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REDSUN RAISIN REPORT #10 – 2020
SOUTH AFRICAN RAISIN CROP AUGUST 2020

Highlights of this report

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How is the sale and production of the SA 2020 raisin crop progressing?

The raisin crop produced in the Northern Hemisphere is about to enter the market. It is now 6 months to go before the 2021 South African raisin crop will become available. In South African terms, we talk about **end January** as being the year end for the SA raisin crop. Here is some information of the progress being made on selling the SA crop of 2020.

The 2020 South African raisin crop was	85,080 mt
The “rumoured” 2019 carryover stock (Mainly Thompson medium)	20,000 mt
Total crop to be processed and sold in 2020	105,080 mt
As at 31 July 2020, (half year) the following has been shipped	38,262 mt
Balance to be processed and shipped	66,818 mt

It is difficult to compare with other processors, however, we can compare with Redsun,

The Redsun 2020 crop intake	14,510 mt
The actual Redsun 2019 carryover stock	1,011 mt
Total crop to be processed and sold in 2020	15,521 mt
as at 31 st July 2020 (half year) the following has been shipped	7,780 mt
Balance to be processed and shipped	7,741 mt

The SA Domestic market for raisins

One of the questions finally answered for us is “how much of the SA raisin crop is sold on the domestic market?”

As at 31 July 2020, 4,440 mt has been delivered to the domestic market, or 11,6% of the total sales to date. During the same period, Redsun has sold 575 mt on the domestic market or 7,4% of our deliveries to date.

Redsun is happy with the progress so far, and we do not see any difficulty in completing the processing of the 2020 crop in time to receive the new crop in February and March 2021. It will mean that the processing will be continuing through January and February 2021.

Production capacity of the Redsun factory

The capacity of the Redsun factory is 15,000mt per year. We are happy to share with our valued customers that Redsun will be upgrading the production capacity of our factory to 20,000mt in three stages over the next three years.

The increased capacity is in line with the projected increase of the South African raisin crop. Projections indicate a crop of 100,000 mt by 2025. By that time, Redsun will have a processing capacity of 20,000mt. At present, the SA crop is made up of the following varieties;

Variety	SA Crop 2020 (mt)	% of SA Crop	Redsun 2020 crop (mt)	% of Redsun crop
Thompson medium	32,755	38%	6,756	47%
Golden medium	25,855	30%	3,268	23%
Currants	4,523	5%	1,318	9%
Flame	6,928	8%	548	4%
others	15,019	18%	2,620	18%
Total	85,080	100%	14,510	100%

The "Other" category is made up of OR Sultanas, WP sultanas and all the jumbo and bold sizes of the various varieties.

Thompsons position

Thompsons mediums were the major part of the 20,000mt carryover stock from 2019 in South Africa. Together with the carry over from 2019, there were a total 52,700 mt of Thompson mediums to be sold. Prices were competitive. That has the effect of moving good volumes. Redsun has sold out of Thompson mediums from the 2020 crop. We understand that the same situation exists at other SA raisin processors. There will not be any Thompson medium carryover stock into 2021.

There remains some Thompson jumbos and bolds in stock at Redsun.

Goldens position

The goldens tell an interesting story for 2020. Flowing from the 2019 crop, there was a shortage of goldens in the market. Due to the high Thompson medium price at the time of the 2019 crop, farmers decided to use their grapes to make Thompson mediums in preference to goldens. Only 14,507 mt of goldens were made in SA from the 2019 crop. The 2020 crop saw the position coming back to normal with 25,855 mt golden mediums being made. Back to about 30% of the crop.



Golden Medium choice 2020 crop

A few things have changed in the golden market. Usually South Africa exports about 8,000mt to North Africa for Ramadan from January to March each year. Ramadan has moved forward, to the point where it is difficult to see SA goldens being accommodated at the Ramadan festival. To date, South Africa has exported a total of 4,500mt of goldens to North Africa in 2020. In total, SA has sold 10,800 mt of goldens as at 31 July 2020. The balance may be sold and will be exported through the balance of the year.

Redsun does have stock of golden medium choice available, and we are confident it will be sold before the year end. We have noticed some instability in the golden medium prices in the market.

In 2021 the Ramadan festival will commence on 12th April. Therefore, we do not foresee that the situation will be different for 2021. Redsun is already giving notice to farmers to expect a lower price for their 2021 crop goldens than in previous years. The effect will be reduced volumes of golden mediums produced in favour of Thompson mediums.

Golden jumbos remain in strong demand. We do not see a change of pricing for this product.

Currants position

South African currant production has returned to the volumes of previous years. The berry size of 900-1300 berries per 100gr remains a unique feature of the SA Zante currant. Sales of currants have been adversely affected by the closure of restaurants, coffee shops and hotels by the Covid 19 Pandemic. Currants are typically a food service item, used in professional baking and catering.

We can see the sales of currants starting to move again. As the economies of the world start reopening. Redsun has stock of currants at this time of the year. That is unusual.



SA Currants with very small berries

We do expect the crop of 2021 currants to be as good as the 2020 crop. The famous Namaqualand daisies that are a feature within the West Coastal region where currants are produced, are making one of their finest displays for many years now, caused by the good rains in the region. This will have a positive effect on the currants.



Namaqualand daisies at the currant producing region, wild and happening now Aug20

Shipping from Cape Town is almost back to normal

The shipping schedule out of Cape Town to Europe and USA is back to normal after the disruptions caused by Covid19 infestations at the port. The shipping to South America and the Far East is more complicated. It seems the cargo volume has dropped and therefore the

shipping companies are managing their sailing frequency according to cargo volumes. That is causing for irregular departure dates.

In order to try and achieve the soonest departure date, we are investigating the different shipping lines. WE do apologise for the inconvenience caused to our customers.

It has been a cold winter in SA

The SA Winter was very cold in 2020. That means that the cold units were over 1300 for the year, however, more importantly, the cold started in May, and continued uninterrupted through to August. These are perfect weather conditions for the following crop.

That is good news for the grape production. Vines were placed in a deep rest. Insect population was dramatically reduced. Spring is around the corner.



View from Table Mountain Cape Town with a "dassie" 29 Aug 2020.

Peter Kuilman
31 August 2020