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OCTOBER 2023

TO ALL GRAIN CLIENTS

INTAKE OF GRAIN: 2023/24 SEASON

Dear Client

In order to enable Agrimark Grain to successfully take in the grain crop, please read the accompanying letter with care. We would like to keep you updated on the latest arrangements to complete harvest intake together as effortlessly as possible.

Good luck with the upcoming harvest!

Kind regards

PL Coetzee

LOUIS COETZEE

OPERATIONS MANAGER: GRAIN & SEEDS

AGRIMARK GRAIN HARVEST INTAKE PROCESSES

Agrimark Grain is a division of Kaap Agri. For the 2023/24 harvest intake, we wish to communicate the following aspects to you:

1. SILO RATES (WHEAT)

1.1. Season 2023/24

The **handling cost** is **R62/ton** and will only be billed at the end of **December 2023**.

Storage cost is **R1,28/ton/day** and will be invoiced from 19 November 2023 and cease with the transfer of the grain to contracts or the withdrawal of the grain or until 15 May 2024, whichever occurs first. Therefore, you should complete transfers from private storage to contracts, which concern contracted grain, by November 19th in order to avoid daily storage costs. Billing of storage costs will take place on a monthly basis. With the issuance of Safex certificates, the Safex storage tariff is charged from the date of issue to the date of shipment. All listed tariffs exclude VAT.

1.2. Previous Season 2022/23

The 2023/24 daily tariff of R1,28/ton/day will be applicable on all previous seasons' stock as from the 1st of October 2023.

All mentioned tariffs exclude VAT.

2. WHEAT INTAKE

2.1. Grading and intake of wheat

Determination of the hectoliter mass is done on a **screened sample**. Grading will take place as described in the Agricultural Product Standards Act, 1990 (Act No.119 of 1990) as amended and amended up to the date of the latest publications in the Government Gazette.

Grading parameters for bread wheat and non-bread wheat (KA-Class Other) as of October 1, 2022:

HECTOLITER- MASS (kg/hl)	PROTEIN CONTENT				
	>or =12,5	12,4 - 11,5	11,4 - 10,5	10,4 - 9,5	9,4 - 8,5
>of=76,0	SG	B1	B2	B3	KA
74,0 - 75,9	B3	B3	B3	B3	KA
72,0 - 73,9	KA	KA	KA	KA	KA

Please note: Unregistered chemical substances and residues on/in grain may have major financial implications if they are mixed with other grains in a silo bin. If you suspect that chemical substances/residue may occur on/in your grain, please inform your Depot Manager of this before the grain is delivered to the silos. Agrimark Grain reserves the right to test samples of cargo delivered for this purpose.

2.2. Delivery instruction

Clients can have multiple wheat contracts with different buyers. Therefore, it is essential that you give a delivery instruction to your grain depot with each load. Delivery assignment booklets are available at all grain depots. Every consignment of wheat must be accompanied by a delivery instruction.

If the required tonnage has been delivered on a contract, all further loads and/or portions of loads will be assigned to the next contract with the oldest date. If the delivery requirements of all contracts have been met, further deliveries will automatically be received as private storage.

2.3. Wheat storage agreement and wheat purchase contract

All clients delivering grain to the silos must sign a **Grain Storage Agreement** in advance. Clients who will sell grain to Agrimark Grain must sign a **Wheat Purchase Contract**. Contact **Debbie Ebersohn** or **Awie Kriel** or your **nearest silo** in this regard (see contact details attached).

2.4. Transfers/Silo certificates

Grain on **private storage** can be transferred to a contract or silo certificates on instruction from the client. Forms to authorise the transfers can be completed at your nearest silo or the Agrimark Grain corporate office in Malmesbury. The cost of electronic silo certificates is R4,00 per ton.

2.5. Delivery times

Official delivery times are from Monday to Saturday, 07:00 to 19:00, but these times are adaptable depending on the specific needs of clients. Delivery times will be communicated per depot to grain clients from time to time via SMS or WhatsApp.

