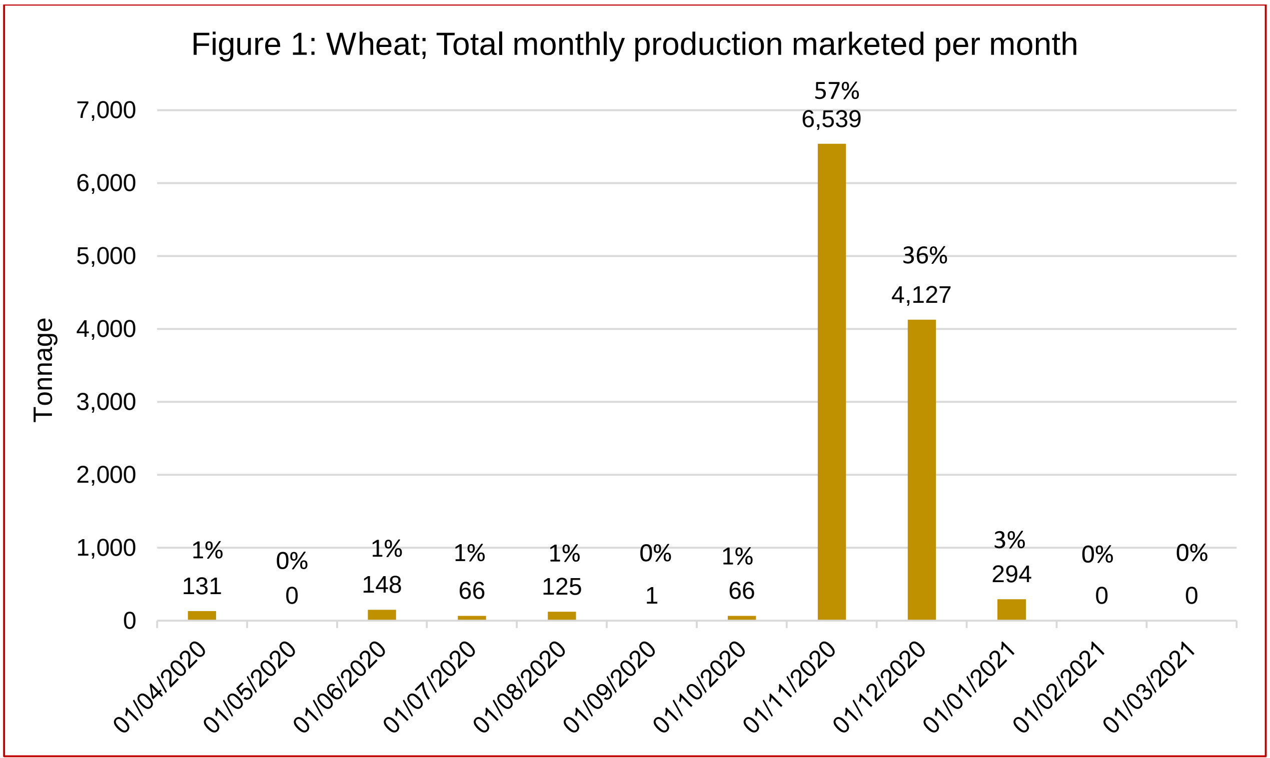


Figure 1: Monthly tonnage marketed.

2.2 Total production marketed per production area

Figure 2 show that, the biggest portion of the harvest marketed was from South (Hardap), representing 8,419 tons (73%) of the total tonnage marketed nationally, then followed by Kavango; 1,891 tons (16%), Karst; 1,006 tons (9%) and Central; 183 tons (2%).

