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14 November 2022

Addressed to: Wheat Grain Producers and Millers in Namibia

Dear Producers and Millers

SUBJECT: WHEAT GRAIN (B1) FLOOR PRICE AT MILL DOOR – **15-28 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 (**29 October– 11 November 2022**) of **N\$8,266.09 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 29% or N\$ 2,408.68 per ton.
3. Therefore, the **Fortnight Weighted Average Floor Price (Mill Door)** of **N\$ 8,266.09 per ton (Inclusive of the Producer Levy)** will be the **Floor Price** applicable for **B1 wheat grain** purchased/ paid during the period **15-28 November 2022**.
4. The **statutory producer levy of 1.4% (N\$115.73 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

Kind Regards,



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

NAMIBIAN AGRONOMIC BOARD

2022 -11- 14

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Issued on: 14/11/2022

WHEAT GRAIN (B1 GRADE): FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE
FORTNIGHT PERIOD: 15 - 28 NOVEMBER 2022

SAFEX WEIGHTED AVERAGE CALCULATION

DATE	SAFEX-TONNAGE SOLD	SAFEX- VALUE OF QUANTITY SOLD	SAFEX SPOT PRICE/TON
29-Oct-22	1	7,219.00	7,219
30-Oct-22	1	7,219.00	7,219
31-Oct-22	25	183,200.00	7,328
1-Nov-22	25	183,275.00	7,331
2-Nov-22	3	22,098.00	7,366
3-Nov-22	6	44,160.00	7,360
4-Nov-22	8	58,856.00	7,357
5-Nov-22	8	58,856.00	7,357
6-Nov-22	8	58,856.00	7,357
7-Nov-22	0	0.00	0
8-Nov-22	11	78,210.00	7,110
9-Nov-22	19	132,734.00	6,986
10-Nov-22	0	0.00	0
11-Nov-22	2	13,642.00	6,821
SAFEX WEIGHTED AVERAGE	8	60,594.64	7,251

Plus Official Transport cost (Prieska -Windhoek) Less inwards (Prieska -Randfontein -625) based on three (3) quotations from the transporters	727.36
(A) FINAL SAFEX- FORTNIGHT WEIGHTED AVERAGE PRICE	7,978.00
(B) AVERAGE FORECASTED IMPORT PRICE OF B1 WHEAT GRAIN FROM DEEP-SEA	8,578.19

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.

SAFEX SPOT PRICE PORTION	N\$ 7,978.00	X 0.52	4,148.56
DEEP-SEA PRICE PORTION	N\$ 8,578.19	X 0.48	4,117.53
(C) FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE (MILL DOOR PRICE) N\$/TON (Inclusive of the NAB producer levy of 1.4%)			8,266.09
(D) WHEAT GRAIN: 5 YEAR SAFEX AVERAGE FLOOR PRICE (N\$/TON)			5,857.41
DIFFERENCE (C-D) N\$/TON			2,408.68
DIFFERENCE %			29%

IMPORTANT INFORMATION

The FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE for the previous two weeks **29 October 11 November 2022** is higher than the 5-YEAR AVERAGE FLOOR PRICE by **N\$2,408.68 per ton (29%)**. Therefore, the FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE of **N\$8,266.09 per ton** is the applicable Mill Door Floor Price per Ton for B1 Wheat grain purchased/ paid during the fortnight period of **15 - 28 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\$115.73 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\$8,150.36 per ton**, for a B1 wheat grain delivered at the mill door.

Dr. Fidelis N. Mwazi
Chief Executive Officer

Date

14/11/2022