2.6. Delivery of other wheat classes (KA-Class Other and Feed Grade)

It is possible that loads in the coming season will have to be downgraded to the above grades due to various factors. Clients need to make sure that their drivers know what to do if a load of wheat is downgraded. If the driver is not instructed to deliver the load, it will be returned to the client.

2.7. Intake of other grains

Agrimark Grain buys other grain products on an ad hoc basis according to the client's needs on an advance payment or fixed price basis. Contact **Cobus du Plessis** in this regard (see contact details attached). **Bulk storage** for these products, such as oats, barley, lupines and triticale will again be done **this year at some** of Agrimark Grain's **depots/silos**. Clients should familiarise themselves with the details of the depots where these products will be handled. Please contact **Debbie Ebersohn** (see contact details attached) **before** oats, triticale, sweet lupines, feed barley or rye will be delivered, otherwise the grain cannot be received on the system.

2.8. Unloading of trucks

Please ensure that the bulk bins of your vehicles are able to open and close easily so that they do not cause delays during the unloading process. We request that vehicles/bulk bins should be self-unloading (free flowing grain) to speed up the unloading process. From a food safety point of view, we would like to request that you **repair any oil leaks to delivery vehicles in advance** to prevent contamination of grain during the unloading process.

2.9. Mass-adjustments

The mass adjustment on wheat is as follows for the grades SG, B1, B2, B3 and KA-Class Other:

% Screenings, normal moisture losses and impurities	Mass adjustments
0,0 to 2,0	0,5%
2,1 and above	Adjustment to 1,5%

Wheat deliveries with a screening content of more than 7,5% are subject to an additional cleaning cost (see table below):

Screening content	Costs
7,6% to 10%	Mass adjustments + R55/t cleaning cost
10,1% to 12,5%	Mass adjustments + R100/t cleaning cost
12,6% to 15%	Mass adjustments + R125/t cleaning cost

Most silos have cleaners that are used to remove screenings during the unloading process. For this reason, clients are allowed to supply wheat with a screening content of more than 3%.

2.10. Wheat moisture

The Agrimark Grain silo at Darling, where a grain dryer is installed, can receive wheat with a moisture content of between 13,1% to 16%.

The Agrimark Grain silos at Porterville, Riebeek West, Ruststasie, Malmesbury and Klipheuwel are equipped with aeration infrastructure and can receive wheat with a moisture content of up to 15% (subject to capacity availability).

Clients must familiarise themselves with the cost of drying/aerating at the respective silos before wheat with a moisture content above 13% is delivered.

2.11. Silo tariffs 2023/24

Attached find the silo tariffs for the 2023/24 season.

3. SCREENING PAYMENT

Payment of a portion of the screening sales will continue as usual.

4. ROAD TRAFFIC ACT

The amendments to the legislation relating to the Sender and Receiver of goods transported on public roads are effective from 31 January 2015 and apply to a person or institution that receives or transmits more than 500mt of goods per month transported on a public road.

This includes the following:

Goods may not be loaded or received if the vehicle on which they are loaded is not loaded according to the provisions of the Act.

The transport contractor must provide the Receiver/Dispatcher of the cargo with written proof of the lawful loading mass (total load and axle combinations) of the vehicle in question.

The Dispatcher must be able to provide proof that he has taken the necessary steps to load the vehicle within the provisions of the Act.

The Dispatcher or Receiver must take all reasonable steps to prevent the overloading of a vehicle and in the case of a prosecution, the Dispatcher or Receiver must be able to provide proof of steps taken to prevent a vehicle from being overloaded.

5. INFORMATION VIA THE NEW AGRIMARK ONLINE PORTAL

Kaap Agri recently enhanced its online grain portal. With comprehensive functionality, the portal enables you to **optimise and simplify your grain accounts management**. Grain and financial information are now both available on one platform.

