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29 November 2023

Addressed to: Wheat Grain Producers and Millers in Namibia

Dear Producers and Millers

SUBJECT: WHEAT GRAIN (B1) FLOOR PRICE (MILL DOOR): 29 NOVEMBER -12 DECEMBER 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 (**15– 28 November 2023**) of **N\$6,851.85 per ton**, by 5% or N\$ 359 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 **29 November to 12 December 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,

SIGNED

PP 88 Book 05-11-2023

Dr. Fidelis Mwazi (PhD)

Chief Executive Officer

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

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AGRONOMIC BOARD

Issued on: 28/11/2023

FINAL WHEAT GRAIN (B1 GRADE): FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE

FORTNIGHT PERIOD: 29 NOVEMBER TO 12 DECEMBER 2023

SAFEX WEIGHTED AVERAGE CALCULATION

DATE	SAFEX-TONNAGE SOLD	SAFEX- VALUE OF QUANTITY SOLD	SAFEX SPOT PRICE/TON
15-Nov-23	21	124,089.00	5,927.00
16-Nov-23	12	70,200.00	5,854.00
17-Nov-23	4	23,540.00	5,877.00
18-Nov-23	4	23,540.00	5,877.00
19-Nov-23	4	23,540.00	5,877.00
20-Nov-23	0	0.00	5,840.00
21-Nov-23	18	105,696.00	5,840.00
22-Nov-23	45	265,500.00	5,881.00
23-Nov-23	15	88,170.00	5,942.00
24-Nov-23	2,671	15,668,086.00	5,925.00
25-Nov-23	2,671	15,668,086.00	5,925.00
26-Nov-23	2,671	15,668,086.00	5,925.00
27-Nov-23	3,134	18,221,076.00	5,814.00
28-Nov-23	2,671	15,668,086.00	5,866.00
SAFEX WEIGHTED AVERAGE	996	5,829,835.36	5,854.51

Plus Official Transport cost (Prieska -Windhoek) Less inwards (Prieska -Windhoek (1262.5 - 539) based on two (2) quotations from the transporters

N\$723.50

(A) FINAL SAFEX- FORTNIGHT WEIGHTED AVERAGE PRICE

N\$6,578.01

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

N\$6,615.24

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.

SAFEX SPOT PRICE PORTION	N\$	6,578.01	X 0.04	N\$263
DEEP-SEA PRICE PORTION	N\$	6,615.24	X 0.96	N\$6,351
(C) FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE (MILL DOOR PRICE) N\$/TON (Inclusive of the NAB producer levy of 1.4%)				N\$6,614
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\$6,851.85
(E) WHEAT GRAIN: 5 YEAR SAFEX AVERAGE FLOOR PRICE (N\$/TON)				N\$6,972.82
DIFFERENCE (D-E) N\$/TON				(N\$359)
DIFFERENCE %				-5%
(F) FORTNIGHT WEIGHTED AVERAGE PRICE IN 2022 MARKETING SEASON				N\$8,078
DIFFERENCE (D-F)				-N\$1,226
DIFFERENCE %				-15%

IMPORTANT INFORMATION

The FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE for the previous two weeks **15-28 November 2023** is lower than the 5-YEAR AVERAGE FLOOR PRICE by **N\$359.00 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 fortnight period of 29 November to 12 December 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.

PP BSBock

30/11/2023

Dr. Fidelis N. Mwazi
Chief Executive Officer

Date

NAMIBIAN AGRONOMIC BOARD
2023 -11-30

SIGNED