



MOOIGEZICHT ESTATES

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Chairman: SC Rossouw MD: FJ Rossouw

New Varieties - New Packaging - New Opportunities

This is the second of Mooigezicht Estate's monthly newsletters for the 2009- 2010 harvest covering news and events at Mooigezicht for our receivers.

Newsletter 2

05/02/10

Chairman's Comment

As we proceed with the harvest at Mooigezicht and deal with the daily challenges this brings, it is important not to lose sight of the bountiful blessings that we as a company and industry enjoy.

Economy and infrastructure

February 2010 marks the twentieth anniversary of the release of Nelson Mandela from prison. The political changes that followed this momentous occasion have led to a positive change in South Africa's international status and have resulted in a vast improvement in our country's economy. South Africa's current stable economic situation and sound fiscal system have meant that during the recent international economic crisis, it was not necessary for the South African government to provide financial assistance to the banking sector as was necessary in some of the world's largest developed economies. Although the strong Rand is not in favour of export industries such as agriculture and mining, the current low interest rates and curb on inflation are a blessing to other sectors of our economy and are significantly beneficial to poverty relief.

South Africa is also blessed with a strong retail food chain system that distributes food throughout the country in a sensible way. The combined efforts of the food retail sector and the banking system have been highly effective in keeping control and alleviating poverty during the financial crisis.

Climatic conditions

In the Hex River Valley we are experiencing a mild, dry summer with relatively low evaporation levels. These are ideal conditions for the successful production and harvest of table grapes. We have sustained no damage from climatic conditions such as rain or extreme heat during the harvest. Thus, in addition to good quality, this also means that the condition of our fruit is excellent and has good storage qualities. This should also assure us of fewer claims from the marketplace. Our water supply is plentiful as the Western Cape has had four consecutive good rainfall winters. This means that the dams

Harvesting Moonballs at Mooigezicht



Bicolour punnets:
Sundance and Sunred Seedless





Red Globe



Harvesting Sunred Seedless



La Rochelle

and aquifers in the region are able to supply the water requirements for our harvest. An abundant water supply is no longer a resource to take for granted and is indeed a blessing as 400 kilometers to the East of us there is currently a severe drought in the Southern Cape.

Labour

Table grape production is highly labour intensive and thus a good labour force is one of the most important resources for this industry. We are indeed blessed to have a reliable and generally well trained labour force, some of whom live on our farming unit and others live close by. In recent years these numbers have swelled with foreign job seekers from South Africa's neighbouring countries. As grape production and the general economy have expanded in our district, this addition to the available labour force has indeed been a blessing for our industry and they have become vital to our success. Although there have been some political issues regarding their presence in our valley, we hope that they will be assimilated into the local community and continue to provide the labour we so urgently need.

Innovations

There are currently a number of exciting new grape cultivars available for production. Some of these are completely new and these have the potential to delight our customers (see photographs of Scarlotta Seedless and Sugra 31). There have also been exciting innovations in the field of packaging. These include our novel approach to presentation such as our bi-and tricolour punnets which provide the customer with an increased visual appeal and variety of flavour. Our industry has also made exciting new breakthroughs in the field of packing material focusing on efficiency, sustainability and food safety.

In conclusion, instead of focussing only on the challenges facing us, for a balanced view we need to reflect thankfully on our blessings as well as the exciting future prospects for our industry.

Thank you for your consideration and support.

