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## **REDSUN RAISIN REPORT #6 -2021 June SOUTH AFRICAN RAISIN CROP**

### **HIGHLIGHTS OF THIS REPORT**

**The South African 2021 raisin crop is complete**

**Varieties from the 2021 crop.**

**What happened to the SA Sultana?**

**How did Redsun feature during 2021 raisin intake season.**

**Packing raisins from the 2021 crop**

**Shipping arrangements are difficult**

**Redsun starts selling pecans in shell**

### **The South African 2021 raisin crop is complete**

2021 has been a very long intake season starting on 24<sup>th</sup> January 2021 and continuing for 20 weeks. The original volume assessment issued by Raisins SA was 85,000mt (the same size as the 2020 crop). As the crop progressed, rain fell along the Orange River raisin producing region. The “la niña” effect was in full swing over this summer rainfall region. The rainfall occurred along the Orange River, affecting the grapes on the vines and the raisins while they were on the drying facilities.

As a result of the rain damage, Raisins SA adjusted the crop forecast to 67,500mt. That is 20% reduction in volume terms across the whole crop. In the end, the South African 2021 raisin crop was 71,493 mt.

Of this volume 59,604mt (83% of the crop) was produced along the Orange River, where the greatest rain damage occurred. 11,889mt of SA raisin crop of 2021 (17%) was produced away from the traditional raisin producing region, where there was no rain damage at all. These regions are Western Cape (Vredendal, Van Rynsdorp, Trawal), Namibia, and the region along the banks of the Orange River below the Augrabies falls. Vredendal is 540km south west of the Redsun factory.

### **Varieties from the 2021 crop.**

The 2021 SA Crop size was 71,493mt. 50% of the crop were Thompsons, while 21% in weight were the goldens. Flames represented 7,5%, currants made up 5% of the volume. Jumbos and bolds of various types represented 6,8%, and OR sultanas were 1,3%.

### **What happened to the SA Sultana?**

“SA Sultana” come in at an apparent 8,9% of the crop. 2021 was billed as the launch of the new branded “SA Sultanas”. The concept was a better quality WP Sultana being more even in colour and more free flowing competing with the Turkish #9 RTU.

The reality was, the rain caused damage to the grapes on the vines due to bursting because rain water was absorbed. Farmers desperately harvested these damaged grapes and dried them fast making sultanas. The grapes were then laid on drying facilities to dry. Sultanas that have rain on them while drying quickly become water saturated. They are then soft and very soggy. Their quality is Industrial grade, if the farmer is lucky. I have heard of some deliveries of sultanas being graded 70% no value.

Therefore the reported stock volumes of sultanas are a surprise to Redsun. We have not seen them in the market. It is a pity that the rain caused damage during the launch year of the SA Sultanas. We hope 2022 will be more successful.

OR Sultanas will never do well in a rain filled year. The volumes of OR Sultanas are very low. This is typical since the rain and moisture will cause the skin to darken.



Farmer's stock raisins in Redsun Warehouse



Redsun warehouses now full of 2021 raisin crop.

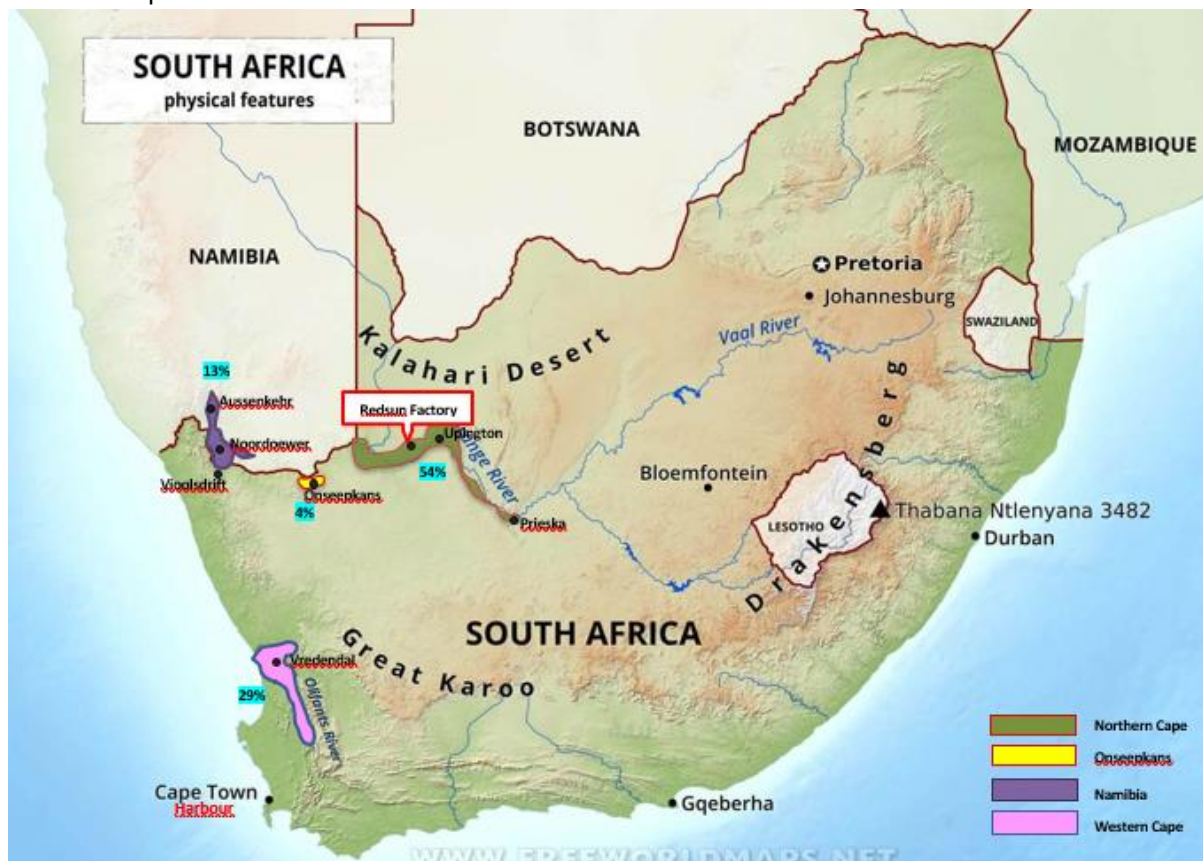
### How did Redsun feature during 2021 raisin intake season.

