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REDSUN RAISIN REPORT #14 – 2020

SOUTH AFRICAN RAISIN CROP DECEMBER 2020

### **Highlights of this report**

**Redsun considers 2020 production year**

**What do we see in the year ahead?**

**What does the South African 2021 crop look like?**

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### **Redsun considers 2020 production year**

We have closed for our summer break at Redsun. Opening on 4<sup>th</sup> January 2021. It has been an exciting year for us achieving a record breaking 13,682mt of packed product shipped out of our factory during 2020. Of this quantity 1143mt (8,3%) was sold on the domestic market and the balance exported. To pack this quantity, we processed 14,711mt of farmer's stock.

We have learned lessons about additional meticulous hygiene flowing from the effect of the COVID-19 virus. Many of these practices will remain a permanent part of our lives at Redsun as we move into the future.

Susanna Pofadder, our dear friend and colleague will always remain in our hearts. Susanna died on 26 July 2020 from the effect of the Covid-virus aged 49 years. Susanna had been part of the Redsun family from the day we first opened our doors in February 2009. She was one of most experienced quality controllers.

Export Statistics from Raisins SA, 58,298 mt of dried grapes have been exported for the 11 month period ending 30 November 2020. 7,745mt (11,7%) was sold on the domestic market during the same period. Total sales therefore of 66,043mt over the 11 month period.

If we take the cut off date for "carry over" purposes as 31 January 2021 (when the 2021 crop will start), then,

1. goldens will have about 7,700mt of 2020 crop carried over. If we look at Redsun experience, our "choice" grade farmer's stock goldens are starting to look discoloured. They will make a good standard grade, but not choice grade. We do not see the carryover as a problem into the new crop, because it will not affect the "choice grade" market. Choice grade goldens, will only come from 2021 crop. Any 2020 crop carryover must go to standard grade or baker's mix/economic pack. Redsun has 320mt of golden carry over (standard and baker's mix).
2. Thompsons have been sold out. That is what we understood during August 2020. However, looking at the figures for intake, plus the carry-over at the beginning of the

2020 season, there should be about 6,000mt of Thompsons available at 31 January 2021. We do not where it is. It is not at Redsun.

3. Of all varieties, our estimate is that SA will have a carryover of 16,000mt at 31 January 2021.

### **What do we see in the year ahead?**

It is raining in South Africa. The rain comes as very welcome relief to most parts of our drought stricken Country. We have been having up to 80mm in the outlying regions. The grape producing region has received, 15mm-20mm. The natural sugars have not developed to the point where the berries will start bursting with the rain water. Therefore, so far so good. The berries are developing well



Selma pete variety



Sultana variety

Before every season, Redsun request the farmers who will be supplying farmer's stock raisins to Redsun to commit the volume and type of raisins they want to supply Redsun. As at the close of business on 15<sup>th</sup> December 2020, Redsun had supply contracts for 12,674mt of farmer's stock (prices quoted as "market related"). Our target is 15,000mt for 2021.

The biggest single item is Thompson medium with 6,945mt or 54% of the total contracted. Golden mediums are 2,838mt (22%), with Flames at 1,021mt (8%) and currants at 1,007mt (8%). It looks like a good mix. The new-look "SA Sultanas" have not yet established a popular vote among farmers. We do not see farmers undertaking to produce large volumes of this variety.

We remain optimistic that the weather conditions will allow the farmers to produce good quality raisins. Redsun is ready and we will start receiving new crop on 1 February 2021.

### **What does the South African 2021 crop look like?**

We were anticipating a record crop in South Africa for 2021. Some people speculated up to 90,000mt. Since then, we have had some hail and frost. The volume estimated has decreased to 85,000mt (similar to 2020). At Redsun, we are a little more conservative at 83,000mt. If we can bring all of that volume in as good quality raisins, weather permitting, it will be an excellent year for the farmers.

When the prices to be paid to the farmers by different processors for the new crop becomes apparent, we will see how the mix of varieties for the new crop will be determined. So far, processors seem unwilling to share prices with farmers. There is also a more cautious approach to buying from processors in terms of volumes to be purchased. This can all be a "market game" which can change at the last moment. Right now, some farmers are anxious they may not have a buyer for their crop. Farmers who have delivered to Redsun in the past, all know that Redsun give them a preference before buying from other (new) farmers.

As the prices become more apparent, we will keep you updated.

### **COVID -19 second wave**

On 23<sup>rd</sup> March 2020, the first registered case of COVID 19 was noted in South Africa. The raisin buying campaign 2020 was almost over. Harvesting on the farms was complete.

Today, South Africa is in the grip of a second wave of the COVID type virus. It is more easily spread than its predecessor. This is a warning sign to our industry. On the farm, raisin making is a labour intensive activity. Some of our larger farmers, employ up to 600 seasonal workers over the three months of raisins harvest. These workers travel up to 300km to work, and stay in accommodation provided by the farmers on their farms. Raisins SA are working with the farmers to assist regarding sanitary practices and training of staff. They will also assist to supply necessary personal protective equipment.

This is a serious but evolving problem as the number of infections in the second wave, look to overtake the infections in the first wave within the next two weeks. In 2020, Farmers were not faced with this additional problem as the crop was already collected when COVID arrived. Now, we have to deal with it from the commencement of the crop. We will keep you informed about progress.

Redsun is prepared for the new wave of COVID.

**Updated accreditations**

The new accreditations for 2021 have been put in place at Redsun

BRCGS maintain AA rating

Food Safety Modernization Act (USA) ("FSMA")

Sedex SMETA

Kosher

Halaal

Organic (EU)

We are happy to supply your compliance departments with the necessary documentation when required.

Redsun thanks all of our wonderful customers for working with us through this wonderful record year for our Company. May you have great happiness and success during 2021. From our part we will continue to ensure quality product is packed for you with improving standards. We will give greater detail of our plans in our first issue of 2021.

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