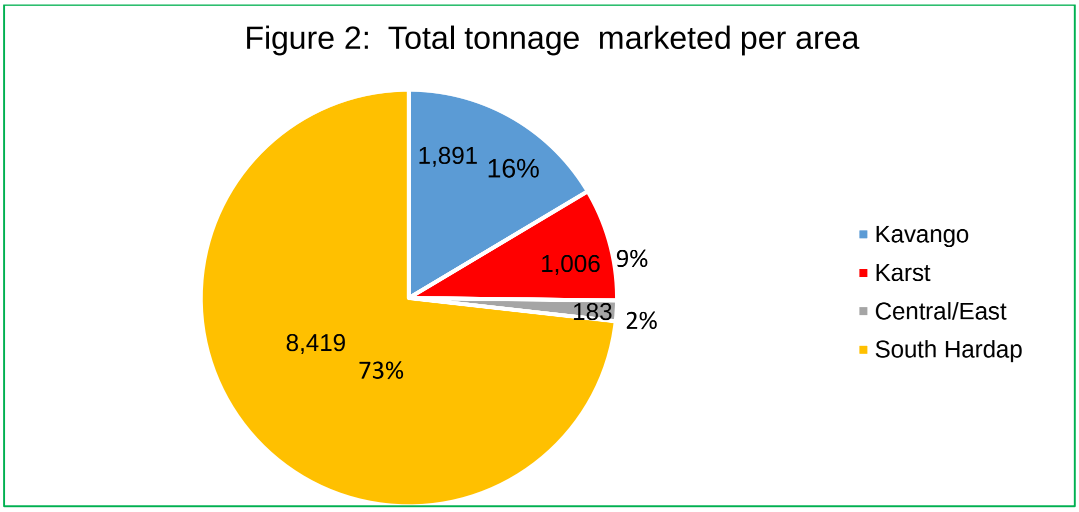


Figure 2: Total tonnage marketed per production area

2.3 Tonnage projected versus marketed per production area

Figure 3 show that, the South (Hardap) area marketed more than what was projected, since the projected volumes was 7,200 tons and the actual marketed was 8,419 tons, representing 17% margin of error. For Kavango area only 31% of the tonnage projected was marketed, due to low yield per ha. In terms of Karst and Central areas, the projected volumes were also less than the marketed volumes.

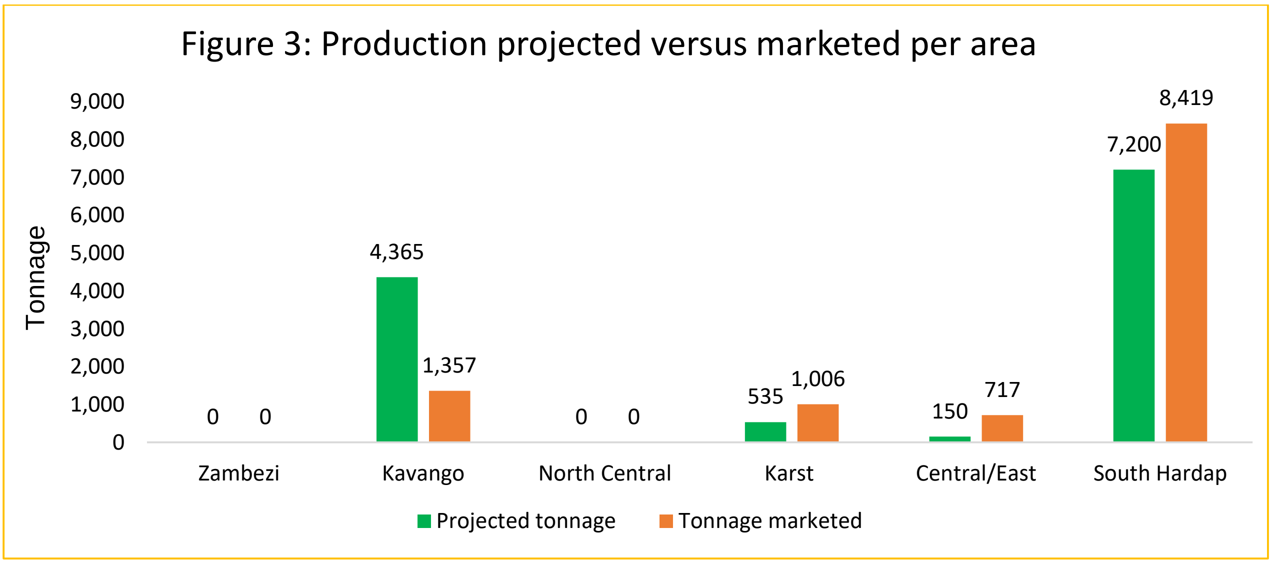


Figure 3: Tonnage projected versus marketed per production area.

On the other hand, figure 4 shows that a total of 12, 250 tons was projected to be harvested during 2020/2021 season, and a total of 11,498 tons was marketed, and 155 tons was spoiled and sold for animal feed. Therefore, the national accuracy level achieved of volume projected to be marketed is 11,489 tons (93%), with 752 tons (7%) margin of error, though 155 tons was used for animal feed.