The smaller crop and limited availability of raisins causes concern among raisin buyers or processors. The price of farmer's stock goes up and the grading becomes more lenient. Redsun took a decision to concentrate buying to those outlying raisin producing regions where there had been no or very little rain.

The average grading of the farmer's stock purchased by Redsun was 78% choice, 9 % standard grade. Considering the general rain damage to the stock, Redsun's decision to seek product outside of the rain zone paid off.

Redsun purchased 12,265mt of farmer's stock raisins from the 2021 crop. The source of these raisins were as follows

Northern Cape (Orange River ) region	54%
Onseepkans	4%
Namibia	13%
Western Cape	29%



### Packing raisins from the 2021 crop

Packing is proceeding according to schedule. As at 31 May 2021, Redsun had despatched 5,645mt from our factory. The factory is operating within its design capacity of 15,000mt per year, and therefore, we thank our customers for their understanding where we cannot provide a packing date soon enough. Wherever possible we try to assist with the correct packing date.

### **Shipping arrangements are difficult**

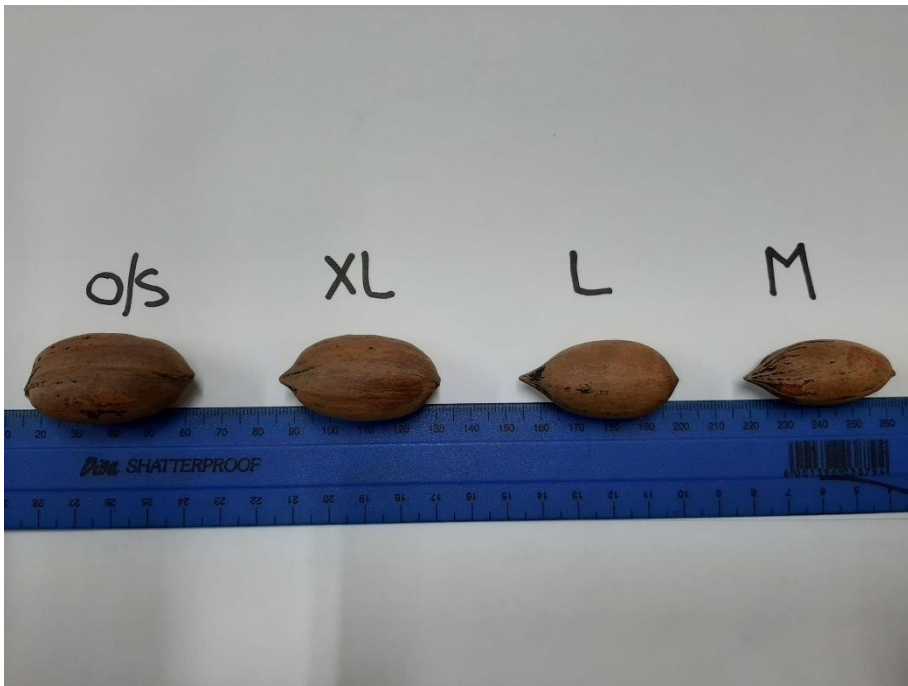
The supply of food grade shipping containers to facilitate Redsun's shipments timeously is challenging. We are incurring delays of an average of 14 days from packing date for the delivery of the container by the shipping company.

In order to facilitate a better chance to receive earlier delivery of food quality container, Redsun is shipping with 5 different shipping lines. The booking is made on the first company to have a container available. Therefore, our customers will note several different shipping companies on our reports, whereas previously, we used mainly MSC.

So far the containers are the only major constraint, with rates remaining reasonably consistent, except for a premium of USD200 per food grade container. Vessels are sailing more or less on schedule, once we have the container for loading.

Redsun supplies all our customers with a shipping register twice per week. We hope that this makes it possible to plan as well as possible in the circumstances.

### **Redsun starts selling pecans in shell**



Pecan Nut in Shell

It has been a long time in the planning. However Redsun Dried Fruit and Nuts (Pty) Ltd will now start to take on a greater meaning.

During 2021, Redsun is building our pecan cracking plant adjacent to our raisin factory. The South African pecan crop is harvested between June and August each year. The crop for 2021 is expected to be 22,000 mt NIS. At present, 93% of the South African pecan crop is exported NIS to China. The plantings in South Africa are increasing at a healthy rate of approximately 4,300 hectares per year. That is 43,000 trees planted at about 100 trees per ha average per year. After 7 years each hectare should yield 2 mt of NIS and after 12 years, the trees should be delivering 2,5mt per ha.

In South Africa we will anticipate to see a crop of 44,000mt by 2027, and so the crop will continue to grow.

Redsun will be cracking pecans for the export of kernel from the 2022 crop. In the meantime, we will commence this exciting new venture exporting NIS. We intend to pack 450 mt from the 2021 crop. Thereafter the volumes will increase to a capacity of 4000mt NIS capacity per year.



Shaking the tree to harvest pecans

Peter Kuilman  
10 June 2021