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REDSUN RAISIN REPORT #2 – 2020 SOUTH AFRICAN RAISIN CROP FEBRUARY 2020

HIGHLIGHTS FROM THIS REPORT

The South African 2020 raisin crop is now approximately 30% delivered.

The Rain – how much and where

The effect of the rain on Thompsons

The effect of the rain on Goldens

The effect of the rain on OR Sultanas

The effect of the rain on WP Sultanas

The effect of the rain on Currants

Intake Procedure at Redsun

Organic and Residue Free

Raisin Drying facility accreditation in South Africa

The South African 2020 raisin crop is now approximately 30% delivered.

South Africa is in full production of the 2020 raisin crop. Generally we were expecting a very good crop. Many of the vines have been newly planted, and the sultana/Thompson grape variety “decided” that the that 2020 was going to be the year they would give of their best.



Uncle Pypie’s granddaughter, Lehandre, with a bunch of sultana or Thompson grapes from her grandfather’s small holding at Eksteenskui near Redsun factory at Keimoes. Uncle Pypie uses only natural manure on his vineyards!

The target of 81,000mt for the South African 2020 raisin crop looked to be well on target. At end February, approximately one third of the crop has been delivered to Redsun. That was according to schedule. The volumes of each variety are being delivered according to farmer's expectations.

This is in line with the SA raisin industry according to the delivery figures supplied by Raisins SA. One month into our season, the only dried grape variety that has shown better volumes than expected by the Industry is the WP sultanas. There have been 2,500mt of WPs delivered against the 2000mt the industry was expecting.

The Rain

On two occasions during February we received heavy rain fall in parts of the producing region. The rainfall was regional, with the majority falling from Friersdale (midway between Kakamas and Keimoes) to Upington. This is a very important dried grape producing area. The rainfall exceeded 145mm over the month in some areas. The forecast going forward is dry, and open skies.



One of the regions worst affected by the rain at Louisvale (80mm) in one night.

There has been no rain in the Oliphants River region of the Western Cape. Furthermore, if one takes a drive along the Orange River towards Augrabies Falls, it is clear that the region before Kakamas, Marchand, Augrabies received very little rain. The region further west along the River from Augrabies, which is a newly developed region for raisin production (about 2000 mt this year) there was no rain.

The effect of the rain is as follows

Thompsons

Until today, the quality of the grading arriving at our factory seems to be unaffected by rain. The product we are receiving, had already been harvested and was drying when the two showers arrived. Due to the design of the drying facilities, the drying grapes are relatively unaffected by short sharp rain showers. The water drains away fast, the sun shines again in the morning with a wind that dries them out.

The rain has caused the raisins to be a darker colour. We believe it is in fact an improvement in the quality.

In the next few days, we will receive raisins that were on the vine when it rained. Here is where we will find problems. The air in the vineyards remained humid for about a week, with the air moisture being absorbed by the grapes that were reaching prime ripeness at a sugar content of 23% Brix scale.

The farmers need to be careful of berries bursting (being overfilled with water) and mould developing. The immediate onset of fruit flies is also a problem. Redsun is assisting farmers in the vineyards, giving advice and supplying natural vinegar based remedies to solve mould development.

Goldens

There will be fewer goldens made from the 2020 season. The fresh grape berries that are over filled with fluid due to absorption of more water than normal, create problems on the sulphuring and the damage to the skin where the berry is attached to the capstem. These grapes will be used to make Thompsons, or WP sultanas. Redsun was anticipating to buy 4000mt of goldens this year. We think this could drop by 25%.

The moisture in the air and other reasons associated with the climate, has caused the traditional bright golden colour of choice to be affected. There will be fewer choice grade goldens. After the low volumes of goldens produced from the 2019 crop, Redsun is anxious to pack goldens as soon as possible for the orders received.



Redsun is helping with the drying process of goldens at our factory to get them packed sooner

OR sultanas

Moisture/rain makes OR sultanas darker. We believe that the majority of ORs may have been made before the rain. Anything that was in process after the first rain mid February will be graded as WP sultanas when it comes in. Redsun's numbers will be short by about 100mt of ORs, but they will be delivered as WP sultanas where the colour is not as important.

