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07 November 2024

Addressed to: Wheat Grain Producers and Millers in Namibia

Dear Producers and Millers

SUBJECT: WHEAT GRAIN (B1) FLOOR PRICE (MILL DOOR): 01- 14 NOVEMBER 2024

1. Section 2 of the 2024/2025 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\$7,453.03 per ton** for the 2024/2025 marketing season is higher than the calculated **Fortnight Weighted Average Floor Price (Mill Door Floor Price)** for the previous two weeks (18– 31 October 2024) of **N\$6,127.41 per ton**, by 22% or N\$ 1,326 per ton.
3. Therefore, the **5-Year Average Floor Price (Mill Door)** of **N\$ 7,453.03 per ton** (excluding the Producer Levy of 1.4%) will be the **Floor Price** applicable for **B1 wheat grain** purchased/ paid during the period **01 to 14 November 2024**.
4. The **NAB Producer Levy of 1.4% (N\$104.34 per ton)** calculated based on the **5-Year Average Floor Price** stated in clause 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

2024 -11- 07

SIGNED

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

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NAMIBIAN
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Issued on:07/11/2024

FINAL WHEAT GRAIN (B1 GRADE): FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE
FORTNIGHT PERIOD: 01 TO 14 NOVEMBER 2024

SAFEX WEIGHTED AVERAGE CALCULATION

DATE	SAFEX-TONNAGE SOLD	SAFEX- VALUE OF QUANTITY SOLD	SAFEX SPOT PRICE/TON
18-Oct-24	2	12,040.00	6,020.00
19-Oct-24	2	12,040.00	6,020.00
20-Oct-24	2	12,040.00	6,020.00
21-Oct-24	0	0.00	6,020.00
22-Oct-24	0	0.00	5,972.00
23-Oct-24	14	83,552.00	5,968.00
24-Oct-24	13	77,571.00	5,967.00
25-Oct-24	0	0.00	5,942.00
26-Oct-24	0	0.00	5,942.00
27-Oct-24	0	0.00	5,942.00
28-Oct-24	0	0.00	5,929.00
29-Oct-24	14	81,270.00	5,805.00
30-Oct-24	0	0.00	5,799.00
31-Oct-24	96	555,360.00	5,785.00
SAFEX WEIGHTED AVERAGE	10.2	59,562.36	5,831.28

Plus Official Transport cost (Prieska -Windhoek) Less inwards (Prieska -Windhoek (N\$1,262 - N\$631) based on two (2) quotations from the transporters **N\$855.00**

(A) FINAL SAFEX- FORTNIGHT WEIGHTED AVERAGE PRICE	N\$6,686.28
(B) AVERAGE FORECASTED IMPORT PRICE OF B1 WHEAT GRAIN FROM DEEP-SEA	N\$5,914.49

Forecasted imports volume 01 Nov 2024 to Jan 2025 is SAFEX: 0 tons, Deep-Sea imports 38,000 tons, as obtained from the importers. The Deep-Sea price portion is based on the forecasted average import parity price of **N\$5,914.49** for B1 Wheat, landed in Windhoek (2024/2025 forecast), and this import parity price excludes the 5% import levy.

SAFEX SPOT PRICE PORTION	N\$ 6,686.28	X 0	N\$0
DEEP-SEA PRICE PORTION	N\$ 5,914.49	X 100	N\$5,914

(C) FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE (MILL DOOR PRICE) N\$/TON	N\$5,914
Add- Portion of Import Levy 3.6% added	N\$213

(D) FINAL- FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE (MILL DOOR PRICE) N\$/TON (Incl 3.6% import levy portion).	N\$6,127.41
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(E) WHEAT GRAIN: 5 YEAR SAFEX AVERAGE FLOOR PRICE (N\$/TON)	N\$7,453.03
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DIFFERENCE (D-E) N\$/TON	(N\$1,326)
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DIFFERENCE %	-22%
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(F) WHEAT 5 YEAR AVERAGE FLOOR PRICE (N\$/ Ton) - 2023	N\$6,972.82
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DIFFERENCE (D-F)	N\$480
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DIFFERENCE %	7%
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IMPORTANT INFORMATION

The FORTNIGHT WEIGHTED AVERAGE FLOOR PRICE for the previous two weeks **18 -31 October 2024**) is lower than the 5-YEAR AVERAGE FLOOR PRICE by **N\$1,326 per ton (- 22%)**. Therefore, the **5-YEAR AVERAGE FLOOR PRICE of N\$7,453.03 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 2024. Furthermore, the NAB Producer Levy of 1.4% must be calculated based on the **5-Year Average Floor Price of N\$7,453.03 per ton**, deducted by the miller from the floor price and paid over to NAB.


