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REDSUN RAISIN REPORT #10 -2021 November SOUTH AFRICAN RAISIN CROP

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COVID 19 VARIANT - OMICRON

There is no change in the operation or the approach of Redsun. We continue to be vigilant of our health and enforce the necessary practices among our personnel and operations. Although there has been substantial press coverage of this new variant, Redsun has seen no change with 33 new cases in our province as at 26 November 2021. These new cases are not the B1.1.529/ Omicron variant.

The big concern is Johannesburg and Cape Town, with the dense population. Altogether, South Africa had 2828 new cases on 26 November with 12 new deaths.

The vaccination process is slow with 24% of South African population fully vaccinated as at 26 November 2021. It is Redsun “earnest wish” that all our personnel are vaccinated. We have a number of motivations to encourage the staff to be vaccinated. We do however stop short of making it compulsory to be vaccinated. As at 26 November 67% of Redsun 183 staff members are vaccinated.

It is a requirement that any person seeking to be employed at Redsun for the first time, must be vaccinated.

PRICES FOR THE 2022 CROP

Redsun has held meetings with 4 different groups of farmers over the past two weeks. The two biggest meetings were

Keimoes where 101 farmer attended and

Vredendal where 79 farmers attended

Other meetings were held at Noordoewe (Namibia) and Prieska.



The Redsun farmer's evening held at Keimoes

The meetings are a social event where Redsun gives the farmers our impression of the raisin market. Thereafter Stry's Strauss, the Redsun Technical manager informs the farmers about new regulations that have come in (example with residue levels) and calls on farmers to correct any unsuitable practices that have concerned Redsun during the past year. Food safety and quality is always our focus on the farm.

After the meeting a "braaivleis" (meat barbeque) is held and farmers have the opportunity to talk openly amongst themselves and Redsun about anything that is on their mind.

The following prices were discussed.

Thompson medium choice	USD 2300
Golden medium choice	USD 2600
Flame medium choice	USD 2200
Currants Choice	USD 1750
OR Sultanas medium choice	USD 2400
SA Sultana medium choice	USD 1800
Golden jumbo choice	USD 4300
Thompson jumbo choice	USD 1900
Black (Flame Type) Jumbo choice	USD 1900

All these prices are based on a "per metric ton CFR MEP" basis.

The competitors of Redsun in South Africa are also holding the similar farmer meeting events, at this time. We can hear reports if we are in line with their price ideas. All processors buy from the same 700 farmers. If our prices are too low, the farmer will go to where he can secure the best price.

Our information is that Redsun is not the highest price, but also not the lowest price discussed by other packers. It is a good place to be. We can adjust at any time until end January 2022.

HOW DOES THE 2022 CROP LOOK?

Everybody agrees that the 2022 SA crop is looking very good. The crop has come through the end of winter, spring and now heading into summer without serious damage caused by frost or hail. Two weeks ago, we had a storm along the Orange River, which caused limited hail damage, east of Upington. Most farmers in this region are converting to pecans, due to the regular losses caused by weather conditions.

Crop estimates remain at 88,000mt of raisins. This will be a new record for South Africa.

The timing of the crop looks to be “normal” with the deliveries from farmers taking place during February and March. We are enjoying mild weather of about 34°C during the day. This is good for the fruit development. The truly hot weather (42°C) needed for the sugar development must arrive during second half December and January 2022.

TRIPLE TECHNOLOGY TREATMENT AT REDSUN

During the past 3 weeks, the factory at Redsun has been undergoing a major refit, to install additional machinery and two new scanners.

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| Lazer scanner (existing) | to sort the raisins visually for foreign objects and colour, |
| Chemical Image scanner | To sort the raisins according to chemical or DNA identification of raisins to remove foreign objects, organic or not organic. |
| X-Ray scanner | to remove solid matter imbedded in the raisin berry itself. |

Redsun is excited to share this innovative technology with our customers, ensuring the highest level of food safety in the raisins we deliver. It is the first in South Africa, and we believe it is the first in the world to use this combination of technologies.

The factory will be operating again from Monday 29 November.

VINE LEAVES ARE BEING HARVESTED AT REDSUN

Once again, Redsun is employing housewives from the surrounding area for the purpose to picking leaves from the vines. These leaves are then treated by Redsun and packed in a saline solution for export to our customer in Greece. These vine leaves are then used to roll dolmades, the well known Greek delicacy.

There are 344 ladies who have joined Redsun to earn money from harvesting leaves for the festive season. They have been working for 35 days so far, and they have harvested approximately 89mt of leaves during this period. That is an average of 7 kg of leaves per lady per day. There are 350 leaves in a kg.

This process of harvesting leaves is positive for the health of the vine. The dense leaf cover is thinned, allowing light and air into the region where the fruit is developing. Farmers allow Redsun to send our ladies into their vineyards, and they have this important horticultural function supplied for free.



SHIPPING AND FOOD GRADE CONTAINERS AVAILABILITY

There continues to be a shortage of food grade containers in South Africa. Similarly, fresh fruit reefer containers enjoy preference over our raisins for space on the vessel. Therefore, our containers are frequently moved to the following vessel.

Time wise, we have an average of 19 days delay in the shipping calculated from packing date, as compared to our usual timing. The journey heading east has a longer delay than the containers destined to Europe, USA and South America.

Cost wise, the freight has increased through a combination of food grade container levy and higher bunker contributions, with other "levies". The cumulative effect is an average of 62%

increase in the freight costs from South Africa. compared to what we are hearing from the east-west trade, we can be very grateful for the limited increase.

CLOSING FOR CHRISTMAS BREAK 2021

Redsun will close on 16th December until 4 January 2022 for the traditional Christmas break. During this period, there will be limited contact at the factory, however, my personal number will always be available should you need any information.

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Redsun leave picker 1