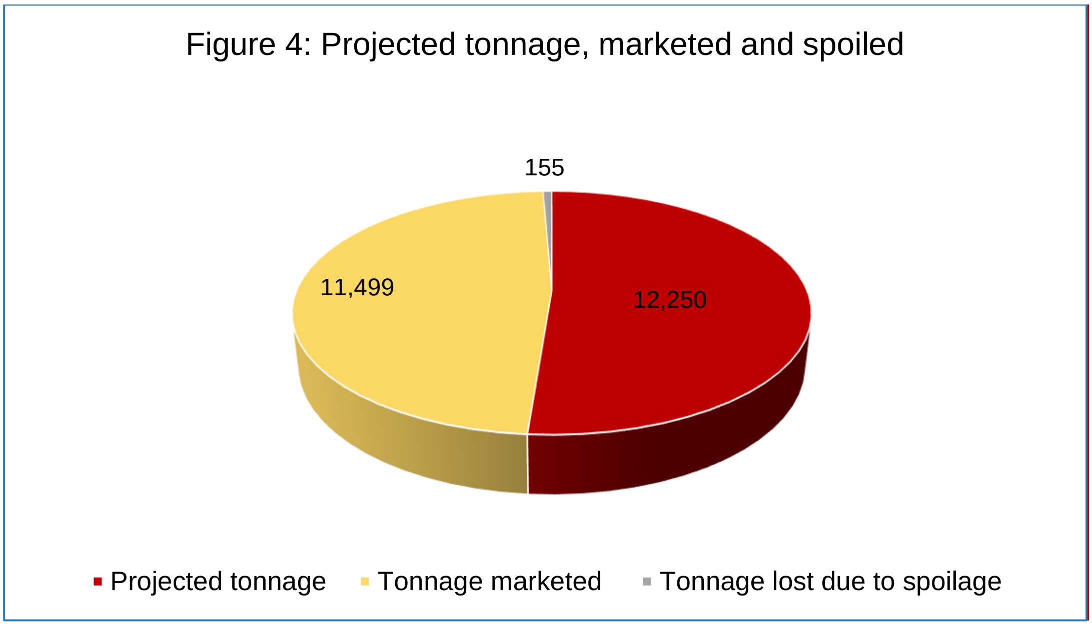


Figure 4: Total tonnage projected, marketed, and spoiled

Furthermore, table 1 below shows that the area planted during the reporting period was 1,806 ha, with Hardap leading in terms of the total hectares planted (1200 ha), followed by Kavango (402ha), Karst (168ha) and lowest is Central (37ha). The national average yield per hectare was 3.8 tons per hectares, and Kavango recorded the lowest yield per hectare.

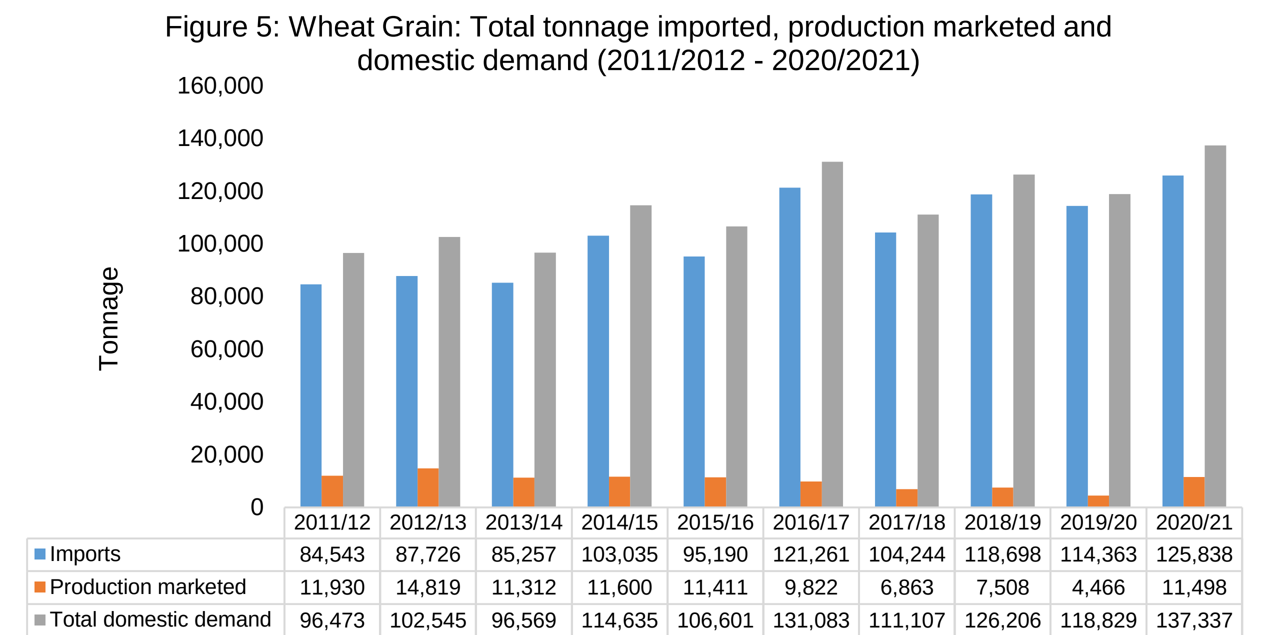
Table 1: Summary of hectares planted, average yield per hectare, projected and marketed tonnage per production area.

