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REDSUN RAISIN REPORT #10 -2022 November

SOUTH AFRICAN RAISIN CROP

HIGHLIGHTS OF THIS REPORT

Projected Crop of 2023

Goldens from the 2023 crop

Currants from South Africa

SA Raisin sales at end Oct 22

Redsun BRCGS Certificate renewal

Projected Crop of 2023

The 2023 South African raisin crop is expected to be 77,000mt, according to Raisins SA. All raisin packers including Redsun technical services team, led by Mr Stryss Strauss, contributed to the data upon which the crop size was determined. It was well reasoned. Redsun agrees with this figure.

77,000mt is down on the general growth trend of the South African industry which would normally be projecting a crop of close to 90,000mt. The reason for the shorter estimate is the damage caused from the downey mildew during the 2022 grape harvest.

Downy mildew is a mould that attacks vines within a very humid environment. It manifests itself on the leaves. The leaves are the “food factory” of the grape vines. When the leaves are malfunctioning, there is not enough food going to the fruit. The fruit is not properly developed. That caused the smaller crop. The fact that the fruit was not properly formed, made quality goldens unlikely.

Through the winter, the fungus spores remain on the plant, and affect the budding nodes of the vine for the new crop, as spring comes around. It will take 2 years to clear the effect of downey mildew.

Please see the photos. On the left side, a healthy normal bunch. On the right, a bunch affected by the downey mildew with the few berries per strand on the bunch.



Redsun has an idea about how this 2023 crop will be made up. We have compared that against the crop of 2022 on the table as follows

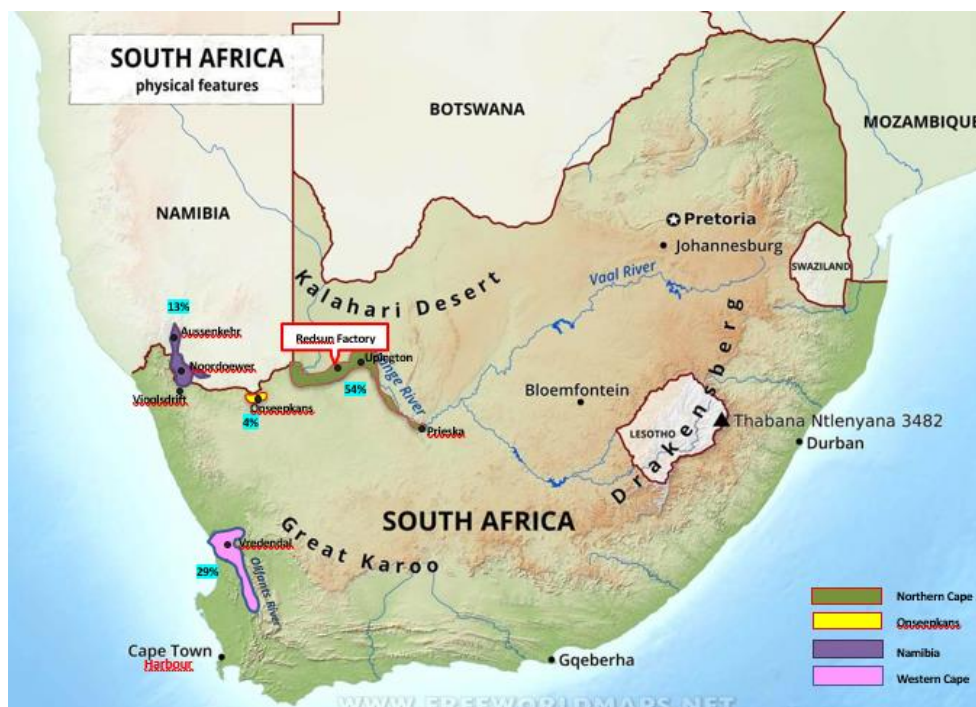
Raisin Variety	Estimated 2023 crop	Actual 2022 crop
Golden Medium	22,000 mt	10,777mt
Thompson medium	35,000 mt	47,887 mt
Flame medium	5,000 mt	4,631 mt
OR Sultana	1,000 mt	772 mt
SA Sultana	3,000 mt	5,403 mt
Currants	4,000 mt	3,087 mt
Jumbos (all types)	5,000 mt	3,473 mt
Bolds (all types)	2,000 mt	1,158 mt
Total	77,000 mt	77,188 mt

Goldens from the 2023 crop

We do expect the “normal” volume of goldens for SA (22,000mt) to be made from the crop despite the smaller size of the crop. The reason is farmers will go for the highest value product they can because there will be fewer grapes available. The result will be lower volume of Thompson mediums as a percentage of the crop. There will be 45% of the crop being made to Thompsons, against 62% of the crop to Thompson medium in 2022.

