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12 January 2023

Addressed to: Wheat Grain Producers and Millers in Namibia

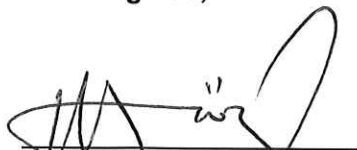
Dear Producers and Millers

SUBJECT: WHEAT GRAIN (B1) FLOOR PRICE AT MILL DOOR – 10 TO 23 JANUARY 2023

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 (**24 December 2022 to 06 January 2023**) of **N\$7,941.80 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 26% or N\$ 2,084.39 per ton.
3. Therefore, the **Fortnight Weighted Average Floor Price (Mill Door)** of **N\$7,941.80 per ton (Inclusive of the Producer Levy)** will be the **Floor Price** applicable for **B1 wheat grain** purchased/ paid during the period **10 to 23 January 2023**. The **statutory producer levy of 1.4% (N\$111.19 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.
4. 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.
5. 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

2023 -01- 13

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Issued on: 12/01/2023

WHEAT GRAIN (B1 GRADE): FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE
FORTNIGHT PERIOD: 10 to 23 JANUARY 2023

SAFEX WEIGHTED AVERAGE CALCULATION

DATE	SAFEX-TONNAGE SOLD	SAFEX- VALUE OF QUANTITY SOLD	SAFEX SPOT PRICE/TON
24-Dec-22	25	164,400.00	6576.00
25-Dec-22	25	164,400.00	6576.00
26-Dec-22	25	164,400.00	6576.00
27-Dec-22	25	164,400.00	6576.00
28-Dec-22	34	225,250.00	6625.00
29-Dec-22	23	151,915.00	6605.00
30-Dec-22	33	218,097.00	6609.00
31-Dec-22	33	218,097.00	6609.00
1-Jan-23	33	218,097.00	6609.00
2-Jan-23	33	218,097.00	6609.00
3-Jan-23	29	192,531.00	6639.00
4-Jan-23	137	907,351.00	6623.00
5-Jan-23	78	519,090.00	6655.00
6-Jan-23	82	549,482.00	6701.00
SAFEX WEIGHTED AVERAGE	44	291,114.79	6,627.00

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 **7,354.36**

(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\$ 7,354.36	X 0.52	3,824.27
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%) **N\$ 7,941.80**

(D) WHEAT GRAIN: 5 YEAR SAFEX AVERAGE FLOOR PRICE (N\$/TON) **N\$ 5,857.41**

DIFFERENCE (C-D) N\$/TON **2,084.39**

DIFFERENCE % **26%**

IMPORTANT INFORMATION

The FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE for the previous two weeks **24 December 2022 to 06 January 2023** is higher than the 5-YEAR AVERAGE FLOOR PRICE by **N\$2,084.39 per ton (26%)**. Therefore, the FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE of **N\$7,941.80 per ton** is the applicable Mill Door Floor Price per Ton for B1 Wheat grain purchased/ paid during the fortnight period of **10 to 23 January 2023**. The Fortnight Weighted Average Floor Price (Mill Door Floor Price) excludes the producer levy and; hence, a **producer levy of 1.4% (N\$111.19 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\$7,830.61 per ton**, for a B1 wheat grain delivered at the mill door.

Dr. Fidelis N. Mwazi
 Chief Executive Officer

13/01/2023
 Date