



MARKET NOTICE

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SUBJECT: REQUEST FOR INFORMATION TO ASSIST WITH LOCATION DIFFERENTIALS (LD) FOR WHEAT

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Dear JSE Stakeholder,

The new marketing season for wheat commences 1 October 2014 and therefore it is once again time to determine the location differentials for both the Randfontein referenced WEAT and the Paarl referenced CAPE contracts.

As is now customary, we will produce formula-based location differentials using the same methodology as in the past two seasons. For us to accomplish this, we require the assistance of all industry stakeholders, including transporters, to submit information to the JSE that will assist us in determining total cost of grain haulage for wheat. The ultimate goal is to establish a more transparent formula for determining the annual LD's.

All interested parties are kindly requested to provide indicative road and/or rail rates that are currently applicable or will be as from 1 October 2014. Rates provided may be per individual storage location, per distance range, or could be indicated as a percentage change from the current rates.

For your convenience, we have tabulated all required distance ranges in the attached table for both the Randfontein and Paarl contracts. Kindly complete the table with the requisite information. Our aim is to have as accurate information as possible without putting undue burden on you. If you prefer to submit your information in a different format, please do so.

It would be appreciated if the completed table can reach our offices by **Monday 11 August 2014** with the objective of publishing indicative LD's during the week of 18 August. Once again, we appreciate your expertise, commitment and effort to assist us in this process.

We have included an indicative Western Cape location differential rate for the WEAT contract where Randfontein is the reference point as a special case and to ensure market participants have a preview to action any response now and not wait until we publish the rates for final comment. An early survey done last week showed that the majority transporters approached, currently offer a *rate of R560-R570 per ton*. We appreciate receiving your feedback in this regard to either support the indicative rates or offer evidence of other rates that should be considered.

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

Should you need further clarity on this, please feel free to contact either Raphael or myself anytime at 011 520 7231 or at commodities@jse.co.za.