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03 April 2023

Addressed to: White Maize and Wheat Grain Producers and Millers in Namibia

Dear Producers and Millers

SUBJECT: PRELIMINARY 5-YEAR AVERAGE FLOOR PRICES FOR THE 2023/2024 MARKETING SEASONS AND THE FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE FOR THE PERIOD 14-27 MARCH 2023 FOR BOTH WHITE MAIZE AND WHEAT GRAIN

The above-mentioned caption refers.

The Namibian Agronomic Board (NAB) hereby wishes to enlighten the agronomy industry on the calculated preliminary **white maize and wheat 5-Year Average Floor Prices** for the 2023/2024 marketing seasons, and the **Fortnight Weighted Average Floor Price** for the period 14-27 March 2023/2024.


The attached calculations indicate that the 5-Year Average Floor Price for White Maize is much more likely to be around **N\$5,666.94** for the 2023 marketing season, and the Fortnight Weighted Average Floor Price for the period 14-27 March 2023 is **N\$6,056.80**.

In terms of Wheat 5-Year Average Floor Price is likely to be around **N\$6,778.53** for the 2023/2024 marketing season, and the Fortnight Weighted Average Floor Price for the period 14-27 March 2023/2024 is **N\$8,227.81**.

Therefore, this is for information only and should not be seen as the final floor prices for the upcoming seasons. The NAB will release the final 5-Year Average Floor Prices and the applicable Fortnight Weighted Average Floor Price for both white maize and wheat before the start of the respective marketing seasons and fortnight periods.

For further enquiries, please contact **Ms. Loide Uahengo (Manager: Agronomy Market Development)** at cell phone: 081 1222 356 or email: Loide.Uahengo@nab.com.na.

Kind Regards,


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

NAMIBIAN AGRONOMIC BOARD

2023 -04- 03

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Issued on: 31/03/2023

PRELIMINARY WHEAT GRAIN (B1 GRADE): FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE
FORTNIGHT PERIOD: 15 FEBRUARY TO 01 MARCH 2023

SAFEX WEIGHTED AVERAGE CALCULATION

DATE	SAFEX-TONNAGE SOLD	SAFEX- VALUE OF QUANTITY SOLD	SAFEX SPOT PRICE/TON
14-Mar-23	242	1,567,918.00	6479.00
15-Mar-23	224	1,482,208.00	6617.00
16-Mar-23	252	1,673,784.00	6642.00
17-Mar-23	453	3,007,467.00	6639.00
18-Mar-23	453	3,007,467.00	6639.00
19-Mar-23	453	3,007,467.00	6639.00
20-Mar-23	433	2,862,130.00	6610.00
21-Mar-23	433	2,862,130.00	6610.00
22-Mar-23	471	3,056,790.00	6490.00
23-Mar-23	671	4,265,547.00	6357.00
24-Mar-23	365	2,332,350.00	6390.00
25-Mar-23	365	2,332,350.00	6390.00
26-Mar-23	365	2,332,350.00	6390.00
27-Mar-23	179	1,164,574.00	6506.00
SAFEX WEIGHTED AVERAGE	383	2,496,752.29	6,522.58

Plus Official Transport cost (Prieska -Windhoek) Less inwards (Prieska -Randfontein -625)
based on three (3) quotations from the transporters

N\$730.00

(A) FINAL SAFEX- FORTNIGHT WEIGHTED AVERAGE PRICE

N\$7,252.58

(B) AVERAGE FORECASTED IMPORT PRICE OF B1 WHEAT GRAIN FROM DEEP-SEA

N\$8,578.19

forecast. 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 (2022/2023 forecast), and this import parity price excludes the 5% import levy.

SAFEX SPOT PRICE PORTION N\$ 7,252.58 X 0.48 **N\$3,481**

DEEP-SEA PRICE PORTION N\$ 8,578.19 X 0.52 **N\$4,461**

(C) FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE (MILL DOOR PRICE) N\$/TON
(Inclusive of the NAB producer levy of 1.4%)

N\$7,942

Add- Portion of Import Levy 3.6% added

N\$286

(D) FINAL- FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE (MILL DOOR PRICE) N\$/TON
(Incl 3.6% import levy portion). ESTIMATED FLOOR PRICE ONLY

N\$8,227.81

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

N\$6,779

DIFFERENCE (C-D) N\$/TON

N\$1,163

DIFFERENCE %

15%

HIGHEST FORTNIGHT WEIGHTED AVERAGE PRICE IN 2022 MARKETING SEASON

N\$8,328

NB: THIS CALCULATION FOR INFORMATION ONLY, THE FLOOR PRICE FOR THE APPLICABLE FORTNIGHT PERIOD WILL BE RELEASED DURING THE FIRST WEEK OF NOVEMBER 2023

pp *Dr. Fidelis N. Mwazi* 03/04/2023
Dr. Fidelis N. Mwazi
Chief Executive Officer

