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03 November 2023

Addressed to: Wheat Grain Producers and Millers in Namibia

Dear Producers and Millers

**SUBJECT: WHEAT GRAIN (B1) FLOOR PRICE (MILL DOOR): 01- 14 NOVEMBER 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 **5-Year Average Floor Price of N\$6,972.82 per ton** for the 2023/2024 marketing season is higher than the calculated **Fortnight Weighted Average Floor Price (Mill Door Floor Price)** for the previous two weeks (**18– 31 October 2023**) of **N\$6,861.39 per ton**, by 5%% or N\$ 350 per ton.
3. Therefore, the **5-Year Average Floor Price (Mill Door) of N\$ 6,972.82 per ton** (Inclusive of the Producer Levy) will be the **Floor Price** applicable for **B1 wheat grain** purchased/ paid during the period **01 to 14 November 2023**.
4. The **NAB Producer Levy of 1.4% (N\$97.62 per ton)** calculated based on the **5-Year Average Floor Price** stated in section 3 of this letter, must be deducted by the processors from the floor price, 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.

Should there be any further enquiries, please feel free to contact us, see the above for the contact details.

Kind Regards,

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

NAMIBIAN AGRONOMIC BOARD

2023 -11- 03

SIGNED

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

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

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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  
2023/2024 MARKETING SEASON**

ISSUE DATE: 3/11/2023

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

Based on SAFEX RAND spot price ( 1 Nov 2022-31 October 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%	5.95%	*	
SAFEX Spot Annual Average	N\$4,477	N\$5,087	N\$5,228	N\$6,879	N\$6,619	**	?
Infl adj factor	1.244	1.194	1.156	1.119	1.060		1.000
Infl. Adj SAFEX spot	N\$5,570	N\$6,074	N\$6,044	N\$7,700	N\$7,013		N\$6,480 ***
						Add Prieska-Windhoek, less inward	723.5 ****
						Landed WHK	N\$7,204

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

\* Half Official Inflation rate for the period the period 01 November 2022 to 31 October 2023

\*\* SAFEX Spot Price for the period 01 November 2022 to 31 October 2023

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

\*\*\*\* Transport from Ex Prieska -Windhoek( 1262.5), Minus the Inward differential of N\$539.00 (2023)

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

AVERAGE FREE ON BOARD (FOB) HARD RED WINTER (HRW) PRICES FOR 1 NOV TO 31 OCTOBER

**FOB HRW IMPORT PRICE**

	2018/19	2019/20	2020/21	2021/22	2022/23	5 Year Ave	Sources
FOB HRW (US\$)	204.00	209.00	261.00	355.00	281.66		JSE SAFEX
R / US\$ JSE SAFEX	14.28	16.88	15.52	17.65	18.01		JSE SAFEX
N\$ / ton	2,913.12	3,527.92	4,050.72	6,265.75	5,072.70		
Infl rate	4.20%	2.26%	3.28%	5.65%	5.95%		
Infl adj factor	1.23	1.18	1.16	1.12	1.06		
<b>Infl. Adj SAFEX spot</b>	<b>3,588.55</b>	<b>4,170.72</b>	<b>4,682.94</b>	<b>7,013.64</b>	<b>5,374.52</b>	<b>4,966.07</b>	

**FREIGHT COST**

Freight Charges (US\$)	43.29	47.43	49.89	71.25	37.86		MILLERS
R / US\$ JSE SAFEX	14.28	16.88	15.52	17.65	18.01		
Freight Charges (N\$)	618.18	800.62	774.29	1,257.56	681.86		
Infl adj factor	1.23	1.18	1.16	1.12	1.06		
<b>Infl adj factor Freight Charges</b>	<b>761.51</b>	<b>946.49</b>	<b>895.14</b>	<b>1,407.67</b>	<b>722.43</b>	<b>946.65</b>	

**ROAD AND HARBOUR COSTS**

Road and Harbour Costs	537.00	508.64	508.64	595.92	750.00		MILLERS
Infl adj factor	1.23	1.18	1.16	1.12	1.06		
<b>Infl adj Road and Harbour Costs</b>	<b>661.51</b>	<b>601.32</b>	<b>588.03</b>	<b>667.05</b>	<b>794.63</b>	<b>662.51</b>	

**SACU TARIFF**

SACU Tariff	664.7	832.1	0	0	0		ATF
Infl adj factor	1.232	1.182	1.156	1.119	1.060		
<b>Infl adj SACU Tariff</b>	<b>818.82</b>	<b>983.71</b>	<b>0.00</b>	<b>0.00</b>	<b>1.06</b>	<b>360.72</b>	

**LANDED COST (WHK) NS/TON**

<b>Inflation adj factor - Landed costs</b>	<b>5,830.38</b>	<b>6,702.24</b>	<b>6,166.11</b>	<b>9,088.36</b>	<b>6,806.38</b>	<b>6,918.70</b>	
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**WHEAT FLOOR PRICE CALCULATION BASED ON AGREED RATIO**

