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REDSUN RAISIN REPORT #7 -2024 December

SOUTH AFRICAN RAISIN CROP

HIGHLIGHTS OF THIS REPORT

Redsun Factory achieves a new record.

Processing Capacity for Raisins in South Africa

Where have the 2024 crop raisins been sold?

Shipping out of Cape Town

How is the 2025 South African Raisin crop developing?

How will the product mix of 2025 crop differ from the product mix of 2024?

Redsun Factory achieves a new record

The Redsun Dried Fruits and Nuts factory is has taken a well earned break from a busy 2024.

The factory has processed 21,234mt of raisins during the 12 month period ending 31

December 2024. A new record. This was possible as a result of

1. A record 2024 South African raisin crop of 96,428 mt. The good quality created during ideal drying conditions, contributed towards the efficient processing in the South African processing facilities,
2. A very strong market demand, and
3. Amazing dedication from personnel that worked 24 hours in three shifts over 6 days per week.

It has been difficult to fit every one's required delivery times into the schedule which was already filled to capacity. We do apologise for the frustrations caused.

The size of the crop was a surprise to everybody, including the processors. The original estimate for the 2024 crop, as issued by Raisins SA in Nov 2023 was 86,000mt. By the time the crop was collected in 2024, volume was 96,428 mt.

The challenge was to create the logistics, (bins), storage capacity and funding to collect a crop which is 10,000 mt bigger than was anticipated/planned for. The SA raisin industry succeeded in meeting the challenge. The whole 2024 raisin crop was collected, and paid for. No farmers were left with raisins that could not be taken up by the packers.

South Africa does not have a practice of selling raisins to speculators who will later sell onto packers. Nor do farmers usually keep raisins in their store after the crop. Everything is sold to the packers during the season.

Processing Capacity for Raisins in South Africa

The interesting test for South Africa is to determine if there is sufficient processing capacity to handle this record size crop. There are now 6 packers in SA.

Name of Packer	Annual capacity ???	Planned upgrade 2025
Pepsico	40,000 mt	unknown
Redsun	22,000 mt	Plus 5,000mt
Carpe Diem	20,000 mt	unknown
The Raisin Co	7,000 mt	Plus 3,000 mt
Prosperitas	7,000 mt	unknown
Northern Cape Raisins	700mt	Unknown
Total	96,700 mt	104,700 mt in total

Please note these are only Redsuns assessment of the respective processing capacity of our competitors.

According to statistics supplied by Raisins SA, the sales from South Africa from January 2024 to 30 November 2024 is 78,684mt. That is good news. It means 84,600 mt of farmer's stock raisins has been processed if we take into account the "no-value" portion of the farmer's stock is 7%. Therefore, the processing capacity is there to complete the 2024 crop by the end of February 2025, before the new crop arrives. We therefore predict very little carry over stock in South Africa going into the 2025 crop.

Redsun will have no carry over stock. Our warehouse will be empty by end February 2025.

Where have the 2024 crop raisins been sold?

According to the sales figures from Raisins SA, the following represent the top five raisin markets as shown

Destination	Sales volume mt	% of total
Germany	15,666 mt	20%
USA	13,120 mt	17%
The Netherlands	10,058 mt	13%
South Africa	8,181 mt	10%
United Kingdom	7,940 mt	10%
Others	23,719 mt	30%
Total sales (30 Nov2024)	78,684 mt	100%

Shipping out of Cape Town

The frequency and efficiency of the Cape Town harbour has improved along with the summer weather conditions. Furthermore, new equipment has been supplied to improve the loading and unloading speeds. Redsun is not experiencing back ups of sailings nor shortages of food grade containers at present.

How is the 2025 South African Raisin crop developing?

On the 4th December 2024, Raisins SA issued an updated estimate for the 2025 South African raisins crop. The new estimate is 104,000 mt. This is based on inputs from all the role-players in the SA raisin industry. The crop is looking very good at this early stage.

Please remember there remains several crucial weeks ahead of us before the crop is harvested in earnest mid February.

