

Market Notice

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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 2014/2015 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. Please provide indicative road rates in the following format considering rates as at November 2013:

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

If you prefer a different format of providing the information, please feel free to do so. A payload of 30 tons, as agreed upon with the various logistics companies during the last marketing season, will be used 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 the attached file under the sheet "Distances and capacities"

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 or contact Raphael Karuaihe on 011 520 7258. All contributions should reach the JSE no later than **Friday 29 November 2013** as the JSE aims to publish the first draft of the sunflower differentials the first week of December.



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