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07 November 2022

Addressed to: Wheat Grain Producers and Millers in Namibia

Dear Producers and Millers

**SUBJECT: WHEAT GRAIN (B1) FLOOR PRICE AT MILL DOOR – 1- 14 NOVEMBER 2022**

1. Section 2 of the 2022/2023 Wheat Marketing Agreement clearly states that should the Fortnight Weighted Average Floor Price (SAFEX Spot Price + Deep-Sea) for the previous fortnight be higher than the Five (5) Year Average Floor Price on the 30th of October 2022, then the new floor price formula for B1 wheat grain for the next two weeks shall be determined based on a combination of the SAFEX Spot Price and Deep-Sea formulas.
2. As per the attached calculation, the **Fortnight Weighted Average Floor Price (Mill Door Floor Price)** for the previous two weeks (**15–28 October 2022**) of **N\$8,328.02 per ton** is higher than the calculated **5-Year Average Floor Price** of **N\$5,857.41 per ton** for 2022/2023 marketing season, by 30% or N\$ 2,470.61 per ton.
3. Therefore, the **Fortnight Weighted Average Floor Price (Mill Door)** of **N\$ 8,328.02 per ton (Inclusive of the producer levy)** will be the **Floor Price** applicable for **B1 wheat grain** purchased/ paid during the period **1-14 November 2022**.
4. The **statutory producer levy of 1.4% (N\$116.59 per ton)** calculated based on the **Fortnight Weighted Average Floor Price** stated in section 3 of this letter, must be deducted by the processors, and paid over to the NAB.
5. The NAB will continue monitoring the wheat Fortnight Weighted Average Floor Price for the next two weeks and notify the industry accordingly, should this price be higher than the 5-Year Average Floor Price.
6. Please take note that, this floor price is subject to changes every fortnight and hence not fixed for the entire marketing season.

For further information, contact **Ms. Loide Uahengo (Manager: Agronomic Market Development)** at telephone number: +26461379500 or cellphone: **+264811222356** or email: [Loide.Uahengo@nab.com.na](mailto:Loide.Uahengo@nab.com.na)

Kind Regards,

**Dr. Fidelis N. Mwazi (PhD)**  
Chief Executive Officer



Our Vision: "A world class regulator of a vibrant, diversified & sustainable crop industry"

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Issued on: 07/11/2022

**WHEAT GRAIN (B1 GRADE): FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE**  
**FORTNIGHT PERIOD: 01 - 14 NOVEMBER 2022**

**SAFEX WEIGHTED AVERAGE CALCULATION**

DATE	SAFEX-TONNAGE SOLD	SAFEX- VALUE (N\$) OF QUANTITY SOLD	SAFEX SPOT PRICE/TON
15-Oct-22	11	80,740.00	7,340
16-Oct-22	11	80,740.00	7,340
17-Oct-22	8	58,480.00	7,310
18-Oct-22	4	29,240.00	7,310
19-Oct-22	10	73,630.00	7,363
20-Oct-22	127	937,387.00	7,381
21-Oct-22	27	199,287.00	7,381
22-Oct-22	27	199,287.00	7,381
23-Oct-22	27	199,287.00	7,381
24-Oct-22	32	235,392.00	7,356
25-Oct-22	16	117,696.00	7,356
26-Oct-22	1	7,274.00	7,274
27-Oct-22	0	0.00	0
28-Oct-22	1	7,219.00	7,219
<b>SAFEX WEIGHTED AVERAGE</b>	<b>22</b>	<b>158,975.64</b>	<b>7,370</b>

Plus Official Transport cost (Prieska -Windhoek) Less inwards (Prieska -Randfontein -625) based on three (3) quotations from the transporters	727.36
<b>(A) FINAL SAFEX- FORTNIGHT WEIGHTED AVERAGE PRICE</b>	<b>8,097.09</b>
<b>(B) AVERAGE FORECASTED IMPORT PRICE OF B1 WHEAT GRAIN FROM DEEP-SEA</b>	<b>8,578.19</b>

A combination of A & B in a ratio of 52:48 for SAFEX and Deep-Sea Forecast Import volume. Forecasted imports volume 01 Nov 2022 to 31 Jan 2023 = SAFEX: 21,623 tons, Deep-Sea imports 19,800 tons, as obtained from the importers. The Deep-Sea price portion is based on the forecasted average import parity price of **N\$8,578.19** for B1 Wheat, landed in Windhoek, and this import parity price excludes 5% import levy.

<b>SAFEX SPOT PRICE PORTION</b>	N\$ 8,097.09	X 0.52	<b>4,210.49</b>
<b>DEEP-SEA PRICE PORTION</b>	N\$ 8,578.19	X 0.48	<b>4,117.53</b>

<b>(C) FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE (MILL DOOR PRICE) N\$/TON</b> <b>(Inclusive of the NAB producer levy of 1.4%)</b>	<b>8,328.02</b>
<b>(D) WHEAT GRAIN: 5 YEAR SAFEX AVERAGE FLOOR PRICE (N\$/TON)</b>	<b>5,857.41</b>
<b>DIFFERENCE (C-D) N\$/TON</b>	<b>2,470.61</b>
<b>DIFFERENCE %</b>	<b>30%</b>

**IMPORTANT INFORMATION**

The FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE for the previous two weeks **15-28 October 2022** is higher than the 5-YEAR AVERAGE FLOOR PRICE by **N\$2,470.61 per ton (30%)**. Therefore, the FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE of **N\$8,328.02 per ton** is the applicable Mill Door Floor Price per Ton for B1 Wheat grain purchased/ paid during the period the fortnight period of **01-14 November 2022**. The Fortnight Weighted Average Floor Price (Mill Door Floor Price) excludes the producer levy and; hence, a **producer levy of 1.4% (N\$116.59 per ton)** should be deducted by the miller from the Mill Door Floor Price and paid over to the NAB. This means the producer must be paid a **Final Mill Door Floor Price of N\$8,211.43 per ton**, for a B1 wheat grain delivered at the mill door.

