

Market Notice

Number: A1933
Date 22 January 2014

Request for information to assist with the determination of location differentials (LD's) for maize futures contract for the 2014/2015 marketing season

Please feel free to distribute to any interested parties.

The new marketing season for maize is fast 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 early Feb 2014:

Rand per Kilometer (R/Km)			
Distance	Fixed Costs/Km	Variable Costs/Km	Total Costs/Km
0-25 Km			
26-50 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			



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If you prefer a different format of providing the information, please feel free to do so.

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

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

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.

Indicative **rail rates** to Randfontein will also be required for the final calculation and so these are also kindly requested to the email address below.

Regarding gathering information in terms of rail vs road out-loading ratio for the previous year, this will be requested directly from each registered storage operator and this information will also be used as input in the model to determine the LDs.

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 titled "Distances and Capacities"

[http://www.jse.co.za/Libraries/SAFEX_AP - Physical Delivery information -
_Silo_Location_Differentials/01_Silos_2014-2015.sflb.ashx](http://www.jse.co.za/Libraries/SAFEX_AP_-_Physical_Delivery_information_-_Silo_Location_Differentials/01_Silos_2014-2015.sflb.ashx)

The provided information is always treated as confidential. Only aggregated information of all participants combined will be used as inputs in our model to determine the LDs for maize. All contributions should reach the JSE no later than **Friday 07 February 2013** in order to be included in the calculation process.

Please forward all your input to commodities@jse.co.za or contact Raphael Karuaihe on 011 5207258.



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