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REDSUN RAISIN REPORT #12 – 2020 SOUTH AFRICAN RAISIN CROP OCTOBER 2020

Highlights of this report

- Development of the 2021 SA raisin crop
- Sales of the 2020 crop from South Africa
- Vine leaf project
- Golden Sultanas from the 2021 crop
- Organic raisins
- Covid-19 at Redsun

Development of the 2021 SA raisin crop

Farmers were reporting some of the best budding of grapes seen in many years. We may see a potential South African 2021 crop of 90,000mt. (2020 SA crop was 85,018mt)

On 29th September a heavy frost settled over the entire length of the lower Orange River Basin. There were selected blocks of grapes that were affected. Particularly on lower lying blocks close to the Orange River. The early budding varieties such as Selma pete and sugra 39 were affected in terms of physical damage. The census carried out by Raisins SA show that about 1000 ha were affected. At most that will affect roughly 5,000 mt of raisins, or 5% of the anticipated crop.

We can see that the flowering of all varieties will be delayed by about two weeks. This will have the possible effect that there will be more grapes to harvest within a shorter time. Therefore, normally there is about **8 weeks** during February and March each year, for the crop to be harvested and dried. During 2021, the view is that the same crop will need to be harvested within **6 weeks**, with the delay being the effect from the frost on 29 September.

There will be pressure on the sun drying facilities in South Africa. Goldens will not be a popular choice for 2021, which will be explained in detail later in this report. Thompsons will take too long on the sun-drying facilities as farmers try to dry their full crop. Thompsons will take an average of 10 days to 14 days to dry in the sun. Therefore, in our opinion, we will see farmers producing more SA Sultanas. They will take 5 days to dry.

Redsun and other processors are working with Raisins SA to give training to farmers to ensure the quality of the SA Sultana will be something that the customers will be happy with. We now have product specifications, which will form the basis of the buying process, and will determine the price payable to the farmer. The main attributes that will change are the uniform colour, and the free flowing properties.



a vine affected by the frost



No frost damage here. It is perfect.

Sales of the 2020 crop from South Africa

The sale of the 2020 raisin crop is progressing well. Official sales statistics demonstrate total sales of 52,090mt of raisins as at 30th September 2020. That includes domestic sales of 5,939mt. The sales for the same period of 2019 was 71% smaller at 30,398mt. The 2019 figures did not include the domestic sales.

We anticipate no carryover stock of Thompson mediums into 2021. Even at this early stage, we see that several packers have no Thompson medium inventory available for sale. There are stocks of golden medium, Thompson jumbo and currants available for sale.

Vine leaf project

Part of the good agricultural practice for achieving optimal growth of the bunches of grapes is to thin out the vine leaf canopy over the vines. This allows light to enter, air to flow and better fluid flow to the fruit. This is a labour intensive process of physically removing the leaves from the canopy.

Redsun has a vine leaf harvesting project which facilitates this service for raisin farmers. We harvest the leaves from vines after the flowering is complete, and before the leaves grow dark green and hardened. Here are some facts associated with our project;

1. All vine leaves are harvested by hand which will involve employment for close to 500 people (mostly women) for the period from 28 October to 19 December,
2. There are roughly 350 vine leaves in one kilogram, and we ask our harvesters to aim for 8kg of leaves in a 6-hour day (due to the heat at midday). The record that has been harvested in one day by a lady was 18kg of vine leaves. Pay is arranged per kg leaves harvested.
3. Leaves are brought back to the Redsun factory, where we quality control them, treat them for export and pack them in drums. These leaves are sold to our customer in Greece, which uses them to roll dolmades, the delicious Greek dish.
4. The project is developing, and it is now our third year. The volumes are small, and we are trying our best to increase productivity of the pickers. In 2019, we harvested 91mt of leaves. We will try to double that quantity this year.

Redsun is determined that this project must succeed because it assists the farmer to improve the quality of his fruit, it creates employment for a large number of people at a crucial time before Christmas, and it seems very appropriate that we can develop greater value from our vines, over and above the raisins.



Golden Sultanas from the 2021 crop

The 2020 crop of SA golden sultanas was 25,858mt. This was a substantial change in the size of the 2019 crop of 11,905mt. However, we think the 2021 SA golden medium crop will be around 20,000mt for the following reasons,

The market price for golden medium choice will be about USD2500 per mt according to our initial estimates which will not give the farmer a sufficient premium from the Thompson medium choice price that are considered to be USD 2000 per mt. The farmer needs a certain premium to justify the additional cost and risk for making goldens.

The sales of goldens to date is about 14,000mt from the 2020 crop. We think there will be about 5000mt of golden mediums carry over stock at year end. This will go to Ramadan 2021 commencing 11 April 2021.

However, we know that certain farmers are equipped to make goldens. They will not change to Thompsons, irrespective of the pricing. However, we think that if a farmer does have the facilities to make Thompsons and goldens, they will prefer to make more Thompsons from their 2021 crop.

We hope that North Africa will buy more goldens in 2021, than in 2020 due to changed economic conditions. Normally this market will take 8000mt of SA goldens in the first three months of the year. 2020 they only took about 3000mt during the same period.

Organic raisins

Redsun is aware of the move in the market towards organic certified Thompson medium raisins. At present, Redsun is assisting 11 farmers to convert their farms to organic raisin production. Now, the audits are taking place on the farms. We expect certification to take 3 years. Therefore, in 2023, Redsun will be able to offer in excess of 750mt of organic certified Thompson raisins. At present, our volume is only about 120mt.

Redsun will also have **pesticide free** raisins to offer. These are raisins that are not organic certified, but are laboratory certified to be "pesticide free". The raisins are produced by farmers who are specifically contracted and rewarded not to use pesticides on their product. Each year, Redsun contracts 500mt of raisins to be produced pesticide free. If the demand increases, Redsun will be happy to contract with more farmers to produce pesticide free raisins.

Covid-19 at Redsun

Redsun maintains the strict compliance with the Government imposed, and self-imposed regulations. We are detecting a second spike of infections in our region. We have a team of 6 people whose full time function at Redsun it is to sanitise the factory continually while our staff are at work. Redsun is also supplying our staff with PPE equipment every day, vitamins free of charge and ongoing training simply to remind them of the importance to maintain personal spacing, wear masks and wash hands. We are optimistic that we will not see any interruption with our production flow.

Peter Kuilman

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