The new Agrimark Account & Grain Portal is available at: <https://www.kalgroup.co.za/sign-on>

5.1. Registration

Registration forms can be requested by sending an email to financialservices@kaapagri.co.za or grainportal@kaapagri.co.za. Please contact Bertie Pretorius (022-482 8165) or Debbie Ebersohn (022-482 8127) if you need assistance.

5.2. Information available on the portal

5.2.1. Grain

- Summary of client deliveries
- Delivery information
- Grain stock reports
- Signed contracts and deliveries per contract
- Yield/ha
- Settlement statements

5.2.2. Account

- Account limits
- Monthly statements
- Purchase information
- Invoices including silo cost information

5.2.3. Grain requests

- Issue of outload instructions

- Cancellation of outload instruction
- Stock transfer
- Issue of Silo/ESC Certificates

6. PAYMENT OF GRAIN CONTRACTED WITH AGRIMARK GRAIN

6.1. Payment arrangements

All payments are made electronically and available funds are paid on a weekly basis. Payments are actioned from our Malmesbury office and clients who wish to make special arrangements can contact Bertie Pretorius (see contact details attached).

Payments will only be made after delivery obligations in respect of a particular contract have been finalised.

6.2. Automatic settlement against Kaap Agri accounts

Money due to clients because of grain deliveries on Agrimark Grain contracts, will automatically be applied against their Agrimark Grain account. If you require alternative arrangements, please indicate this to your local Financial Services department. Please note that arrangements made in respect of previous seasons must again be reviewed on an annual basis.

7. LEVIES

7.1. Voluntary levies

- **GSA**

Agrimark Grain assists Grain SA in collecting levies. Forms to authorise the collection of the operating levy are available at our Malmesbury office (Bertie Pretorius) or your nearest depot/silo. Clients who have already given written permission for the collection of the operating levy during previous years, do not need to give approval again.

- **South African Winter Cereal Industry Trust (SAWCIT) Levy**

An alternative trust was established by the Winter Cereal Trust (WCT) after the National Agricultural Marketing Board declined to recommend the industry's application for continuation of the statutory levy. Key operational functions are financed with these funds. The Trust is known as the South African Winter Cereal Industry Trust (SAWCIT).

The fees are charged when the grain is traded for the first time. Clients will have an opportunity before the start of harvesting to indicate in writing whether or not they want to pay the following levies.

Levies for the 2023/24 season are as follows:

Wheat	R14,50 per metric ton (<i>excluding VAT</i>)
Barley	R14,50 per metric ton (<i>excluding VAT</i>)
Oats	R6,00 per metric ton (<i>excluding VAT</i>)

Please take note that the voluntary SAWCIT levy replaces the statutory WCT levy.

7.2. Statutory levy

- **Breeder and technology levy**

Industry role-players have requested the Minister of Agriculture, Forestry and Fisheries through the Wheat Forum to introduce an additional statutory levy on wheat, barley, oats and lupines. The aim is to compensate breeders of wheat, barley, oats and lupine cultivars for their contribution to the procurement and utilisation of improved international agriculture-related intellectual property for the benefit of these industries in South Africa. The levies will apply to wheat, barley, oats and lupines produced in the Republic of South Africa. The levy amounts to R33,00 (excluding VAT) per ton for wheat, barley, and oats and R35,00 (excluding VAT) per ton for lupines and is levied at the first point of trading of the grains.

8. GRAIN TRADING

Agrimark Grain is committed to being your primary partner in agriculture, offering unwavering support throughout the grain trading process. Therefore, we are actively involved in the marketing of clients' wheat and other grain products to ensure that our clients receive market-related prices.

8.1. Agrimark Grain's marketing alternatives to wheat

- **Fixed price contracts**

Agrimark Grain continuously offers wheat prices to clients before and during harvest time. These prices are available weekdays between 09:00 and 12:00.

- **Minimum price contracts**

This contract guarantees a minimum price for wheat delivered during harvest time, but still provides opportunities in a price increasing market. A contract where clients still share in 50% of an increasing market of which the minimum price is higher (than the minimum price contract), is also available.

