



SAFEX
Agricultural Products

JSE AGRICULTURAL PRODUCTS MARKET NOTICE

Number **A720**

Date **17 October 2006**

Please feel free to distribute to all interested parties.

CALCULATION OF LOCATION DIFFERENTIALS – 2007/2008

Recent feedback from the market confirmed that the model of utilizing location differentials for the physical delivery process on the JSE would continue for the next season. The JSE therefore encourages all parties actively involved in the transport of grain to provide information that can assist with finalizing the location differentials for the new marketing season. A survey with silo operators will also be undertaken requesting the percentage split of product that has been out loaded via road or rail. All information received will ultimately be used to finalize the new differentials.

The exchange strives to ensure that the location differentials are an accurate reflection, or as close thereto, of the transport costs in the underlying market. This is understandably a difficult task at the best of times. To assist the exchange please could members consult with all relevant clients who could contribute accurate data regarding:

- **the different cost ratios between rail and road transport compared to the previous year and/or**
- **the cost of road transport compared to the same period last year and**
- **any specific delivery points where the location differential requires special attention.**

This request is applicable to maize, wheat and sunflower seed transport costs.

Members or clients contributing information can do so directly to the exchange. All information forwarded will be kept confidential and is required by no later than Thursday 30 November.

It is in the interests of maintaining an efficient market that parties provide accurate feedback. Any suggestions to further improve the process would be welcomed.

All information can be forwarded to Chris Sturgess, telephone 011 5207299 or email chriss@jse.co.za , any contributions received electronically will be confirmed via return email.



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