

MARKET NOTICE

Johannesburg
Stock Exchange

Tel: +27 11 520 7000
www.jse.co.za

Number: 158A/2021

Relates to:

- Equity Market
- Equity Derivatives Market
- Commodity Derivatives Market
- Currency Derivatives Market
- Interest Rate Derivatives Market
- Bond Market
- Bond ETP Market

Date: 29 April 2021

SUBJECT: FINAL MAIZE LOCATION DIFFERENTIALS AND STORAGE RATES FOR 2021/22 MARKETING SEASON

Name and Surname: Raphael Karuaihe

Designation: Head - Commodities

1. Final Maize Location Differentials for 2021/22 marketing season.

Subsequent to market notice 142A/2021 of 16 April 2021, this notice serves to release the final location differentials for maize for the 2021/22 marketing season. We sincerely appreciate all the feedback received pertaining to the draft market notice. This was carefully considered in preparing these final set of differentials.

In essence, the updates involved smoothing out the RPK ranges for distances up to 75km's as the formula had resulted in huge variations in the percentage changes. In doing this we want to recognize the detailed contributions from participants involved in the physical market who motivated this alignment. Further to this the JSE identified a few distances to Randfontein that were captured incorrectly and then also an issue with the calculation of the 2 year average rail road split for Senwes sites. Finally, where there were silos situated close to each other and they both offered road AND rail the differentials were aligned as per previous years.

As mentioned before, we have adopted a formula-based approach to determine location differentials for maize as follows:

$$RPT = \frac{Distance * RLF * RPK}{Payload}$$

Where: Distance is the shortest distance in km to Randfontein,
 RLF is the return load factor,
 RPK is in Rand per km and
 Payload is in tons with 34 tons applied

The final list of location differentials for maize for 2021/22 marketing season is attached.

Please also note that we have received quite a number of new applications for maize this season. These are:

SITE NAME	OWNER
Memel Silo	VKB
Goedgedacht Bunker	VKB
Wilgerspruit Bunker	VKB
Chelmsford Bunker	AFG
Kortlaagte Bunker	AFG
Vaaldrift Bunker	AFG
Delmas Bunker	AFG
Eenboom Bunker	AFG
Klipfontein Bunker	AFG
Bloekomhoek Depot	BKB
Vyfsusters	SST
Sarbyn	SST
Kleinhoek	SST
Schoongesicht	SST
Theronia	SST
Mishap	SST
Helpmekaar	SST
De Milander	SST
Broodsnyers	SST

You will recall that some of these bunkers were provisionally approved during the last marketing season, pending the all-weather out loading requirement. We are satisfied that these sites can now be registered. The Silostrat bunkers are pending any objections during the notice period that ends on 17 May 2021.

Below are the final RPK rates and return load factors (RLF) used in our model for the 2021/22 season:

2021/22			
Distance	RPK	Distance	RLF
0-5 Km	419.18	<300 km	2
6-10 Km	225.43	301-325 km	1.9
11-15 Km	188.43	326-350 km	1.8
16-25 Km	106.49	351-375 km	1.7
26-50 Km	59.19	376-400 km	1.6
51-60 Km	45.15	401-425 km	1.5
61-75 Km	35.14	426-450 km	1.4
76-100 Km	30.05	451-475 km	1.4
101-125 Km	25.83	476-500 km	1.4
126-150 Km	22.84	501-525 km	1.4
151-175 Km	21.77	>525 km	1.4
176-200 Km	21.44		
201-225 Km	21.16		
226-250 Km	20.62		
251-275 Km	19.91		
276-300 Km	19.37		
301-325 Km	19.29		
326-350 Km	18.83		
351-375 Km	18.50		
376-400 Km	18.13		
>400 Km	17.90		

Thank you to all the participants that joined the recent webinar to discuss the methodology around determining the location differentials. We will continue to work with the various stakeholders to explore methods to further assist in determining these rates each season.

2. Standard Storage Rates

The standard storage rate for the marketing season 1 May 2021 – 30 April 2022 will increase based on the PPI rate as published at the end of February 2021, namely 3.5% and so the standard storage rate applied to outstanding storage in completion of a futures contract will be **86 cents per ton per day**.

Please ensure that when making delivery of JSE silo receipts issued in the previous marketing season, all storage is paid up to and including 30 April 2021.

3. Origin discount

The origin discounts have also been determined as per the agreed methodology, the discounts will be as follows for the next marketing season should foreign origin product be delivered in completion of a futures contract:

WMAZ @ 7% of the average price = minus R209/t

YMAZ @ 4% of the average price = minus R123/t

Should you have any questions regarding the above, please do not hesitate to contact the Commodities Team on 011 520 7039 or e-mail commodities@jse.co.za

This Market Notice is available on the website at <https://clientportal.jse.co.za/communication/jse-market-notice>