This is all presuming 2023 is a dry season. At this stage, predictions do say February and March 2023 should be dry months. Due to the dry months, we expect quality to be good because the vines will have relatively fewer grapes to nourish. The berries will probably also be bigger than in 2022.

There are some very high prices for goldens out there at present. This is driven by the shortage in supply. Redsun believes that the first few weeks of the crop will continue on these higher prices, but the prices will settle down to the USD2900 mark as the market gains confidence that there will be sufficient SA goldens for their requirements.



The Raisin production regions in Southern Africa (incl. Namibia)

Currants from South Africa

The SA Currants are unique in the market. They are very small in size at 900-1300 berries per 100gr. However, they remain a fully ripe and flavoursome product that gives a good even spread of berries through the dish or cake where they are used as an ingredient.

The currant is produced in the Vredendal region of South Africa, close to the shores of the Atlantic Ocean.

Vredendal is 540km from the Redsun factory at the Orange River. Vredendal was not at all affected by rain during 2022. We are expecting an excellent, full crop of currants from this region.

Redsun is strongly supportive of promoting this product, unique to South Africa. It is “unique” due to the small size compared to the Greek 450-550 per 100gr berry size.

Currants are available at very competitive prices now, due to the Euro exchange rate affecting the competing products from Greece.



Currants with berry count 900-1300 berries per 100gr

Tracking of Sales for the SA Raisin crop

The most recent figures we have at the moment from Raisins SA provide an interesting birds eye view of the sales from the 2022 South African crop as at 31 October 2022;

Product	Sales End Oct 22 mt	Crop SA 2022 mt	% sold at end Oct22
Thompson medium	26094	47859	55%
Golden medium	11769	10806	109%
Currants	1928	3087	62%
Flame medium	4782	4631	103%
OR Sultana medium	1300	772	168%
SA Sultana medium	1710	4631	32%
Mix (bolds jumbos)	5840	4631	125%
Total	53423	77189	69%

We have a few observations that we would like to share with you;

1. Information obtained from Raisins SA, which in turn obtains its information from the seven raisin processors in South Africa.
2. The figures include
 - a. exports and domestic sales
 - b. loads actually sailed ex the Cape Town harbour and “delivered” domestic sales. They do not include sales on the books of processors not yet delivered or not yet sailed ex Cape Town.
3. In the opinion of Redsun Raisins, “Goldens mediums”, “Flame mediums” and “Mixed” (Jumbos and bolds) probably include some volume carried over from the 2021 crop. The volume sold of the these items seem disproportionate to the size and availability from the 2022 crop.
4. In the opinion of Redsun Raisins, the OR sultanas represent some sales of good quality SA Sultana mediums that qualified for OR Sultanas, or which could be accepted as ORs. The crop size of OR sultanas was very small in 2022 due to the rain conditions during drying.

Destination of Raisin Sales from South Africa

Destination Region	SA crop at end Oct 2021	SA crop at end Oct 2022	Percentage difference
Europe	31146 mt	22174 mt	Lower 29%
USA and Canada	9399 mt	13756 mt	Higher 46%
Domestic Sales SA	6821 mt	7276 mt	Higher 7%
Africa other	3020 mt	3954 mt	Higher 31%
United Kingdom	6458 mt	3374 mt	Lower 48%
Oceania	1604 mt	1546 mt	Lower 4%
Far East Asia	710 mt	709 mt	No change
Middle East	660 mt	631 mt	Lower 4%
Russia Fed	0 mt	0 mt	No change
Indian Ocean Island	3mt	3mt	No change
Total sales	59821 mt	53423 mt	Lower11%

Once again these figures are obtained from data obtained from Raisins SA. There are some comments that Redsun Raisins would like to share;

1. There has been a substantial drop in the volume of sales to Europe from the 2022 crop. The fact that raisins are sold in USD is a major factor resulting in the cost of raisins to European buyers. Current exchange rate is USD1,03/EUR1,00.
2. USA market for SA raisins is very strong in 2022, despite a relatively good crop from California during Aug 22. The cheaper product from SA is driving the market. The shipping cost is now double the cost to New York as we pay to MEP. Canada is even more expensive.
3. Overall, the 2022 raisin sales from South Africa are 11% lower than the same time in 2021.

Redsun BRCGS Certificate renewal

On Monday 3rd October 2022, Redsun had an unannounced BRCGS audit. It lasted for three days. Redsun proudly retains our AA approval rating even when the audit was unannounced.

Congratulations to our entire team at Redsun. The updated certificate should be available in the next few days. It will be sent to you as soon as we have received it.

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