A combination of A & B in a ratio of 19:81 ( SAFEX :114,403 tons and Deep-Sea Imports: 496,253 tons) 2018 to 2022 five year average (Source: AMID system)

N\$ 7,204	x 0.19	N\$1,368.68	SAFEX		
N\$ 6,918.70	x 0.81	N\$ 5,604.14	DEEP SEA	Floor Price 2022/2023:	5,857.41
<b>MILL DOOR FLOOR PRICE (NS/ TON)</b>		<b>N\$6,972.82</b>		Variance:	1,115.41 19%

F-N'



Issued on:03/11/2023

**FINAL WHEAT GRAIN (B1 GRADE): FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE**  
**FORTNIGHT PERIOD: 01 TO 14 NOVEMBER 2023**

**SAFEX WEIGHTED AVERAGE CALCULATION**

DATE	SAFEX-TONNAGE SOLD	SAFEX- VALUE OF QUANTITY SOLD	SAFEX SPOT PRICE/TON
18-Oct-23	5	0.00	6,266.00
19-Oct-23	2	31,000.00	6,200.00
20-Oct-23	3	12,342.00	6,200.00
21-Oct-23	3	18,513.00	6,171.00
22-Oct-23	3	18,513.00	6,171.00
23-Oct-23	18	18,513.00	6,171.00
24-Oct-23	6	111,456.00	6,171.00
25-Oct-23	0	36,516.00	6,192.00
26-Oct-23	1	0.00	6,086.00
27-Oct-23	12	6,056.00	6,046.00
28-Oct-23	12	72,672.00	6,056.00
29-Oct-23	12	72,672.00	6,056.00
30-Oct-23	0	71,784.00	6,056.00
31-Oct-23	12	71,520.00	5,982.00
<b>SAFEX WEIGHTED AVERAGE</b>	<b>6</b>	<b>38,682.64</b>	<b>6,084.91</b>

Plus Official Transport cost (Prieska -Windhoek) Less inwards (Prieska -Windhoek (1262.5 - 539) based on two (2) quotations from the transporters	<b>N\$723.50</b>
<b>(A) FINAL SAFEX- FORTNIGHT WEIGHTED AVERAGE PRICE</b>	<b>N\$6,808.41</b>
<b>(B) AVERAGE FORECASTED IMPORT PRICE OF B1 WHEAT GRAIN FROM DEEP-SEA</b>	<b>N\$6,615.24</b>

A combination of A & B in a ratio of **04:96** for SAFEX and Deep-Sea Forecast Import volume, based on 2023-2024 forecast. Forecasted imports volume 01 Nov 2023 to Jan 2024 = SAFEX: 1000 tons, Deep-Sea imports 26000 tons, as obtained from the importers. The Deep-Sea price portion is based on the forecasted average import parity price of **N\$6,615.24** for B1 Wheat, landed in Windhoek (2023/2024 forecast), and this import parity price excludes the 5% import levy.

<b>SAFEX SPOT PRICE PORTION</b>	<b>N\$ 6,808.41</b>	<b>X 0.04</b>	<b>N\$272</b>
<b>DEEP-SEA PRICE PORTION</b>	<b>N\$ 6,615.24</b>	<b>X 0.96</b>	<b>N\$6,351</b>

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

**N\$6,623**

**Add- Portion of Import Levy 3.6% added**

**N\$238**

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

**N\$6,861.39**

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

**N\$6,972.82**

**DIFFERENCE (D-E) N\$/TON**

**(N\$350)**

**DIFFERENCE %**

**-5%**

**(F) FORTNIGHT WEIGHTED AVERAGE PRICE IN 2022 MARKETING SEASON**

**N\$8,078**

**DIFFERENCE (D-F)**

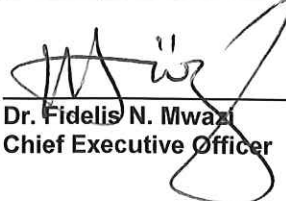
**-N\$1,217**

**DIFFERENCE %**

**-15%**

**IMPORTANT INFORMATION**

The FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE for the previous two weeks **18-31 October 2022**) is lower than the 5-YEAR AVERAGE FLOOR PRICE **by N\$350.00 per ton (- 5%)**. Therefore, the **5-YEAR AVERAGE FLOOR PRICE of N\$6,972.82 per Ton** is the applicable Mill Door Floor Price per Ton for B1 Wheat grain to be purchased during the period the fortnight period of 01 - 14 November 2023. Furthermore, the NAB Producer Levy of 1.4% must be calculated based on the **5-Year Average Floor Price of N\$6,972.82 per ton**, deducted by the miller from the floor price and paid over to NAB.

  
Dr. Fidelis N. Mwanza  
Chief Executive Officer

3/11/2023  
Date