

**MARKET NOTICE**

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**Number:** 152A/2017

Relates to:  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives

Date: 20 April 2017

**SUBJECT: FINAL MAIZE LOCATION DIFFERENTIALS AND STORAGE RATES FOR 2017/18 MARKETING SEASON**

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**1. Final Maize Location Differentials for 2017/18 marketing season.**

Subsequent to market notice 144A/2016 of 11 April 2017, this notice serves to release the final location differentials for maize for the 2017/18 marketing season. As mentioned before, we have adopted a formula-based approach to determine location differentials for maize as follows:

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

Where: Distance is the distance in km to Randfontein,  
RLF is the return load factor,  
RPK is in Rand per km and  
Payload is in tons with 34 tons applied

We have made some adjustments to OVK silo locations after having updated the rail-road splits. No further updates were made to the proposed location differentials published earlier. The final list of location differentials for maize for 2017/18 marketing season is attached.

Below are the final RPK rates and return load factors (RLF) used in our model for the 2017/18 season:

2016		Distance	RLF
Distance	RPK		
0-15 Km	104.32	<300 km	2
16-25 Km	73.33	301-325 km	1.9
26-50 Km	36.20	326-350 km	1.8
51-75 Km	26.34	351-375 km	1.7
76-100 Km	22.21	376-400 km	1.6
101-125 Km	19.78	401-425 km	1.5
126-150 Km	18.17	426-450 km	1.4
151-175 Km	17.94	451-475 km	1.4
176-200 Km	17.78	476-500 km	1.4
201-225 Km	17.52	501-525 km	1.4
226-250 Km	17.37	>525 km	1.4
251-275 Km	17.16		
276-300 Km	16.91		
301-325 Km	16.59		
326-350 Km	16.35		
351-375 Km	15.86		
376-400 Km	15.64		
>400 Km	15.15		

We continue to encourage market participants to contribute road rates when requested in order to assist in determining accurate rates at the time of publishing. It is also important to note that the JSE does not take into account any forward looking scenarios in these calculations and therefore only considers transport rates as currently quoted. That said rail rates for the new season commencing 1 May 2017 were included.

## 2. Standard Storage Rates

The standard storage rate for the marketing season 1 May 2017 – 30 April 2018 will increase based on the PPI rate as published at the end of February 2017, namely 5.9% and so the standard storage rate applied to outstanding storage in completion of a futures contract will be **72 cents per ton per day**.

Please ensure that when making delivery of JSE silo receipts issued in the previous marketing season, all storage is paid up to and including 30 April 2017.

Should you have any questions regarding the above, please do not hesitate to contact the Commodities Team at 011 520 7039 or email [commodities@jse.co.za](mailto:commodities@jse.co.za).

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