Dr. Fidelis N. Mwazi
Chief Executive Officer

07/11/2024
Date



**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

**PRELIMINARY WHEAT GRAIN (B1 GRADE): 5 -YEAR FLOOR PRICE PER TON
2024/2025 MARKETING SEASON**

ISSUE DATE: 7/11/2024

A. SAFEX: 5 -YEAR AVERAGE PRICE CALCULATION

Based on SAFEX RAND spot price (1 Nov 2023-31 October 2024)

Fin Year	2019/20	2020/21	2021/22	2022/23	2023/24		2024/2025
Infl rate	2.26%	3.28%	5.65%	5.95%	4.97%	*	
SAFEX Spot Annual Average	N\$5,087	N\$5,229	N\$6,880	N\$6,619	N\$6,087	**	?
Infl adj factor	1.269	1.241	1.175	1.112	1.050		1.000
Infl. Adj SAFEX spot	N\$6,458	N\$6,491	N\$8,084	N\$7,361	N\$6,389		N\$6,957
						Add Prieska-Windhoek, less inward	855
						Landed WHK	N\$7,812

A. 5 year average including SACU external tariff

* Official Inflation rate for the period the period 01 November 2023 to 31 October 2024

** SAFEX Spot Price for the period 01 November 2023 to 31 October 2024

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

**** Transport from Ex Prieska -Windhoek(1486), Minus the Inward differential of N\$631.00 (2024)

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

	2019/20	2020/21	2021/22	2022/23	2023/24	5 Year Ave	Sources
FOB HRW (US\$)	209.00	261.00	355.00	281.00	250.34		JSE SAFEX
R / US\$ JSE SAFEX	16.88	15.52	17.65	18.01	18.29		JSE SAFEX
N\$ / ton	3,527.92	4,050.72	6,265.75	5,060.81	4,578.72		
Infl rate	2.26%	3.28%	5.65%	5.95%	4.97%		
Infl adj factor	1.24	1.21	1.17	1.11	1.05		
Infl. Adj SAFEX spot	4,378.01	4,915.69	7,362.22	5,628.42	4,806.28	5,418.12	

FREIGHT COST

Freight Charges (US\$)	47.43	49.89	71.25	37.86	41.52		MILLERS
R / US\$ JSE SAFEX	16.88	15.52	17.65	18.01	18.29		
Freight Charges (N\$)	800.62	774.29	1,257.56	681.86	759.40		
Infl adj factor	1.24	1.21	1.17	1.11	1.05		
Infl adj factor Freight Charges	993.54	939.63	1,477.63	758.33	797.14	993.25	

ROAD AND HARBOUR COSTS

Road and Harbour Costs	508.64	508.64	595.92	750.00	588.14		MILLERS
Infl adj factor	1.24	1.21	1.17	1.11	1.05		
Infl adj Road and Harbour Costs	631.20	617.25	700.20	834.12	617.37	680.03	

SACU TARIFF

SACU Tariff	832.1	0	0	0	422	0	ATF
Infl adj factor	1.241	1.214	1.175	1.112	1.050		
Infl adj SACU Tariff	1,032.60	0.00	0.00	0.00	423.05	291.13	

LANDED COST (WHK) NS/TON

Inflation adj factor - Landed costs	7,035.35	6,472.57	9,540.05	7,220.87	6,575.82	7,368.93	
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WHEAT FLOOR PRICE CALCULATION BASED ON AGREED RATIO

A combination of A & B in a ratio of 19:81 (SAFEX :111,872 tons and Deep-Sea Imports: 486,458 tons) 2019 to 2023 five year average (Source: AMID system)

N\$ 7,812	x 0.19	N\$1,484.20	SAFEX		
N\$ 7,368.93	x 0.81	N\$ 5,968.83	DEEP SEA	Floor Price 2023/2024:	6,971.82
MILL DOOR FLOOR PRICE (NS/ TON)		N\$7,453.03		Variance:	481.21
					7%

[Handwritten Signature]
07/11/2024