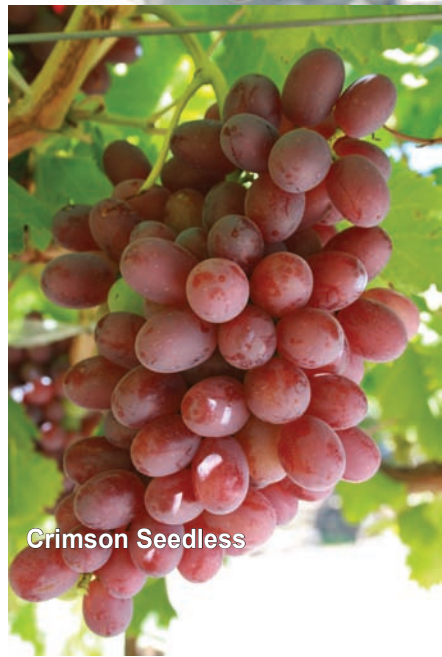
**Kind regards,
Stephanus Rossouw**



Sugra 31



Bonheur



Crimson Seedless



Harvesting Moonballs

The photographs on this newsletter were all taken on 5 February of the various varieties as labelled that are currently being harvested at Mooigezicht, both in the vineyard and during the harvesting and packaging process as well.

Harvest Comment

Harvest

At Mooigezicht we are working at fever pitch to bring in the harvest. During November we had a 2 week unseasonal spell of cold, rainy weather the effect of which is slightly uneven berry sizes and this reduces the percentage of fruit that qualifies for the XL size. At the time this also delayed the ripening process but warm weather during December and January made up for this and this harvest is now approximately 7 days earlier than our previous one.

This harvest is also lighter than last year's harvest. The fertility level is generally lower than last year as there are fewer bunches per vine and the bunches are smaller and weigh less than last season. The good weather conditions have produced good quality fruit with good condition. As a result we have not received any claims from the market regarding browning up to week 5 or any problems with the re-inspection of the fruit prior to shipping.

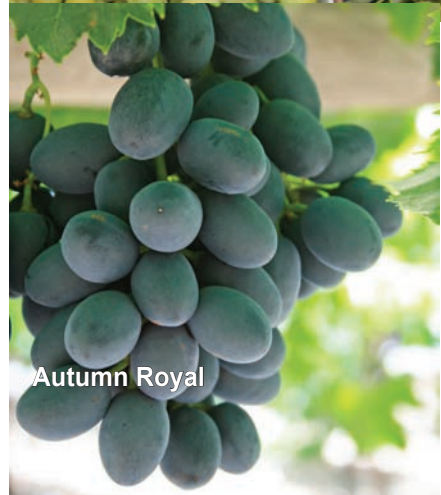
The timing of the harvest is also different as in week 52 we started the harvest with Prime Seedless, Flame Seedless and Alpha Red. We have completed the harvest for these three varieties as well as for Sograone, Victoria, Thompson, Regal, Evening Pearl, Desert and Midnight Beauty. We are currently harvesting Moonballs, Sundance, Autumn Royal, Crimson, Alphonse Lavallée, Red Globe and Sunnred. Generally most middle season varieties are now up to two weeks earlier than usual and we are currently harvesting up to 7 varieties simultaneously- a very unusual situation. The Sograone, Regal and Victoria were up to 15 days earlier than last year while the Thompson Seedless was 18 days earlier.



Tricolour punnets:
Sunred Seedless,
Sundance
and Autumn Royal



Moonballs in Packhouse



Autumn Royal

Mooigezicht has risen to the challenge as our packing process is keeping pace well with the ripening process. As the season has moved earlier, the harvest in the Hex Valley is also likely to end by early April, significantly earlier than usual in this late production region.

Marketing

This year the ZAR is significantly stronger against all the major currencies and this has a large effect on our returns. Thus far we have produced 400 000 cartons for export and this year we have considerably increased our focus on the Asian markets. We are also supplying fruit packed in punnets to Northern Europe, Scandinavia and Ireland and of the total produced thus far, 47% of this represents fruit packed in punnets. In order to add value for our customers, we are continuing with our mixed (bicolour and tricolour) punnet packaging. The current production total for mixed punnets is 30 000, of which 7250 (63 pallets) are tricoloured punnets. These have been sent to markets in Belgium, Austria, Hong Kong, Singapore and Malaysia. This novel value-adding service has been well received by our customers and the good returns from this initiative have proved well worth the extra effort required to produce them.