	Hectares Planted	**Average yield per hectare (t/ha)**	**Total tonnage marketed (t)**	**Projected tonnage (t)**	**Variance (t)**
Zambezi	0	0	0	0	0
Kavango	402	5	1,891	4,365	-2,474
North Central	0	0	0	0	0
Karst	168	6	1,005	535	470
Central/East	37	5	183	150	33
South Hardap	1,200	7	8,419	7,200	1,219
Total	**1,806**	**3.8**	**11,498**	**12,250**	**-752**

3. TOTAL WHEAT DOMESTIC DEMAND AND FLOOR PRICE TREND

3.1 Wheat total domestic demand and floor price per ton

Figure 5 show that the biggest local production volumes marketed was recorded in 2012/2013 season (14,819) and lowest was in 2019/2020 season (4,466 tons). In terms of imports, the biggest volumes recorded was in 2020/2021 (125,838 tons) and lowest in 2011/2012 (84,543 tons). Namibia's demand for wheat grain stood at 137,337 tons during the reporting period.



	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Imports	84,543	87,726	85,257	103,035	95,190	121,261	104,244	118,698	114,363	125,838
Production marketed	11,930	14,819	11,312	11,600	11,411	9,822	6,863	7,508	4,466	11,498
Total domestic demand	96,473	102,545	96,569	114,635	106,601	131,083	111,107	126,206	118,829	137,337

Figure 5: Wheat total tonnage imported, production marketed and domestics demand tonnage

Figure 6 shows that the domestic wheat floor price (mill door) increased from N$5,220 in 2019/2020 to N$5,940 per ton in 2020/2021 marketing season.

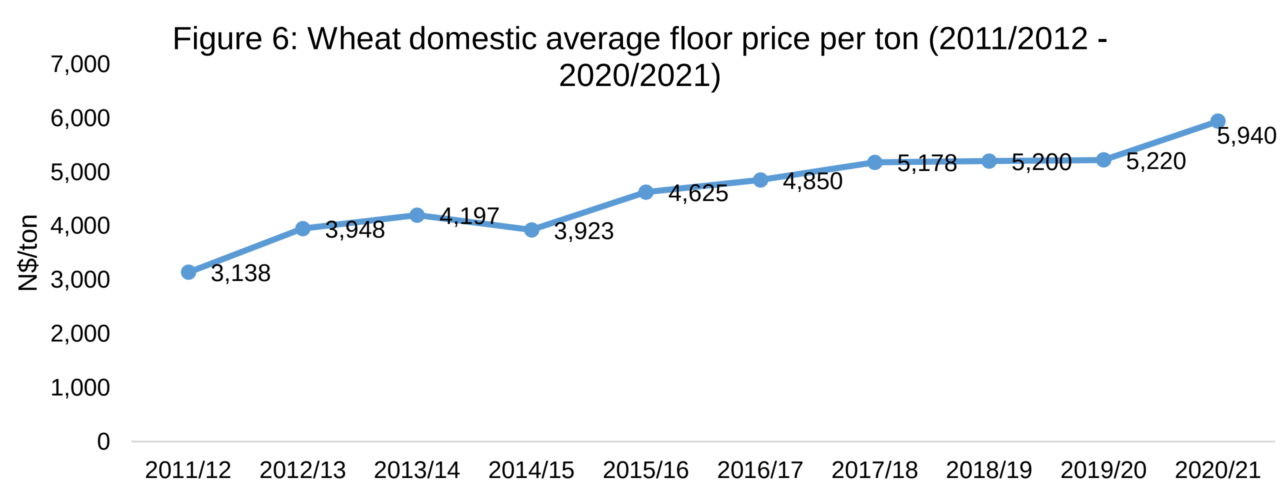


Figure 6: Wheat domestic average floor price per ton (2011/2012 – 2020/2021)

3. CONCLUSION

There is no doubt that 2020/21 marketing season was a good year for wheat production, when compared to the previous season, though Namibia remains a net importer. The Hardap area remains the biggest producer of wheat in Namibia, followed by Kavango and Karst areas, while Central area remains the lowest. The excess tonnage marketed in the South (Hardap) area was mainly due to yield under estimation.

Kavango area recorded the lowest accuracy rate, in terms of tonnage projected versus marketed, which is assumed to be caused by late planting and also unfavourable climate for the varieties planted, that requires more cold units.

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