



Keimoes-Upington N14, 2km, Keimoes, Northern Cape, South Africa
PO Box 767, Keimoes, 8860, South Africa
Tel: +27 (0)54 337 8660
Email: info@redsuns.co.za © www.redsuns.co.za



REDSUN RAISIN REPORT #4 – 2019 SOUTH AFRICAN RAISIN CROP MARCH – APRIL 2019

HIGHLIGHTS FROM THIS REPORT

The end of the crop is in sight
2019 Season had good climatic conditions for raisins
Crop Size and Quality
Shortage of Goldens
Chemical Free Thompsons
Currant Shortage

The end of the crop is in sight

The 2019 South African raisin crop is drawing to a close. This year, the crop seems to have a “longer tail” than former years. Usually the crop is done and delivered within the first 10 days of April. However, the 2019 crop seems to be taking longer to finish up. The expectation is that deliveries to processors will continue to the end of April. The volumes of deliveries will be small, and therefore disruptive to the processors who cannot close the intake section of their business, because processors are always hoping there may be more deliveries arriving.

Some farmers have only now finished harvesting grapes, which must now be dried. It is strange to see green grapes on the drying facility at this time of the season. It is concerning that the temperatures are cooling to 36°C during the day, and the days themselves are getting shorter and the nights cooler. These grapes will take longer to dry. Redsuns has advised some of the farmers to make WP sultanas in order to assist with the faster drying of the grapes under these circumstances. Farmers are hesitant to do this due to the substantial price difference they receive for the Thompson mediums (USD2850/mt) compared to the WP sultana mediums (USD2450/mt).

2019 Season had good climatic conditions for raisins

The climatic conditions for making raisins has remained favourable throughout the 2019 season. Very little rain, and in those regions where rain fell, the clouds cleared very quickly with the hot sun returning and so avoiding any mould growth and serious damage. We can see the results of our micro analyses for the raisins showing extremely low mould and total plate count readings.

Crop Size and Quality

The majority opinion of the role-players in the industry is that the SA crop will be between 65,000 mt and 70,000mt this year. (2018 was 71,089mt) It is difficult to say at this stage. We will know only when the final returns from the processors are submitted to the Dried Fruit Technical Services. That should be during May. Redsuns has taken in 9000mt of product so far.

That is 75% of our original target. We are now considering adjusting our target downwards to 11,000mt.

There is very strong demand for the available product by processors. It has forced the price paid to farmers to higher levels. This is interesting since the SA raisin crop has grown by 75% in volume over the past 10 years. There has not been any new processors (buyers) entering the market during this time. The consistent demand has been as a result of the existing processors needing greater volumes to meet demand.

Redsun grades every batch of raisins that is delivered to its factory, in order to determine the quality, and accordingly the price payable to the farmer. To date, Redsun has graded and weighed 2548 batches during this intake comprising more than 21 000 wooden storage bins. The general quality has been good, with the following average qualities applied

| | |
|-----------------|---------------|
| Thompson medium | 87,87% choice |
| Golden medium | 71,91% choice |
| Flame medium | 82,24% choice |
| OR Sultana | 77,92% choice |
| WP sultana | 77,69% choice |
| Currants. | 88,1 % choice |

Thompson mediums have been very dominant volume wise in the 2019 crop. We have mentioned this trend in the Redsun Raisin Report #3-2019. We will now adjust that trend further upwards to say that 70% of the 2019 raisin crop comprises Thompson medium. The startling reality is that the goldens have dropped in volume to 12% of the crop. In our assessment, we predict that there will be only 8000mt of golden produced in South Africa this year. Normally, there are about 23,000mt of goldens produced.

The reason for the fewer goldens is a combination of

1. market expectations with the earlier commencement of the Ramadan festival, which caused the price to farmers to drop upon the expectation that the market for goldens would be restricted.
2. The late crop meant that the sugar development in the fruit was late and goldens need a minimum of 22brix in the grape to produce a good quality.

In the end, the processors recognised the extreme shortage of goldens and increased the price payable to the farmers. This happened at the beginning of March, but it seems it was too late. Farmers continued to make the high volume of Thompsons.

Chemical Free Thompsons

The chemical free Thompsons has delivered 413mt. This product is not certified organic, but is guaranteed 100% free of any pesticides. Redsun has done this experiment to test whether farmers will take up the challenge. They did take it up and with success. The next test is to see if there is any market for 100% chemical free Thompson medium choice. We will keep you informed.

Redsun is now processing and shipping the 2019 crop. Please keep us updated regarding any requirements that you may have.

Currant Shortage

Currants are very short in supply. We believe that the volume from South Africa this year will not exceed 1500 mt. The reason for the short supply is ascribed to two reasons;

1. The water that was given to the currants last year (2018) through the drought was brackish. The salt has affected the health of the plant and will take at least one year to recover. Some farmers say three years. It causes the fruit to drop.
2. The heat wave that was experienced in the region during the fruit set period in October 2018. This caused fruit to drop to the ground.

Either way, there will be very few currants available. Redsun is not optimistic that farmers in the Olifants River valley will plant more Zante currants going forward. They say the variety is very “temperamental” and does not give the farmer stable crops year after year. In this regard, the farmers will prefer to plant more Thompson variety grapes. Maybe the shortage of currants is here to stay. We are looking at midget Thompsons and flames as possible substitutes.

Change of Bank Account

To our customers, we can confirm that Redsun has changed their bankers for the first time in 10 years. Customers will note that our bankers are now First National Bank. We will remind you with each set of documents despatched.



Delivery of raisins to Redsun 2019 crop

Peter Kuilman
+27 83 283 6744
peter@redsun.co.za