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## REDSUN RAISIN REPORT #11 -2022 December

### SOUTH AFRICAN RAISIN CROP

#### HIGHLIGHTS OF THIS REPORT

Projected Crop of 2023

Prices for the 2023 crop

Currants prices are down

Golden prices are up

Jumbo Raisins

Freight Rates

Carryover raisin stock

#### Projected Crop of 2023

The South African raisin crop size estimate for 2023 remains at the 77,000mt level. This is despite the considerable flood levels of the Orange River and now the Olifant's River at Vredendal. There has been limited rain fall in the raisin producing regions, however, the maturity levels of the grapes to be dried for raisins was not ripe enough to be damaged by the rain or the humidity in the air from the flooding river.

There has been massive rainfall in the catchment areas (Johannesburg, Bloemfontein etc) of the Orange River, which has caused the Orange River and the Olifants River to break their banks on the way to the Atlantic Ocean. Farmers are hoping that the rain will not return during January, February and March, where the damage to the raisin crop will be worse (as in the 2022 crop).



Orange River close to Redsun Factory



Golden sultanas for the 2023 crop

The volume is down, but the quality is up. This is typical if the grape vines do not have a heavy crop to carry. Every bunch of grapes receives more intensive nourishment from the plant.

### **Prices for the 2023 crop**

It is December and no processor is committing themselves to firm prices for the farmers. The competition between the packers is always strong, however, in the end, the market guides everyone. Therefore, with two exceptions, prices being spoken about are similar to the 2022 levels. Thompson mediums are discussed at prices slightly down on 2022 levels.

Flame mediums are in line with the prices of Thompsons, because they are becoming more popular every year. The Flame medium volume will be limited at a little under 5000mt

### **Currants prices are down**

The one exception to price range change from 2022 is the currants. Currants will be cheaper this year and more in line with the Greek prices. The volume will be down because processors have introduced harsher requirements in terms of chemicals and drying methods.

Furthermore, there has been some rain damage on the currants due to their earlier ripening properties. The damage is not great, but it is there.

### **Golden prices are up**

The second exception to the price stability of 2022 is the goldens. Everything will depend on the weather conditions and the suitability of the climate to make goldens. As of now, everything looks good.

If everything is positive, we anticipate a crop of about 20,000 mt of good quality goldens.

Prices will stabilize after the initial rush at the beginning of the season. We expect these prices to be around the USD 3000 mark per mt.

### **Jumbo Raisins**

Jumbos will be a greater share of the overall South African raisin package in the future. Some processors believe it is a short term matter, however Redsun believes this is long term product shift; There are two categories of jumbos;

1. Normal jumbos 80-120 berries per 100gr (black (Flame type) Thompsons, goldens)
2. Super jumbos 60-90 berries per 100gr (mainly Black )

There will be a limited volume of "normal jumbos" and that will put pressure on the price. A cheaper option will be the super jumbos. We are looking at around USD 1900.

The varieties of grapes that will make super jumbos, will not give us the excellent taste and colour properties of the SA golden jumbos. Therefore, golden jumbos will always be the normal jumbos with berry counts 80-120 berries per 100gr. The golden jumbos will continue to be under supply pressure. Prices will remain very high and supply short.

### **Meetings with farmers**

An important part of the interaction with the industry is meeting with farmers. All processors, including Redsun travel around the various growing regions, sharing market information with the farmers.

One of the important messages is to explain the difficult market conditions that exist. This relates to inflationary pressure, slow offtake etc.



Redsun meeting farmers in Vredendal



Redsun meeting farmers in Keimoes

### **Freight Rates**

South Africa continues to battle with the container freight service at all of our ports. Operational inefficiencies and weather conditions both play a role. We have a difficult relationship with shipping companies who have a “take it or leave it” type of attitude. Vessels missing out the port is a common occurrence.

We have been told that there may be a softening of the freight rates during the first quarter of 2023. Based on the fact that the ships are often too full to take further bookings, we are hoping to draw a benefit back to pre 2021 levels.

Food grade container levy of USD 200 per container seems to have become a permanent feature, although it was only introduced during 2022 to alleviate the pressure on container availability.

### **Carryover raisin stock**

The official Raisin SA figure for carryover stock at 31 December 2022 is 7,000mt. We believe the figure will be closer to 15,000 mt. This is due to the substantial slow down in the shipping to Europe since September 2022. November 2022 exported 5,985mt. Good numbers showing an increase again.

We believe that the carry over stock will reduce to the 7000mt level as at the beginning of the 2023 crop mid February 2023.

The products that will be carried over are Thompson mediums, and currants.

According to the Raisins SA sales figures published as at 30 November, 59,407 mt of raisins have been shipped from South Africa. If we consider the 2022 crop at 71,500 mt (after removing the reject and no value), and the fact that we have another month of shipping



before year end, this 15,000mt carry over figure seems reasonable. The Raisins SA figures will also include some carry over from 2021 that went out in January and February 2022.

The exports to Europe during the period under discussion is 24,791mt, which is 27% down on the same period in 2021. To the United Kingdom, there has been 3,498mt of sales, which is a 49% drop on the sales from the previous year.

The destination with the biggest gain in sales is USA with 15,787 mt showing a healthy 50% increase in the sales from the previous year.



Orange River in Flood crossing to Namibia to visit farmers.



Farmer visit in Namibia Nov22

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