

## Market Notice

**Number:** A1751A  
**Date:** 25 January 2013

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**Final sunflower seeds location differentials for the marketing season commencing 01 Feb 2013 to 31 January 2014, including again the standard storage rates.**

### 1. Location Differentials

Subsequent to market notice A1740 of 08 January 2013, this notice serves to release the final location differentials for sunflower seeds for the 2013/14 marketing season. As mentioned before, we have adopted a formula-based approach for the first time to determine the location differentials for sunflower seeds as follows:

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

Where:

Distance is distance in km's to the reference point,

RLF is the return load factor,

RPK is Rand per km based on the contributions received from the market, and

Payload is in tons and in this case is 30 tons

Based on responses from the market and additional input received from transporters, the following changes were made since the last provisional results of notice A1740:

- a. Distances for Kaallaagte and Northam were adjusted based on new information.
- b. The two silo locations at Viljoenskroon were aligned and set at the same distance to Randfontein in line with other silos in the same position.
- c. Information provided by additional transporters also meant that we adjusted the Rand per kilometer (RPK) sliding scale as follows:



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**Directors:** JH Burke, LV Parsons

| <b>KM</b>  | <b>RPK</b> |
|------------|------------|
| 0-15 km    | R 90.76    |
| 16-25 km   | R 61.80    |
| 26-50 km   | R 29.56    |
| 51-75 km   | R 20.50    |
| 76-100 km  | R 19.65    |
| 101-125 km | R 17.93    |
| 126-150 km | R 16.98    |
| 151-175 km | R 16.29    |
| 176-200 km | R 16.14    |
| 201-225 km | R 15.79    |
| 226-250 km | R 15.47    |
| 251-275 km | R 15.28    |
| 276-300 km | R 14.98    |
| 301-325 km | R 14.80    |
| 326-350 km | R 14.64    |
| 351-375 km | R 14.46    |
| >375 km    | R 14.46    |

d. The sliding scale for return load factors remained unchanged and is confirmed below.

| <b>Distance</b> | <b>Load Factor</b> |
|-----------------|--------------------|
| <325 km         | 2                  |
| 326-350 km      | 1.9                |
| 351-375 km      | 1.8                |
| 376-400 km      | 1.7                |
| >400 km         | 1.6                |

The above changes resulted in the overall average increase in location differentials from the previous season to be **up 17.6%** (from R193/t to R227/t) across all 175 silo locations. Since this is the first time we adopt the new methodology we did expect to see the variations across the various silos however going forward this should not be as prominent as we will be working off the new base.

## **2. Storage Rates recap**

The standard storage rate for the marketing season 1 February 2013 – 31 January 2014 will increase based on the PPI rate as published at the end of November 2012, namely 5.2% and so the standard storage rate applied to outstanding storage in completion of a futures contract will be **R1.15 per ton per day**.

Please ensure that when making delivery of Safex silo receipts issued in the previous marketing season, all storage is paid up to and including 31 January 2013.

The updated information will be made available on the webpage [www.jse.co.za/commodities](http://www.jse.co.za/commodities)

Should you have any queries regarding the published sunflower seed differentials please contact either myself or Raphael Karuaihe on e-mail [commodities@jse.co.za](mailto:commodities@jse.co.za)



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