

## Market Notice

**Number:** A1734

**Date** 07 December 2012

Please feel free to distribute to any interested parties.

**Request for information to assist with the determination of location differentials (LD's) for the sunflower seed contract for the 2013/2014 marketing season**

The new marketing season for sunflower seed is approaching and we kindly request all interested participants to provide input in order to ensure the published location differentials most accurately reflect the cost of transport from the registered delivery point to Randfontein.

As per previous years, all interested parties are invited to provide indicative road rates that are currently applicable. Since improving the process in calculating the location differentials as per notice A1607, please provide indicative road rates in the following format considering rates as at Dec 2012:

<b>Rand per Kilometer (R/Km)</b>			
<b>Distance</b>	<b>Fixed Costs/Km</b>	<b>Variable Costs/Km</b>	<b>Total Costs/Km</b>
<b>0-50 Km</b>			
<b>51-75 Km</b>			
<b>76-100 Km</b>			
<b>101-125 Km</b>			
<b>126-150 Km</b>			
<b>151-175 Km</b>			
<b>176-200 Km</b>			
<b>201-225 Km</b>			
<b>226-250 Km</b>			
<b>251-275 Km</b>			
<b>276-300 Km</b>			
<b>301-325 Km</b>			
<b>326-350 Km</b>			
<b>351-375 Km</b>			
<b>376-400 Km</b>			
<b>&gt;401 Km</b>			

If you prefer a different format of providing the information, please feel free to do so. The JSE has already consulted various sunflower seed logistic companies to ascertain the payload that should be applied. The JSE will use 30 tons as an aggregate payload for sunflower seeds.



Once information is received as per table above, we will then proceed and use the formula below to determine rand per ton (RPT):

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

Where:

Distance is distance in km to the reference point,

RLF is the return load factor,

RPK is Rand per km, and

Payload is in tons.

Note that rail transport is not considered when calculating location differentials for sunflower seeds since we have not seen product move via this medium. It is also imperative market participants refer to the published distances of each registered delivery point to Randfontein to ensure these remain accurate as the distance travelled is critical in ensuring the accuracy of the calculation. The distances can be found in this file under the sheet "Distances and capacities"

[http://www.jse.co.za/Libraries/SAFEX\\_AP - Physical Delivery information - Silo Location Differentials/09\\_Silos\\_2012-2013.sflb.ashx](http://www.jse.co.za/Libraries/SAFEX_AP_-_Physical_Delivery_information_-_Silo_Location_Differentials/09_Silos_2012-2013.sflb.ashx)

In the absence of rail component in our calculation, the aggregate rand per ton (RPT) road component obtained above will be the actual Location Differential rates for sunflower seeds.

Our commitment stands that we always treat your submitted information with utmost confidentiality. Only aggregated information of all participants combined will be used as inputs in our model to determine the LD for sunflower seeds.

Please forward all your input to [commodities@jse.co.za](mailto:commodities@jse.co.za) or contact Raphael Karuaihe on 011 5207258. All contributions should reach the JSE no later than **Friday 14 December 2012** as the JSE aims to publish the first draft of the sunflower differentials using the new methodology during the following week of December.



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