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REDSUN RAISIN REPORT #6 – 2020

SOUTH AFRICAN RAISIN CROP MAY 2020

HIGHLIGHTS FROM THIS REPORT

The 2020 South African Raisin Crop is now collected

How is the South African 2020 Raisin Crop made up

Raisin Exports from South Africa as at 30 April

How is COVID -19 affecting the Redsun Operations?

Overall impression of quality of the 2020 raisin crop

The 2020 South African Raisin Crop is now collected

The 2020 South African raisin crop is now almost all collected. The volume delivered to processors as at 30 April (82,371mt) is close to the estimate provided by Raisins SA at the beginning of the year. The estimate given was 81,364mt. The estimate was determined by the average crop estimate opinion received from the raisin processors at the beginning of the season.

The 2020 crop represents a 9,2% growth compared to the 74,830mt collected in 2019. (2018 crop was 71,072mt). Therefore, we see a sustainable growth in the SA raisin crop. In the opinion of Redsun, there was about 20,000mt carry over from 2019 crop as at February 2020. That means the SA industry has a crop of 100,000mt to process during 2020.

The intake commenced during the week ending 24 January 2020. It is drawing to a close now during the week ending 15 May. The peak delivery week of the crop was week ending 23 March when 12,000 mt tons were delivered to processors during the week. 2020 was a long intake period for South Africa being 17 weeks.

What is the processing capacity of all the factories in SA? In the opinion of Redsun the capacity of all the processors in South Africa lies somewhere between 90,000mt and 100,000mt. It seems we are at the maximum processing capacity now if we take the carry over stock into account.

The capacity of Redsun factory at Keimoes is 15,000mt per year. The volume purchased this year by Redsun was 14, 236mt. An interesting challenge for us.

What is clear is that a new factory must be built in South Africa in order to facilitate the growth in raisin production.

How is the South African 2020 Raisin Crop made up

Variety	Metric tons delivered	Percentage of crop
Thompson	33,423	40%
Goldens	26,038	32%
Black/flames	6,836	8%

WP Sultanas	5,802	7%
Currants	4,703	6%
OR sultanas	2,507	3%
Others	3,062	4%
Total	82,371	100%

Raisin Exports from South Africa as at 30 April

Shipments of the 2020 crop from the factories are progressing. So far 11,593mt have been shipped from South Africa. In our opinion, the exports should be moving faster.

1. We do not have an accurate figure for the SA domestic market. there are estimates of between 12,000 and 14,000 mt per year. It is growing.
2. Of the total South African export figure quoted, Redsun represents 3,025mt, or 26% of the total.
3. The Ramadan market in Africa has attracted 2,222 mt of SA 2020 goldens in the first 4 months of the year. That is a surprise to Redsun. The Festival commenced on 24 April 2020. How did the sellers get the product there on time? This volume is 51% of the total 4,366mt of goldens exported from SA so far this year. 28% of the goldens have been shipped to Europe. 467mt (11%) were shipped to USA and Canada.
4. Thompson mediums have done well compared to the first 4 months of 2019. In 2020, South Africa exported an additional 2000mt of Thompson mediums. 69 % of the sundried raisins went to Europe, with 21,5% heading to USA and Canada.
5. The total export sales from South Africa for the first 4 months of 2020 was 5% more than the same period of 2019.

How is COVID -19 affecting the Redsun Operations?

Despite the COVID-19 Government imposed lockdown, Redsun has been able to continue with the intake of crop 2020, and process the orders for our customers. Effective from 27th March to 16 April, only one third of our personnel were operational at Redsun. The lockdown was extended on 17 April for an additional 2 weeks, however, Redsun received permission to have our full staff compliment of 151 people operational at the factory. In order to practice the usual social distance, we have organised our operations over 24 hours per day. That means that we have fewer people working together at any time.

So far, we are fortunate, we have no positive findings of the Corona virus, within our region. The Northern Cape Province of South Africa is a huge area of land being 30% of the whole South Africa. We have a sparse population being 2% of the SA population of 57, 7 million. There were some frustrations with service providers, such as couriers, to start with. However, now everything seems to be coming back to full operation.

Although Redsun and other raisin processors may by law continue to operate normally, the majority of SA remains under lockdown. We do not yet have an indication about how long the situation will continue.

Overall impression of quality of the 2020 raisin crop

Our overall impression of the 2020 raisin crop is positive. The average choice grade score for all the deliveries was 69,14%.

The score for the **goldens** was lower than 2019 at an average of 50,53% choice. It was a tough year for the farmers producing goldens. We had rain during the drying season, and it seems, the crop was too heavy for a good golden to be made. The grape vine was carrying too much fruit to ripen everything to their full potential. Goldens need perfectly formed and ripened fruit to produce that bright golden colour. The “poor colour” was the major contributor to producing the 36% standard grade average for goldens.



Golden medium choice 2020 crop

Prices paid to farmers for standard grade goldens, was more than the farmers received for choice grade Thompsons. Therefore, the farmers could still make more money from making the goldens than Thompsons.

Thompson mediums scored an average 71,3% choice grade. Good quality, although there was about two weeks of Thompson production damaged by rain in certain regions.



Thompson medium choice 2020 crop

We have various types of Thompson mediums available, namely

Normal moisture

Low moisture (max 14%)

Chocolate coating

Chemical free

Organic certified

Sizing is also available according to specific requirements from very small midgets, normal midgets, mediums (select), bold. Obviously, there are variations in between according to size and berry counts.

The **Flame** variety mediums received a 66% choice grading. The main reason was there was some variance in the colour. This was caused by part of the grapes not changing colour from green to red while on the vine. When the grape dries, there will be a part of the flame raisin which is black as per specification, but a part which is slightly lighter in colour because that part was green when harvested. Everything is fine including ripeness etc, but the colour variation will cause a standard grading.



Flame medium choice 2020 crop

Currants were produced in the normal quantities again, after the two years of drought in the Western Cape region. The size is slightly bigger carrying a berry size of 900-1300 berries per 100gr, compared to the 1500 berries per 100gr of the previous two seasons. Quality is good with an average 86% choice grade.



Currants Choice 2020 crop

Redsun is looking forward to a good year ahead. The prices are all very competitive, and therefore, we expect our warehouse to be emptied in time for the 2021 crop.

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