

Market Notice

Number: A1613A
Date: 20 April 2012

Final Maize Location Differential Rates and Standard Storage Rates for 2012/13

1. Location Differential Rates (LDR)

Subsequent to market notice A1607 of 5 April 2012, this notice serves to release the final version of the LDRs for the 2012/13 marketing season. Based on responses from the market, changes have been made to the distances of two silo locations, namely Tweeling and Slabberts. These changes have resulted in their respective LDRs being adjusted accordingly.

We further take note of some of the concerns raised by the respondents about the relatively higher increases in LDRs for certain silo locations when compared with last year's rates. Because we are using a new approach to determine the LDRs this year, such unusual discrepancies were to be expected. However if we are consistent in using the same methodology in the following years, we do not expect to see any major fluctuations going forward and future increases will be uniform across all locations.

Refer to attached excel spreadsheet for the updated list of the 2012/13 LDRs for all the 198 silo locations. The website will also be updated with the information.

2. Recap standard storage rate for maize

The standard storage rate for the marketing season 1 May 2012 – 30 April 2013 has been calculated based on the methodology as agreed by the Agricultural Advisory Committee. The January 2012 PPI for domestic output was up 8.9%. This rate, applied to the current storage rate, results in the maize standard storage rate increasing to **54 cents per ton per day** applied to all Safex silo receipts delivered in completion of a futures contract.

Please ensure that when making delivery of silo receipts issued in the previous marketing season, all storage is paid up to and including 30 April 2012. Market participants are also reminded of the changes made to the contract specifications in terms of outstanding storage and possible penalties as indicated in section 3.1.d (v): *3.1.d(v): All outstanding storage costs on a product deposited in a previous marketing season must be paid up to and including the last calendar day of the marketing season. If the outstanding storage is not paid up within one calendar month after the last calendar day of the marketing season, the silo owner reserves the right to apply a 10% penalty to the total outstanding storage amount.*



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