



SAFEX
Agricultural Products

JSE AGRICULTURAL PRODUCTS MARKET NOTICE

Number **A722**

Date **19 October 2006**

Request to register a road only access delivery point for wheat

A request has been received from KLK Landbou Ltd (Reg no 1997/015589/06) to register Calvinia silo as a wheat delivery point on the exchange. The silo meets all the requirements as defined in Appendix D except it is not situated next to an operational rail siding.

The original requirement for an "operational rail siding" was included when the majority of grain was moved by rail in South Africa. Recent statistics from silo operators have shown a marked increase in the use of road transport to move grain since rail could not keep up with the demand. The requirement was always intended to give the buyer taking delivery off the exchange the alternative to use either rail or road transport as a means of moving the grain, however if access to rail transport is restrictive the original intention might need to be reconsidered.

The JSE therefore requests all members and clients actively involved in the delivery process, particularly taking delivery of grain, to comment on the proposal of an operational rail siding no longer required for Safex silo registration purposes. Please could the feedback also include any additional criteria buyers would like included to ensure standardised criteria when out loading grain from a Safex registered silo.

The calculation of differentials already considers the percentage product moved per silo owner by road vs rail. Should the registration of a road only access silo be considered, it is proposed that road only access silos be identified with the differential specific to road costs only. Should Calvinia silo be accepted the proposed wheat differential for the season Oct06-Sep07 would be – R300/ton, different to the current silos where rail and road access is possible.

Comments are therefore requested on:

- the principle of accepting road only access silos for wheat going forward
- any additional criteria required by long position holders for road only access silos
- any objections to KLK as a registered Safex silo owner
- any objections/comments to Calvinia silo as a registered delivery point including the proposed differential

All comments can be sent to Chris Sturgess on email chriss@jse.co.za or fax 011 520 7558; to be received no later than 10 November 2006.



JSE Limited Registration Number: 2005/022939/06
One Exchange Square, Gwen Lane, Sandown, South Africa.
Private Bag X991174, Sandton, 2146, South Africa. Telephone:
+27 11 520 7000, Facsimile: +27 11 520 8584, www.jse.co.za

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May 2006



A handwritten signature in black ink, appearing to be 'RB', with a horizontal line underneath.

Rod Gravelet-Blondin
Senior General Manager
Agricultural Products Division
Tel :+27 11 520-7258
Fax :+27 11 520-7551
RodGB@jse.co.za

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