Product protection

The decrease in browning reports on white grapes from the market place is also due to production and packaging practices that Mooigezicht has introduced to combat this problem. In the harvesting process, we ensure that the harvesting of white varieties is completed within seven to 10 days to prevent the development of blush on the berries and the high sugar levels which can lead to browning. Harvesting is done when temperatures are at their lowest during the day to prevent large temperature fluctuations during the harvest. In the packaging process, workers now wear cotton or surgical gloves to prevent damage from handling the product. The packing tables are also covered in a soft, shock absorbent to prevent bruising.



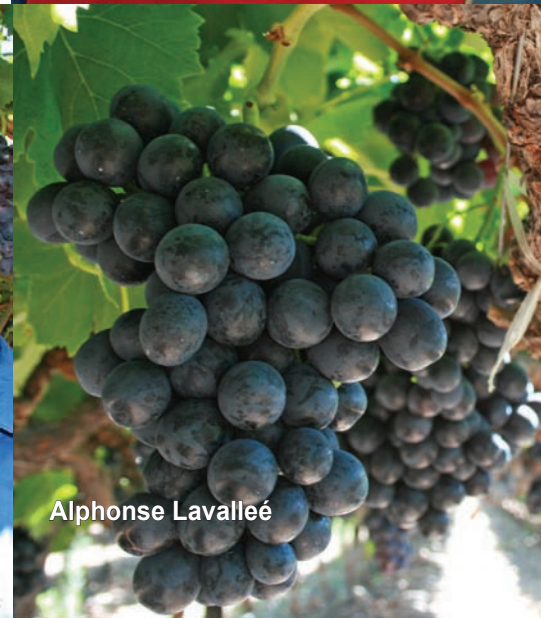
Scarlotta Seedless with bird nets



Bicoloured punnets in packhouse
Sundance and Sunred Seedless



Harvesting Sunred Seedless



Alphonse Lavalée

GENERAL NEWS

Mooigezicht undertakes Ethical Trade Audit

This stringent ethical audit has recently been completed by SGS South Africa and is one of the first done by SGS South Africa on deciduous fruit production units. This was a three-day process and the auditors selected 50 staff members randomly and interviewed them privately. "We received very positive feedback and no non-compliances were raised in the audit," explained Nico Verster, Personnel Manager and Director of Mooigezicht.

Some extracts from the report's findings were as follows:

- "Mooigezicht Estates has high ethical standards and this is demonstrated in many areas of elevated social accountability."
- "All employees interviewed were very accepting of the process"
- "A high level of contentment and positivity was demonstrated."
- "All workers interviewed were happy and proud to be part of the "family"."

This concludes our February newsletter regarding Mooigezicht with respect to the current season. We currently making every effort to ensure the success of the harvest at hand.

Kind Regards,
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MOOIGEZICHT ESTATES PRODUCTION CHART

CURRENT PRODUCTION ESTIMATES FOR 2010

PRODUCTION	TOTAL HECTARES	TOTAL CARTONS
SEEDLESS CULTIVARS		
PRIME	8.19	33 930
FLAME	31.46	138 240
MIDNIGHT BEAUTY	18.48	51 532
SUGRAONE	6.57	20 640
THOMPSON	4.40	22 000
REGAL	9.72	48 600
SUNRED	2.54	12 700
CRIMSON	61.85	235 755
SUNDANCE	3.00	12 000
DESERT	8.04	3 878
AUTUMN ROYAL	19.39	39 175
SCARLOTTA	3.56	3 469
STARLIGHT	1.81	0
SUGRA 31	0.04	0
COACHELLA	3.08	0
SEEDLESS TOTAL	182.13	621 919
SEEDED CULTIVARS		
EVENING PEARL	1.12	5 600
ALPHA RED	1.06	5 088
MOONBALLS	2.04	9 792
VICTORIA	10.80	54 000
RED GLOBE	14.90	85 560
ALPHONSE LAVALEé	8.86	44 305
BONHEUR	4.39	21 072
LA ROCHELLE	3.11	13 995
DAUPHINE	39.47	189 456
BARLINKA	4.65	22 320
EBONY STAR	2.00	9 825
SEEDED TOTAL:	92.40	461 013
GRAND TOTAL:	274.53	1 082 932