- **Deferred price contracts**

This option offers the client the opportunity to price wheat after December, but the client will not be liable for any further silo costs from the date of the transaction.

- **Basis contracts**

A basis contract allows a client to lock in the basis level before establishing the final futures or cash price.

- **Mandate / Target prices**

Clients entrust a specific tonnage to Agrimark Grain to sell at a predetermined price should the opportunity arise.

As the marketing environment is constantly changing, alternative trading options are available. Feel free to contact us with your marketing needs.

Agrimark Grain provides prices to clients on a daily basis by means of a WhatsApp message. Should you not receive it, please contact us in this regard. An app (BVG Mobile) that provides live JSE commodity prices is available on Google Play Store and the Apple App Store.

8.2. Other grain

Oats, triticale, feed barley and sweet lupines will be purchased again this year. Prices will be made available via SMS or WhatsApp as soon as possible.

9. SEED OPPORTUNITIES

9.1. Seed orders

It is important that clients place **seed orders** (seed order list attached) before 31 December 2023 at our office in Malmesbury or at the seed outlets in Porterville, Malmesbury, Darling, Ceres or Graafwater. This arrangement eases the planning regarding the supply of seed. Please direct all enquiries to **Johan Truter** (see contact details attached). Clients are kindly requested to carefully assess their seed needs and to not order too much seed or incorrect cultivars, as a 10% handling fee will be charged on all returned seed (see 9.5).

9.2. Seed collection

Clients are requested to collect their seed as early as possible. Seed debits will **first appear on your May statement and interest on the seed will therefore only be charged from June 2024. Seed of certain cultivars will already be available before the end of February 2024.**

9.3. Available seed

The available seed is indicated on the attached appendix (see seed cultivar availability list attached). In the case where the required varieties are not indicated on the list, please contact your nearest seed outlet well in advance.

9.4. Quality

Any complaints regarding quality issues should be reported immediately after receipt and not after seed has already been sown.

9.5. Unused seed

Limited quantities of surplus seed might be taken back at the seed price **less the handling fee of 10%** until **30 June 2024**. However, we would like to request clients to bring back unused seed as soon as possible, as other clients may require it. Agrimark Grain does not take back any **feed grain**.

9.6. Seed outlets

Seed will be available at the seed outlets in Malmesbury, Darling and Porterville. Seed orders will also be delivered to Ceres and Graafwater.

9.7. Cleaning and treating of farm saved seed

Agrimark Grain also cleans and treats farm saved seed on behalf of producers and orders can be placed at Porterville, Malmesbury and Darling seed outlets or **Johan Truter** preferably before 31 December 2023.

The service involves the following:

- Cleaning of seed
- Insect treatment
- Fungus treatment
- Packaging of the seed

Crops processed at seed outlets:

- Peas
- Barley
- Oats
- Wheat
- Triticale
- Lupines

You are also welcome to contact Johan Truter regarding transport/delivery of seed.

9.8. Seed source

It is important that you carefully consider the seed source and the age (generation) of the seed to be sown/planted.

Agrimark Grain's certified seed is propagated annually by selected seed growers (compliant with SANSOR regulations). The seed source of these propagations is early generation material (base seed) **that is purchased every year** (albeit an older cultivar such as SST015) from seed companies such as Syngenta. Agrimark Grain certified seed is therefore young generation, cultivar-pure seed. Cultivar traits such as disease resistance therefore figure strongly in this seed. The older the generation (obtained by planting the same seed repeatedly year after year), the less can be relied on cultivar purity and traits such as disease resistance. Yield losses due to the sowing/planting of low-quality seed cannot be corrected during the production process. Therefore, it is advisable to use certified seed for at least part of the crop.

