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## REDSUN RAISIN REPORT #6 -2024 November

### SOUTH AFRICAN RAISIN CROP

#### HIGHLIGHTS OF THIS REPORT

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#### The 2024 SA Raisin Crop

This year's crop was the biggest raisin crop yet to be produced in South Africa at 96,428mt. The previous record was 2020 which was 83,435mt. This growth was not a big surprise to the SA Raisin industry. If the interim crops had not been affected by rain and downey mildew, the growth would have reached this level, with more gradual steps. A 13,000mt jump in production from one record year to the next is extreme for South Africa.

The 2020 crop was handled by 6 packers. There was some stress, but it was achieved. It was a very big achievement for the 5 packers operating in 2024 to have bought in the extra large crop in its totality, without any apparent problems.

In South Africa, there are no raisin traders that buy in raisin crop from farmers and hold it for resale to packers later. All farmers sell their crop to packers in full during the harvesting season.

The 2024 South African raisin crop was made as follows

Raisin Variety	Mt of farmer's stock	% of the 2024 crop
Thompson medium	51,7 mt	54%
Golden medium	18,5 mt	19%
SA Sultana (WP) medium	4 mt	4%
OR Sultana medium	2,4mt	2,5%
Flame Medium	6,7mt	7%
Currants	3,3 mt	3,5%
Jumbos and Bolds (all types)	9,5 mt	10%

#### 2024 crop Why so few sultanas

South Africa only produced 4% of our crop as a sultana medium to compete with the international raisin market standard.

Raisin farmers in South Africa are paid a price that is directly related to the market price for the finished product. Traditionally, farmers in SA have been encouraged by processors to make Thompson mediums in preference to sultana mediums. The farmer uses the same grapes to make both. The reasoning is the higher price that is achieved for Thompson medium in the market vs sultanas.

In 2024, that changed, and processors asked farmers to produce some sultanas, because certain market standards require the sultana over the raisin. We think Processors reacted too late. The Farmer did not want to change halfway through his harvest activity. Therefore, despite the relative high price for the sultana, farmers preferred to stay with the Thompson raisins.

We believe that in the present market, there is the need to produce more sultanas from South Africa. If Redsun discusses the market situation with farmers, and undertakes to pay the same price for sultanas as the farmer will get for Thompson raisins, farmers may be convinced to use some of their grapes to make sultanas.

The choice is completely with the farmer to decide. Where will he get the best return for his grapes?

### **Sales of the 2024 crop**

Redsun can report that all the 2024 crop has been sold. Prices have been firm. Farmers have been paid in full and they are all very satisfied with their income from the 2024 crop. They received good prices, with a crop that was a record large size. To add to the positive attitude of raisin farmers in South Africa, the average high choice grade raisins delivered to processors, ensured an average high price to farmers.

The 750 (approximately) raisin farmers in South are very positive about the industry going forward.

According to the Raisins SA figures, the destinations of the 59,022mt shipped during 2024 to end September are

<b>Destination buyer</b>	<b>Volume shipped mt</b>	<b>% of total exports</b>
Europe	27,730mt	43%
USA and Canada	14,199 mt	24%
SA Domestic Market	6,380 mt	11%
United Kingdome	5,850 mt	10%
Middle East	1,924 mt	3%
Oceania	1,320	2%

### **Processing capacity of the SA raisin industry**

There are 6 processors operating in South Africa to pack the raisin crop. According to the Raisins SA export figures, 59,022mt of raisins had been shipped at end of September 2024. That is 70% of the realisable raisin crop.

This is a remarkable achievement taking into account the logistical challenges facing SA exporters as a whole. (more of this later).

There remains 5 months for the balance to be shipped. (October 2024 through to February 2025). Therefore, it can be said that the capacity of the existing processors in South Africa is in excess of 96 500 mt, the record crop that was delivered in 2024.

2025 will see an additional processing line installed at the Redsun factory in Keimoes. This is the processing line that used to operate at Desert Raisins factory, and which has been standing idle during 2024. This will add to the raisin processing capacity in South Africa. More importantly, this will relieve some of the bottlenecks that Redsun experienced in 2024 delivery schedules.

### **Shipping out of Cape Town**

The extensive delays experienced by Redsun in shipping our containers has been caused by three main reasons;

1. General inefficiency in operating the ports in SA. Starting at Durban, the start of all trips to Europe and SA's biggest port. This means there is a delay of ships calling at Cape town due to serious delays in Durban. Some ships fail to call at Cape Town in order to keep their schedule in Europe. There were delays of 17 days for ships to enter Durban harbour.

2. Once in the harbour at Cape Town, bad weather, and poor operating conditions delayed the working of the vessels. Vessels were taking 10 days to unload and load again.
3. availability of food grade containers was very limited due to the limited number of incoming vessels, the most important source of food grade containers to be used for export.

How do we see the shipping situation going forward? As the warmer weather approaches, severe weather disruptions and storms at sea becomes less frequent. Therefore, this will help until June 2025. Then weather will once again interfere.

Various food exporting industry groups have held discussions with the SA Government port operators. Assistance is being given to ensure improvements,

1. to the loading crane movement frequency, to improve from 3 movements per hour to the international average of 21 movements per hour, (they are now at 15 movements per hour)
2. the infrastructure to move unloaded containers away from the vessel and bring in containers from the loading stacks, by acquiring 32 specialized vehicles, with drivers, spare parts and maintenance work shop,
3. motivational structures to encourage operators to improve the speed of container vessel turnaround.

### **Forecast for the crop of 2025**

The South African crop for 2025 is looking very healthy. Raisins SA gave a forecast of 92,000mt. Redsun Technical team say the vines are looking very similar to the 2024 crop. Therefore, Redsun estimate is a repeat of 96,000mt. There are some knowledgeable people who are saying SA will reach the 100,000 mt mark in 2025.

There remains a long time before harvest. Anything can happen in terms of weather.

Redsun buys raisins from farmers in three different climatic zones. Along the Orange River, Vredendal in the Western Cape and southern Namibia. We are projecting to process 25,000 mt for 2025.

Pricing is giving us some concern. It is important to remain market related, otherwise Redsun will have an empty store. One must bear in mind that the SA crop is growing, and we need good buyers for the raisins moving into the future.

The crop will start to be harvested at beginning of February. The making of raisins will continue until mid April. Thereafter the weather starts to turn, and drying will take longer.

If the price of Thompsons mediums increases, then we expect there to be an increase in the volume of Thompsons produced at the cost of golden mediums. We do not see goldens increasing in price easily, so farmers will elect to make the Thompson mediums to get a better return. The option of making sultanas will also have an effect on the product mix compared to what we had for the 2024 crop (see earlier in this report).

The product mix from South Africa will be determined when the prices payable to farmers are firmer. We feel sure that the product mix that we have experienced in 2024, will change. All good quality, but different dried grape/raisin varieties. Mainly made from the same green seedless grapes.



The crop of 2025 has started

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