The harvest will start being delivered from mid February. The busy time is during March when the majority of the raisins are delivered to processors.

From Redsun’s perspective, we will be processing the first 2025 shipments from April onwards.

How will the product mix of 2025 crop differ from the product mix of 2024?

Raisin farmers in South Africa are paid for their produce at a price that is directly related to the market price of the finished product. There have been a number of changes in the raisin prices from the market as evidenced in the 994,180mt of world dried grape 2024 crop already produced in the Northern Hemisphere. This is 82,5% of world production of dried grapes. (211,325mt will come from the Southern hemisphere) (Source; 64 th International Seedless Dried Grape Producing Country’s Conference held in Paris on 24 October 2024).

There is no directive given to SA farmers about what type of raisins to make. The farmer makes that decision himself based on the best return that he can make for his grapes he produces, and the raisin making infrastructure the farmer has on the farm.

The raisin volumes the SA farmers (approximately 750) will be handling, will be higher than the past. Therefore, this will put the infrastructure on the farm under strain.

Farmers delivering their raisins to processors are paid according to grading received for delivery by the packers. These gradings are subject to re-evaluation by the same packer, and appeal through Raisins SA, acting as an independent arbitrator.

The product mix from South Africa during the 2024 crop was as follows, (figures supplied by Raisins SA)

Product type	2024 Volumes produced mt	2024 Percentage of crop
Thompson medium	51,752 mt	54%
Golden medium	18,551 mt	19%
Flame medium	6,718 mt	7%
Currants	3,309 mt	3%
SA Sultana medium	4,074 mt	4%
OR Sultana medium	2,395 mt	2%
Jumbos	9,644 mt	10%
Total	96,443 mt	

We expect to see the following changes in the SA raisin product mix during the 2025 season. This is based only on the opinion of Redsun, and is not an industry directive;

Product type	2025 possible Volumes mt	2025 possible Percentage of crop	Comparison from 2024 to 2025 crop
Thompson medium	49,000 mt	47%	7% less
Golden medium	12,000 mt	12%	8% less
Flame medium	7,000 mt	7%	No change
Currants	3,300 mt	3%	No change
SA Sultana medium	18,700 mt	14%	14% more
OR Sultana medium	5,000 mt	2%	2% more
Jumbos	9,000 mt	9%	1% less
Total	104,000 mt		8% more

The following is the explanation for the Redsun opinion

1. The crop for 2025 is estimated to be 8% more than the 2024 crop. That is 7,500 mt more raisins being produced.
2. The quantity of Thompson medium will be the majority as usual, however, farmers have been asked to produce more sultanas than usual (SA Sultanas is the equivalent to Turkish #9). The motivation is that the farmer will be paid a price equivalent to the Thompson medium for the SA sultana. Therefore, there may be a move from Thompson mediums to SA Sultana medium and OR Sultanas.
3. Golden raisins volumes will fall, due to the cost of producing goldens now exceeding the price difference between the Thompson / sultana on the one hand vs the goldens on the other. Only farmers who are dedicated with infrastructure to produce goldens, will continue to make goldens. The volume of golden mediums, we think, will drop, and more grapes will be used to make Thompson mediums, SA Sultanas or OR Sultanas.
4. Flame medium is a variety specific product, and cannot be interchanged with another raisin variety through drying practice. There are no exceptional new plantings of this variety.
5. Currants, like Flame mediums are specific. There will not be a growth in production. Farmers need to be convinced that currants should be planted in preference to green seedless varieties of grapes.
6. SA Sultanas have not been made by South African farmers for many years due to the price benefit of Thompson mediums vs sultana mediums. That has now changed and farmers will earn the same money for sultanas as they earn for Thompsons.
7. OR Sultanas is a challenge to farmers, to resume the practice of making quality OR sultana mediums once again. Farmers who are targeted for this challenge are farmers who typically have good experience in making goldens. The price offered to the farmers for OR sultanas is in line with the golden medium price

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Selma Pete variety 2025 crop harvesting in Namibia



Flame variety starting to change colour to red