WP sultanas

In order to clear the vines fast, and to get the drying facilities cleared fast to take the next batch of grapes that are about to fall off in the vine, more WP sultanas will be made. WP sultanas always dries very quickly, enabling the next load to be put in place to dry.

Redsun believes that the rain will create the need to make more WP sultanas than normal. Before the rain, Raisins SA estimated there would be 2,500mt of WP sultanas made in 2020. The rain could result in this figure doubling to 5,000mt. That remains relatively few if one considers the total crop.

Currants

There has been no rain in the Western Cape region. Therefore, this variety is unaffected. Similarly the Thompsons and Flame medium are excellent quality from the same region in Western Cape. (540km south west from the Redsun factory)

We hope the rain stays away from now on. The Orange River is flowing well. We have plenty of water for irrigation of the vineyards from the River.

Intake Procedure at Redsun

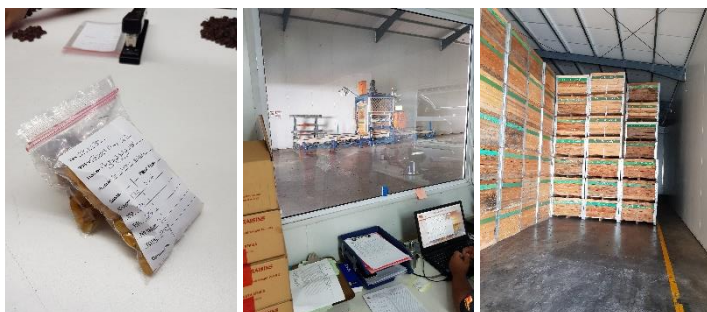
Redsun is full into our intake process at our factory



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1. every batch that is delivered is sampled. (roughly 1 in 5 bins are tipped). (Redsun has 32,000 bins of our own)
2. two samples are taken from each batch for grading in front of the farmer. If the first is not accepted by the farmer, the second sample is graded.
3. Our grading room is open to farmers.
4. every grading sample bag set is retained for 12 months
5. Every bin is weighed individually and recorded against the grading achieved for traceability.

6. all bins are then stored in our storage facility until required to be processed for orders received.

The intake process will proceed until mid April (approx.). We buy from 264 farmers.

Organic and Residue Free

Once again Redsun will be encouraging farmers to produce raisins without chemicals. Our target, like 2019m is to achieve 500mt of completely residue free Thompsons. If the farmer can deliver raisins that test zero chemical residue after delivery, Redsun will pay the farmer a small premium for that delivery. So far, Redsun is fully subscribed for the 500mt of Thompson medium raisins zero chemical residue. This product is available to customers needing a chemical free product. Independent laboratory chemical free analyses certificates are provided. It is not certified organic.

Redsun has been accredited organic for the third year. We have not yet been able to find farmers who will supply organic certified raisins to Redsun. During February, we held an “Organic Workshop” at our factory where we had 33 farmers attend showing interest to produce organic raisins. It was a great success.



The Redsun Organic Raisin production seminar.

We are hoping that we will be able to supply organic certified raisins shortly. We will keep you informed.

Raisin Drying facility accreditation in South Africa.

Drying facilities in South Africa must now be certified by law. If there is no approval of the facility by an independent Government inspector after 30th March 2020, no raisin processor may buy farmer's stock raisins from that farmer. The provision has been in place for the past five years, however now the reality is close. Redsun alone will be helping 67 farmers to prepare for their inspection in 2020. We have already assisted 163 farmers in the past. There are about 700 raisin farmers in South Africa. Now everyone of those farmers must dry their raisins on an approved drying facility that

1. is built off the ground to avoid contamination by sand or grit,
2. fenced off to protect it from small animals and rodents,
3. has ablution facilities for the workers and

4. potable water that is tested with a laboratory certificate.

Redsun is selling 2020 crop. If you have any inquiries please do not hesitate to contact us.

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