AGRIMARK GRAIN: CONTACT DETAILS				
Details	Contact Person	Telephone	Cellphone	Email
Division Managers				
Operations Manager: Grain & Seed	Louis Coetzee	022 482 8045	071 680 0515	louis.coetzee@kaapagri.co.za
Regional Manager Operations: Commodities	Awie Kriel	022 931 8337	083 286 2506	akriel@kaapagri.co.za
Snr Manager - Grain Trading	Cobus du Plessis	022 482 8035	082 775 4646	cobus.duplessis@kaapagri.co.za
Manager: Business Reporting & Analysis	Alew yn Kitshoff	022 482 8030	079 392 5212	alew.yn.kitshoff@kaapagri.co.za
Grain Depots				
Ceres	Andrew Du Toit	065 820 0282	065 670 5277	andrew.dutoit@kaapagri.co.za
Darling	Louis Erasmus	022 492 2774	082 954 2050	lerasmus@kaapagri.co.za
Eendekuil	Brandon (Klippias) Smit	022 942 1072	076 108 1781	brandon.smit@kaapagri.co.za
Gouda	Andre du Preez	023 232 0132	079 253 3900	andre.dupreez@kaapagri.co.za
Graafwater	Tian Botha	027 422 1002	082 610 4466	tian.botha@kaapagri.co.za
Halfmanskloof	Wimpie Walters	022 931 2796	084 610 9506	wimpie.walters@kaapagri.co.za
Klipheuwel	Charl Marais	021 971 1811	079 536 6375	charl.marais@kaapagri.co.za
	Annette Randall	021 971 1811	083 301 1138	annette.randall@kaapagri.co.za
Landplaas	Marietjie Smit	027 2171367	073 290 8467	marietjie.smit@kaapagri.co.za
Malmesbury	Bouwer Rall	022 482 8149	082 877 4808	bouwer.rall@kaapagri.co.za
	Carina du Plessis	022 482 8148		carina.duplessis@kaapagri.co.za
Doornkuil Bunker	Bouwer Rall	081 474 7229	082 877 4808	bouwer.rall@kaapagri.co.za
Piketberg	JJ Rademan	022 913 1009	084 9960 5172	jj.rademan@kaapagri.co.za
Pools	Leon (Gammat) Davids	022 913 2093	066 267 7689	leon.davids@kaapagri.co.za
Porterville	Charles Williams	022 931 8308	082 571 5005	charles.williams@kaapagri.co.za
Riebeeck Wes	Dewald Zeelie	022 461 2338	083 710 9947	dewald.zeelie@kaapagri.co.za
Ruststasie	Kobus Duminy	022 482 8199	084 549 2425	kobus.duminy@kaapagri.co.za
Vredenburg	Aubrey Marthinus (Risikobestuur)	022 713 1912	082 716 2388	aubrey.marthinus@kaapagri.co.za
Maintenance				
Malmesbury	Wilhelm van Wyk	022-486 4063	083 210 0615	wilhelm.vanwyk@kaapagri.co.za
Malmesbury	Gerbie van Wyk	022-486 4063	060 950 9217	gerbie.vanwyk@kaapagri.co.za
Administration				
Malmesbury	Bertie Pretorius	022 482 8165	082 323 7926	bertie.pretorius@kaapagri.co.za
Malmesbury	Debbie Ebersohn	022 482 8127	072 549 2483	debbie.ebersohn@kaapagri.co.za
Malmesbury	Elzahn Ontong	022 482 8033	071 862 1522	elzahn.ontong@kaapagri.co.za
Grain Trading				
Malmesbury	Angeline van Zyl	022 482 8032	083 446 6858	angeline.vanzyl@kaapagri.co.za
Malmesbury	Jacobus Brand	022 482 8031	076 732 9706	jacobus.brand@kaapagri.co.za
Porterville	Maretha Kotze	022 931 8347	079 509 3449	maretha.kotze@kaapagri.co.za
Vredenburg	Johan Jacobs (Potato Seed)	022 719 1478	082 314 4114	johan.jacobs@kaapagri.co.za
Seed				
Malmesbury	Johan Truter	022 482 8046	083 303 5328	johan.truter@kaapagri.co.za