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PEARL MILLET (MAHANGU) GRAIN: FLOOR (MINIMUM) PRICE FOR THE 2023 MARKETING SEASON

16 June 2023

Dear Mahangu Grain Producers and Processors

In line with the Agronomic Industry Act, 20 of 1992 and the mahangu marketing agreement for the 2023 season between organised producers and processors, the Namibian Agronomic Board (NAB) calculates the floor (minimum) price for mahangu grain annually, based on the cost of inputs for commercial production the 2022/2023 planting season.

This formula has been agreed upon by the organised mahangu grain producers and processors and endorsed by the NAB Board to safeguard an orderly marketing environment and to stimulate local production and marketing of surplus mahangu grain in Namibia. Therefore, the NAB hereby announces the mahangu grain floor price for the 2023 marketing season, to commence on 01 July 2023.

The **floor (minimum) price** per ton to be paid by millers for **grade 1 mahangu grain**, for the 2023 marketing season shall be as follows:

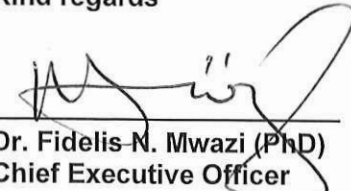
FLOOR PRICE	PRICE PER TON	PER KG	PER 50KG BAG
MILL-DOOR FLOOR PRICE (Inclusive of 1.4% Producer Levy)	8,000.00	8.00	400.00
COLLECTION CENTER FLOOR PRICE (This excludes transport cost of N\$ 278.43 /Ton and producer levy of N\$112 / Ton)	7,609.57	7.61	380.47

NOTE:

- a) **Mill-Door Floor Price:** The producer levy to be deducted from the Mill-Door Floor Price of **N\$8,000 per ton (N\$400/ 50kg bag)** is **N\$112 per ton** and this must be paid over to the NAB.
- b) **Collection Center Floor Price:** The producer must be paid **N\$7,609.57 per ton (N\$380.47 per 50kg bag)**, as the transport cost and producer levy is already deducted from the price, and the miller must pay the producer levy collected to the NAB.

Should there be any further enquires, kindly contact **Mr. Simon Haidula (Agronomy Market Development Officer)** at cellphone number: **+26481 495 3007** or at email address: simon.haidula@nab.com.na

Kind regards



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

NAMIBIAN AGRONOMIC BOARD

2023 -06- 16

SIGNED

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

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MAHANGU FINAL FLOOR PRICE FOR 2023 MARKETING SEASON

Based on mahangu commercial production cost for October 2022

VARIABLES			Oct. 2013	Oct. 2014	Oct. 2015	Oct. 2016	Oct. 2017	Oct. 2018	Oct. 2019	Oct. 2020	Oct. 2021	Oct. 2022			
	UNIT	UNITS/ha	PRICE/UNIT (N\$)	PRICE/UNIT (N\$)	PRICE/UNIT (N\$)	PRICE/UNIT (N\$)	PRICE/UNIT (N\$)	PRICE/UNIT (N\$)	PRICE/UNIT (N\$)	PRICE/UNIT (N\$)	PRICE/UNIT (N\$)	PRICE/UNIT (N\$)	COST/ha (N\$)	Variation per Unit N\$	Variation per Unit %
SEEDS															
Okashana no. 2 (at NNFSGC)	2 kg	3	9.00	9.00	17.50	20.50	20.50	20.50	20.50	20.50	20.50	26.80	N\$ 80.40	6.30	31%
Sub - Total:													N\$ 80.40		
FERTILIZER															
2:3:2 (37) ZN + S (at AGRA Ltd, Grootfontein)	50 kg	2.85	490.66	415.00	632.60	581.07	517.31	652.80	490.99	504.50	830.00	1,195.52	N\$ 3,407.23	365.52	44%
Sub - Total:													N\$ 3,407.23		
EQUIPMENT															
Disc, diesel, maintenance, depreciation	liter	12.51	25.15	25.95	25.95	30.00	30.00	30.00	25.28	25.28	25.38	32.00	N\$ 400.32	6.62	26%
Chisel-diesel, maintenance, depreciation	liter	20.67	25.15	25.95	25.95	30.00	30.00	30.00	25.28	25.28	25.38	32.00	N\$ 661.44	6.62	26%
Sub - Total:													N\$ 1,061.76		
LABOUR															
Average Inflation				5.04	3.93	7.13	5.14	4.56	3.18	2.34	4.04	6.37			
Weeding	man-day	13.11	40.00	40.00	50.00	60.00	60.00	60.00	60.00	60.00	60.00	75.00	N\$ 983.25	15.00	25%
Bird scaring	man-day	9	37.45	40.07	50.00	60.00	60.00	60.00	60.00	60.00	60.00	75.00	N\$ 675.00	15.00	25%
Harvesting	man-day	7	40.00	40.00	50.00	60.00	60.00	60.00	60.00	60.00	60.00	75.00	N\$ 525.00	15.00	25%
Planting/Fertilisation	man-day	5	19.26	20.61	25.95	60.00	60.00	60.00	60.00	60.00	60.00	75.00	N\$ 375.00	15.00	25%
Threshing /Precleaning	man-day	4.56	40.00	40.00	50.00	60.00	60.00	60.00	60.00	60.00	60.00	75.00	N\$ 342.00	15.00	25%
Transport cost to mill or silo door	bags	20	19.26	20.23	21.03	22.52	23.68	24.76	25.55	26.15	26.61	27.84	N\$ 556.86	1.24	5%
Sub-Total:													N\$ 3,457.11		
Cost of producing mahangu per ha under rain-fed			3,989.88	3,822.11	4,824.89	5,233.15	5,063.39	5,427.58	4,836.15				N\$ 8,006.50		
NAB Levy	%	0.014											N\$ 112.09		
Communal farmers interest (this is a prime rate determined/charged by the bank which is 10% this year as per the Bank of Namibia)	%	0.1											N\$ 200.16		
Total cost of producing mahangu per ha under rain-fed													N\$ 8,318.75		
Floor price (as determined based on previous year's production cost)			3,504.00	3,475.00	4,386.00	*5,397.99	5,222.89	5,608.86	4,988.50	5,327.00	6,333.00		N\$ 8,318.75	1,985.75	31%
Less industry agreed deduction of 3.8%													N\$ 8,000.00	318.75	4%

At the agreed yield of 1 ton/ha, the resultant floor price per ton for 2023 is:

NAD 8,000

Per kg 8.00
Per 50kg 400.00