Dr. Fidelis N. Mwazi  
Chief Executive Officer

08/11/2022  
Date





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Creating a marketing environment that is conducive to growing and processing crops in Namibia

## FINAL WHEAT GRAIN (B1 GRADE): 5 -YEAR FLOOR PRICE PER TON 2022/2023 MARKETING SEASON

**ANNEXURE A**

**ISSUE DATE: 1/11/2022**

### A. SAFEX: 5 -YEAR AVERAGE PRICE CALCULATION

Based on SAFEX RAND spot price ( 1 Nov - 31 October)

Fin Year	2017/18	2018/19	2019/20	2020/21	2021/22		2022/2023
Infl rate	4.27%	4.20%	2.26%	3.28%	2.75%	*	
SAFEX Spot Annual Average	N\$3,983	N\$4,477	N\$5,087	N\$5,227	N\$6,878	**	?
Infl adj factor	1.157	1.110	1.085	1.061	1.028		1.000
Infl. Adj SAFEX spot	N\$4,609	N\$4,968	N\$5,520	N\$5,547	N\$7,067		N\$5,542 ***
						Add Prieska basis	204.61 ****
						Landed WHK	N\$5,747

#### A. 5 year average including SACU external tariff

\* Official Inflation rate for the period the period 01 November 2021 to 30 September 2022

\*\* SAFEX Spot Price for the period 01 November 2021 to 31 October 2022

\*\*\* 5 year average, to which must be added transport differential from RSA

\*\*\*\* Transport from Uptington to Nakop is N\$229.61, plus transport from Nakop to WHK is N\$600.00, Minus the Inward differential (Prieska -Randfontein) of N\$625.00

### B. DEEP-SEA: 5-YEAR AVERAGE IMPORT PARITY PRICE CALCULATION

AVERAGE FREE ON BOARD (FOB) HARD RED WINTER (HRW) PRICES FOR 1 NOV to 24 OCTOBER

#### FOB HRW IMPORT PRICE

	2017/18	2018/19	2019/20	2020/21	2021/22	5 Year Ave
FOB HRW (US\$)	203.70	204.00	209.00	261.00	355	
R / US\$	13.17	14.28	16.88	15.52	17.65	
N\$ / ton	2,682.73	2,913.12	3,527.92	4,050.72	6,267.69	
Infl rate	4.27%	4.20%	2.26%	3.28%	2.75%	
Infl adj factor	1.179	1.131	1.085	1.061	1.028	
<b>Infl. Adj SAFEX spot</b>	<b>3,163.06</b>	<b>3,294.05</b>	<b>3,828.45</b>	<b>4,298.63</b>	<b>6,440.05</b>	<b>4,204.85</b>

#### FREIGHT COST

Freight Charges (US\$)	39.86	43.29	47.43	49.89	71.25	
R / US\$	13.17	14.28	16.88	15.52	17.65	
Freight Charges (N\$)	524.96	618.18	800.62	774.29	1,257.56	
Infl adj factor	1.18	1.13	1.09	1.06	0.00	
<b>Infl adj factor Freight Charges</b>	<b>618.95</b>	<b>699.02</b>	<b>868.82</b>	<b>821.68</b>	<b>1,257.56</b>	<b>853.21</b>

#### RAIL AND HARBOUR COSTS

Rail and Harbour Costs	521.00	537.00	508.64	508.64	595.92	
Infl adj factor	1.179	1.131	1.085	1.061	0.000	
<b>Infl adj Rail and Harbour Costs</b>	<b>614.28</b>	<b>607.22</b>	<b>551.97</b>	<b>539.77</b>	<b>538.34</b>	<b>570.32</b>

#### SACU TARIFF

SACU Tariff	318	664.7	832.1	0	0	
Infl adj factor	1.179	1.131	1.085	1.061	0.000	
<b>Infl adj SACU Tariff</b>	<b>374.94</b>	<b>751.62</b>	<b>902.98</b>	<b>0.00</b>	<b>0.00</b>	<b>405.91</b>

#### LANDED COST (WHK) N\$/TON

<b>Inflation adj factor - Landed costs</b>	<b>4,771.23</b>	<b>5,351.90</b>	<b>6,152.22</b>	<b>5,660.08</b>	<b>8,293.54</b>	<b>6,045.79</b>
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#### WHEAT FLOOR PRICE CALCULATION BASED ON AGREED RATIO

A combination of A & B in a ratio of 63:37 ( SAFEX : 57 916 tons and Deep-Sea Imports: 33 480 tons) 01 Nov 21 to 28 Oct 22 (Source: AMID system)

N\$ 5,747	x 0.63	N\$3,620.46
N\$ 6,045.79	x 0.37	N\$ 2,236.94
<b>MILL DOOR FLOOR PRICE (N\$/ TON)</b>		<b>N\$5,857.41</b>

GM