NAMIBIAN AGRONOMIC BOARD
2023-04-03

SIGNED

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**PRELIMINARY WHITE MAIZE (WM1): 5-YEAR AVERAGE FLOOR PRICE (MILL DOOR PRICE)
 PER TON 2023 MARKETING SEASON**

Based on SAFEX RAND spot price (whole year)
 backwards inflation adjusted

Issue Date: 31/03/2023

Fin Year	2019/19	2019/20	2020/21	2021/22	2022/23	N/A
Infl rate	4.56%	3.18%	2.34%	4.04%	6.62%	N/A
SAFEX SPOT Whole year Ave. (N\$/Ton)	N\$2,416	N\$2,826	N\$3,127	N\$3,393	N\$4,655	N/A
Infl adj factor	1.225	1.171	1.135	1.109	1.066	N/A
Infl. Adj SAFEX Spot (N\$/Ton)	N\$2,959	N\$3,310	N\$3,550	N\$3,764	N\$4,964	N\$3,709

IMPORTANT INFORMATION

* = The Inflation rate for 2022/2023 is based on the official average inflation rate for the period April 2022 to February 2023

** = SAFEX Spot Whole year Average for 2022/2023 is based on the average Spot price for the period 01 April 2022 to 14 February 2023

*** = Inflation Adjusted SAFEX Spot (N\$/Ton) is based on the 5 year average for the period 2018/2019 to 15 February (2022/2023)

**** Transport cost (Sannieshof to Otavi) is based on the average of three quotations received from the 3 different companies

***** SAFEX (Sannieshof) Silo Premium is based on the premium for 2022

***** Import Levy differential of 3.6% is subject to changes annually, based on the prevailing NAB statutory levies

This is the final WM1 floor price (mill door price) for 2023 marketing season.

White maize grain can be bought at Mill door Price or Farm Gate price. Mill door Price, is the price of white maize grain at the mill or silo after transportation. Farm Gate price is the price of white maize grain at the farm before transportation, and this price can be negotiated between the farmer and the miller.

GMO - Free Premium (8% of SAFEX 5 year Ave)	→	→	→	(N\$/Ton)	N\$ 296.74
Sannieshof - Otavi					1,700.00
Less inwards (Sannieshof to Randfontein)					-271
TRANSPORT COST (SANNIESHOF-OTAVI) PER TON					N\$1,429.00
SAFEX SILO PREMIUM PER TON					N\$ 35.00
TOTAL FLOOR PRICE PER TON - OTAVI					N\$5,470.02
Import Levy Differential of 3.6%					N\$ 196.92
FINAL FLOOR PRICE (MILL DOOR PRICE)					N\$5,666.94

NB: A MILL DOOR IS ONLY APPLICABLE TO MAIZE DELIVERED AT THE MILL BY THE FARMER, AND IN CASES WHERE A MILLER COLLECTS THE GRAIN ON THE FARM, A FAIR FARM GATE PRICE CAN BE NEGOTIATED WITH THE FARMER.

	5-Year Floor price 2022	Variance N\$	Variance %
Otavi Price	N\$4,651	N\$1,016	22%

Staggered Floor Price Max (Much likely by end of 2023 season): N\$5,907

At 11 fortnights, with storage cost of N\$21.76 per fortnight



Issued on: 31/03/2023

PRELIMINARY SAFEX - FORTNIGHT WEIGHTED AVERAGE WHITE MAIZE PRICE

FORTNIGHT PERIOD: 14 -27 MARCH 2023

DATE	SAFEX-TONNAGE SOLD		SAFEX SPOT PRICE/TON
14-Mar-23	441	1,808,982.00	4,102
15-Mar-23	656	2,727,648.00	4,158
16-Mar-23	502	2,087,316.00	4,158
17-Mar-23	510	2,118,030.00	4,153
18-Mar-23	510	2,118,030.00	4,153
19-Mar-23	510	2,118,030.00	4,153
20-Mar-23	861	3,573,150.00	4,150
21-Mar-23	861	3,573,150.00	4,150
22-Mar-23	828	3,393,144.00	4,098
23-Mar-23	1037	4,031,856.00	3,888
24-Mar-23	1453	5,797,470.00	3,990
25-Mar-23	1453	5,797,470.00	3,990
26-Mar-23	1453	5,797,470.00	3,990
27-Mar-23	109	439,706.00	4,034
SAFEX WEIGHTED AVERAGE	N\$799	N\$3,241,532	N\$4,058
Plus GMO- free premium (8%) calculated on SAFEX component of the Reference Price			N\$325
Plus Official Transport cost (Sannieshof -Otavi) Less inwards (Sannieshof to Randfontein -271)			N\$1,429
Plus SAFEX Silo Premium			N\$35
SAFEX- FORTNIGHT WEIGHTED AVERAGE PRICE (Excl 3.6% Import levy Differential) (Inclusive of the NAB producer levy of 1.4%)			N\$5,846
Add- Import Levy Differential of 3.6%			N\$210
(A). FINAL SAFEX- FORTNIGHT WEIGHTED AVERAGE PRICE (14-27 March 2023)			N\$6,056.80
(B). STAGGERED REFERENCE (FLOOR) PRICE- At 11 fortnights, with storage cost of N\$21.76 per fortnight			N\$5,906.94
DIFFERENCE (A-B)			N\$149.86
DIFFERENCE %			3%
HIGHEST SAFEX-FORTNIGHT WEIGHTED AVERAGE PRICE IN 2022 MARKETING SEASON			N\$7,521

NB: THIS CALCULATION IS FOR INFORMATION ONLY, AS THE FLOOR PRICE FOR THE APPLICABLE FORTNIGHT PERIOD WILL BE COMMUNICATED BEFORE THE START OF THE MARKETING PERIOD ON 01 MAY 2023

Dr. Fidelis N. Mwazi
Chief Executive Officer

03/04/2023
Date

NAMIBIAN AGRONOMIC BOARD
2023 -04- 03

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**NAMIBIAN
AGRONOMIC BOARD**
Constituted by Act 20 of 1992

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

PRELIMINARY WHEAT GRAIN (B1 GRADE): 5 -YEAR FLOOR PRICE PER TON 2023/2024 MARKETING SEASON

ISSUE DATE: 31/03/2023

A. SAFEX: 5 -YEAR AVERAGE PRICE CALCULATION

Based on SAFEX RAND spot price (1 Nov 2022-14 February 2023)

Fin Year	2018/19	2019/20	2020/21	2021/22	2022/23		2023/2024
Infl rate	4.20%	2.26%	3.28%	5.65%	3.48%	*	
SAFEX Spot Annual Average	N\$4,477	N\$5,087	N\$5,228	N\$6,879	N\$6,717	**	?
Infl adj factor	1.215	1.166	1.129	1.093	1.035		1.000
Infl. Adj SAFEX spot	N\$5,440	N\$5,932	N\$5,903	N\$7,520	N\$6,951		N\$6,349 ***
				Add Uington basis			204.61 ****
				Landed WHK			N\$6,554

A. 5 year average including SACU external tariff

* Official Inflation rate for the period 01 November 2022 to January 2023

** SAFEX Spot Price for the period 01 November 2022 to 14 February 2023

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

**** Transport from Uington to Nakop is N\$229.61, plus transport from Nakop to WHK is N\$600.00, Minus the Inward differential of N\$625.00 (2022)

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

	2018/19	2019/20	2020/21	2021/22	2022/23	5 Year Ave
FOB HRW (US\$)	204.00	209.00	261.00	355.00	320	
R / US\$	14.28	16.88	15.52	17.65	17.23	
N\$ / ton	2,913.12	3,527.92	4,050.72	6,265.75	5,518.08	
Infl rate	4.20%	2.26%	3.28%	5.65%	3.48%	
Infl adj factor	1.203	1.155	1.129	1.093	1.035	
Infl. Adj SAFEX spot	3,504.89	4,073.49	4,573.77	6,850.13	5,710.11	4,942.48

FREIGHT COST

Freight Charges (US\$)	43.29	47.43	49.89	71.25	71.25	
R / US\$	14.28	16.88	15.52	17.65	17.23	
Freight Charges (N\$)	618.18	800.62	774.29	1,257.56	1,227.64	
Infl adj factor	1.20	1.15	1.13	1.09	0.00	
Infl adj factor Freight Charges	743.76	924.43	874.27	1,374.85	1,227.64	1028.99

RAIL AND HARBOUR COSTS

Rail and Harbour Costs	537.00	508.64	508.64	595.92	595.92	
Infl adj factor	1.203	1.155	1.129	1.093	0.000	
Infl adj Rail and Harbour Costs	646.09	587.30	574.32	651.50	538.34	599.51

SACU TARIFF

SACU Tariff	664.7	832.1	0	0	0	
Infl adj factor	1.203	1.155	1.129	1.093	0.000	
Infl adj SACU Tariff	799.73	960.78	0.00	0.00	0.00	352.10

LANDED COST (WHK) N\$/TON

Inflation adj factor - Landed costs	5,694.46	6,546.00	6,022.36	8,876.48	7,533.67	6,934.59
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WHEAT FLOOR PRICE CALCULATION BASED ON AGREED RATIO

A combination of A & B in a ratio of 41:59 (SAFEX : 10 761 tons and Deep-Sea Imports: 15 336 tons) 01 Nov 22 to 31 March 23 (Source: AMID system)

N\$ 6,554	x 0.41	N\$2,687.12	SAFEX		
N\$ 6,934.59	x 0.59	N\$ 4,091.41	DEEP SEA	Floor Price 2022/2023:	5,857.41
MILL DOOR FLOOR PRICE (N\$/ TON)		N\$6,778.53		Varlane:	921.12 16%